

AlixPartners

# Worth it

The dining and travel  
experiences that hold value  
against spending cutbacks

August 2025



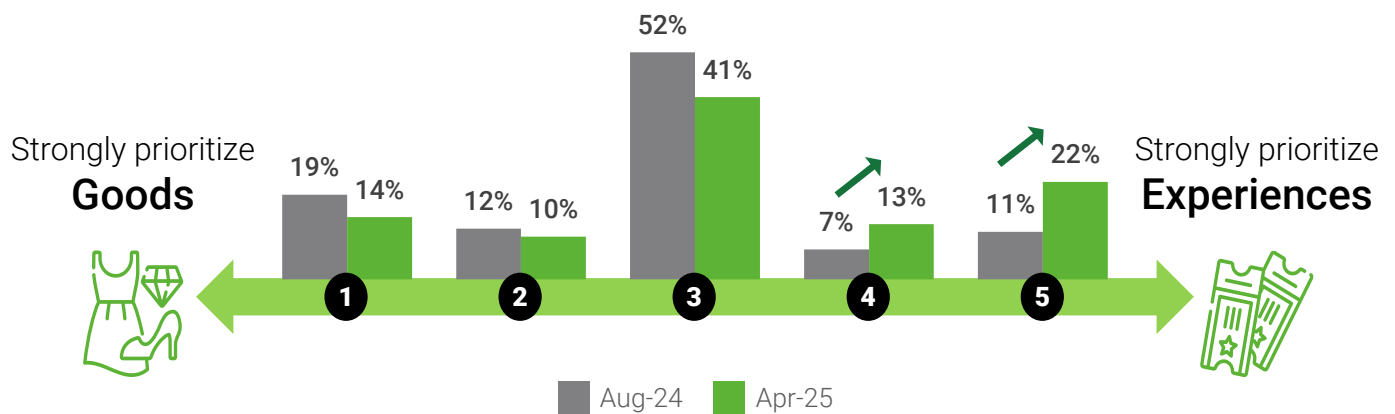


# At a glance

Across the board, restaurants and hospitality companies face greater scrutiny from consumers over whether they want to spend their money. More than 4 in 10 consumers say they feel significant financial anxiety. Shifting lifestyles are influencing how often they travel and dine out.

While a third of consumers say they are reducing restaurant spending due to financial constraints, nearly 70% report cutting back for other reasons. Many feel the quality of food isn't there for the price. Some are happy to pay more despite a tight budget to get the experience they desire, cutting back on frequency even when they aren't trading down.

While travelers are also cutting back on the frequency of trips, they continue to value quality and comfort when they do spend, fueling strong performance in the luxury segment. High-end hotel groups such as Four Seasons and Aman are seeing robust demand, while budget and midscale properties—often reliant on cost-conscious leisure guests and business travel—face more uneven results.



This bifurcation underscores a broader trend: consumers are prioritizing experiences over goods, with a clear preference for premium stays and memorable meals, even as overall travel and dining volumes soften.

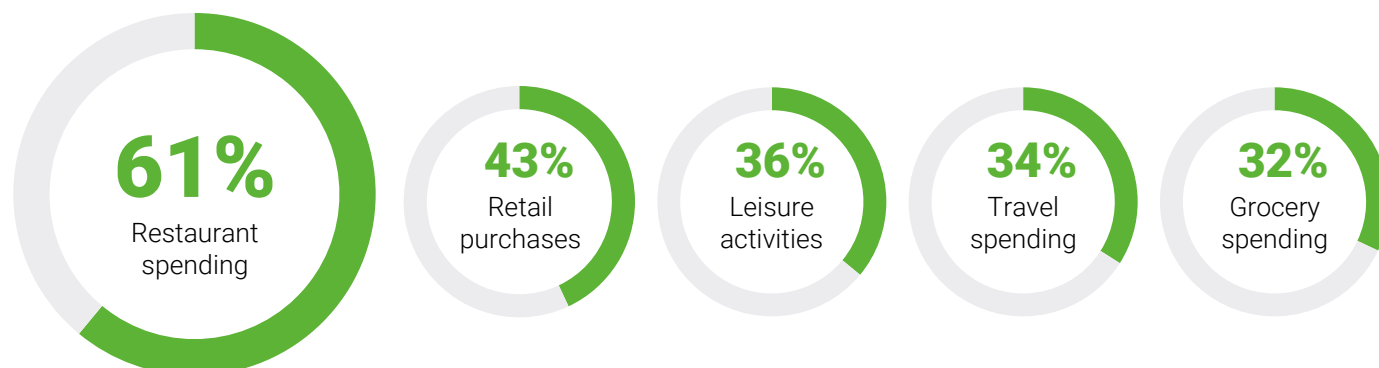
To adapt, brands are leaning on menu innovation, sharpened value platforms, digital engagement, third-party delivery, and refreshed service models. Investments in staff—whether through training, scheduling, or added support—are also proving critical, as stronger service can enhance guest satisfaction and reinforce overall value.

While challenges remain, recent earnings illustrate that those who evolve quickly—balancing value, experience, and operational discipline—are well-positioned to capture loyalty and growth in a shifting landscape.

At the same time, cost pressures from commodities and labor remain significant. Margins are thin, and the future state of the consumer is opaque. Operators have their work cut out for them.

Seven in 10 operators report high disruption since 2023 and worry about inflation and regulatory or policy changes in the near-term, but many are concerned they cannot adapt fast enough, primarily due to uncertain or volatile consumer demand, existing business challenges, and a lack of human capital.

## Restaurants are the top target for discretionary cutbacks



The consumer is only willing to spend more for a “worth-it” experience. A lack of perceived value is both a reason to ditch a night out, and an opportunity for operators who can deliver a meaningful experience to customers. As it stands, travel seems more inured to cutbacks than retail, leisure, and restaurant spending.

Of course, customer touchpoints—service—come down to talent, 33% of whom reported that “insufficient staffing and a large workload” was a significant problem in 2025, a jump of 18 percentage points. On the upside though, 79% of workers see equal opportunity for career advancement at their company.

The underlying story is one of a shift: operators know they need to innovate around service and their value proposition, while consumers don’t want to trade down; they want to save their money for an experience that really counts.

Here we highlight key dynamics from our operator, worker, and consumer surveys, and look at what the industry needs to do in response.



# Consumer insights

Financial anxiety is at a record high, with 42% of consumers saying they are “very” or “extremely” worried about their financial health. The number one tactic for reducing debt load? Cutting experiential spending.

Retail, for example, has held up better in 2025 when consumers who intended to cut back were asked which discretionary sectors they would target, and grocery spending is a non-negotiable for two-thirds of respondents. Travel also fared well, with just 34% of cost-cutters intending to snip spending, while restaurants were the top target.

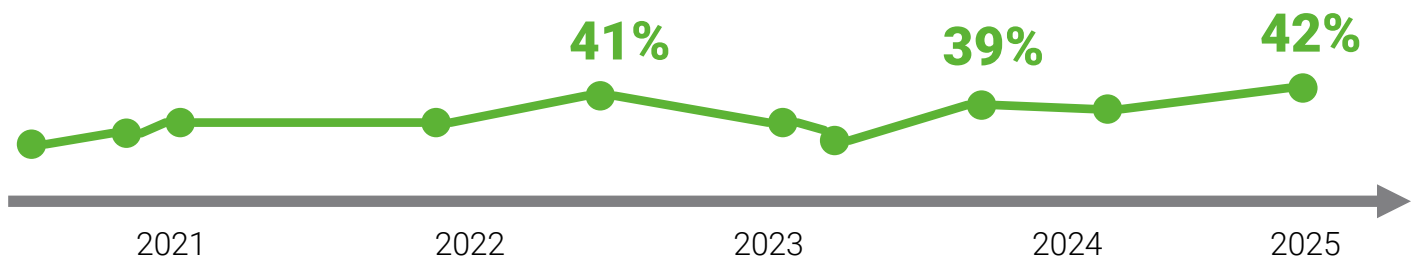
While consumers are reducing restaurant spending due to financial constraints, it’s not just about debt. Nearly 70% report cutting back for other reasons: lack of value and a preference for home cooking are top motives—the consumer price index for food at home [rose 2.2% year-over-year in July](#), while that for food away from home increased by 3.9%. No wonder then that 40% of respondents said they could make better food in their own kitchen.



## 49%

Of consumers deem price is now too expensive for the value offered at restaurants

## Consumers who are very or extremely concerned regarding financial health



This has hurt limited-service operators. Even typically strong performers such as Chipotle (comparable restaurant sales [down 4% year-over-year](#) in the second quarter) and Wingstop ([1.9% YOY decline](#) in domestic same store sales) have not been immune to the challenges of consumer behavior, cited by Wingstop CEO Michael Skipworth as “concerns about elevated prices, future job prospects and general anxiety about the future.”

On the other hand, there are bright spots in the casual dining space, with Chili’s figuring out the recipe for value and experience. As CEO Kevin Hochman recently said in an earnings call, “It is very difficult for [competitors] to replicate the total value proposition given the amount of time and investment we have put into improving the experience.”

The overall trend toward prioritizing experiences has not changed: while debt loads are greater, a higher share of consumers say that reducing dining visits is a top strategy (78%, up from 75% in 2024) while eating at cheaper restaurants continues to be one of the least-attractive strategies (cited by 32%, down from 36% last year).





Aside from the wallet crunch, we see a gap between consumer desire for a worthwhile dining experience and the value they receive. Post-pandemic, restaurants are competing with at-home meals and battling the effects of high inflation and price pass-through on consumer sentiment. Tellingly, fine-dining and coffee-focused restaurants score highest on perceived value, suggesting that cheaper or faster aren't what wins over today's consumer.

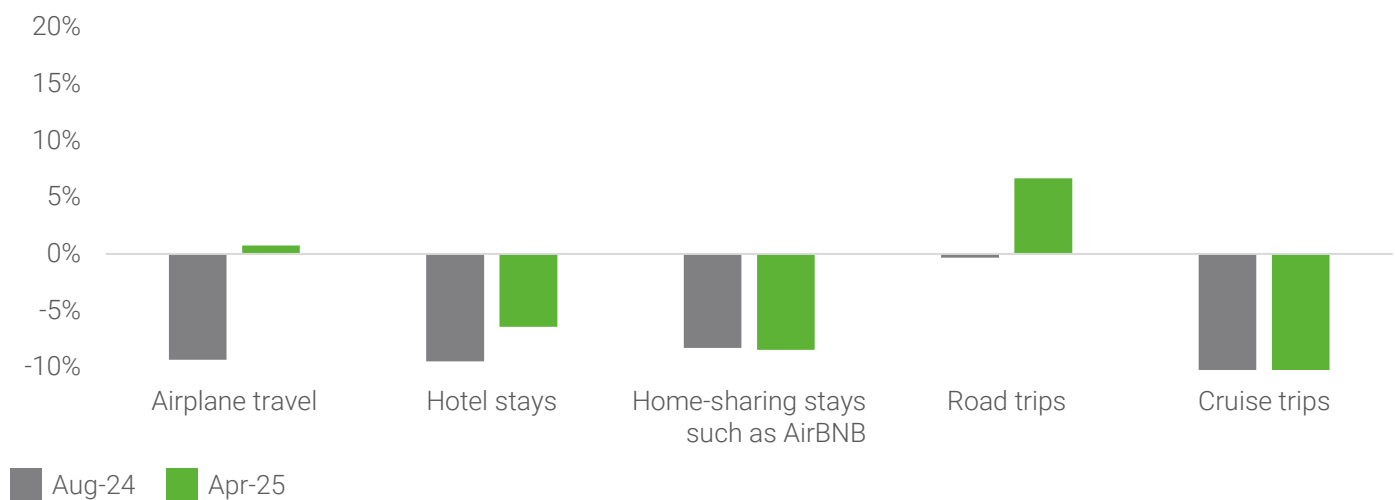
Nearly 80% of consumers say restaurant brands can entice them to increase visits. They say they are most susceptible to better food quality (the top tactic, cited by 57%) and better menu pricing (cited by just over half). Menu engineering is now the top recommendation for operators to thwart rising cost pressures in lieu of passing on pricing to consumers.

The analog for travel versus the pandemic-tested "staycation" is more protective of hotel services, which some consumers [equate with wellness](#), but again, there is a focus on quality of experience. Our 2025 Global Consumer Outlook found that younger consumers were ready to spend more (if on a smaller budget), while 31% of high-income consumers expected to increase their spending in 2025, particularly on travel and leisure.

**The catch is that premium experiences can't be merely premium-ish. They need to deliver the goods.**

## Consumers are more interested in traveling, especially air and road travel

Net more interest change this year vs. last year

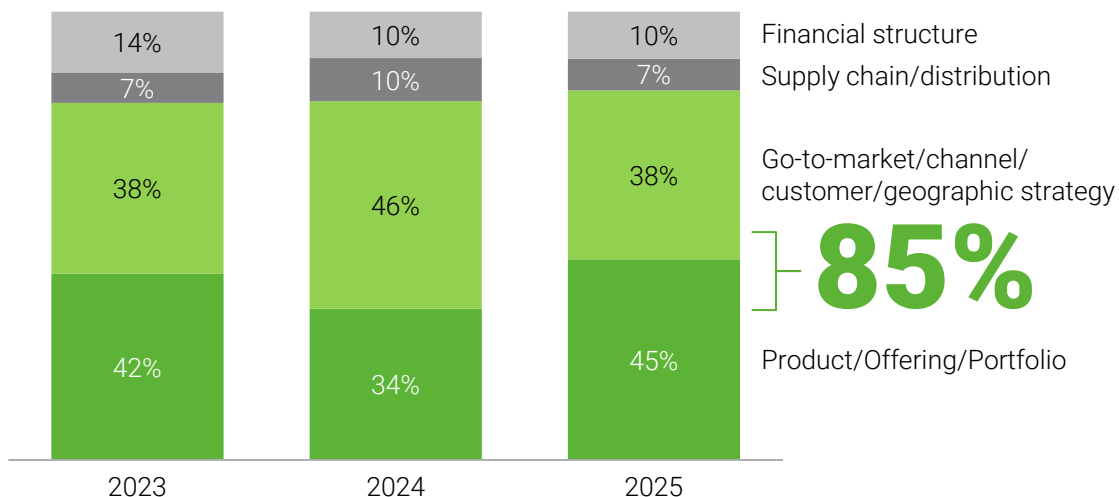


# Operator insights

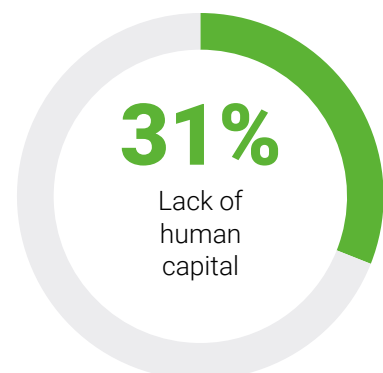
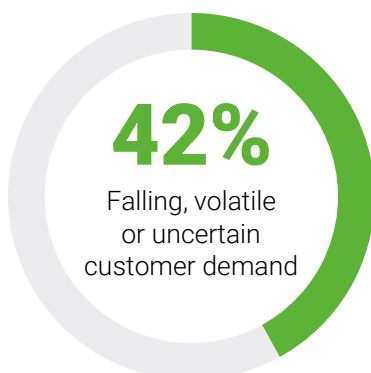
Nine in 10 operators expect to shift their business model over the next three years, led by product or portfolio, but only half believe their current pace of change is fast enough to achieve their goals—a decline from prior years.

The wider macroeconomic turbulence is crystallized in uncertainty over consumer demand six or twelve months from now. “Falling, volatile, or uncertain consumer demand” was the most commonly stated obstacle to business change, felt by 42% of respondents. Around 85% of operators think their company should invest more time and resources in product offering and go-to-market strategy, but those changes are difficult when you don’t know what people’s appetite will be.

## Companies know what they need to adapt... but change is slow



## Top three obstacles to business model change



# Reprioritizing areas of investment

AI and automation are viewed as the biggest opportunity, identified by almost 7 in 10 operators, steadily climbing year-over-year. The value of AI innovation has shifted over the past three years: operators now see administrative process automation as the greatest opportunity (31%). Around 6 in 10 operators say they are investing more in digital tools than last year, recognizing that consumers prefer to frequent restaurants that have [good technology](#).

There is consensus (two in three operators agree) on the actions operators need to take to adopt and implement AI:

- 1 Develop a comprehensive plan for how and where the company will adopt AI
- 2 Set clear and actionable goals related to the use of AI
- 3 Redesign business processes and approaches to leverage AI

Though labor was the number one concern for operators, the bulk of respondents felt that their hiring and retention programs were robust. Forty percent suggested there was room for improvement.

**In 2024, 81% of respondents said the company was pursuing inclusion and belonging initiatives because “it’s the right thing to do,” but only 57% said so in 2025.**

They were more likely than in 2023 and 2024 in the current environment to say that it was important for business performance, to attract customers, burnish the company’s image and reputation, and to improve the local community.

## Largest opportunities in the next 12 months (% of respondents)

Automation/AI	65%
Supply Chain Stability	29%
Inflation	15%

60%

of operators state that they are investing more in digital tools and technologies than previous year

57%

of operators said DE&I policies were “the right thing to do,” down from 81% in 2024

# Worker insights

June and July saw timid growth in hospitality and restaurant jobs added, per the [Bureau of Labor Statistics](#), as operators struggled to address high turnover and regional shortages. Our own dive into worker sentiment reveals some positive trends, though.

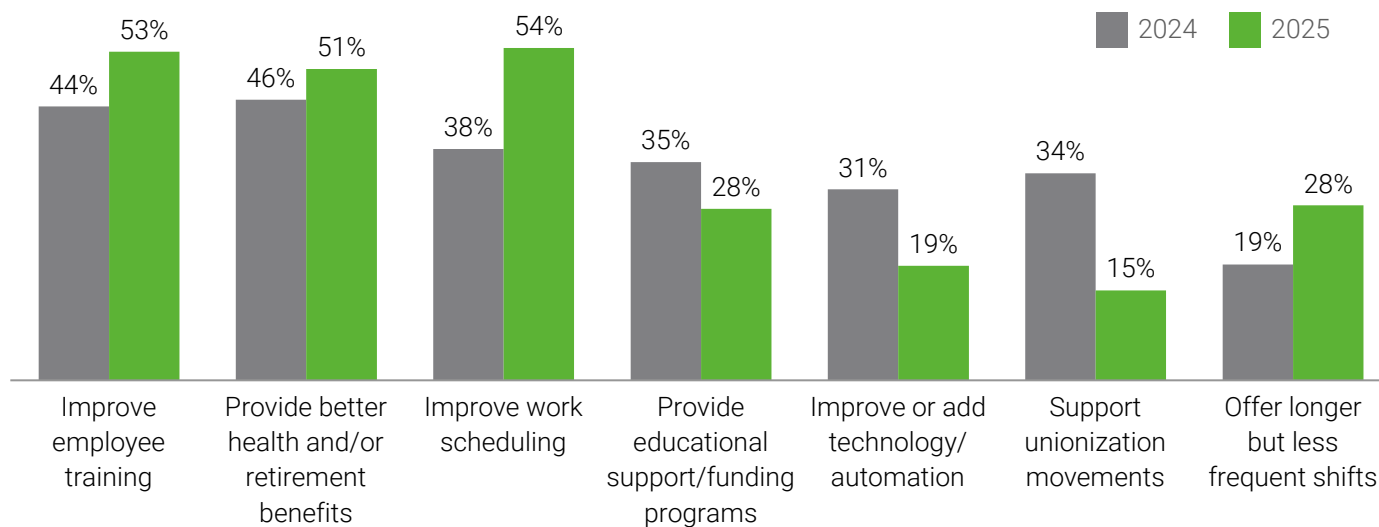
Overall perception of equal career opportunities is up 10% over two years, across all demographic cuts. More workers see hospitality as a viable career path, and 45% percent of workers feel at least a little better off financially than last year.

Behind interest in employee training, health or retirement benefits, and work scheduling, we see a leap for interest in longer but less frequent shifts and in career mentorship programs.

The data show a downward trend for interest from workers in social initiatives, led by ambivalence among Millennials.



## Employees want benefits, improved scheduling, and better tech



# 80%

of workers say new technologies in the restaurant have positively impacted their job duties and responsibilities

Almost a third of workers say tech innovation has improved their work hours, particularly for speed of service (74%) and quality of service (67%). Sixty-five percent of workers see faster service leading to higher customer satisfaction, up from 59% in 2024.

There is of course room for improvement. Insufficient staffing and a large workload saw the biggest increase as a reported concern, jumping 18 percentage points to register for 33% of respondents in 2025. Just over half of respondents say they worry about the loss of human interaction for customers.

inclusion and belonging efforts are perceived as less important than two years ago, particularly when we focus on the Millennial segment (though the same share of workers believe they have equal opportunity in their careers), and interest in unions has declined.



# Making the experience count

The challenges for many large chain operators involve how consumers experience the brand at various locations—without consistency in approach and standard operating procedures, consumers will feel disconnected to the brand proposition and experience.

Delivering a consistent experience may require an investment in building standards in service, along with processes and tools to create standardization in all areas of the business from customer interface to operating procedures to back-end processes.

Determining what is core to the brand's image and desired consistency across locations sets the boundaries for locations to differentiate in the areas where it makes sense for your business and organization.

We see a range of areas where operators can take actions to drive traffic and combat margin pressures:

- + Menu optimization and product focus
- + Value platforms and pricing
- + Digital engagement and social media
- + Operational and service-model change
- + Brand positioning and relevance
- + Geographic and demographic targeting



That might mean focusing on menu favorites (Chili's) or hotels catering to "bleisure" guests, who want to recuperate while on business—the point is to find the balance of personalization and differentiation to make the experience feel meaningful.

Some of the levers available to hoteliers include digital check-ins or keeping knowledgeable travel advisors on-staff. For restaurants, there is the opportunity to focus on better-tasting menu items and calling cards, and strategize around the use of tech to improve—but not dull—the consumer's interaction with the kitchen. It also means understanding where a splurge could push an experience from good to great, or how loyalty programs could build anticipation around bonuses.

**Pivoting operations and offerings according to the appetites of the consumer is tricky until you know who they are, and what you stand for.**

# AlixPartners

## Methodology

### Prosper Forum operator survey

- Understand how operators are addressing disruption, employees, DE&I and ESG
- Sectors: Restaurants (QSR, Fast Casual, Casual, Fine), Foodservice, Hospitality
- Date fielded: July 2025-August 2025
- Participants: 239 attendees
- Org Level: Board members, C-level executives and senior management

### Restaurant consumer sentiment survey

- Understand consumer concerns tied to finances, investigate sentiment around dining and hospitality, and reveal buying patterns to aspects of dining-out, pricing, digital efforts, DE&I and ESG
- Date fielded: March-April 2025; prior survey data from 2021-2024
- Population: 1,011 participants
- Demographics: Balanced as to gender, ethnic, age, income, education, geography U.S.

### Hospitality worker survey

- Understand workers sentiment around careers in hospitality
- Learn about workers perception of employers' DE&I and ESG development and efforts
- Date fielded: July 2025
- Population: 1000 front-line employees from limited and full-service restaurants
- Demographics: Balanced as to gender, ethnic, age, income, education, geography

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## About us

For more than forty years, AlixPartners has helped businesses around the world respond quickly and decisively to their most critical challenges—circumstances as diverse as urgent performance improvement, accelerated transformation, complex restructuring and risk mitigation.

These are the moments when everything is on the line—a sudden shift in the market, an unexpected performance decline, a time-sensitive deal, a fork-in-the-road decision. But it's not what we do that makes a difference, it's how we do it.

Tackling situations when time is of the essence is part of our DNA—so we adopt an action-oriented approach at all times. We work in small, highly qualified teams with specific industry and functional expertise, and we operate at pace, moving quickly from analysis to implementation. We stand shoulder to shoulder with our clients until the job is done and only measure our success in terms of the results we deliver.

Our approach enables us to help our clients confront and overcome truly future-defining challenges. We partner with you to make the right decisions and take the right actions. And we are right by your side. When it really matters.

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