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Wingstop Inc. (WING) Q3 2026 Earnings Call Transcript

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Q3: 2026-10-28 Earnings Summary

Insights

EPS of $1.08 beats by $0.06 | Revenue of $185.13M (5.35% Y/Y) misses by $7.80M

Wingstop Inc. (WING) Q3 2026 Earnings Call October 28, 2026 10:00 AM EDT

Company Participants

Sarah Niehaus - Senior Director of Investor Relations & Corporate Finance
Michael Skipworth - President, CEO & Director
Alex Kaleida - Chief Financial Officer

Conference Call Participants

Brian Harbour - Morgan Stanley, Research Division
Christopher O'Cull - Robert W. Baird & Co. Incorporated, Research Division
Andrew Barish - Jefferies LLC, Research Division
Sara Senatore - BofA Securities, Research Division
James Salera - Stephens Inc., Research Division
Margaret-May Binshtok - Wolfe Research, LLC
Gregory Francfort - Guggenheim Securities, LLC, Research Division
Danilo Gargiulo - Bernstein Institutional Services LLC, Research Division

Presentation

Operator

Good morning, ladies and gentlemen, and thank you for standing by. Welcome to Wingstop Inc.'s Fiscal Third Quarter 2026 Earnings Conference Call. [Operator Instructions]

Please note that this conference call is being recorded today, Wednesday, October 28, 2026. On the call today are Michael Skipworth, President and Chief Executive Officer; Alex Kaleida, Senior Vice President and Chief Financial Officer; and Sarah Niehaus, Senior Director of Investor Relations.

I would now like to turn the conference over to Sarah. Please go ahead.

Sarah Niehaus
Senior Director of Investor Relations & Corporate Finance

Thank you, and welcome to the Fiscal Third Quarter 2026 Earnings Conference Call for Wingstop. Our results were published earlier this morning and are available on our Investor Relations website at ir.wingstop.com.

Our discussion today includes forward-looking statements. These statements are not guarantees of future performance and are subject to numerous risks and uncertainties that could cause our actual results to differ materially from what we currently expect. Our SEC filings describe various risks that could affect our future operating results and financial condition.

We use certain non-GAAP financial measures that we believe can be useful in evaluating our performance. Presentation of such information should not be considered in isolation or as a substitute for results prepared in accordance with GAAP.

Reconciliations to comparable GAAP measures are contained in our earnings release. Lastly, for the Q&A session, we ask that each of you please keep to one question and a follow-up to allow as many participants as possible to ask a question.

With that, I would like to turn the call over to Michael.

Michael Skipworth
President, CEO & Director

Thank you, Sarah. Good morning, everyone, and thank you for joining us. I would like to start by taking a moment to recognize our brand partners, restaurant team members and global support center team members for their continued commitment to Wingstop.

We've asked a lot from our team this year as we've advanced several important strategic initiatives across our business, and I genuinely appreciate their focus, hard work and dedication. This year, we've made significant investments in our talent, our operations, launched our first loyalty program and continued building capabilities that we believe will support our next phase of growth.

Our top priority is improving sales performance and rebuilding transaction growth. We are moving with urgency on the actions we can control in this current operating environment. During the third quarter, domestic same-store sales declined 5.4%, below our expectations. While we're beginning to see positive signals from the changes we've made, the improvement in sales performance is taking longer than we initially anticipated and the macro trends we are seeing among customers have intensified over the last few months. With that in mind, we've updated our full year domestic same-store sales outlook to a decline of approximately 6.5% to 7%. This does not change our focus on returning to sustained same-store sales growth, and we are confident the actions we are taking will do just that.

We also are not waiting for the consumer environment to improve. We are taking deliberate action across our business to strengthen performance, drive greater guest frequency and acquire new guests.

Over the past several quarters, as the operating environment has continued to evolve, we've continued to deepen our understanding of our guest behaviors, key choice drivers for restaurant occasions and what Wingstop can do better to more consistently win those occasions.

Last quarter, we outlined actions to sharpen our creative messaging and media mix more clearly connecting the quality and bold flavor our guests expect with the compelling value Wingstop can deliver. As you will hear today, we are encouraged by the early response to those actions, while recognizing there is more work to do. In addition to marketing, we have also intensified our focus on operations, bringing in new talent and capabilities to strengthen our execution across the business.

One of the key things we've learned is that our marketing campaigns over-indexed on building awareness. The opportunity in front of us is around driving consideration. We recognize that our marketing wasn't consistently connecting our differentiated food, flavor and value into a compelling reason to choose Wingstop, particularly around occasions where we have the greatest opportunity to win.

As we discussed in our second quarter earnings call, we needed to do a better job of clearly communicating the value we offer beyond price alone while giving guests more reasons to return. We have put those insights into action by sharpening our marketing approach to drive greater consideration and acquisition, leveraging Club Wingstop and personalization to test and learn how we can deepen guest relationships and drive greater frequency and strengthen restaurant execution through Wingstop Smart Kitchen.

Ultimately, our objective is to give consumers more compelling reasons to choose Wingstop more often. We are doing this by concentrating our media investment on occasions where guest interest and Wingstop's relevance are the highest. We are layering in menu, value and promotional levers that are being amplified by more compelling, creative and paid media.

Most of the changes in our marketing came to life in the second week of September with the kickoff of the NFL regular season, with limited impact on our third quarter results. The initial readout suggests we are on the right track and reinforce our conviction in this strategy.

I'm excited to lay out more detail on our messaging approach, which we believe is beginning to gain traction with our guests. Our marketing strategy is to build reach by front-loading our video investment with more premium placements in leveraging 30-second spots. And from there, we plan to sustain efficient reach and frequency through a weekly presence of 15-second spots and an always-on social strategy to keep Wingstop top of mind.

We are concentrating investments around high relevance occasions, pairing it with creative that more clearly communicates Wingstop's quality, bold flavor and compelling value and sustained engagement through paid and owned channels between those moments. We are leaning into our brand strengths, bone-in wings, flavor and quality while ensuring we are clearly communicating value.

The response to the Watch Party bundle and our Thursday Night Football activation suggests we are on the right path. But the objective is not a short-term promotion. This is just the first step to establish with guests repeatable group occasions that build transactions frequency and long-term brand relevance.

We are supporting this strategy with incremental investment from our G&A dollars. As we continue to execute our plan, we will continuously measure results and sharpen our marketing investment based on the data. Flavor innovation has always been core to Wingstop's identity and remains one of our greatest points of differentiation alongside our ranch, seasoned fries and bone-in wings. And we know continued innovation and product news is key to driving consideration.

We're taking a more integrated approach to flavor innovation, including dedicated creative in support for flavor LTOs like our recent Lemon Pepper Trio. Part of this is doubling down on what we know our customers already love, our Lemon Pepper, and giving them reasons to reengage through LTOs, which are both new and familiar at the same time.

This brings me to Club Wingstop, Wingstop's first-ever loyalty program. Club Wingstop is another way we can deliver additional value to our guests and keep them coming back for more. Our initial priority following the national launch in May was to build awareness and drive enrollment into the club, and we've made great progress.

Enrollment continues to pace ahead of our plan, giving us a solid foundation to where we are now focused on strategies and tactics that most effectively engage our members and drive frequency. We're seeing evidence of stronger retention among Club Wingstop members. New guests who enroll in the program are returning within 30 days at 13 points higher than nonmembers, a trend that has remained consistent across enrollment cohorts.

There were also positive signs of behavioral changes with purchase frequency increasing almost 20% among members who have completed a full 90 days in the program. We are building on these early learnings with initiatives designed to give members more reasons to return.

Over the past several weeks, we've introduced exclusive offerings like Wing Pass, which sold out in less than 1 minute. The Wingstop Watch Party bundle, punch card, merchandise drops, early access to new flavors and unique experiences that leverage our partnerships across sports and entertainment.

As we progress beyond the initial launch of Club Wingstop, our focus is now on testing and learning exactly which tactics increase purchase frequency and maximize the lifetime value of our members. And when we consider the typical maturity curve for loyalty programs, we're happy with the direction of this initiative, including the early response from our most loyal guests.

In September, we activated our AI-driven personalization engine, initially focusing on testing more relevant offers and messages with targeted guest segments. In those initial tests, guests receiving personalized offers generated higher total sales compared to those who did not receive offers. This demonstrates value of more relevant messages and the offers at the individual guest level and give us a foundation to scale this capability.

As our marketing strategy drives guests to our restaurants, it is paramount that every guest who chooses Wingstop has a great experience. The Wingstop Smart Kitchen is an enabler for our back-of-house operations, and now it's up to our restaurant team members to deliver that guest experience consistently.

Along with our brand partners and restaurant team members, we are laser-focused on delivering great tasting, cook-to-order wings, hot seasoned fries and an accurate order every time. To deliver on that consistently, we've retrained the entire system in the last 3 months and established new operating standards.

We have just launched a new, more comprehensive restaurant scorecard and an operating toolkit that brings together guest feedback and restaurant performance data with a focus on food quality, order accuracy and speed of service. We also launched an AI system for field team to create quicker insights, greater clarity and focus on performance outliers for the restaurants they support.

This strengthens insights for our field teams providing a more consistent way to identify opportunities, coach restaurant teams and measure improvement. We recognize that consumers are making more deliberate decisions about where they spend their money, and when they choose to spend that money on Wingstop, we have to deliver.

They expect the quality, flavor and experience that makes Wingstop special, and it's our responsibility to deliver on that expectation every time. That's how we earn their trust and keep them coming back. And we are making good progress.

Throughout 2026, the rate of guest complaints related to food quality and preparation declined approximately 30% compared to the same period last year. However, we know there is more work to do, and this is something that is entirely within our control. Technology has always been at the forefront of our business, and we've invested significant time and resources in our proprietary platforms and data capabilities to build what we believe is a competitive advantage for Wingstop. Today, those investments are coming together through the Wingstop Smart Kitchen, Club Wingstop and personalization, giving us greater visibility into our business and more effective ways to serve and engage with our guests.

With a dedicated Chief AI Officer helping lead the next phase of our AI and data strategy, we're excited about the foundation we've built and the opportunity to continue to strengthen our competitive advantage as we scale. Technology will continue to be a long-term compounder for our business as we improve our execution. Our growth engine remains strong, supported by compelling restaurant level economics and continued brand partner confidence in the Wingstop opportunity.

During the third quarter, we opened 76 net new restaurants globally, bringing our system to 3,331 restaurants, an increase of nearly 14% year-over-year. Importantly, 98% of the restaurant openings through the first 9 months of this year came from existing brand partners, reinforcing their continued confidence in the Wingstop model and commitment to reinvesting in the brand. As we scale domestically, our enhanced marketing -- market planning capabilities are allowing us to more effectively evaluate trade areas, restaurant spacing and delivery overlap, we're seeing the benefits of that approach.

During the third quarter, we made restaurant level investments to support our strategies and protect our core consumer occasion. The underlying economics of our business remain compelling. With domestic average unit volumes of approximately $1.8 million, our current restaurant level model supports unlevered cash-on-cash returns of approximately 60%. These attractive returns continue to support brand partner investment in the brand, and our development pipeline remains robust with over 2,300 committed restaurants globally.

Outside of the U.S., we opened 21 restaurants during the quarter, bringing our international footprint to 544 restaurants, an increase of more than 27% year-over-year. We've opened 8 markets in the last 1.5 years.

I'm excited by the response and engagement we're seeing from guests, and how our brand partners are operating, and importantly, the opportunity in front of us to scale these markets. We've launched flagship restaurants in Thailand, Spain and Italy. And in August, we celebrated our 100th restaurant opening in the U.K.

India, which is a 1,000 restaurant opportunity, is our next market and is anticipated to open by early 2027. Our development opportunity is supported by attractive brand partner returns, disciplined market planning and significant white space, both domestically and internationally. Those fundamentals give us the confidence in our ability to grow the global footprint and scale towards our long-term goal of 10,000-plus restaurants.

As I wrap up, I want to reiterate that returning to sustained sales growth remains a top priority for our team. We're taking deliberate actions across the business that we believe will deliver sustained sales growth. We have an incredibly differentiated brand, compelling unit economics, a strong development pipeline and significant white space ahead of us, both domestically and internationally.

Our optimism is grounded in the early evidence we are seeing and the work still in front of us. We will continue to execute with the discipline, speed and determination required to deliver sustaining same-store sales growth.

We are building something incredibly special at Wingstop. And I couldn't be more confident in our ability to capture the tremendous growth opportunity ahead of us as we scale Wingstop into a top 10 global restaurant brand.

Thank you. And with that, I'll turn the call over to Alex.

Alex Kaleida
Chief Financial Officer

Thank you, Michael, and good morning, everyone. We are making good progress in the strategies we're executing to return same-store sales to growth, but we recognize we're not where we need to be. Our focus remains on sharpening our marketing execution, leveraging our new loyalty program to drive acquisition and frequency and delivering a great guest experience while continuing to invest in the capabilities that will support Wingstop's long-term value creation. This includes measuring results, optimizing returns and holding our restaurants accountable for executing our standards.

During the third quarter, domestic same-store sales declined 5.4%, and we opened 76 net new restaurants, contributing to 6% system-wide sales growth totaling approximately $1.4 billion. Royalty revenue, franchise fees and other increased 6.3% to $86.3 million. The quarterly pacing of openings reflects the timing of restaurants moving through the construction pipeline. As we mentioned at the start of the year, we rolled out a new restaurant design, which has gradually worked its way into the construction plans and will lead to a more outsized open rate in quarter 4.

Company-owned restaurant sales increased 6.9% to $34.8 million during the third quarter driven by additional corporate restaurants opened or acquired since the prior year and partially offset by a 2.7% decline in company-owned same-store sales.

During the third quarter, we completed the acquisition of 13 restaurants in the Tampa market for approximately $32 million, as previously disclosed on our second quarter earnings call. This acquisition provides an opportunity to drive shareholder value and expand our company-owned restaurant footprint in a new market, one that has the potential to deliver approximately 25 additional restaurants over time.

Turning to restaurant-level margins. Company-owned cost of sales increased 340 basis points to 78.2% of company-owned restaurant sales. The increase was primarily driven by sales deleverage on labor and other restaurant operating expenses, partially offset by lower bone-in wing costs.

Coinciding with our 13 restaurant acquisition, we invested in additional labor, training and deferred maintenance expenses as we integrated the restaurants into our portfolio. We anticipate some of these incremental expenses to flow into the fourth quarter. SG&A expense decreased $200,000 to $30.5 million versus the prior year, primarily driven by a decrease of $2 million in stock-based compensation expense, which was associated with the forfeiture and offset by $1.5 million in headcount-related investments.

Third quarter net income was $29.1 million or $1.07 per diluted share compared to $28.5 million or $1.02 per diluted share in the prior year. There is an approximately $0.07 per diluted share impact associated with additional depreciation and amortization expense from new technology investments in the quarter, which included Club Wingstop and AI capabilities.

Adjusted EBITDA, a non-GAAP measure, increased 0.5% to $64 million. Our capital allocation priorities remain unchanged. Our first priority is investing behind our strategies, which we believe generate the highest long-term returns. An example of that is our recent acquisition of 13 franchise restaurants and the opportunity to expand our corporate restaurant footprint.

We also continued to return capital to shareholders through a balanced approach that includes both our quarterly dividend and share repurchase program. On October 27, our Board of Directors authorized and declared a quarterly dividend of $0.33 per share of common stock, totaling $9 million and to be paid on December 4, 2026, to stockholders of record as of November 13, 2026.

Additionally, during the quarter, we repurchased approximately 191,000 shares of common stock for $25 million, bringing our 2026 year-to-date repurchases to $102.9 million. As of quarter end, approximately $288.4 million remained available under our share repurchase authorization.

Turning to our outlook for 2026. We updated our domestic same-store sales guidance to a decline of between 6.5% and 7% for the full year, given trends in the current consumer environment and the pace with which our actions are flowing into the top line. We also updated our global unit growth outlook to a range of 440 to 450 net new restaurants for 2026 or 14.4% to 14.7% unit growth versus prior year.

The updated outlook reflects the timing change in restaurant openings, with the largest factor attributed to ground-up shopping center locations that are experiencing more extensive time lines to complete. We remain incredibly proud of the efforts from our support center team, regional teams and brand partners to open new restaurants at this scale.

Our development pipeline with more than 2,300 restaurant commitments remains healthy and continues to provide strong visibility into future restaurant growth. Additionally, we are updating our SG&A guidance to a range of $138 million to $140 million. This includes additional marketing investment to support the strategy Michael discussed that was not part of our prior outlook, along with lower full year stock-based compensation expense of approximately $21 million.

As you saw in our Q3 results, we've been disciplined in SG&A to manage profitability. However, in light of the marketing investment we anticipate making, the guidance applies a more elevated spend in SG&A during Q4, which would translate to adjusted EBITDA below our prior expectations.

As we look ahead, our focus is on executing the strategies we put in place, building on the progress we made throughout the year and translating those investments into stronger financial performance over time. Our highly franchised model, attractive unit-level economics and significant global restaurant opportunity provides a strong foundation for future growth.

And as we continue to strengthen the guest experience and give consumers more reasons to choose Wingstop, we believe we're positioning the brand to deliver sustainable growth and create long-term value for shareholders.

I'd like to close by thanking our restaurant team members, global support center team members, supplier partners and brand partners for their efforts and dedication to Wingstop.

With that, operator, please open the line for questions.

Question-and-Answer Session

Operator

[Operator Instructions] Our first question today comes from Brian Harbour with Morgan Stanley.

Brian Harbour
Morgan Stanley, Research Division

Yes. I guess when you talk about response to some of the recent advertising changes, I mean is there any quantification you can give to that? You don't usually like to talk about quarter-to-date, but have you sort of seen a real-time response to some of that? How should we sort of interpret those comments about responses to the change in marketing?

Michael Skipworth
President, CEO & Director

Hi, Brian, good morning. Thank you for the question. As we said in our prepared remarks, our top priority right now is to improve our sales performance and return to same-store sales growth. And as we mentioned, we're taking some deliberate actions and executing on strategies we believe will help us return to growth, but they're taking time.

And so we did reference some proof points, if you will, or some kind of signals that we're seeing in the business that we're encouraged by. I think it can relate to what we're seeing around engagement with some of the promotions we're running like Watch Party bundle or even our Thursday Night activation for a Thursday Night Football with 30 for $30, and those types of signals that we're seeing are translating to improvements in first-party average weekly sales.

We're seeing improvement in reactivation of guests, a decline in lapsed guests, and we're seeing an uptick in organic search traffic. And so there's some positive signals that we're seeing that tell us we're on the right track. The strategy we're working is showing up the way we want it to. And so we're continuing to remain focused on executing against that.

Brian Harbour
Morgan Stanley, Research Division

Okay. What are your thoughts at this point on unit growth for 2027? And I guess some of the slippage this year, would you expect those to just kind of move into the first quarter of next year?

Michael Skipworth
President, CEO & Director

Yes, Brian. We're really encouraged by the pace of development and the position we're in to deliver such a strong number for 2026. And the sites we called out that are associated with ground-up leases, which were the biggest driver to the revision and what we expect this year.

Clearly, those will translate to openings in 2027. But we're not obviously here today to necessarily guide to '27. But what I would refer back to are some of the prior remarks we've made about kind of how we see development overall playing out for our brand over the long term. Obviously, we sit here today with a pipeline of sold commitments of over 2,300.

So a really robust and strong pipeline and really strong demand from our brand partners to grow. But as we've talked about before, we expect the pace of development in the U.S. to kind of -- we've been comfortable at the level we've seen over the last couple of years and might expect that to even moderate a little bit. But at the same time, we're seeing really strong momentum build in our international business as we continue to launch new markets, and in those markets that we've launched start to scale up their pace of development.

So you'll see our international business continue to contribute to the overall unit growth rate that we're able to deliver, which lines up really well with our long-term target, our long-term algorithm of 10% plus unit growth.

Operator

Our next question today comes from Chris O'Cull at Baird.

Christopher O'Cull
Robert W. Baird & Co. Incorporated, Research Division

Alex, the comp guidance seems to imply fourth quarter comps down between 4.5%, 6.5%. Is that the current trend -- is the current trend within that range and you believe you've built in maybe some conservatism? And then I have a follow-up.

Alex Kaleida
Chief Financial Officer

Hey, Chris, yes, thanks. One of the things we did mention was just the backdrop we're operating in with this volatile consumer environment. And so we did contemplate how we thought about current trends there as well as the confidence we have and the strategies we're executing that lead us down that path to return to growth. So I think we certainly want to deliver and have a high degree of confidence in our guidance for the quarter. We know how trends are progressing through the quarter and some of the proof points Michael mentioned that give us the confidence to hit that guidance.

Christopher O'Cull
Robert W. Baird & Co. Incorporated, Research Division

Okay. And then I know you're not guiding to '27 today, but how should we think about next year's comp set up? I mean comparisons get easier, but the calendar turning doesn't necessarily change the underlying trend especially, as you mentioned, your core consumer is still under some pressure. So how should we balance those factors as we're thinking about building our models for next year?

Michael Skipworth
President, CEO & Director

Yes, Chris, this is Michael. I would just tie back to the comments we made around: We are taking deliberate actions to help position us to return to growth. And we acknowledge that those are going to take some time. But we're sharpening our creative and messaging. We're leaning into our brand strengths, bone-in wings, flavor, quality and the value that Wingstop can deliver. And we're supporting that by a stronger media mix. And we're focusing our investments around occasions where Wingstop is highly relevant.

And we're layering in menu, value and promotional levers amplified by creative and paid media. And so we think all of that is really supporting the signals that we're seeing and putting us on a path, we believe, to return to same-store sales growth. And it's not a promotion. It's not a quick fix, but this is something we think will set us up to deliver sustained same-store sales growth over time.

Operator

Our next question comes from Andy Barish at Jefferies.

Andrew Barish
Jefferies LLC, Research Division

Yes, quick one, Alex, just on the adjusted EBITDA comments at the end of your prepared remarks. Should we kind of think about that sort of like the third quarter, flattish on a year-over-year basis?

Alex Kaleida
Chief Financial Officer

Yes. I think you can see how -- what it implies based on that step-up in G&A investment, which includes the digital marketing that we're going to infuse to the plan for the fourth quarter. So I think you'd be pretty close modeling it that way.

Andrew Barish
Jefferies LLC, Research Division

Okay. And then just on the delivery channel, I know you've been doing work all year in a variety of ways with delivery. Could you just kind of give us a sense of how that channel is behaving and obviously moving into a more important seasonal period with football and weather and stuff like that?

Michael Skipworth
President, CEO & Director

Yes, Andy, this is Michael. I think the delivery channel is another great example of kind of where we talked about some of the things we've learned and we've analyzed earlier in the year and then the actions that we're taking.

One of the things that was pretty clear in the first half of the year was just a level of intensity around offers on these platforms, but we've taken a very intentional approach we think is effective around while we're increasing the frequency of our offers, we're doing it in a very targeted way that's driving consideration. And really, what we're seeing is that strategy has proven to be effective for us.

Operator

Our next question today comes from Sara Senatore with Bank of America.

Sara Senatore
BofA Securities, Research Division

I guess maybe two quick questions. One is on the unit growth, if you could just talk a bit about the franchisee. It sounds like some of this is just timing, but returns while still very, very high, have come down a bit. Are you seeing any kind of change in sort of franchisee approach to development, anything that suggests that they're pushing things out or how they're -- how you're identifying sites maybe the sites that they're bringing to you, what you're approving? Just any thoughts on the change and if there is one in the development strategy?

And then you mentioned marketing, focusing on guest interest and Wingstop relevance where they're highest. I know in the past, you've talked about maybe bringing in new customers like with sandwiches. Is that something maybe you're evolving away from really going back to the core? Or is this something where you can kind of do both? Just it seems like the language is a bit different from what we've heard in the past?

Michael Skipworth
President, CEO & Director

Thank you for the question. Let me hit on the development one first. As I mentioned earlier, obviously, we're pretty proud to be on a pace of opening, call it, roughly 450 restaurants this year. I think there's a few things at play that have impacted kind of how the year has played out, the cadence of openings. We talked earlier this year about a new restaurant design that we launched that we're really excited about, and I think our brand partners share that excitement. And so that's influenced a little bit of the cadence throughout the year as anything that was in the pipeline or new sites, we're making sure we're incorporating that new restaurant design into those.

The other thing I would point to, is our market-level playbooks that you've heard us reference before that are trade area-specific, in addition to that, identifying kind of the schedule or timing of when restaurants are opened in each market underneath that playbook. And that's proven to be working out really well.

We're obviously, as we said in our prepared remarks, we're measuring any levels around kind of demand in that area as well as any associated impact and those are running at levels well below what we've seen historically. And so the playbooks are working out really well.

We just came off of our annual brand partner convention just a couple of weeks ago. And on your question about brand partner sentiment, I guess an example or maybe an example that I would share with you is the fact the sentiment was pretty positive from brand partners.

And obviously, as you mentioned, the returns are still really strong. And the demand for growth is still really strong. And I even had a handful of brand partners hand me presentations, if you will, that were pitches around asking for more development and more growth. And so I think you see that show up in the pipeline of sold commitments that we were able to reference in our prepared remarks of over 2,300 as we sit here today.

As it relates to our marketing strategy, obviously, we've talked about our core guests and how a priority of ours is to focus on and protect our core guests, and it's also, it's about making sure that we're leaning into our brand strengths and showing up in a big way because what we acknowledged earlier in the year was our marketing was, if you will, a little overly focused on brand awareness and not focused enough or the opportunity that we really saw was around driving consideration.

And so that ties back to not just those occasions that we're leaning into where Wingstop is highly relevant but it's also making sure that we're connecting our food, flavor and value into a compelling reason for consumers or for guests to choose Wingstop.

We're not -- we're obviously taking a balanced approach, and we still see a huge opportunity around new guest acquisition, and that's part of how we're deploying and investing in those media dollars that I referenced earlier in our prepared remarks. But I think the combination of those two things, and it's those early signals that we're seeing really tell us that we're on the right track here, and we're just going to continue to focus on measure the results and pivot where we need to continue to execute as we march towards returning to sales growth.

Operator

Our next question today comes from Jim Salera at Stephens Inc.

James Salera
Stephens Inc., Research Division

I wanted to talk a little bit about the franchisee margins. And you guys have mentioned you've started to step up a little bit in the marketing on the value side. On one hand, assuming the traffic declines or headwind, but then at the same time, we've seen chicken prices come down significantly. So could you just give us an update on kind of where the franchisee margins sit relative to maybe where we've been over the past couple of years and how that interplays with the step-up in the value messaging?

Alex Kaleida
Chief Financial Officer

Hey, Jim, this is Alex. Good morning. I would say we're optimistic about where margins will lead us into in 2027. We're actually going through the mechanics now on projecting out and negotiating our pricing arrangements for our poultry purchases and are very encouraged by the market dynamics that we see in front of us.

And we kind of believe that we'll either be at or slightly below what our full year food cost could be for this year. I think margins are an opportunity for us. And one of the steps we took, and you can kind of see some of this in our corporate restaurant margins is some investments we made on value, whether it's a heightened focus on our classic wing, our bundles with 30 for $30 or Watch Party bundle that we have out there. And then strengthening our value proposition through our Club Wingstop platform, which we see as -- we made great progress on driving enrollment, but you're going to see us start to shift into more frequency-centric drivers and strategies that we'll deploy through that platform to help again strengthen the value proposition for both our core guests and new guests alike.

Separately, I do want to address in our corporate restaurant margins during the quarter. We did have some acquisition-related impacts related to the kind of our largest acquisition to date of 13 franchised restaurants. So we made some investments in labor, training and maintenance expenses that we believe will carry in. But that's unique to our corporate footprint, not something that you see translate the same way in the franchise restaurants.

James Salera
Stephens Inc., Research Division

Great. I appreciate all the detail. One follow-up just on the guest composition as you have changed some of the marketing messaging. Have you noticed if you're able to identify new guests that are coming in based off the value-focused messaging that are either lapsed guests or perhaps new to the brand?

Michael Skipworth
President, CEO & Director

Yes, I think there's a couple of elements to answer that question. Obviously, I referenced we're seeing really encouraging results around reactivation of guests. And then I would say we're also seeing as Alex mentioned earlier, some really positive signals within Club Wingstop. We're seeing new guests who sign up for Club Wingstop, returning and engaging with the brand in the next 30 days at a much higher rate. And so I would say we're seeing a balance of kind of both of those new guests as well as reactivation of guests that are really encouraging. And again, point to some of those signals that we referenced that that tell us we're on the right track here, and we're continuing to focus and execute against the right strategy.

Operator

Our next question today comes from Margaret Binshtok with Wolfe Research.

Margaret-May Binshtok
Wolfe Research, LLC

I just wanted to ask a little bit on the integrated approach to flavor that you guys talked about with some of the creative support for LTOs like Lemon Pepper Trio. Can you give us some more color on what that support looks like and how Lemon Pepper Trio performed with it? And then just how we should think about flavor cadence going forward and that integration with Club Wingstop?

Michael Skipworth
President, CEO & Director

Thank you for the question. Flavor is something that I think Wingstop has definitely earned the right to play in and to win in with consumers, and what we did with Lemon Pepper Trio, I think, is a great example of how we're evolving our approach and the actions that we're taking. And so what we've done differently with Lemon Pepper Trio is one thing as we leaned into an equity of the brand, our Lemon Pepper and made a play on that.

That was something that obviously, our consumers know and love but then we were able to introduce innovation around that, and we supported that with dedicated creative around Lemon Pepper Trio and included that in our media strategy. And so that's a bit of a different approach for us. And then obviously, integrating that through the right level of support through paid and social.

And so I do think you'll see us continue to lean into to that playbook, which again, those early results and signals are encouraging. And Lemon Pepper Trio performed really well for us. And so we do have additional flavor innovation coming down the pipeline for the balance of this year and then obviously into 2027 as well.

And just this weekend, and this week, you have an opportunity to try a really unique flavor that may sound a little odd at face value, Sour Patch Kids wing flavor, but it's actually incredibly delicious. And so I would encourage you all to go out and try it. But it's a way for us to innovate with flavor, create some new news for our guests. And as we mentioned in our remarks, newness, innovation, those are things that really drive a consideration and that's the opportunity we have in front of us.

Operator

And the next question today comes from Gregory Francfort at Guggenheim Securities.

Gregory Francfort
Guggenheim Securities, LLC, Research Division

My question is on the value marketing. And I just pulled up the app and you guys kind of have two buckets of what you're marketing, which is $8 to $10 kind of individual bundles and $22 to $28 group bundles. And I look at your competitors and a lot of what they're doing are either individual offerings where maybe the price points are lower or when they do groups, maybe there's more side options or more attached than kind of just fries. And I guess how much has kind of the $22 to $28 bundles where a ton of protein, but maybe just with fries resonated with consumers? And do you think you need to go after maybe more -- or shift the marketing towards more individual focus or add more side options? I'm just trying to figure out how this might evolve from here and what options you have.

Michael Skipworth
President, CEO & Director

Yes, Greg, it's a great question. And I think you're hitting on exactly some of those we called out from our last call that were some of the learnings that we gathered and the actions we said we were going to take, and those are the deliberate actions that we took. And so we saw messaging and clearly communicating value as an opportunity for us. And you're seeing that come to live -- come to life in the creative that we have out there today.

I referenced that Watch Party bundle and the strong performance we've seen with that. But we were very intentional while it is a group pack and serves 4 people -- up to 4 people we were intentional around the messaging on that value that we can deliver on a per person basis. And so the messaging includes that $7 per person.

But if you're logged into our app, you're probably seeing things that are very targeted. And that's a little bit of what we can do with the database that we have and how we've enriched that data. But then obviously, as we think about Club Wingstop and the opportunity we have there, where we can be very targeted with value messaging and deliver value, I think, in a very personalized way. And so in certain instances, it could be an individual occasion. And in others, it is a group pack, but I think it really depends on the guests and kind of their profile and how they typically engage with our brand. But we're going to measure all of these things and continue to sharpen our strategy as we continue to execute through the balance of the year.

Alex Kaleida
Chief Financial Officer

And Greg, this is Alex. Just to add, too. You're bringing up a great example of what we can accomplish with personalization because on my web page, have a different item featured and flavor feature because of what we know about our guests. And we can also enable that capability with our CRM campaigns, and it could be centered around flavor. It could be an individual occasion.

It could be targeting a dinner group occasion for that guest based on what we know and understand about this. And we've really deepened the knowledge of how to execute against this, and it's a component of an action we took alongside Club Wingstop to really unlock this personalization engine we've been able to build.

Operator

Our next question -- our final question today, I apologize, comes from Danilo Gargiulo with Bernstein. Please go ahead.

Danilo Gargiulo
Bernstein Institutional Services LLC, Research Division

Great. Michael, I wanted to ask you about the state of operations. Fairly encouraging that you're saying that some complaints have gone down across the system. I was wondering the opportunities that you had ahead in other words -- where do you see the complaints from customers actually going up, and therefore, they represent an opportunity for you to be deploying some actions to address those?

Michael Skipworth
President, CEO & Director

Hey, Danilo, thank you for the question. And good morning. I'd maybe start answering your question with just calling out Wingstop Smart Kitchen and just how much of a game changer that's been for us. And this is really elevated the level of visibility that we have into our operations, and it's identified, if you will, incremental opportunities for us to continue to sharpen our execution within the 4 walls of the restaurant. And that's what we've been focused on, and we did allude to the fact that we're seeing and measuring some really encouraging improvements, reduction in incidences around food quality and preparation over recent months.

And we also shared the fact that we've launched a new scorecard. In the scorecard that we've launched, it's really about measuring the right things. And those are the things that really tie directly to that guest experience, which we talked about how important that is, and in this environment, in particular, how every guest experience has to be delivered at a high level so that we can win over and retain those guests. And so I would say the other opportunities that we see, and this is really what we're focused on is just really around accuracy.

And that's something we spend a lot of time with our brand partners talking about it at our convention that we just had. This new scorecard is focused around ensuring we make progress there. But the results we see today and the opportunity that's in front of us, we're really encouraged by that and feel like we're on a really strong foot and headed in the right direction.

Danilo Gargiulo
Bernstein Institutional Services LLC, Research Division

And then Mike, if you mind, I would love to hear your thoughts more strategically on how the landscape of the restaurant delivery business is changing with Walmart making an entry, and perhaps if you can share your thoughts under what circumstances you will be considering partnering with Walmart, whether this is going to be expanding your TAM on the delivery side, given that this continues to be a big opportunity for you.

Michael Skipworth
President, CEO & Director

Yes, Danilo, that's a great question. I think delivery continues to have a long runway for growth for Wingstop in particular. I think we've demonstrated this over the year. We're better positioned than most brands to win off-premise occasions. And so if there's an opportunity for us as it relates to winning more share and optimizing our economics on the delivery channel with something like what Walmart's launched, I think it's clearly something that we'll evaluate. But we continue to see this channel as a strategic channel for us and an opportunity for us to continue to win share and drive growth. And so I think obviously, more competition should be better in the end for brands and I think for consumers as well.

Operator

Thank you. That does conclude our question-and-answer session and our conference for today. We thank you all for attending today's presentation. You may now disconnect your lines, and have a wonderful day.

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