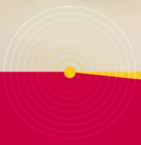


# UK Eating Out Market Report 2023

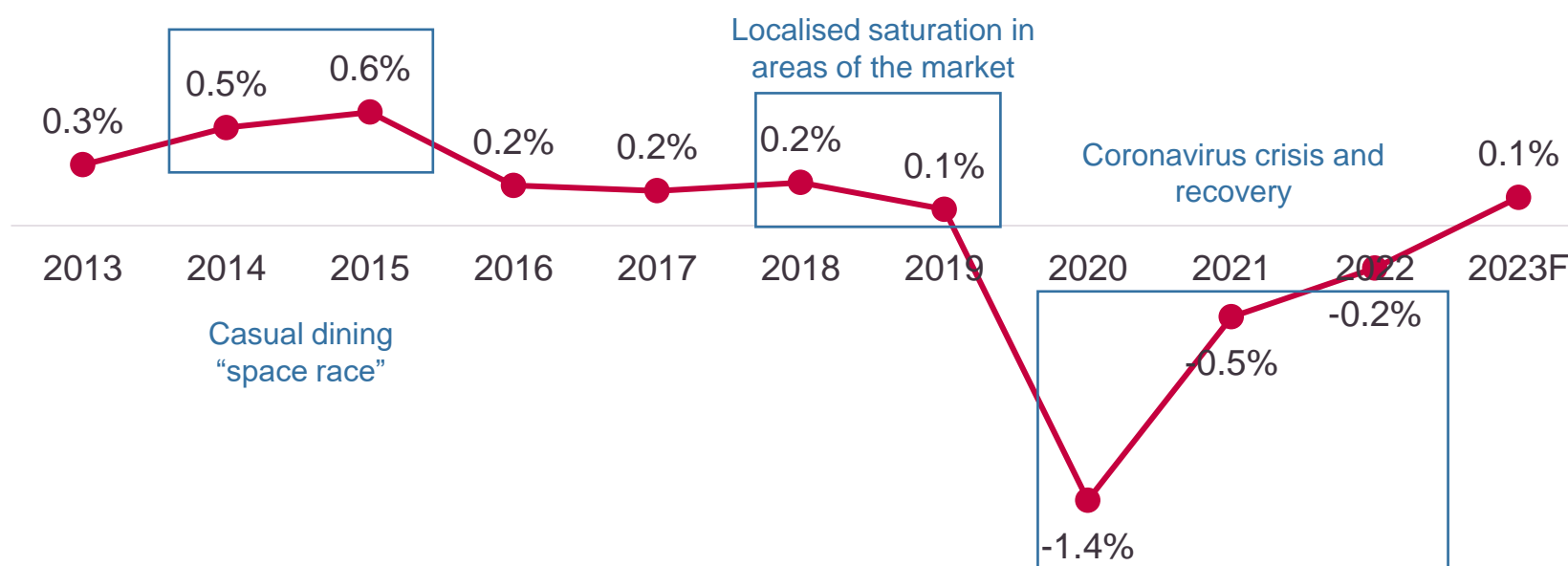
May 2023



# OUTLET NUMBERS FORECAST TO STABILISE IN 2023F

The total eating out market is expected to see net annual outlet growth from 2022-2023F. Drags on outlet growth including large declines in the independent restaurant segment and pub market are set to ease closures begin to net out. Coffee shops, sandwich & bakery and fast food and driving outlet growth in the market.

## Total eating out market outlet growth and absolute figures, 2013-2023F



Top channels by outlet growth, 2022-2023F	
Coffee shops/cafes & dessert parlours	+3.2%
Sandwich & Bakery	+1.3%
Fast food	+1.4%

322,819	324,438	326,325	326,998	327,582	328,306	328,582	323,966	322,455	321,756	322,223
---------	---------	---------	---------	---------	---------	---------	---------	---------	---------	---------

Source: Eating and Drinking Out Panel, 12 WE February 2022 VS 12 WE February 2023

# HOTELS, PUBS & RESTAURANT GROWTH DRIVERS, 2023F

Developments in digital and a focus on delivering experiences are expected to continue to drive efficiencies and spend in 2023.

		Higher importance			
Internal		Tech-led innovations in digital ordering, payment, and back of house functionality boosting efficiencies		Government support packages and legislation including rates freezes and reliefs	External
		Investment in enhancing and revamping estates to maximise space, modernise and premiumise		Economic recovery boosting appeal for external investment in the sector	
		Greater focus omnichannel propositions including delivery and retail boosting consumer base		More attractive property prospects in commuter belt towns and suburban locations for agile operators	
		Greater emergence of occasion-led venues achieving high spends, targeting special occasions		Reductions in red tape for international travel boosting footfall for cities and tourist hotspot locations	
		Investment in staff training and recruitment strategies increasing appeal for jobs in hospitality		Events including extended trading hours for the Kings Coronation	
		More expansive drinks ranges including cocktails and premium spirits driving spend		High inflation rising prices and justifying higher price points that are boosting consumer spend	
		Lower importance			

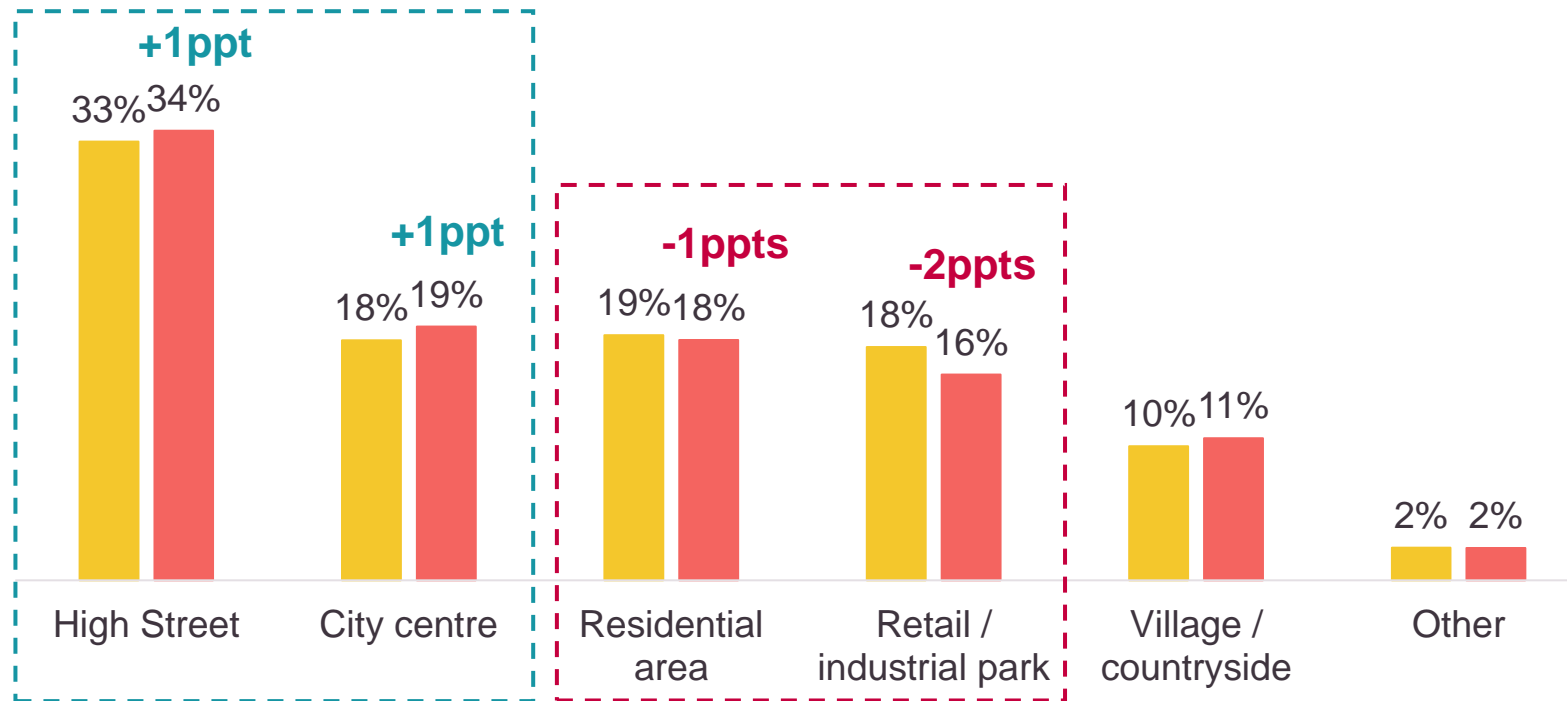
Source: Lumina Intelligence, May 2023

# CAPITALISE ON THE GROWTH OF HIGH STREET FOOTFALL

A return to offices and growth in high street footfall has driven an increase in out of home consumption in high streets and city centres. Consumption in residential areas and retail and industrial parks has declined due to recovery in busier locations but still accounts for nearly a fifth of consumption, so a varied location strategy is key.

Share of eating/drinking out occasions by outlet area, 12WE 16/04/23 vs 12WE 17/04/22

■ 12WE 17/04/22 ■ 12WE 16/04/23



## TORTILLA



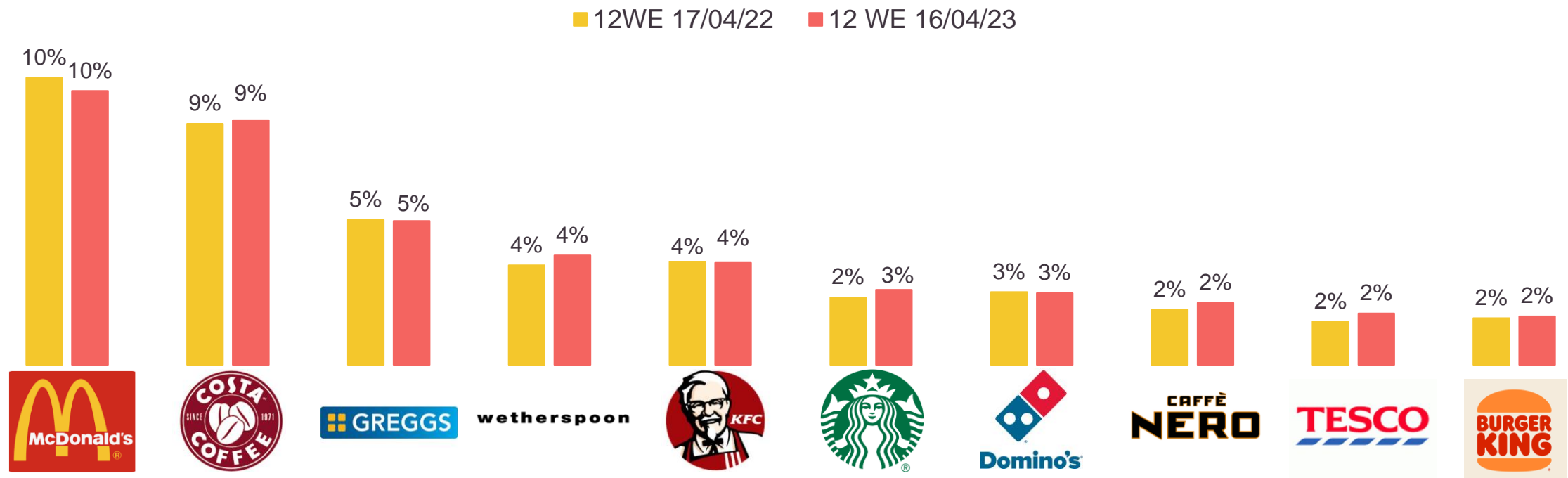
**Tortilla's estate** continues to **expand** due to the **return** of office **workers** and **tourists** in London. It's **lunchtime offer** is well positioned to deliver **value** and accelerate strong performance in **city centre** and **high street** locations, fuelling its growth.

Source: Lumina Intelligence Eating and Drinking Out Panel, data collected 12WE 17/04/22 and 12WE 16/04/23, MCA; 2023

# 1 IN 10 OUT OF HOME OCCASIONS ARE AT MCDONALD'S

McDonald's is the most popular brand purchased from and accounts for 10% of occasions. McDonald's offers lots of choice and has a wide location strategy so is able to meet growing consumer needs for choice and proximity. Costa, Starbucks and Caffè Nero have grown share year-on-year. Consumers are increasingly on the go and looking for small, affordable luxuries during the cost of living, helping coffee maintain popularity and highlighting its importance on menus.

## Top 10 brands in eating/drinking out market, 12WE 16/04/23 vs 12WE 17/04/22



Source: Lumina Intelligence Eating and Drinking Out Panel, data collected 12WE 17/04/22 and 12WE 16/04/23

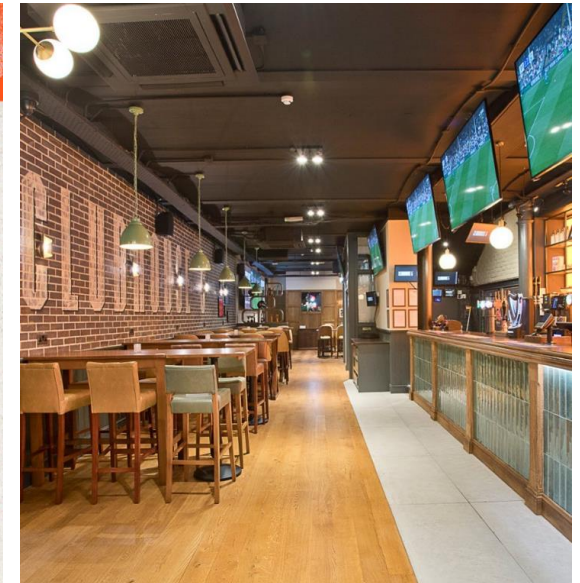
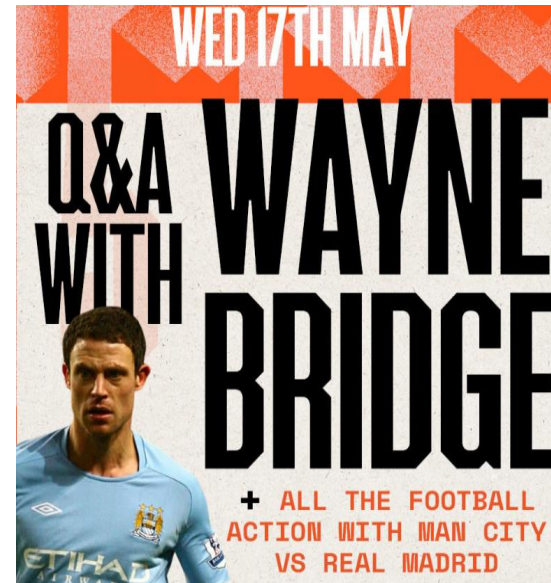
# MARKET GROWTH DRIVER EXAMPLES – OCCASION FORMATS

Pub and bar concepts are increasing customer reasons to visit throughout the week with live performances.

**Mission Mars** concept **Albert Schloss** is a **Bavarian-inspired beer hall**, cookhaus and entertainment pleasure palace. The brand won **best concept** and **best experiential concept** at the MCA's Retailer's Retailer Awards in 2023. Each site has live performances including bands and cabaret on weekdays and weekends.



**Stonegate Group** is looking to deliver a sports-led experience that is **comparable to a stadium visit**. The group's new sports model **Clubhouse Five** will seek to use an insight-driven approach to create a stadium-esque experience. Its Leicester Square site recently hosted a **live Q&A** with ex Man City player Wayne Bridge, ahead of Man City's clash with Real Madrid.



Source: Lumina Intelligence, MCA News, May 2023

# FULL TABLE OF CONTENTS

---

## **Executive summary**

Eating out market forecast

New openings in 2023

Delivering an experience

Future market growth

## **Market insight**

Total eating out market forecast

UK forecast 2023

Consumer Confidence

UK Eating Out Market Landscape 2023F

Retail, Travel, & Leisure Landscape, 2023F

Hotels, Pubs, & Restaurants Landscape, 2023F

Contract Catering Landscape, 2023F

Eating Out Market Growth

# FULL TABLE OF CONTENTS

---

Service-Led Restaurants Sizes

Quick Service Channels

Service-Led Restaurants Market Share

Outlet Numbers Forecast

Retail, Travel, & Leisure Growth Inhibitors, 2023F

Hotels, Pubs, & Restaurant Growth Drivers, 2023F

Hotels, Pubs, & Restaurant Growth Inhibitors, 2023F

Contract Catering Growth Drivers, 2023F

Contract Catering Growth Inhibitors, 2023F

## **Competitive Landscape**

Leading Brands Diversifying Propositions

Leading Companies' Growth

Top Companies' Turnover



# FULL TABLE OF CONTENTS

---

Leading Companies' Outlet Share Growth VS 2022

Leader of Branded Restaurant Outlet Share

Nando's Growth Through Innovation

TGI Fridays Reconnects with Roots Through Cocktails

QSR Brand Outlet Share

Largest Pub and Bar Brands Outlet in 2023

Top Pub and Bar Restaurant Brands are Value-Led

Specialised Brands Lead Growth

4 Trends Driving Pub and Restaurant Growth

Lead Hotel Brand 2023

Brand Expanding Offering

The Rise of Competitive Socialising Venues

Leading Coffee Shop/Café Outlet Share

Leader of Largest Brand by Outlets



# FULL TABLE OF CONTENTS

---

Demand for Omnichannel

Gail's Digital Innovations

Gregg's Focus on Accessibility

Top Brands Focus on Diversifying Formats & Offerings

Co-op leads net growth.

Lead of Outlet Count Year on Year

## **Consumer Insight**

Penetration Uptick Signals Recovery

Consumers Return to Out of Home Market

Penetration Uptick Driven By Improved Confidence

Value Scrutiny Increases in Importance

Day-Time Occasions Post-Covid

Consumers Increasingly Turning to Retail

Consumers and QSR Lunch Occasions

# FULL TABLE OF CONTENTS

---

Focus on Value and Experiences

Importance of Value Incentives

45-54's At Risk

Consumers over 45 Returning to Market

ABC1 Consumers Market Share

East England Growth in Share

Growth of High Street Footfall

On The Go and Socialising VS Home Visits

Choice and Proximity Driving Choice of Operator

Opportunity to Improve Satisfaction

Offering Experiences to Boost Venue Visits

Food and Drink Pairings on Delivering Value

Consumers and Savoury Food

Non-Alcoholic Drinks Benefit From Innovation

# FULL TABLE OF CONTENTS

---

Beer Proportions in Alcoholic Drinks

Home Occasions at McDonalds

Wetherspoon Share Year on Year

Consumer Likelihood to Drink

Opportunity to Include Low 2 Options

## **Future Outlook**

Eating Out Market Growth

UK Economic Indicators Stabilisation

Eating Out Market Value in 2026F

Outlet Growth Forecast, 2024F

Market Growth Expectations Past 2023

QSR Gains

Delivery Share of Eating Out Market

Quick Service Brands and Share Growth

# FULL TABLE OF CONTENTS

---

- Size of Prize for Top 10 channels from 2023F-2026F
- Retail, Travel & Leisure Growth Inhibitors, 2023F-2026f
- Hotels, Pubs & Restaurant growth drivers, 2023F-2026f
- Hotels, Pubs & Restaurant growth Inhibitors, 2023F-2026f
- Contract Catering Growth Drivers, 2023F-2026F
- Market Growth Driver Examples – Occasion Formats
- Market Growth Driver Examples – Technology
- Market Growth Driver Examples – Technology
- Market Growth Drivers – Sustainability



The experts in  
market and  
consumer insight  
across the food,  
drink and nutrition  
markets

Deep actionable  
insights, powered  
by the world's best  
analytics  
technology

Every measure of  
consumer and  
shopper  
behaviour, from  
planning a shop to  
choosing where to  
eat or drink

Part of William  
Reed, providing  
inspiration, insight  
and connections to  
power the global  
food & drink  
industry



# Get in touch

For further information about this report please contact:

[Holly.franklin@lumina-intelligence.com](mailto:Holly.franklin@lumina-intelligence.com)

