



## **Age and Brand Analysis of POS Systems in Foodservice**

**A Look Into the Leading Chains of the Casual, Fast Casual,  
Quick Serve, and Family Restaurant Segments**

### **Chain Store Guide**

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Point of sale technology is an integral part of successful day-to-day operations of foodservice companies. Restaurant chains rely on these technologies to help drive sales, improve operational efficiencies and provide smooth point-of-sale transactions for their customers.

This White Paper provides an examination, using **Chain Store Guide** data, of the average ages of the POS hardware and software implemented in the top five companies for each of the *fast casual*, *casual*, *quick serve* and *family restaurant* segments as well as an analysis of which manufacturers are in use.

**Top Five Fast Casual Chains**

*Fast casual* is quickly becoming one of the most popular and fastest growing segments of the restaurant industry. According to **Chain Store Guide’s Database of Chain Restaurant Operators**, the top five *fast casual* chains have seen a systemwide sales increase of 84.4% and location growth of 51.6% over the past five years. These top five chains accounted for over \$4.7 billion in sales last year. The growth is explosive, but can the point-of-sale technology keep up? The following table is a breakdown of the top five *fast casual* chains.

Rank	Chain	Systemwide Sales*	Units
1	Panera Bread	\$1.9 billion	1,027
2	Chipotle Mexican Grill	\$840 million	581
3	P.F. Chang's China Bistro	\$756 million	260
4	Boston Market	\$680 million	621
5	Captain D's	\$515 million	593

Source: Chain Store Guide Database of Chain Restaurant Operators

\*Represents U.S. and international systemwide sales

According to **Chain Store Guide’s Database of Foodservice Technology**, three of the top five *fast casual* chains are currently using NCR point-of-sale hardware and two chains are using Javelin Systems. MICROS Systems, IBM and Par Technology are also in use. For POS Software, both Xpient Solutions and Radiant Systems are found in two of the top five, while Compris Technologies is installed in one restaurant chain.

After analyzing the POS technology in the top five *fast casual* chains (ranked by systemwide sales), the average age of POS hardware is 6.7 years and the average age of POS software is 5.1 years. Although the average age of the POS technology installed is somewhat intermediate in terms of age, these companies need performance from their POS systems that can keep pace with the industry’s demands and dynamic growth. The need for increased functionality and performance from POS technology is becoming a priority and many newer POS models offer these solutions. These companies could be integrating upgrades or even new systems in only a few years.

Type of Foodservice	Avg. Age POS Hardware	Avg. Age POS Software	Avg. Number of Checkouts
Fast Casual	6.7	5.1	4.3



The POS systems installed in the top five *fast casual* restaurant chains managed over \$4.7 billion dollars in transactions last year and are currently installed in over 3,000 locations.

**Top Five Casual Chains**

Amidst heavy competition in pricing, service, location, staffing and the emergence of “convenient meal offerings” in the supermarket industry, the *casual* segment continues to experience growth in the number of locations as well as systemwide sales. The following table is a breakdown of the top five casual chains.

Rank	Chain	Systemwide Sales*	Units
1	Applebee's	\$4.8 billion	1,930
2	Chili's	\$3.6 billion	948
3	Outback	\$3 billion	680
4	Olive Garden	\$2.7 billion	584
5	T.G.I. Friday's	\$2.7 billion	1,259

Source: Chain Store Guide Database of Chain Restaurant Operators

\*Represents U.S. and international systemwide sales

After analyzing the POS technology in these top five *casual* chains using the **Database of Foodservice Technology**, the average age of POS hardware is 6.1 years, somewhat intermediate in terms of age. The average age of POS software in the top five *casual* chains is 9 years, considerably older (3.9 years older) than the average age of the POS software in the top five *fast casual* chains. This indicates an opportunity for software vendors. In fact, one chain has reported they will be replacing their POS software this year. The average number of POS hardware terminals installed in each restaurant is six.

Type of Foodservice	Avg. Age POS Hardware	Avg. Age POS Software	Avg. Number of Checkouts
Casual	6.1	9	6

Keeping in mind that chains can use more than one type of manufacturer's POS hardware, IBM, Micros and NCR are each installed in two of the five chains while Panasonic is installed in one. Two of the five are using internal proprietary POS software.

The POS systems installed in the top five *casual* restaurant chains managed close to \$17 billion dollars in transactions last year. They are currently installed in over 5,400 locations. With the exception of Applebee's, the average age of POS software is noticeably older. Expect these chains to entertain the thought of new POS software implementation within the next few years.



**Top Five Quick Serve Chains**

The *quick serve* segment continues to be the highest grossing restaurant segment in terms of systemwide sales. This segment also operates the greatest number of locations. The POS systems installed in the top five *QSR* chains managed over an astounding \$102 billion dollars in transactions last year. They are currently installed in over 96,000 locations. The following table is a breakdown of the top five *QSR* chains.

Rank	Chain	Systemwide Sales *	Units
1	McDonald's	\$56.7 billion	31,046
2	KFC	\$14.3 billion	14,258
3	Burger King	\$12.4 billion	11,300
4	Subway	\$10 billion	26,750
5	Pizza Hut	\$9.3 billion	12,685

Source: Chain Store Guide Database of Chain Restaurant Operators

\* Represents U.S. and international systemwide sales

The top five *QSR* chains use a variety of technology manufacturers. The POS software implemented in these chains was created by Par Technology Corp, Compris Technologies and Deco Solutions Group, while some are currently using internal proprietary systems. The POS hardware installed is manufactured by a few mid-tier companies as well as giants such as IBM, NCR and Panasonic.

After analyzing the point-of-sale technology in these top *QSR* chains using the ***Database of Foodservice Technology***, the average age of all POS hardware systems installed is 4 years old. This is slightly younger when compared to the average age of POS hardware in the top five *casual* and *fast casual* chains by 2.1 and 2.7 years respectively. This shows a more recent investment in new point-of-sale technologies by the *QSR* industry leaders.

Type of Foodservice	Avg. Age POS Hardware	Avg. Age POS Software	Avg. Number of Checkouts
Quick Serve	4	3.1	3.8

**Top Five Family Restaurant Chains**

According to ***Chain Store Guide's Database of Chain Restaurant Operators***, growth in the *family restaurant* chains segment has been slow in the past five years, with the top five companies accounting for a systemwide sales growth of 16.1% and a unit growth of only 2.8%. The POS systems installed in the top five *family restaurant* chains managed over \$7.4 billion dollars in transactions last year. They are currently installed in more than 4,600 locations. The following table is a breakdown of the top five *family restaurant* chains.



Rank	Chain	Systemwide Sales *	Units
1	Denny's	\$2.4 billion	1,545
2	Cracker Barrel	\$1.7 billion	550
3	Golden Corral	\$1.4 billion	480
4	Bob Evans	\$1 billion	590
5	Waffle House	\$885 million	1,509

Source: Chain Store Guide Database of Chain Restaurant Operators

\* Represents U.S. and international systemwide sales

After analyzing the point-of-sale technology in these top five *family restaurant* chains using the **Database of Foodservice Technology**, IBM is the preferred manufacturer of point-of-sale hardware. Three of the top five *family restaurant* chains currently use IBM. Two of the five chains use internal POS software, while two others use xpient solutions as their vendor. Micros POS software is installed in only one of the five chains.

Type of Foodservice	Avg. Age POS Hardware	Avg. Age POS Software	Avg. Number of Checkouts
Family Restaurant	7.1	9.4	2.8

The average number of checkouts installed is 2.8, the lowest average among all of the four foodservice types analyzed. The average age of the POS hardware and software installed in the top five *family restaurant* chains is clearly older when compared to the top five chains in the *casual*, *fast casual* and *quick serve* segments. Over the next few years the top five *family restaurant* chain operators could take a closer look at the possibility of phasing out some of their aging point-of-sale systems.

The following table is a summary of the top five chains in each of the restaurant segments analyzed above:

Type of Foodservice	Avg. Age POS Hardware	Avg. Age POS Software	Avg. Number of Checkouts
Casual	6.1	9	6
Fast Casual	6.7	5.1	4.3
Quick Serve	4	3.1	3.8
Family Restaurant	7.1	9.4	2.8

**Chain Store Guide** publishes a *Technology Insight Newsletter* email which is delivered once a month. The newsletter highlights all of the major technology changes for foodservice companies as well as retailers across all industry segments. It also provides an article containing analysis of recent technology trends and editorial insight into these trends. The information profiled in this White Paper is a compilation of a series of articles over a four-month period that examined the POS technologies implemented in the



*casual, fast casual, quick serve and family restaurant* segments. The series ran from July 2007 through October 2007.

If you are interested in receiving the monthly *Technology Insight Newsletter*, please click [here](#). If you would like additional information on **Chain Store Guide's Databases of Retail and Foodservice Technology** or **Database of Chain Restaurant Operators**, please visit [www.csgis.com](http://www.csgis.com) or call the company's toll-free number at 800-927-9292.