

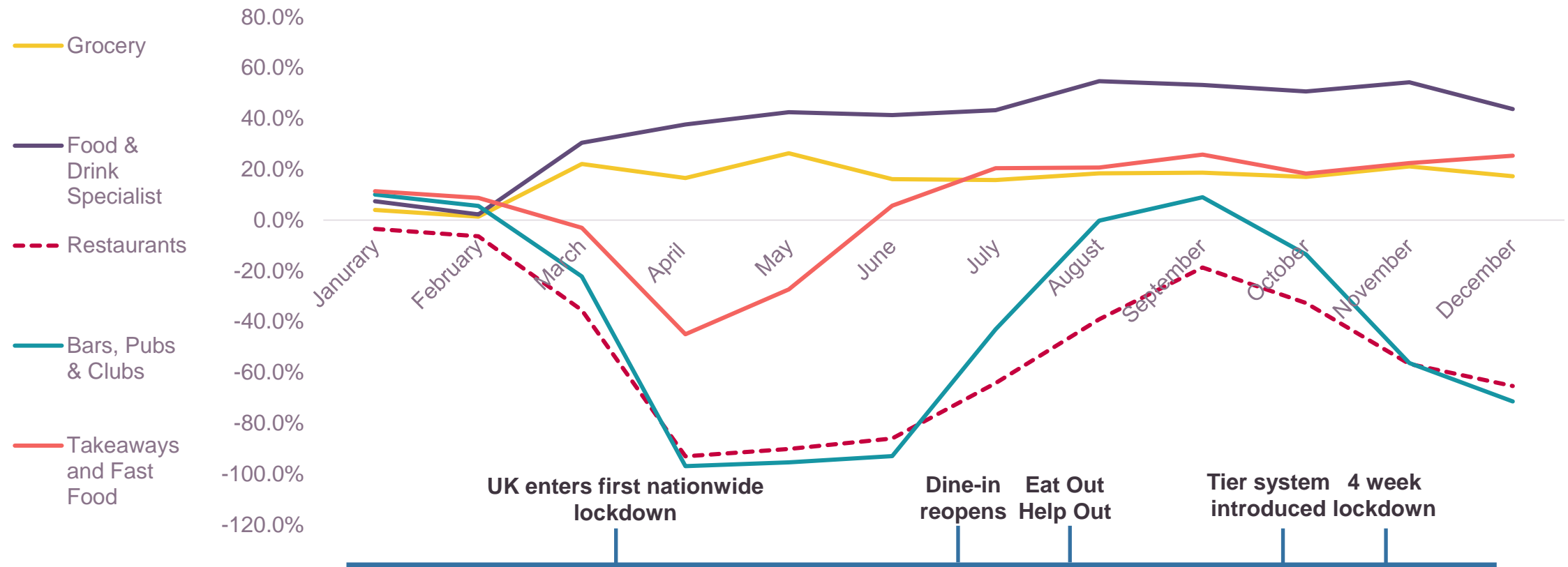
UK Restaurant Market Report 2020/21

February 2021



BARCLAYCARD SPENDING INSIGHTS

Restaurant spend growth declined by -47.0% in total across 2020, with the worst declines during lockdown periods. Despite not declining to the same extent as pubs in lockdown one, restaurants failed to achieve the same positive growth as pubs and bars in summer 2020.



Source: Lumina Intelligence, February 2021

BRANDED RESTAURANT MARKET DEVELOPMENTS – “MAKEAWAY”

Restricted trading through on-site dining has seen innovative operators offering consumers delivery of DIY meal kits to recreate favourite restaurant dishes at home.

Brands can outsource the creation of the kits while monitoring quality – resulting in less risk of negative consumer experience and negative brand reviews.

Less risk than delivery where packaging and temperate variables can impact final quality

Supplier opportunity to partner with a brand and offer products alongside ingredients e.g. alcohol

Aligns with experience economy with consumers able to share stories of creation, adding value

Aligns with consumer trend of home cooking and aspiration for high quality cooking

D.I.FRY
Mother Clucker



DIY kits
Pizza Express



Hawksmoor At Home,
Hawksmoor



Frying Pan Pizza Kit,
Pizza Pilgrims



High spirits kit box,
Patty & Bun and Cahoots

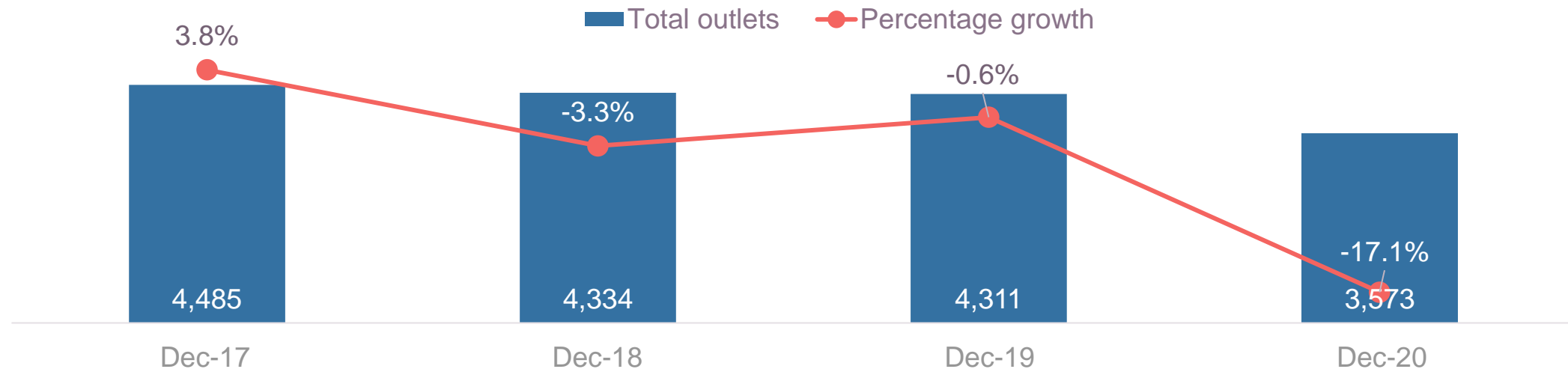


Source: Lumina Intelligence, February 2021

BRANDED RESTAURANT OUTLET GROWTH 2017-2020

The equivalent of 14 branded restaurant sites permanently closed every week of 2020, amounting of -17.1% year on year decline.

Branded restaurants total outlets and percentage growth, Dec-2017-Dec-2020



Down a total of -738 net sites, the branded restaurant channel experienced substantial downturn across 2020 as it battled two nationwide lockdowns, strict capacity restrictions and extended periods of dine in closure. Problems and pressures within the branded market segment existed before the coronavirus crisis with branded restaurants in decline from 2018. Over-expansion, unaffordable rents together with higher business rates, lower footfall and increased competition from other channels set the stage for a colossal loss of outlets in 2020 with over 20 restaurant brands entering into administration or entering into Company Voluntary Arrangements (CVA's) seeing the closure of unviable sites.

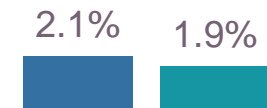
Source: Lumina Intelligence, February 2021, based on 140 branded restaurant chains with five or more outlets.

SAME-LINE DISH PRICE INFLATION SPRING/SUMMER 2018-2020

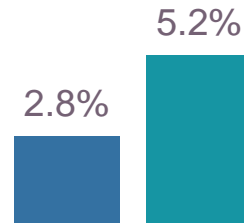
Same-line dish prices have risen by 1.9% on average in the total market. Chain restaurant prices have increased but at a slower rate of 1.2%.

Price inflation on same-line dishes, Spring/Summer 2020 vs 2019

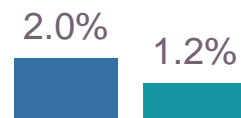
■ Spring/Summer 2019 inflation ■ Spring/Summer 2020 inflation



Average Price Inflation



Managed pub/bar restaurant



Chain restaurant

Average dish price, Spring/Summer 2018-2020

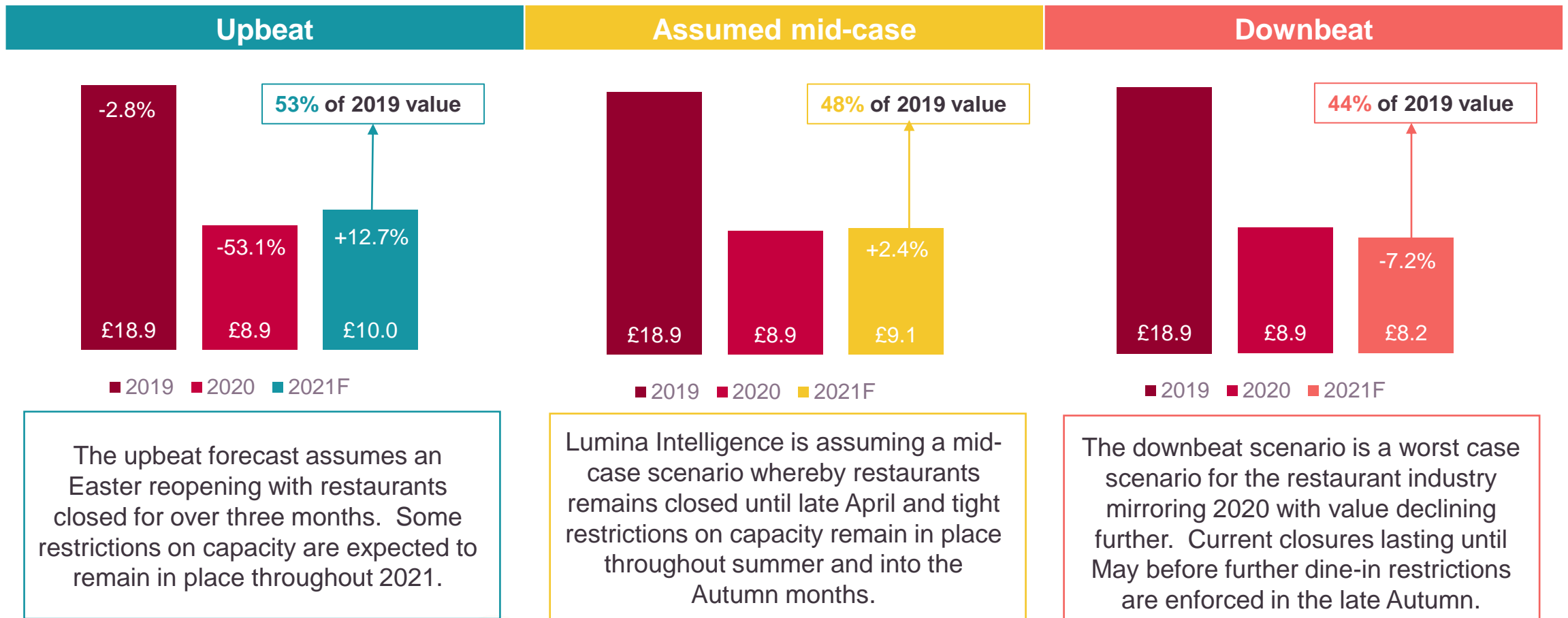
	2018	2019	2020
Chain restaurant	£8.23	£8.40	£8.50
Managed Pub/bar restaurant	£6.97	£7.16	£7.54
£ difference	£1.26	£1.24	£0.96

The trend of narrowing prices between chain restaurants and managed pubs/bar restaurants continues for the third consecutive year in a row with the difference falling sharply in 2020 as channels compete to meet consumer expectation standards.

Source: Lumina Intelligence Menu Tracker Tool Spring/Summer 2020

UK RESTAURANT MARKET GROWTH FORECASTS, 2021

Lumina Intelligence expects the UK Restaurant market to recover to grow to £9.1 billion in 2021, +2.4% growth to just 48% of the market's 2019 value.



Source: Lumina Intelligence, February 2021

Get in touch

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