

Lumina Intelligence

December 2023

Lumina Intelligence Menu & Food Trends Brochure

Lumina Intelligence



Executive Summary



- **Mainstream chain and pub & bar operators are flexing menu engineering techniques to retain value perceptions and drive average spend.** Enduring high inflation has seen chain and pub operators raise same-line dish prices by +8.5% and +6.7% in Spring/Summer 2023. Operators are stretching spend with higher priced new dishes that are aligned with trends for more premium and sharing options. Chain restaurants have retained entry price points to boost value perceptions whilst focusing the largest increases on the highest priced lines.
- **Mega trends are being reflected on mainstream menus as operators boost the variety of dishes available.** Healthier, more sustainable and experience-led items including veg-centric and Asian-inspired dishes are growing on menus. Meat-free chain restaurant main dishes have increased by +8pppts. Garlic, pickle and mushroom are the top growing vegetables whilst spiced and pickled feature in the top growing adjectives used in menu descriptions.
- **Value scrutiny is the most important mega trend in 2023, highlighted by customers and businesses as shaping needs and priorities.** Frugality is central to many product trends in 2023 with consumer interest in cheaper cuts of meat, veg-centric and affordable cuisines growing as many adjust to changing financials. Product trends include tinned meat and fish, zero-waste and dates.
- **Lifestyle shifts are contributing to the growth of party dining and maximalism.** The decline of the late-night sector – influenced by rail strikes, hotter summers and the pandemic - has seen the emergence of late-night entertainment in the premium restaurant space. Luxurious and differentiated interiors, live DJs and entertainment and immersive elements are key-features of party dining venues, influenced by the rise of social media and the revival of un-used spaces, offering value for money beyond price.
- **Social corporate responsibility and streamlining operations are top business priorities for 2024 with the economy set to stabilise.** The total eating out market is forecast to total £102.4 billion by 2026F, underpinned by higher inflation post-covid and improvements in customer spending power. Sustainability (48%), workforce diversity (38%) and digitalisation (37%) are the top three initiatives being prioritised by businesses. Digitalisation and artificial intelligence will be central to streamlining operational costs and boosting customer satisfaction.

How to use this report



Report section:	Menu Composition & Engineering	Mega and Key Trend sections	Future Outlook
Relevant teams	Commercial, brand, creative, marketing, data and insight, holding company, board	Commercial, brand, creative, marketing, data and insight, holding company, board	Commercial, brand, creative, marketing, data and insight, holding company, board
Operator Questions answered	What are mainstream operators doing across menus to mitigate current challenges? How do I benchmark against mainstream operators? What are possible gaps that can be capitalised on?	How are consumers interacting and thinking about different trends and market developments? What are their motivations? What are the opportunities to be exploited?	How will the market change across the next three years and what are the threats and opportunities?
Supplier/ Wholesale Questions answered	What does the market look like and how will changes impact my customers? What factors will need to be priorities for supporting customers?	How are operators having to adapt to deliver against changing consumer needs? What can we do to support our customers?	How will the market change across the next three years and what are the threats and opportunities?
Investor Questions answered	How are mainstream operators amending menus to mitigate current challenges, what are the new opportunities or trends that have developed in the mainstream?	What are key consumer behaviours and considerations that a prospect needs to be prioritising?	How will the market change across the next three years and what are the threats and opportunities?

Source: Lumina Intelligence, December 2023

Sample Slides

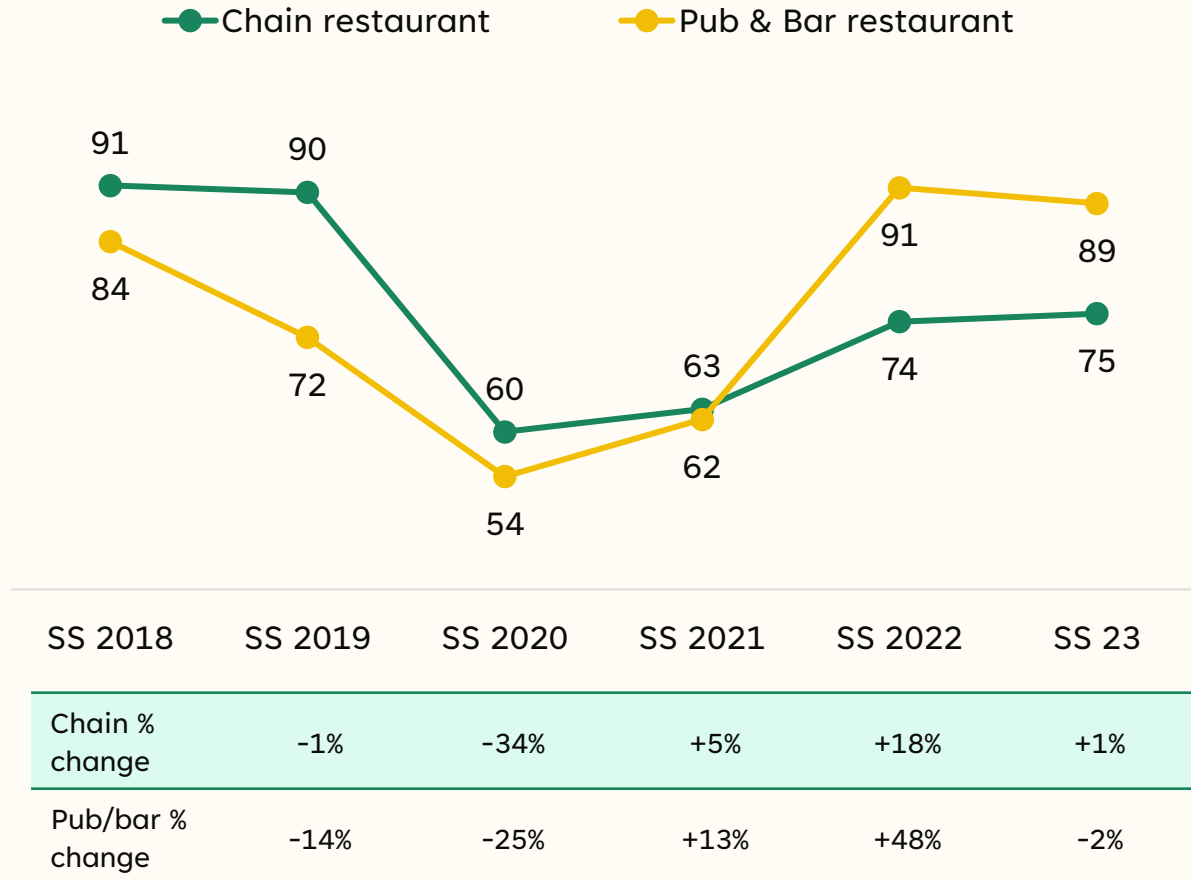




Average dish count per menu, Spring/Summer 2018 –2023

Dish count changes on menus have stabilised post covid

Chain restaurant menus have increased on average by +1 dish in Spring/Summer 2023, with menus remaining -17% smaller than typical lengths pre-covid in 2019. Pubs & bars have seen a decline by a net average of -2 dishes on menus this year, growing by almost half in 2022 and outpacing pre-covid menus as operators offer a wider array of items.



Source: Lumina Intelligence Menu Tracker Tool, Spring/Summer 2023

Branded dessert items have grown share of pub menus



13%

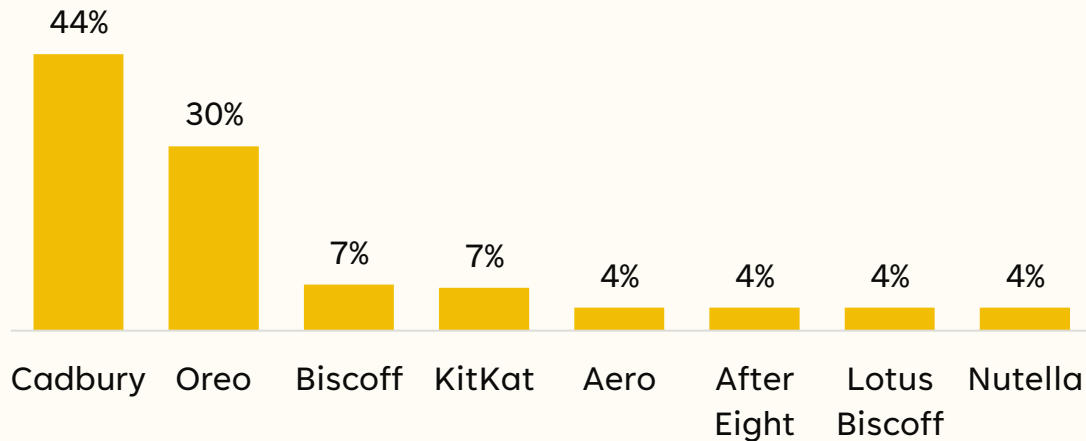
Of pub & bar desserts feature a branded product

+6ppts

Year-on-year

Suppliers looking to capitalise on the opportunity of foodservice partnerships should communicate with operators around the popularity of certain products, ease of execution of inclusion in dishes as well as competitive pricing.

Brands featuring in pub & bar dessert menu items, Q3 2023



Biscoff® Sundae (V) 6.99
Vanilla ice cream layered with Biscoff® crumb and Biscoff® sauce. Topped with a whip of cream and a Biscoff® biscuit (623kcal) Want to make it vegan, just ask! (V) (614kcal)

Vanilla Ice Cream Sundae with KitKat® (V) 6.99

Vanilla ice cream layered with KitKat® crumb and chocolate sauce. Topped with a whip of cream and KitKat® fingers (583kcal)

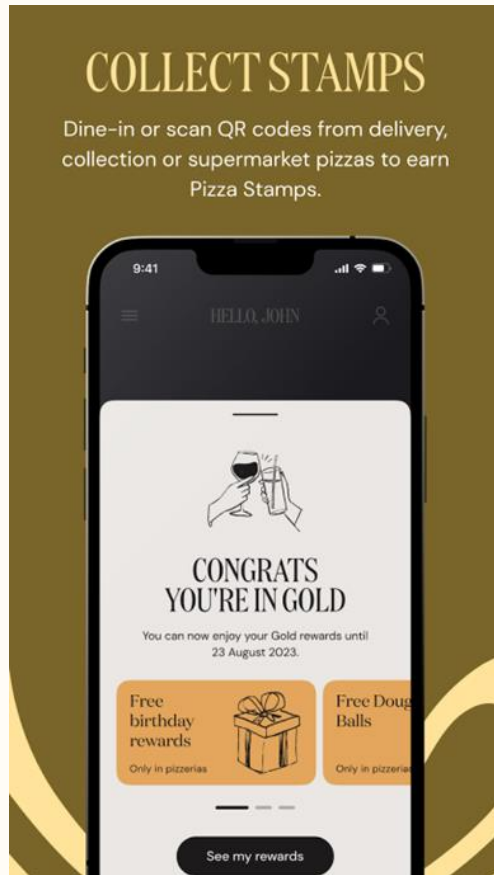
Cheesecake with Cadbury® Crunchie (V) 6.99

Baked New York style cheesecake, topped with Cadbury® Crunchie pieces and caramel sauce. Served with vanilla ice cream (673kcal)

Beefeater

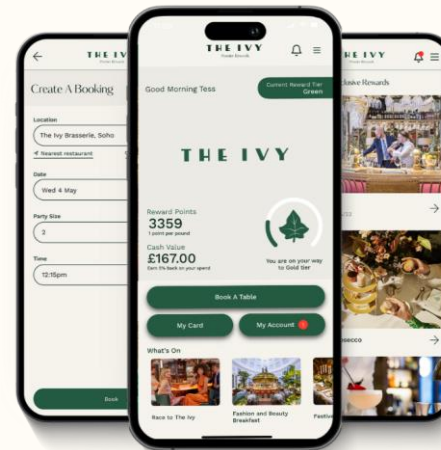
Source: Lumina Intelligence Menu Tracker Tool, Spring/Summer 2023

Operators are targeting value through range adjustments and rewards programmes



PizzaExpress' digital loyalty scheme PizzaExpress Club delivers value-led omnichannel offerings to consumers providing app users with rewards when dining in, ordering for delivery or scanning supermarket pizzas. The brand's diversified loyalty scheme can engage with a wider consumer base targeting value-driven consumers across channels.

The Ivy Collection launched its Ivy Premier Rewards App, allowing guests to earn points when they dine in a branded venue. The introduction of a rewards app boosts the brands accessibility and aligns with the needs of more value-conscious consumers.



Pret A Manger has launched initiatives to deliver value to customers, including the launch of its made simple sandwich range, starting at £2.99. It has also revamped its Club Pret scheme, to now offer 20% off food, as well as five barista made drinks per day for £30 per month.

Source: MCA, Lumina Intelligence, December 2023

Party dining grows amid the shrinking nightclub market

Hot – Party Dining

The sharp decline in nightclubs since the pandemic has fuelled the growth of late-night entertainment in premium restaurants. Consumers looking to replicate the experience of a night out are being driven towards experiential restaurants that offer DJ's, live entertainment and push the boundaries, magnified by the visibility offered by social media.

Sexy Fish continues to deliver on the party dining trend with its latest opening in Manchester placing experiential dining at the core of its offering. The venue will feature luxurious Asian-inspired interiors including bespoke fish lamps, glass columns and a bar set back against a waterfall. This, alongside a late-night programme of DJs and performers, positions Sexy Fish as a premium destination for dining and entertainment.

Source: Restaurant, Hot dinners, Lumina Intelligence, December 2023





Mega trend developments 2023F-2026F



Healthier eating



Experiential



Convenience



Sustainability

- **A change in Government** could see a shift in policy priorities and a renewed Government focus on legislation surrounding healthier eating and sustainability.
- **Big data and analytics** will be at the forefront of developments as operators leverage data available to them.
- **Further Brexit legislation** will heighten the need for streamlined supply chains, supply chain sustainability and local sourcing.
- **AI-powered customer service** including voice bots, ordering assistants, bespoke menu items and pricing will streamline experiences and boost operational efficiencies.

Lumina Intelligence forecasts key drivers for the evolution of its eight mega trends

The expansion of foodie culture in the UK is boosting opportunities for differentiated flavours and new experiences.

Tech-led innovations and the use of artificial intelligence in digital ordering, payment and back-of-house operations are expected to be central to developments in the foodservice industry.

Source: Lumina Intelligence, December 2023



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Menus reflect shift in both supply and demand

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Same-line dish inflation across chain and pb restaurants

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Cuisine driving main dish price increases at pubs

How bar and pub operators are making food more expensive

Pricing

Types of dishes driving up price points

New main dishes are more premium

Chain restaurant operators retaining entry level prices to remain affordable

Patterns in entry and exit price increases across courses in & bars

Left digit anchoring ion chain restaurant main dishes

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Items & Trends Analysis

Pub and Bar customisable main dish examples

Operators introduce more vegetables-based side dishes

Top vegetables used reflects the prevalence of 3 different dishes

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Top growing adjectives on menus

Items & Trends Analysis

Restaurant capitalising on growth of Korean cuisine

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Branded dessert items have grown share of pub menus

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Future Outlook

- Lumina Intelligence forecasts key drivers for the evolution of its eight mega trends

Report Details



Format
Electronic PDF

Pricing
£3250

Publication
December 2023

Access
Corporate Access

Methodology



Eating & Drinking Out Panel

Lumina Intelligence's UK Eating & Drinking Out Panel tracks the behaviour of 1,500 nationally-representative consumers each week, building up to a sample of 78,000 every year, across all eating out channels and day-parts (including snacking)

2020-2023

Market Sizing & Operator Data Index

Market sizing data tracking the performance of hospitality and grocery operators, based on turnover and outlet numbers

Extracts from Operator Data Index and wider synthesis with total Eating Out market sizing

Lumina Intelligence Operator Data Index tracks and forecasts outlet and turnover information for over 400 brands across the eating out market

2017-2026F

Menu Tracker

Lumina Intelligence's Menu Tracker tool tracking menu data from 80 operators across the Eating Out market

Chain restaurant and Pub & bar menus analysed in the report

Tool also covers QSR & Sandwich & bakery

Spring/Summer 2022-2023

Secondary external sources

Lumina Intelligence also uses external sources including desk research, GFK Consumer Confidence Index and EY Item Club economic indicators

Source: Lumina Intelligence, December 2023

**To learn more about how Lumina Intelligence can support you,
please get in touch using the contact details provided below.**

Get in touch

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