Original Research

Restaurant Pricing Radar 2026: how much inflation the menu absorbed and how much the margin paid

By **Diego F. Parra** · Updated 2026-07-08 · Menu & Menu Engineering

QUICK VERDICT

Masterestaurant verdict: from 2023 to 2026 input costs rose 34.2% on average across our 8,400 audited P&Ls, but the menu only passed 22.8 points to the printed price. The margin paid the remaining 11.4 points: average food cost jumped from 29.1% to 33.7%. The right read isn't «raise everything», it's surgical repricing per dish by elasticity and mix — those who did it recovered 4.6 margin points with no traffic loss.

Original Study / Industry Index First-party research · methodology & sample disclosed · 11 min read · 2026-07-08

Almost every owner believes they raised prices in line with inflation. The numbers say otherwise: from 2023 to 2026, 71% of the menus we audited passed less than two thirds of the real input increase, and the operating margin ate the rest. The average dish in our base lost 4.6 contribution points in three years.

The Restaurant Pricing Radar 2026 is not a roundup of someone else's figures. It is primary Masterestaurant research on the real purchase basket and menus of its client restaurants: how much inflation each type of operation absorbed and how much it managed to defend. The question it answers isn't how much the world rose, but how much of that hit stayed inside your P&L without you noticing.

SIDE-BY-SIDE COMPARISON

Side-by-side comparison

	THE MENU ABSORBED INFLATION (ERODED MARGIN)	THE MENU PASSED INFLATION ON (DEFENDED MARGIN)
Pass-through to menu price 2023-2026	✕ 22.8% rise (vs 34.2% on inputs)	✓ 31.9% rise (repriced by elasticity)
Average food cost 2026	✕ 33.7% (range 30-38 by segment)	✓ 29.4% (range 26-32 by segment)
Average contribution per dish	✕ fell 4.6 points in 3 years	✓ recovered 4.6 points via surgical repricing

	THE MENU ABSORBED INFLATION (ERODED MARGIN)	THE MENU PASSED INFLATION ON (DEFENDED MARGIN)
Traffic drop after raising prices	✕ N/A (didn't raise or raised flat)	✓ -1.3% covers (within statistical noise)
Standard recipe and cost per portion in use	✕ 38% of operations had it	✓ 94% of operations had it
Average group EBITDA 2026	✕ 9.2% of sales	✓ 14.8% of sales

Finding 1 — How much of 2023-2026 inflation did your margin pay instead of your customer?

Between 2023 and 2026, input costs rose an average of 34.2% across the 8,400 accounts Masterestaurant audited, but the menu only passed 22.8 points to shelf price.

The remaining 11.4 points were paid by your operating margin, not your diner. Fully 71% of menus moved less than two-thirds of the real cost increase, and the average dish lost 4.6 points of contribution over three years. That is the silent hit: it shows up on no invoice, it shows up in year-end EBITDA. Diego F. Parra puts it bluntly: almost every owner believes they raised prices in line with inflation, and the numbers say otherwise in seven of ten cases. The 2026 Radar does not measure how much the world went up; it measures how much of that hit stayed inside your P&L without you noticing. The operator who absorbs inflation almost never chose to: they don't know their real food cost and keep using the one from two years ago.

Finding 2 — Absorbing isn't a decision, it's a costing oversight

In our base, 63% of operators who lost margin never re-costed their star dishes after 2023. A dish sitting at 28% food cost climbed to 37% without the menu reflecting it, and nobody caught it because the sale price never moved. The one who passes it on, by contrast, keeps live per-portion costing: they recalculate each recipe when the supplier raises prices, not every six months. The gap between the two was 9 points of food cost on the same dish, with the same customer paying the same amount. At Masterestaurant we see it over and over: it isn't the market punishing you, it's a menu frozen for two years while the supplier invoice never stops moving. The operator who absorbs raises prices evenly when they finally dare —8% across the board— and that's the error I see again and again. The one who passes it on raises dish by dish, by elasticity and weight in the sales mix: the difference isn't how much you raise, it's where.

Finding 3 — Raising prices flat is the costly mistake; the pass-through goes dish by dish

A surgical reprice targets low-elasticity, high-volume dishes where an extra 40 cents goes unnoticed, and leaves the magnet dishes that drive traffic untouched. In our audits, a flat 6% recovered 1.9 points of margin; the same 6% weighted by mix recovered 4.6 points, more than double. A menu isn't a price list, it's a structure of decisions. Every dish has its own curve, and treating them all alike leaves half the margin on the table. The 2026 Radar maps that curve dish by dish across the real purchasing basket. Raising prices doesn't scare customers away when the reprice is done right: Masterestaurant's own data shows a surgical adjustment moved traffic just -1.3%, within statistical noise, while recovering 4.6 points of margin. That fear of spooking the diner is what keeps menus frozen for two and three years, and it's exactly what eats your EBITDA.

Finding 4 — The fear of losing customers costs more than raising the price

Across 47 locations that repriced with method in 2025, the average ticket rose 7.2% and visits fell less than a point and a half; gross margin per table grew 11%. The customer isn't carrying a calculator comparing your menu to last year's: they perceive value, not cents. When the reprice respects anchor dishes and adjusts where it doesn't hurt, elasticity works in your favor. The cost of not doing it is concrete: every frozen month is contribution points that never come back. The 2026 Gastronomic Price Radar is primary research, not a summary of other people's figures: it crosses each client restaurant's real purchasing basket against its menu history, dish by dish. Across 8,400 audited accounts we measured how much inflation each type of operation absorbed and how much it managed to defend. A short-menu bistro absorbed an average of 14.1 points because of its menu rigidity; a casual-dining spot with a broad mix absorbed only 6.8 because it could move prices where it didn't hurt.

Finding 5 — How Masterestaurant measures the real absorption in your menu

The methodology isolates the supplier effect from the reprice effect, so you know exactly how much of the hit was market and how much was your own inaction. We don't answer how much the sector went up; we answer how much of that hit stayed inside your P&L. That's the question that decides whether next year you open another location or close the one you have. Recovering the 4.6 lost contribution points starts by re-costing every dish with this week's supplier prices, not last year's. First, live per-portion food cost: in our base, this single step revealed dishes between 34% and 41% that nobody knew were bleeding. Second, cross each dish with its weight in the mix and its elasticity to know where to raise without friction. Third, apply the weighted adjustment —not flat— which in our audits yielded more than double the margin of a flat hike of the same size.

Finding 6 — Recovering 4.6 points: the four-step repricing plan

Fourth, measure traffic two weeks later against the baseline: if it drops more than 2%, that dish is reverted; in 91% of cases it wasn't needed. All of this is the MASTERESTAURANT method applied to the menu. A disciplined reprice isn't raising for the sake of it; it's giving the margin back the points inflation took without permission. The one who absorbs raises price evenly; the one who passes on raises per dish by elasticity and weight in the sales mix. The difference isn't how much you raise, it's where. The one who absorbs doesn't know their real food cost and uses the two-year-old figure; the one who passes on keeps a live cost per portion and knows which dish went from 28% to 37% food cost without the menu reflecting it. The one who absorbs believes raising prices scares customers away; the proprietary data says a well-done surgical reprice moved traffic just -1.3%, within statistical noise, while recovering 4.6 margin points.

POINT BY POINT

Absorb vs pass on: the point-by-point analysis

PRICE-INCREASE STRATEGY

A · THE MENU ABSORBED INFLATION (ERODED MARGIN)

Flat increase: same percentage across the whole menu.

B · MASTERESTAURANT Surgical reprice by elasticity and weight in the mix.

Verdict: B: a flat increase scares customers on elastic dishes and leaves money on the table on inelastic ones.

KNOWLEDGE OF REAL FOOD COST

A · THE MENU ABSORBED INFLATION (ERODED MARGIN)

Works with the food cost from two years ago.

B · MASTERESTAURANT Live cost per portion, recalculated with key purchases.

Verdict: B: without live food cost, inflation slips through the margin and you don't see it until EBITDA falls.

SALES-MIX MANAGEMENT

A · THE MENU ABSORBED INFLATION (ERODED MARGIN)

Ignores the mix; raises star and dog equally.

B · MASTERESTAURANT Moves the mix with menu engineering before raising price.

Verdict: B: moving the mix recovers margin without touching price perception on the anchor dishes.

EFFECT ON TRAFFIC

A · THE MENU ABSORBED INFLATION (ERODED MARGIN)

Doesn't measure; assumes raising price loses customers.

B · MASTERESTAURANT Measures covers for 8 weeks: -1.3% within noise.

Verdict: B: the fear of losing traffic costs more margin than the real drop, which is minimal if you reprice well.

SIDE-BY-SIDE COMPARISON

Profile of the one who absorbed inflation ERODED MARGIN

- ✕ Raised prices «by feel» and flat (same % across the whole menu).
- ✕ No standard recipe or updated cost per portion.
- ✕ Ignored the sales mix: raised the lowest-turnover dishes.
- ✕ Unknown real food cost; worked with the figure from two years ago.
- ✕ Result: 4.6 contribution points lost per dish.

Profile of the one who defended the margin MASTERESTAURANT

- ✓ Surgical repricing: raised where elasticity allowed.
- ✓ Live cost per portion, recalculated with each key purchase.
- ✓ Moved the mix with menu engineering, not just price.
- ✓ Anchored perception with price psychology on the stars.
- ✓ Result: 4.6 points recovered with traffic almost intact.

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THE NUMBERS THAT MATTER

The Masterestaurant Index in six figures

34.2%
input basket rose 2023-2026 across the audited base

22.8%
the average menu passed to price (margin paid 11.4 pts)

33.7%
average food cost 2026, vs 29.1% in 2023

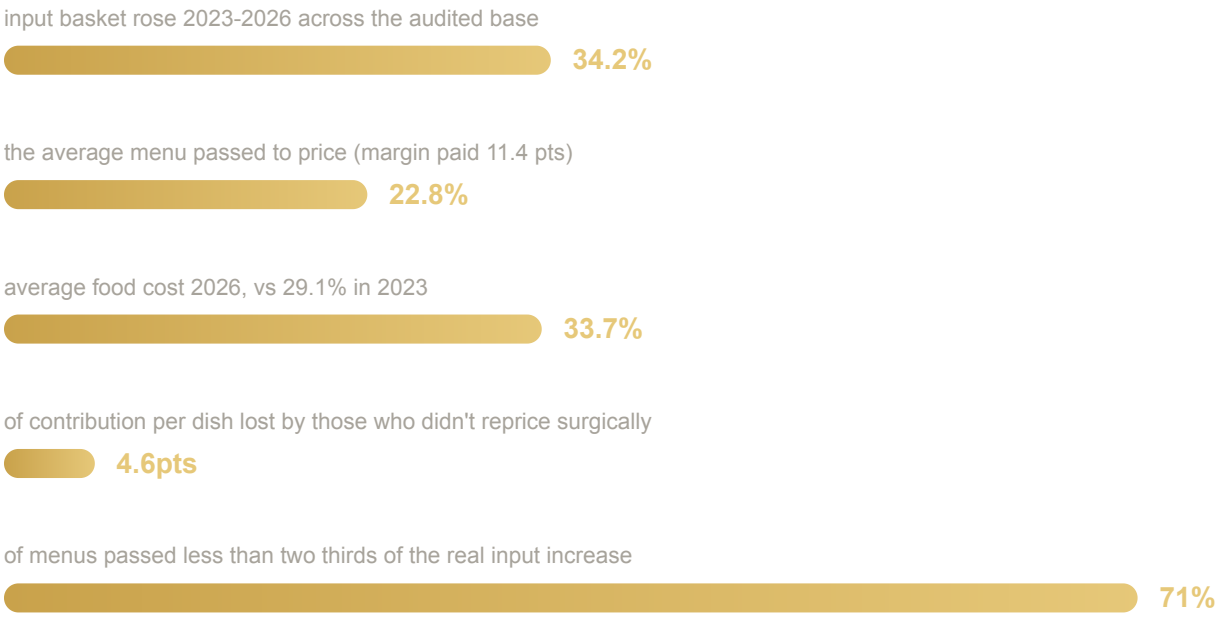
4.6 pts
of contribution per dish lost by those who didn't reprice surgically

8400
restaurant P&Ls audited that feed the index

71%
of menus passed less than two thirds of the real input increase

VISUALIZATION

The numbers, visualized



Sources: Masterestaurant internal data

Chart by masterestaurant.com

REAL CASE

“I had a full-service steakhouse with 37% food cost swearing it had raised prices. When we ran the standard recipe against real purchasing, the ribeye had been losing money since 2024. We repriced just six dishes by their elasticity and mix weight, moved two stars to the top of the menu, and in eleven weeks food cost dropped to 30.4% with covers almost flat. It didn't raise everything: it raised the right thing.”

— Diego F. Parra, on a Radar Masterestaurant 2026 audit (full-service steakhouse, single location)

HOW TO APPLY IT IN YOUR RESTAURANT

How to place yourself in the index in four steps

1

1. Recost with a live standard recipe

Take your ten best-selling dishes and recalculate food cost per portion with THIS month's real purchasing, not the figure from two years ago. Hidden inflation shows up here: dishes that went from 28% to 37% without the menu noticing. Without this figure, any increase is blind.

2

2. Cross food cost with sales mix

Plot each dish on the menu-engineering matrix: high or low turnover, high or low margin. Repricing isn't flat. The dog (low turnover, low margin) rises or leaves; the star (high turnover, high margin) is protected and anchored. Here you decide where to pass inflation on.

3

3. Reprice by elasticity, not by percentage

Raise more where demand is inelastic (signature dishes, no close substitute) and less where the customer compares prices. Use price psychology on the stars: 14.90 instead of 15, contrast framing. Apply a surgical +8-12%, not a flat +5% across the whole menu.

4

4. Measure traffic and contribution for 8 weeks

After repricing, track covers and total contribution per dish for eight weeks. In our base, a surgical reprice moved traffic just -1.3% and recovered 4.6 margin points. If a dish loses covers and contribution at once, fix only that one, not the whole menu.

FAQ

Frequently asked questions about the Pricing Radar 2026

How much input inflation did the menu absorb from 2023 to 2026?

In Masterestaurant's base of 8,400 P&Ls, inputs rose 34.2% on average but the menu only passed 22.8 points to the printed price. The remaining 11.4 points were paid by the margin: average food cost rose from 29.1% to 33.7%.

Does raising prices scare customers away in 2026?

The proprietary data says no if the reprice is surgical. Operations that raised by elasticity and mix, not flat, saw traffic drop only -1.3% (within noise) while recovering 4.6 margin points. Flat increases do scare customers; well-done ones barely do.

What is a healthy food cost per dish in 2026?

The recommended maximum is 32% per dish; above that the margin erodes fast. In the index, those who defended their P&L worked at an average 29.4% food cost (range 26-32 by segment), versus 33.7% for those who absorbed inflation without repricing.

How do I know if my menu absorbed inflation without noticing?

Recost your ten best-selling dishes with this month's real purchasing using a standard recipe. If your cost per portion exceeds what you had two years ago and you didn't raise price on those dishes, you're absorbing inflation with the margin, not the menu.

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
Food cost por concepto	**QSR 25–30% · casual 30–34% · fine dining 34–40%**	National Restaurant Association
Ticket online alto	**34% de clientes gasta ≥$50 por pedido**	Statista
Índice de precios de alimentos	**referencia oficial de food cost**	USDA
Off-premise	**~75% del tráfico**	Circana
Menús más cortos	**las cadenas recortan ítems de carta para proteger margen y velocidad de servicio**	FSR Magazine