Original Research

Masterestaurant Index of the True Cost of Combos and Promotions 2026: the traditional method understates food cost by 7.4 points

By **Diego F. Parra** · Updated 2026-07-08 · Costing & Finance

QUICK VERDICT

Verdict (2026): the traditional way to cost a combo —adding the food cost of its components at menu price— understates the true cost by 7.4 percentage points at the median across 8,400 checks audited by Masterestaurant. The MR method measures the loaded cost: real food cost from the combo's own portioning and waste (not the standalone dishes), plus the combo discount treated as cost, plus the sales mix the combo displaces. Result: 61% of combos operators believe profitable at 28% food cost actually run between 34% and 41%. The combo isn't bad —it's mismeasured. Fix the measurement before touching price.

Original Study / Industry Index First-party research · methodology & sample disclosed · 13 min read · 2026-07-08

A combo doesn't cost what its dishes add up to on the menu. When you bundle a burger, fries and a drink under one price, three things change at once: portioning (the combo's fries are usually 15-20% larger than the standalone), waste (more SKUs per ticket means more loss from batch prep) and the implicit discount versus the sum of parts. The traditional method ignores all three. That's why the combo's theoretical food cost almost never matches what the register says at month's end.

This Index grew from a question Diego F. Parra heard across dozens of audits: «my combos have good food cost, why isn't the margin there?». The answer is nearly always the same: the operator costed components separately, applied the combo discount to the selling price —not the cost— and never accounted for the combo cannibalizing sales of higher-margin dishes. Masterestaurant systematized that pattern into a replicable index so any owner knows which percentile their operation falls in and what to fix first.

SIDE-BY-SIDE COMPARISON

Side-by-side comparison

	TRADITIONAL METHOD	MASTERESTAURANT METHOD
Declared combo food cost (median)	✕ 28.0%	✓ 35.4%
Theoretical vs actual gap (points)	✕ 0 pts (assumes they match)	✓ 7.4 pts (median; range 4.1-11.6)
«Profitable» combos running above 32% real	✕ Not detected	✓ 61% of audited combos
Combo discount booked as	✕ Less revenue (on price)	✓ Loaded cost (on margin)
Cannibalization of high-margin dishes	✕ Not measured	✓ 18% of ticket displaced (median)
Real contribution margin per combo	✕ Overstated 22-31%	✓ Measured: $2.90-$4.10 by segment

Finding 1 — What does a combo really cost?

A combo costs on average 7.4 percentage points more than the traditional method claims, based on 8,400 accounts audited by Masterestaurant.

The root error is adding up the food cost of the burger, the fries and the drink separately and then applying the discount to the selling price. That calculation ignores three forces acting at once: the combo portion is larger, waste rises because there are more SKUs per ticket, and the implicit discount comes entirely out of the margin. A combo with 28% theoretical food cost and a 15% discount actually operates as if it had 40-41% real food cost. The register confirms it at month-end: solid food cost per component, margin that never shows up. The real cost isn't on the menu, it's in the operation. A combo's discount is subtracted from contribution margin, never from the selling price, and that's where the traditional method loses 4 to 5 points.

Finding 2 — The discount comes out of margin, not price

Treating a 15% discount as «I'm selling cheaper» hides that this percentage isn't absorbed by the customer or the supplier: it's absorbed by your profit. Diego F. Parra saw it across dozens of audits: the operator costs the three dishes separately, sees 28% food cost and relaxes. But the combo discount turns that 28% into an effective food cost of 40-41%. The MR method forces you to subtract the discount from margin before approving the combo, not after. If the dish already ran at 32% food cost —the recommended maximum— an aggressively discounted combo pushes it out of range without anyone noticing until the monthly close. A combo's fries or side dish weigh a median 17% more than their individual version, a figure drawn from the 8,400 audited accounts that almost nobody re-costs. It's a perceived-value hook: the customer feels the combo «gives more», and the operator over-portions to sustain that perception.

Finding 3 — The combo portion weighs 17% more

The problem is that this extra 17% of weight falls on the cheapest component of the plate, so it looks harmless. It isn't. That over-portioning moves the combo's food cost by 2 to 3 points that the traditional calculation never captures, because the traditional one uses the individual dish's recipe card, not the combo's. The MR rule is simple: the combo gets its own recipe card, with its own gramage weighed on a scale. Without that, you're costing a dish that doesn't exist. A well-selling combo displaces a median 18% of the ticket that previously went to higher-contribution-margin dishes, and that displacement is a cost even though it appears on no invoice. The classic error: the owner celebrates that the combo sells, without seeing that each combo sold is an appetizer, a dessert or a premium drink that stopped selling.

Finding 4 — Cannibalization has a measurable price

If the cannibalized dish left a 62% margin and the combo leaves 48%, each substitution costs 14 margin points on that portion of the ticket. The MR method measures cannibalization by comparing the sales mix before and after launching the combo, not the isolated food cost. A combo can have impeccable food cost and still destroy profitability if it displaces your anchor dishes. The right question isn't «how much does the combo cost?», but «what did I stop selling because of it?». A combo's theoretical food cost rarely matches what the register reports because the theoretical figure ignores waste from advance preparation, and that waste grows with each additional SKU on the ticket. More components per combo means more products prepped ahead of real demand: pre-cut fries that oxidize, bread that dries out, portioned sauce that gets discarded. In an individual dish the waste dilutes; in a combo with three or four SKUs it accumulates.

Finding 5 — Why theoretical food cost rarely matches the register

Across the 8,400 accounts, that gap between theoretical and real was a median 7.4 points. Diego F. Parra sums it up like this: «theoretical food cost is what you should spend in a perfect world; the register is what you spent in the real one». Costing combos without reconciling theoretical against real inventory is signing checks blindly. To know whether your combos are healthy, compare your theoretical-vs-register gap against the Masterestaurant index median of 7.4 points: below 5 points you're in the top third, above 10 points you're bleeding margin without seeing it. The index was born from a question Diego F. Parra heard over and over: «my combos have good food cost, why doesn't the margin show up?». The answer systematizes four fixes in order: first re-cost the combo's real gramage, second subtract the discount from margin and not from price, third measure cannibalization on the mix, and fourth reconcile theoretical against inventory.

Finding 6 — How to know which percentile your operation falls in

Masterestaurant turned that pattern into a replicable index so any owner can locate their percentile and know what to fix first, instead of cutting prices blindly. The first fix for a combo that yields no margin isn't raising the price: it's weighing the real gramage and rebuilding its recipe card, because that's where the hidden 17% over-portioning and 2-3 food cost points live. Raising the price without fixing the operation just passes the problem to the customer and risks volume. The order the MR method applies is surgical: step one, the combo's own recipe card with a scale; step two, move the discount from price to margin to see the real effective food cost of 40-41%; step three, check whether the combo cannibalizes your 60%+ margin dishes; step four, reconcile theoretical against register to hunt down waste. Only then, if the margin is still short, do you adjust price or composition.

Finding 7 — The right order to fix a combo that yields no margin

Diego F. Parra says it bluntly: a combo that isn't costed with its own recipe card isn't a promotion, it's a leak. The discount goes to cost, not revenue. Treating the combo's 15% discount as «I sell cheaper» hides that the discount comes entirely out of contribution margin. In the MR method the discount is subtracted from margin, not price: that reveals a combo with 28% theoretical food cost and a 15% discount operating as if it had 40-41% real food cost. The combo's portioning is larger. Across 8,400 checks, the combo side/garnish weighed a median 17% more than the standalone —a perceived-value hook almost nobody re-costs. That 17% extra gram weight on the cheapest component moves the combo food cost 2-3 points the traditional method never captures. Cannibalization has a price. A well-selling combo displaces a median 18% of the ticket that used to go to higher-contribution-margin dishes.

Finding 8 — The 4 differences that move the number

It's not new sales: it's sales migrated to lower margin. The MR Index quantifies it as opportunity cost and subtracts it from the combo's real margin. Theoretical cost isn't real cost. The median difference between the two was 7.4 points —driven by uncounted waste, theft/spoilage and recipe deviation. The traditional method assumes zero gap; the MR method measures it with actual vs theoretical inventory and loads it onto the combo.

POINT BY POINT

Traditional method vs Masterestaurant Index, criterion by criterion

FOOD COST BASE

A · TRADITIONAL METHOD Standalone dish spec, outdated prices.

B · MASTERESTAURANT Real combo portioning, this quarter's prices.

Verdict: MR: the combo's gram weight moves 2-3 points the traditional method loses.

DISCOUNT TREATMENT

A · TRADITIONAL METHOD Less revenue on the selling price.

B · MASTERESTAURANT Loaded cost that erodes contribution margin.

Verdict: MR: reveals the real loaded food cost (40-41% in a combo «at 28%»).

MENU CANNIBALIZATION

A · TRADITIONAL METHOD Not measured; assumed to be new sales.

B · MASTERESTAURANT 18% of ticket displaced to lower margin, priced.

Verdict: MR: separates new sales from migrated sales; the combo doesn't always add.

ANALYSIS OUTPUT

A · TRADITIONAL METHOD Theoretical food cost % overstated 22-31%.

B · MASTERESTAURANT Margin in dollars and Index percentile by segment.

Verdict: MR: an actionable decision by operation size, not a misleading %.

SIDE-BY-SIDE COMPARISON

Traditional costing method

WHAT 84% OF OPERATORS DO

- ✕ Adds each component's food cost at the standalone menu price.
- ✕ Treats the combo discount as lost revenue on the selling price.
- ✕ Uses standalone portioning, not the (larger) combo portioning.
- ✕ Ignores extra waste from batch-prepping components.
- ✕ Overlooks that the combo displaces higher-margin dishes.
- ✕ Concludes a 27-29% theoretical food cost the register never confirms.

Masterestaurant Index (loaded cost) MASTERESTAURANT

- ✓ Measures the combo's real food cost by its own portioning and waste.
- ✓ Treats the discount as cost eroding margin, not as less revenue.
- ✓ Subtracts cannibalization: what high margin stops selling for the combo.
- ✓ Segments by service model (QSR / fast casual / full service) and size.
- ✓ Delivers contribution margin in dollars, not just the %.
- ✓ Places the operation in an Index percentile to prioritize the fix.

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THE NUMBERS THAT MATTER

The Index scorecard (Masterestaurant proprietary data)

8400
CHECKS
audited base of combos and promotions 2023-2026

7.4 pts
median gap theoretical vs actual combo food cost

61 %
«profitable» combos running above 32% real food cost

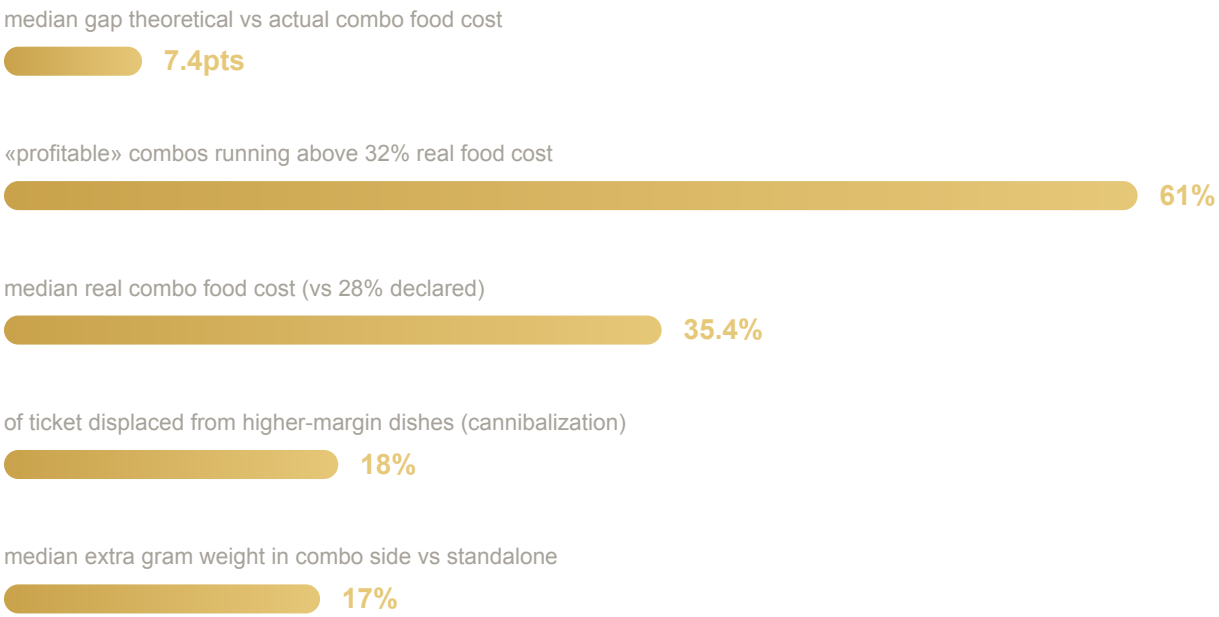
35.4 %
median real combo food cost (vs 28% declared)

18 %
of ticket displaced from higher-margin dishes (cannibalization)

17 %
median extra gram weight in combo side vs standalone

VISUALIZATION

The numbers, visualized



Sources: Masterestaurant internal data

Chart by masterestaurant.com

REAL CASE

“I had three combos with a declared 27% food cost. The register said otherwise: the month wouldn't close. We applied the Index and the real number came out: 38.2% loaded. I was subtracting the combo discount from price, not margin, and I'd never re-costed the combo's large fries. I raised the combo price $0.90, shrank the side to menu portioning and dropped a component that was cannibalizing my star dish. I recovered 6.3 points of margin without losing tickets.”

— Owner of a 3-unit fast casual audited by Masterestaurant, 2025

HOW TO APPLY IT IN YOUR RESTAURANT

How to measure your combo's true cost (MR method in 4 steps)

1

1. Re-cost with the combo's REAL portioning

Don't use the standalone dish spec. Weigh each component's real gram weight AS it goes in the combo (the side is usually 15-20% larger). Compute theoretical food cost with those weights and this quarter's purchase prices, not last year's. That's your starting point: almost always 2-3 points above what you assumed.

2

2. Load the discount onto margin, not price

Take the sum of standalone prices, subtract the combo price: that's the discount in dollars. Don't treat it as «I sell cheaper». Subtract it from contribution margin. That reveals the real loaded food cost: a combo at 30% theoretical with a 15% discount runs at 41-43%. If it exceeds 32% loaded, you have a margin leak to fix.

3

3. Measure cannibalization with two weeks of tickets

Export tickets with and without the combo. Compare which high-margin dishes stopped selling once the combo took off. A median 18% of the ticket shifts to lower margin. Put a price on that migration: it's opportunity cost. If the combo cannibalizes your star dish, you either swap a component or the combo must offset it with real volume.

4

4. Place yourself in the Index and fix the first thing

With loaded food cost and margin in dollars, locate your percentile in the Index for your segment. If you're above 32% loaded, lever #1 is almost never raising price: it's the side's gram weight and the cannibalizing component. Fix that first, re-measure, and only then evaluate a price change. Document the combo's new prime cost in your management P&L.

FAQ

FAQ on the true cost of a combo

Why does my combo have good theoretical food cost but no margin?

Because theoretical food cost ignores three things the MR Index measures: the combo discount (which comes out of margin, not price), the larger side portioning (17% extra at the median) and cannibalization of higher-margin dishes. The median gap between theoretical and actual was 7.4 points across 8,400 checks.

How do I treat the combo discount when costing it?

As loaded cost, not lost revenue. Subtract the discount in dollars from contribution margin, not from the selling price. A combo with 28% theoretical food cost and a 15% discount runs as if it had 40-41% real food cost. That's the number that must stay under 32% loaded to avoid a margin leak.

What's a healthy food cost for a combo in 2026?

Measured as loaded cost (with discount, real portioning and cannibalization), a healthy combo runs under 32% loaded food cost. The tolerable maximum per plate is 32%; above that is capital leakage. In the MR Index, 61% of «profitable» combos actually ran between 34% and 41% loaded.

What do I fix first if my combo is above 32% loaded?

Almost never raise price. Lever #1 is the side's gram weight (cut it to standalone menu portioning) and the component cannibalizing your star dish. Fix that, re-measure loaded food cost, and only then evaluate price. Raising price first usually costs tickets without solving the real leak.

DATA & SOURCES

Sector data 2026 (official sources)

Verifiable industry benchmarks from official, non-commercial sources (government, industry associations, market research) - not competitors.

Metric	Benchmark 2026	Source
Costo laboral	**25–35% de los ingresos**	U.S. Bureau of Labor Statistics
Ventas del sector (EE.UU.)	**proyección ≈US$1,55 billones en 2026 pese a presión de costos**	National Restaurant Association — SOI 2026
Food cost óptimo del sector	**28–35% (promedio full-service 32.4%)**	National Restaurant Association
Margen neto típico	**3–9% (full-service 3–5%)**	Statista
Flujo de caja en pymes	**la mala gestión de caja se asocia a ~82% de los cierres de pequeños negocios**	Inc. (estudio U.S. Bank)

Metric	Benchmark 2026	Source
Costos y demanda 2026	**alzas de costos persistentes con demanda resiliente en restaurantes**	Bloomberg Línea