



MIAMI ANNUAL REPORT
**THE STATE OF
FULL SERVICE
RESTAURANTS**

2020





01

INTRODUCTION

What we set out to find

Last year we released our first-ever State of Full Service Restaurants report. Our findings set a benchmark for what is happening at FSRs across the U.S. in terms of financial health, technology, staffing, and more.

For the first time ever, we're also giving you an in-depth look at the state of restaurants in some of the country's largest urban areas, like Miami. With this report, you'll be able to see how your restaurant compares to others in your area and how

location-specific factors like rent prices and other trends affect business.

Miami is the culinary capital of the Southeast, and it's also a city that embraces technology. According to our research, more restaurants use restaurant reservation software in Miami than anywhere else in the United States. Diners here also make reservations through restaurant websites at rates higher than diners in any other city we examined.

Keep reading to uncover exactly what makes Miami's full service restaurant scene so successful.

Objective

The goal of this report is to give full service restaurant owners a complete picture of what's happening in their industry across the U.S., so that you can:

1. Understand

Better understand your current challenges

2. Anticipate

Anticipate future issues

3. Consider

Consider new solutions based on the learnings of other FSRs across the country

Methodology

We partnered with research firm [Maru/Blue](#) again this year to survey more than 600 full service restaurant owners, managers, and presidents/CEOs across all 50 states with a key focus on five cities (New York City, Chicago, Los Angeles, Miami, and Austin). Our research was conducted in November of 2019.

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02

RESPONDENT PROFILE

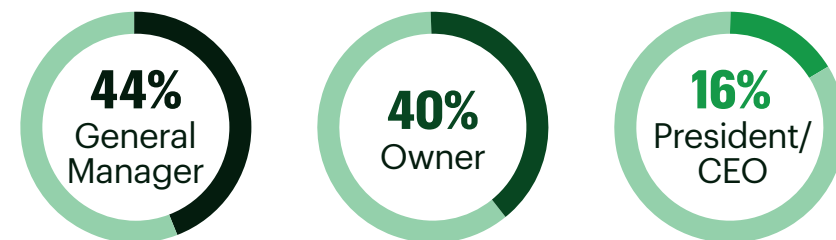
Who took our survey?

Here's an in depth look at the restaurateurs who responded to our national survey.

Gender



Current role within the restaurant

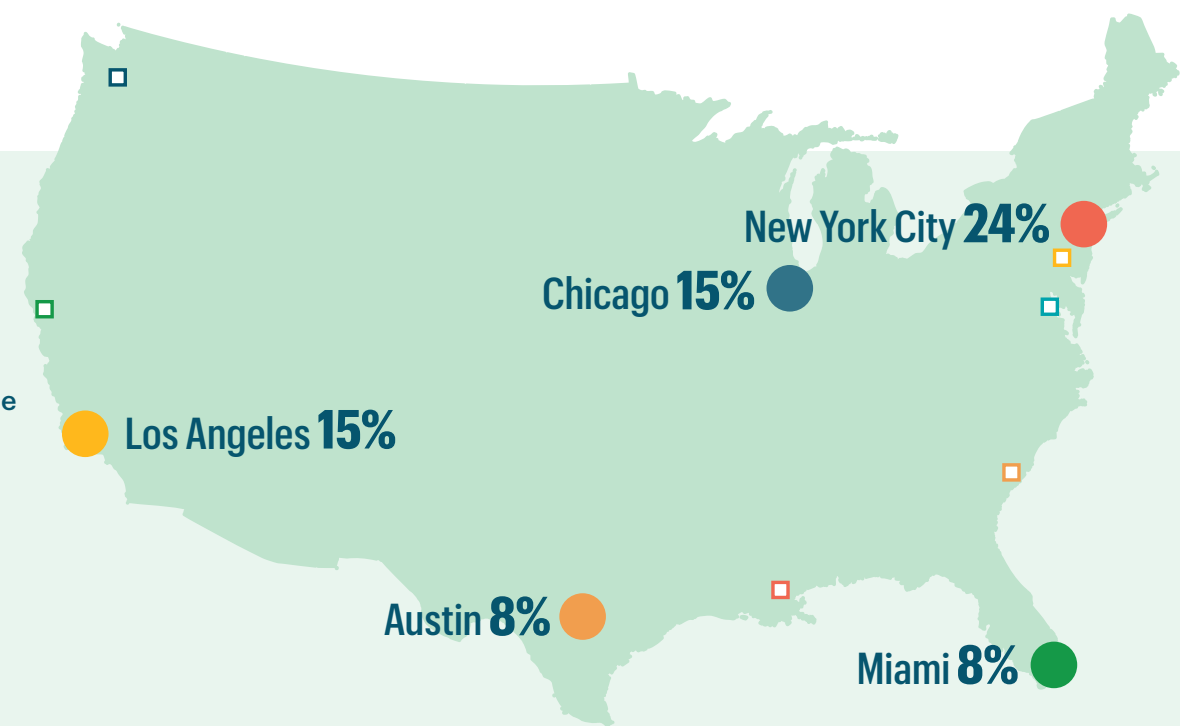


Independent vs. Chain

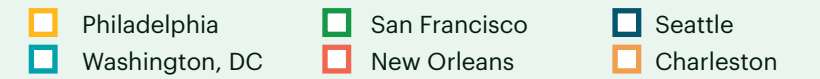


Location

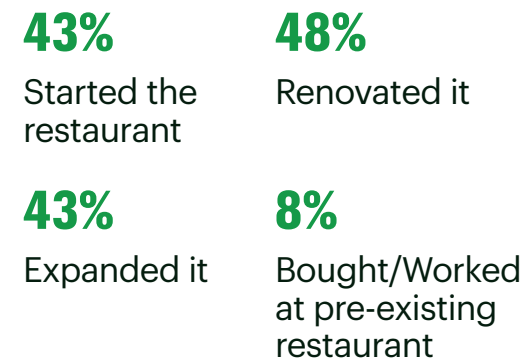
We surveyed restaurateurs in all 50 states with a key focus on these urban areas. (percentage of total respondents)



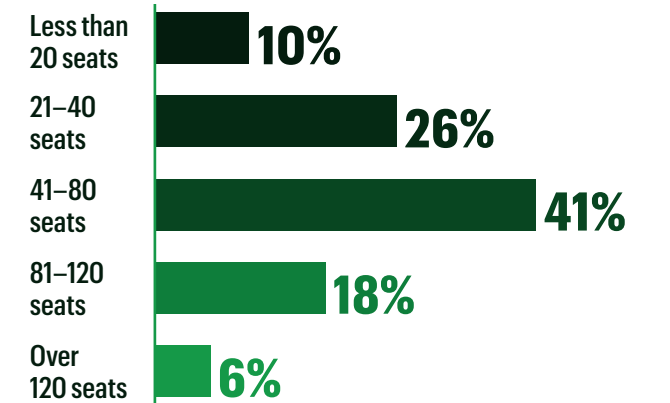
We also paid attention to these growing foodie havens.



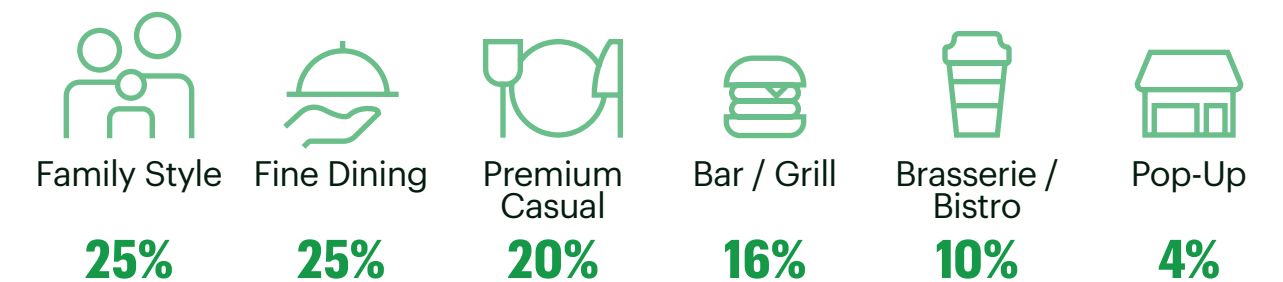
Relationship to restaurant



Size of restaurant



Types of restaurants

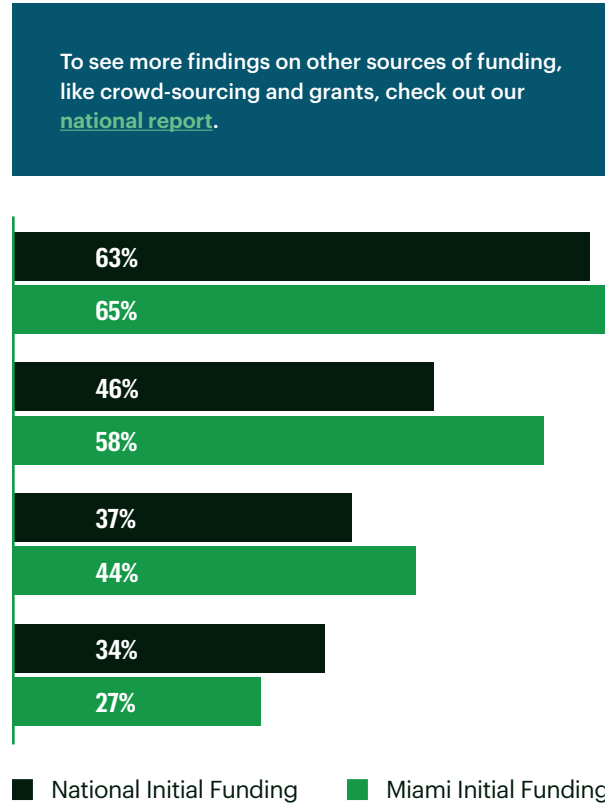


FINANCIAL HEALTH



Initial Funding

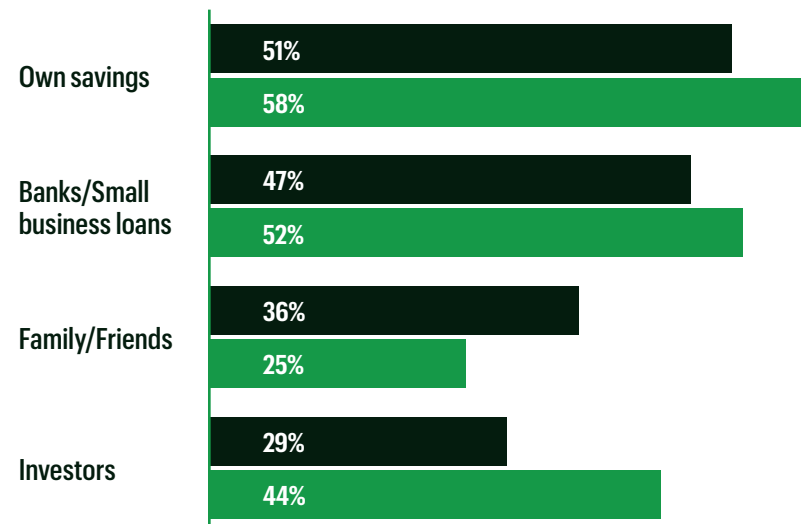
Just like in other parts of the country, Miami restaurateurs prefer to self fund their startup costs over taking out loans or asking family, friends, or investors for money. These independent entrepreneurs rely on investors less than restaurateurs in any other metropolis we studied.



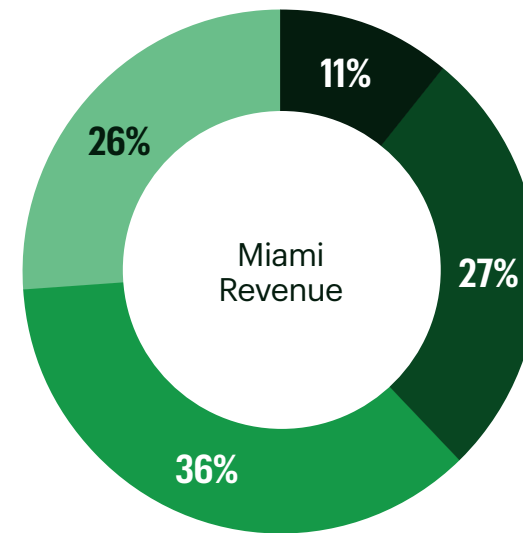
Unexpected Funding

In Miami, as in other parts of the United States, restaurateurs' primary source of cash for emergency expenses is their own savings. While in other major cities FSRs turn to investors as their fourth resort, in Miami they're the third most important source of funding for unexpected costs.

■ National Unexpected Funding
■ Miami Unexpected Funding



Revenue & Profit Margin



The average profit margin for full service restaurants in the United States is 11%. How does Miami compare? While three in five FSRs in Miami have profit margins of more than 9%, the most common margin range here is 6% to 8%, experienced by one in three Miami restaurants.

When it comes to revenue, almost two thirds of Miami's restaurants generate more than \$1 million each year, making Miami the second most lucrative city for full service restaurants after New York.

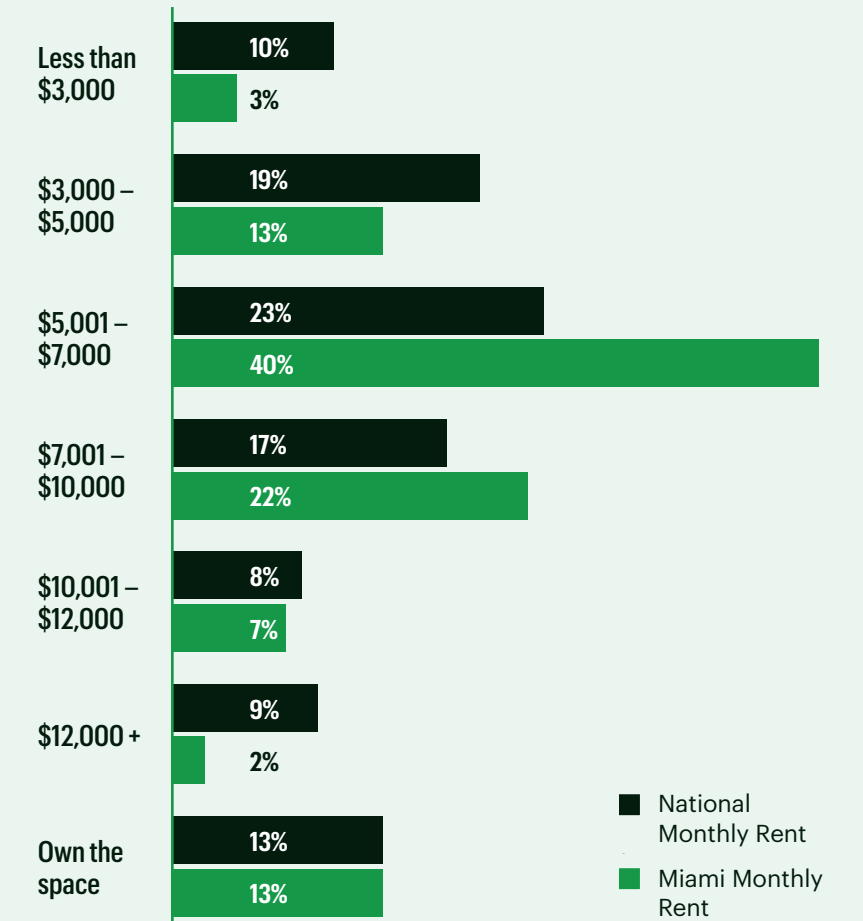
■ Under \$500k ■ \$500k-\$1M ■ \$1M-\$2M ■ \$2M+

Monthly Rent

Miami's real estate prices are on par with national averages. Just like elsewhere in the U.S., roughly two thirds of Miami's restaurant operators spend between 8% and 15% of their sales on rent. Three in four Miamians spend between \$3,000 and \$10,000 on rent.

Miami's restaurateurs are also real estate moguls. One in eight own their restaurant's space, which is the highest proportion of any city we studied.

Three in four Miami restaurants can handle a rent increase of more than 4%, which mirrors national figures. One quarter of our local respondents even said they could survive a rent hike of more than 10%.





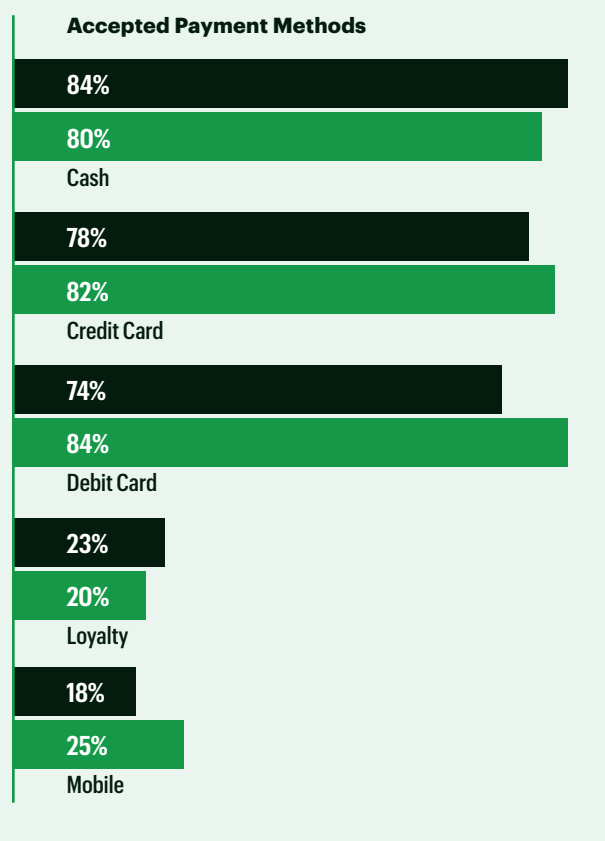
TECHNOLOGY

04

Payment Processing

While cash is king in every other city we researched, debit cards are the most widely-accepted payment method in Miami. Credit cards come in a close second place, while cash is the third most popular payment method. For comparison, the order of payment type popularity everywhere else in the country is cash, credit cards, and then debit cards.

When it comes to mobile payments, Miami has the highest adoption rate for these emerging payment types: one in four restaurants accept Apple Pay, Google Pay, and Samsung Pay, which is higher than the national average of one in six. Google Pay is the most used form of digital currency in Miami.



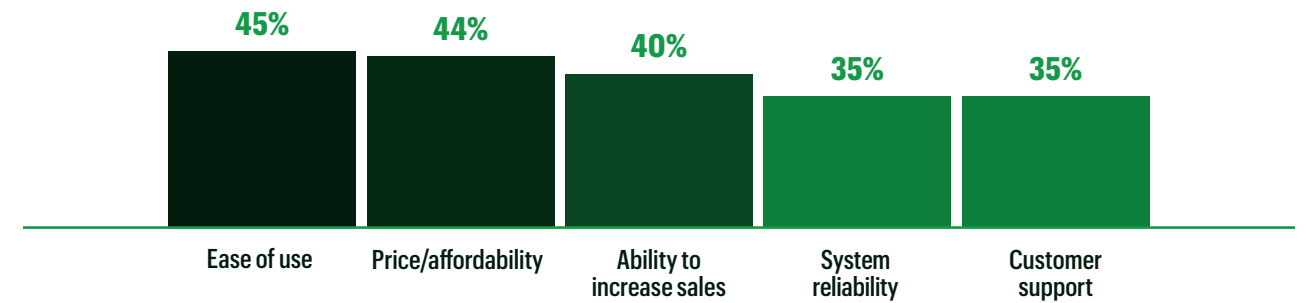
■ National Accepted Payment Methods
■ Miami Accepted Payment Methods

Choosing a POS

A POS system is a restaurant's command center. How do Miamians choose a POS? Just like in other cities around the United States, restaurateurs in Miami value ease of use and affordability over all other deciding factors.

Miami restaurateurs, however, place more weight on a POS system's ability to increase sales than restaurateurs in any other city, ranking it the third most important factor compared to factor number four or five elsewhere.

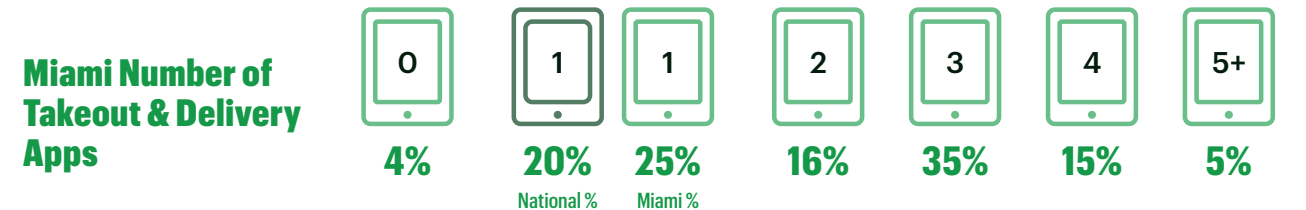
Miami Top 5 Factors



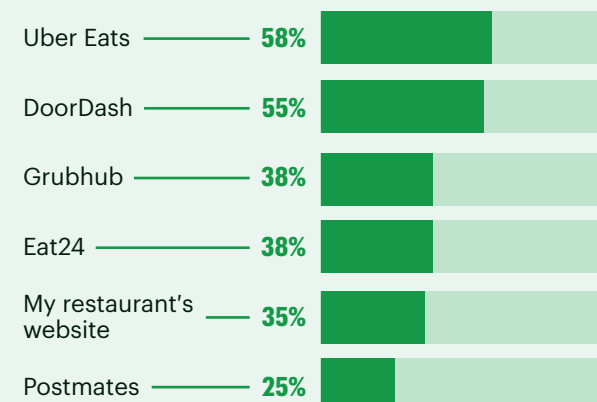
Online Ordering Platforms

Second only to New York City, Miami has embraced online ordering more so than any other metropolis we studied in our report. Ninety-six percent of Miami's FSRs use online ordering platforms, which is higher than the 85% national average.

In Miami, more is more. The majority of restaurants here use three or more online ordering platforms.



Miami Apps Used

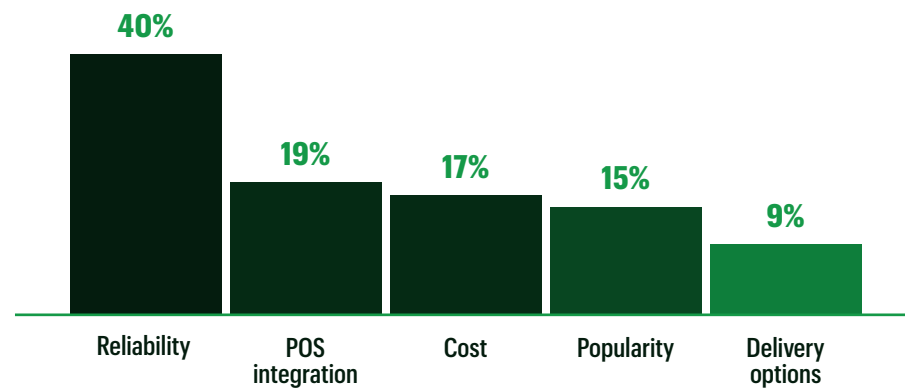


Uber Eats is the most-used online ordering platform in Miami and the rest of the country. Eat24, however, is more popular in Miami than it is anywhere else in the United States.

Miami ties with New York as the city in which FSRs receives the most orders directly through their own website.

Online Ordering Platforms (cont...)

Miami Reasons for Choosing Platform

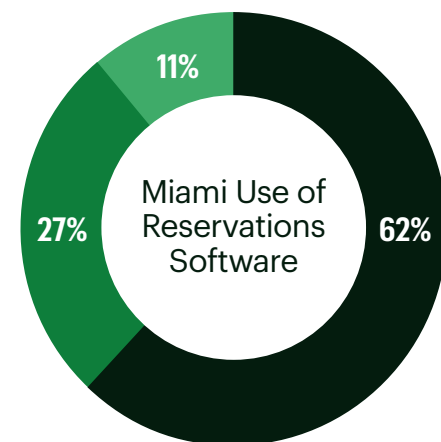


How do Miamians decide which online ordering platforms to use at their restaurants? Restaurateurs here and around the U.S. value system reliability first and foremost. In Miami, all other factors rank far behind.

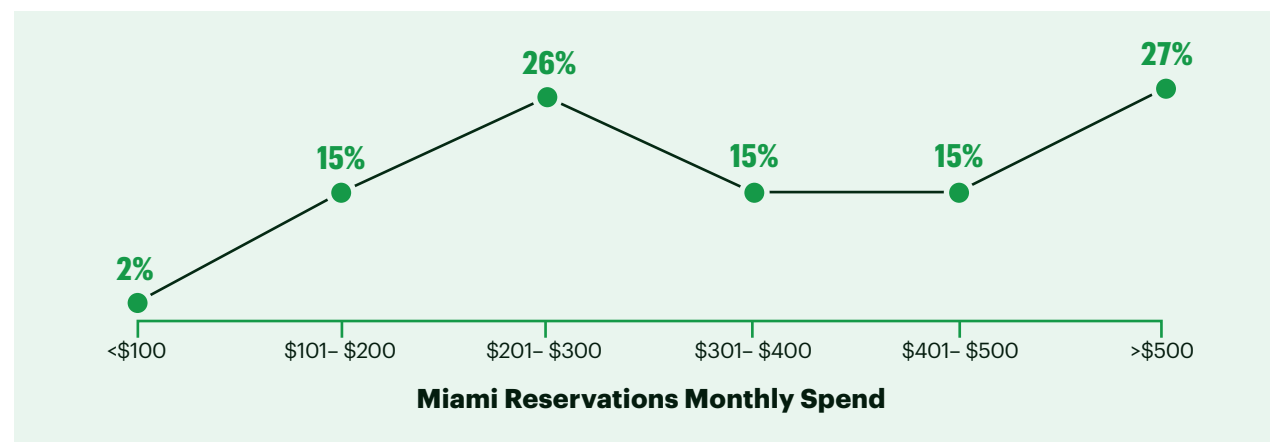
Reservation Management Technology

Four in five Miami restaurants accept reservations, which is slightly higher than the national average. Not only that, tech-savvy Miami is the national forerunner in restaurant reservation software use, with a 62% adoption rate compared to 51% nationwide.

Miami restaurants are also some of the highest spenders in the country when it comes to their monthly software bill, with 27% paying \$500 or more. Elsewhere in the United States, \$200 to \$300 is the most popular price point for restaurant reservation software.



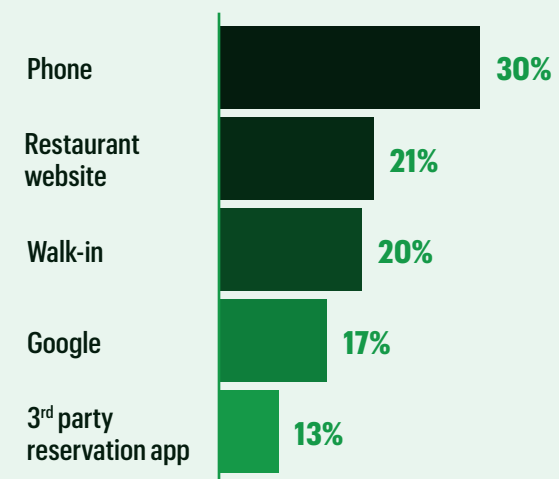
■ Yes ■ No, but planning to ■ No



How do restaurants get their reservations?

Not only are Miami's restaurants some of the most tech savvy in the country, but so are their customers. Phone calls are the most popular reservation method in Miami and around the U.S. However, diners in Miami make reservations via restaurants' websites at a rate that's higher than anywhere else in the United States.

How Miami Makes Reservations



57% Miami tables are held for reservations



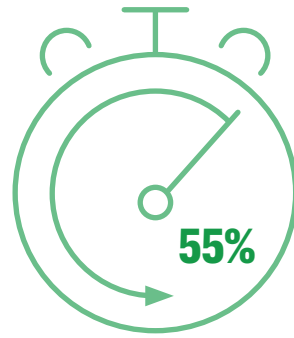
FSRs in Miami save more tables for reservations than restaurants in other parts of the country – 57% for reservations versus 54% nationwide. This higher portion of reserved tables isn't surprising considering the popularity of restaurant reservation software. Miami's no-show rate for reservations, however, is on par with the national average of 19%.



05 OPERATIONS

Bookkeeping

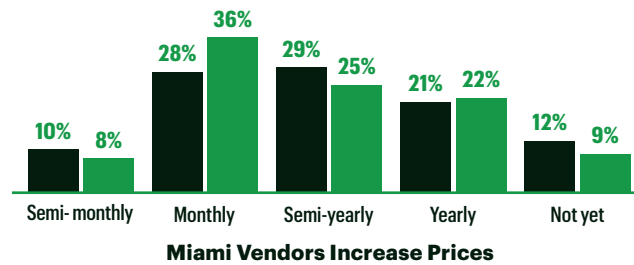
When it comes to bookkeeping, Miami restaurateurs spend as much time on it as restaurateurs in other major metropolitan areas in the country: between one and three hours each week.



2 to 3 hours
spent on weekly bookkeeping

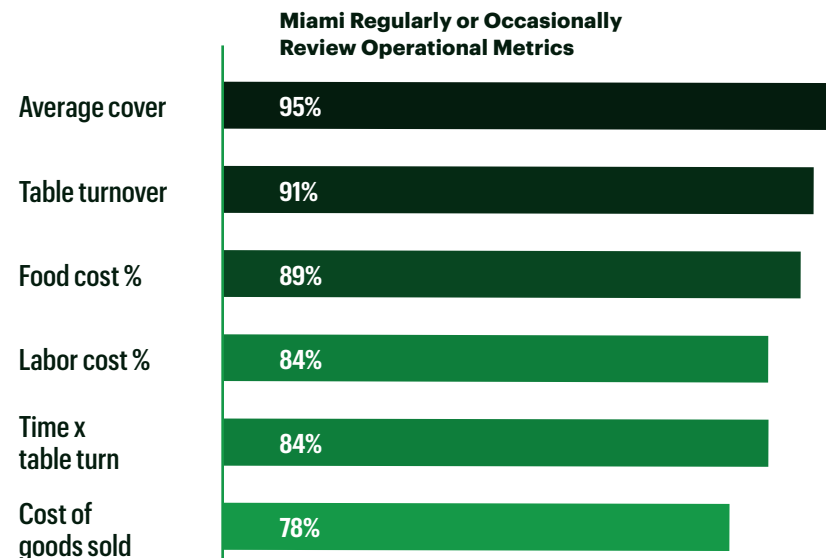
Price Increases

Restaurants all over the country are susceptible to price increases from their vendors. Miami's face cost hikes at least once a month at a rate that's slightly higher than the national average: 44% versus 38%.



Operational Metrics

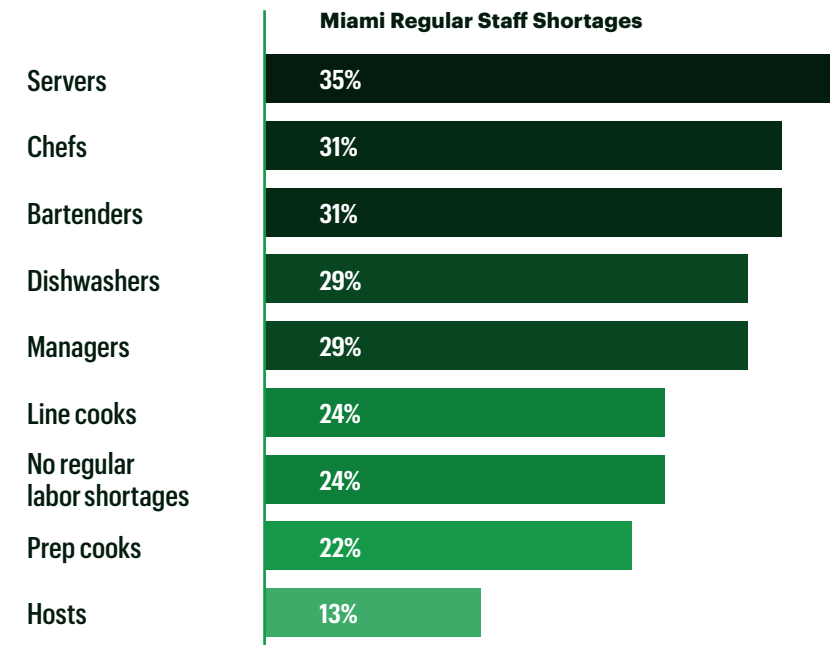
Could the key to Miami's successful full service restaurant scene be their focus on the right operational metrics? While restaurateurs around the country are most interested in cost of goods sold and food cost percentage, Miami's restaurateurs want to know about their average cover and table turnover times. Cost of goods sold is actually the least important metric to FSRs in Miami.



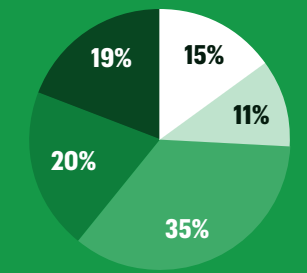
The Labor Shortage

Industry-wide staff shortages make it difficult for FSRs to hire and retain experienced talent. Miami mirrors national figures with three in four restaurants feeling the effects of the labor shortage.

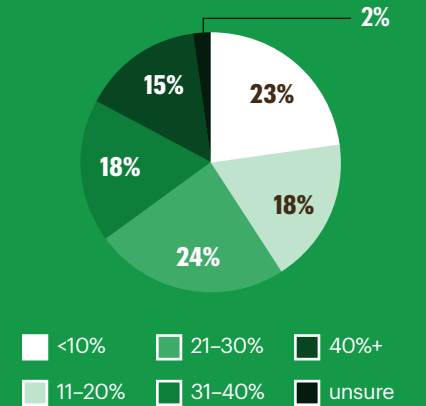
Restaurants in Miami have trouble retaining and replacing servers and dishwashers, just like their counterparts around the U.S. They additionally struggle to replace bartenders and chefs.



Miami Employee Turnover Rate

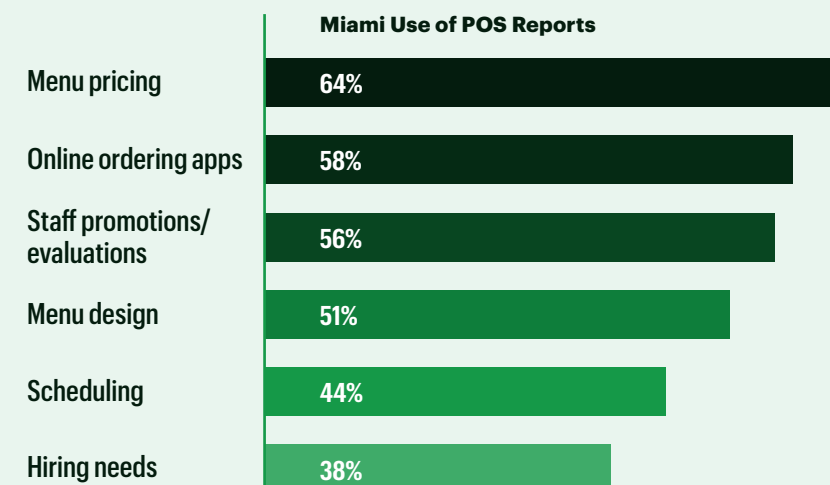


National Employee Turnover Rate



Miami's FSRs face higher employee turnover rates than other parts of the United States. While almost three in five restaurants are affected by turnover rates of more than 20% nationwide, three in four Miami restaurants are plagued by this high turnover.

Making Decisions with POS Reports



How do Miami's full service restaurants use their POS reports? Two in three use them to make decisions about menu pricing, which is on par with national applications. Restaurants in Miami use their POS reports to inform online ordering platform decisions and staff evaluations at higher rates than anywhere else in the country.

Miami's FSR entrepreneurs are the most likely in the country to own their restaurant's space. They embrace technology, like reservations software, to keep their restaurants thriving. The bottom line? Miami's restaurateurs are living the good life.

TouchBistro®

Designed to help restaurateurs run a better and more successful business, TouchBistro enables restaurants to make more money, deliver a great guest experience, and take the guesswork out of making business decisions.

TouchBistro offers in-depth training and free 24/7 technical support provided by POS specialists who have also worked in the restaurant industry as former managers, servers, and chefs.

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