

Lumina Intelligence

2024

Lumina Intelligence UK Pubs & Bars Market Report

Lumina Intelligence



Report Introduction

The Lumina Intelligence Pub & Bar Market Report 2024 is a must-have review of the UK pub and bar market. Including market sizing with market value and outlet future forecasts to 2027, current consumer insight and analysis of the current market landscape including growth leaders and trends. This report is a holistic source of intelligence on this channel for suppliers, operators, service providers and investors.

This comprehensive report helps readers to understand the scope of the channel, highlighting areas of opportunity as well as future potential growth or decline drivers to inform insight, commercial and category teams.

Key themes of this year's report include the level of investment being made by into managed formats in areas including premium dining and pubs-with-rooms as well as the challenges around costs and consumer confidence as the weak economic landscape endures.



How to use this report



Report section:	Market Insight	Competitive Landscape	Consumer Insight	Future Outlook
Relevant teams	Commercial, finance, data and insight, holding company, board	Commercial, finance, data and insight, holding company, board	Brand, creative, data and insight and marketing	Commercial, finance, data and insight, holding company, board
Operator Questions answered	What does the market look like and how will changes impact my business case and forecast? What are possible gaps that can be capitalised on?	What can we learn from how operators are innovating? How are our business efforts impacting our market share?	How are consumers interacting with the market? 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?	Who are the winners and potential customers in the market?	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	What is the landscape and the opportunity for growth in the market?	Who are the key players in the market and how are they performing?	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, August 2024

Sample Slides



Macro factors impacting the pub market, 2023-2024

Weather and tourism will bring challenges and opportunities in 2024

Pub market operators have placed greater emphasis on capitalising on outside space since the coronavirus pandemic.

Investment in shelters, heaters and rain covers will aid poor weather mitigation.

Pub groups including Heartwood Inns and McMullen are targeting expansion in the pubs with rooms space as consumers favour UK staycations to save money and minimise travel uncertainty.

Inhibitor



England Rainfall in the last 12 months, July 23-June 24:

145%

of the long-term average

Persistently heavy rainfall will weaken consumer footfall for the pub market and limit the opportunities to maximise outdoor and pub garden covers

Driver



Difference in short break/holiday choices in next 6 months compared to last 12 months, May 2024:

33%

“More likely to choose UK than overseas”

Demand for UK staycations is boosting opportunities for growth in the pubs with rooms segment alongside food-led pubs positioned in tourism hotspots

Source: ONS Environment Agency, July 2024, Visit Britain Domestic Sentiment Tracker Report, May 2024

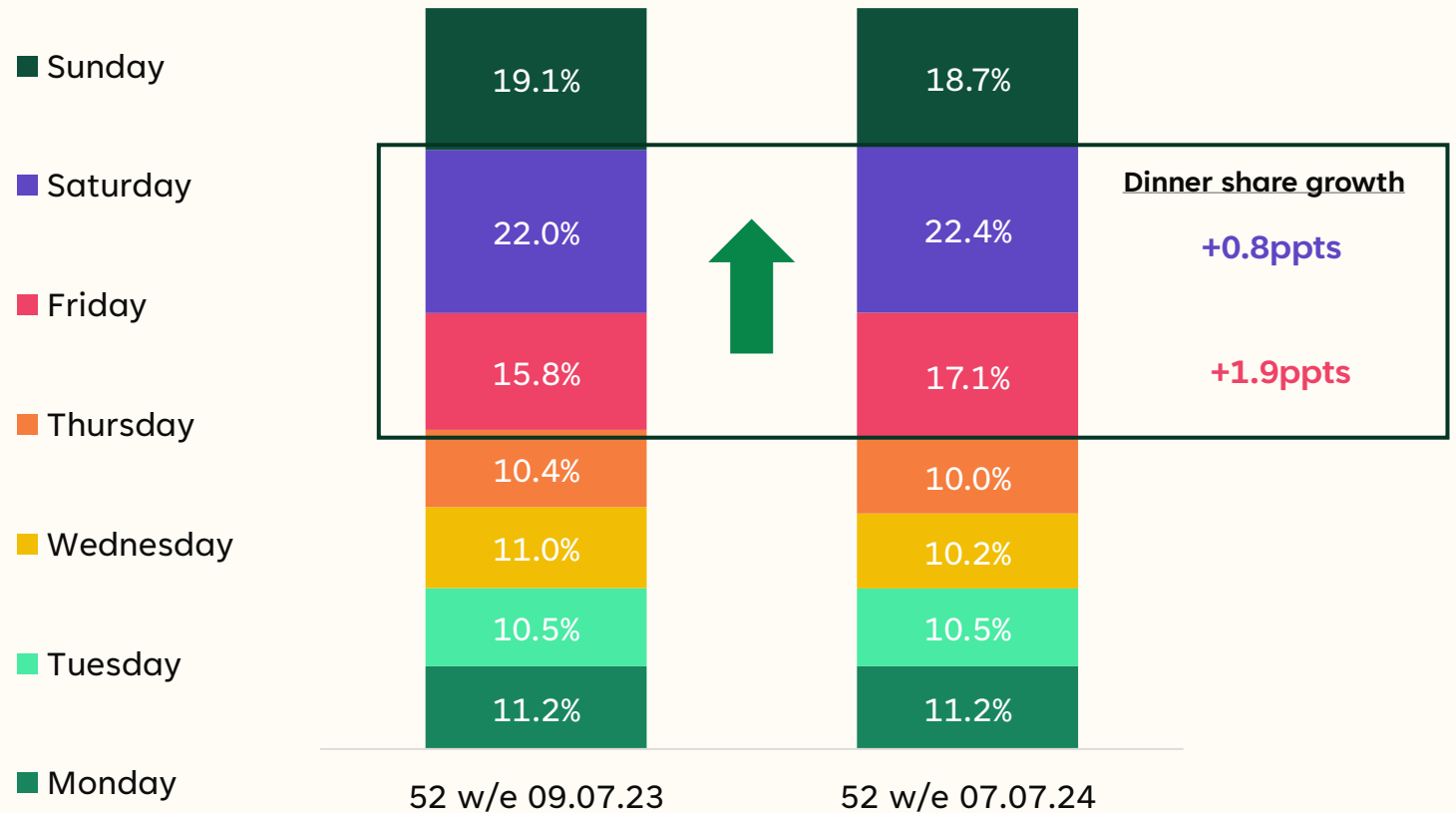


Fridays and Saturdays now account for two in five pub visits

Consumers are increasingly visiting pubs and bars on Fridays (+1.3ppts) and Saturdays (+0.4ppts) highlighting a shift towards higher tempo occasions.

Weekend growth is driven by dinner, especially on Fridays, where dinner grows +1.9ppts. Consumers are increasingly utilising the channel for higher spend occasions, while visiting less for mid-week, everyday low-ticket occasions. This creates opportunities for pubs to have premium, trade up options on menus at dinner and a need to pivot to recruit more consumers midweek.

Pub & bars, occasions by day of the week ¹³



Source: Lumina Intelligence Eating and Drinking Out Panel, data collected 52WE 10.07.2022 and 52WE 07.07.2024

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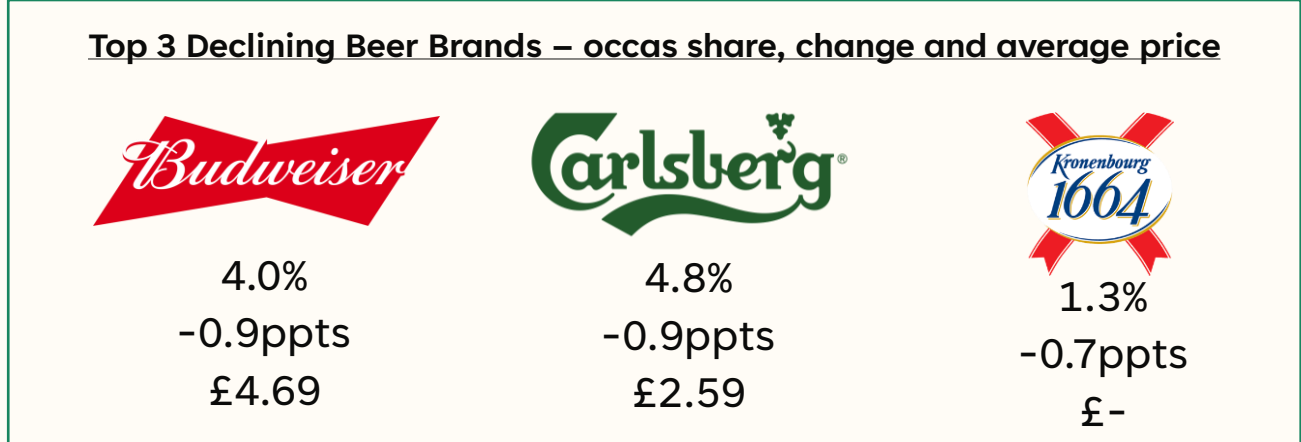
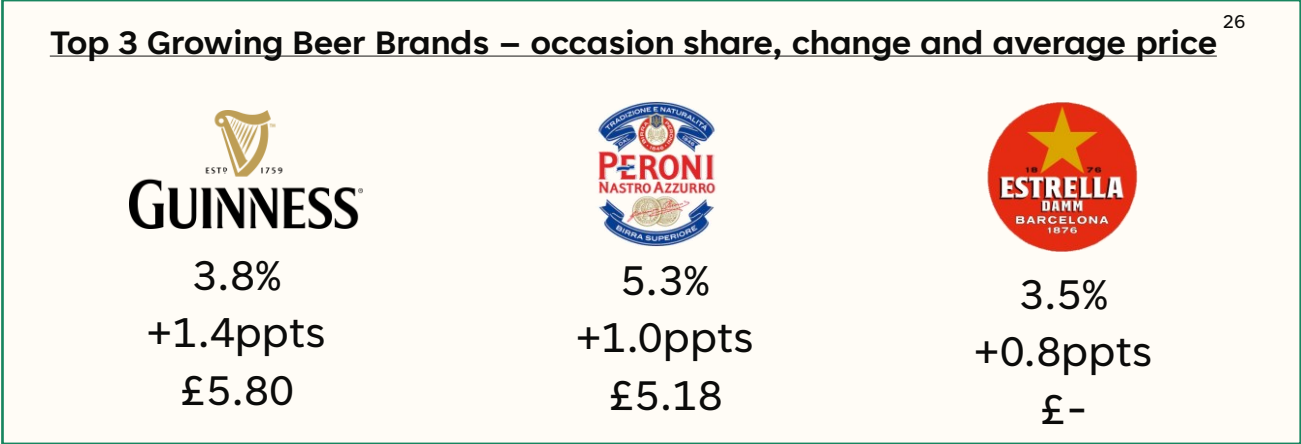


Opportunities for premium, world beers and Guinness

Guinness is the top growing beer brand in pubs and bars alongside premium, world lagers, Peroni and Estrella. Consumers are shifting away from lower cost lagers, and instead choosing more expensive and higher quality options.

This poses a great opportunity for pubs to have a range of premium and higher priced beers as trade up options for consumers wishing to treat themselves.

*Occasion Share %
Share change
Average pint price**



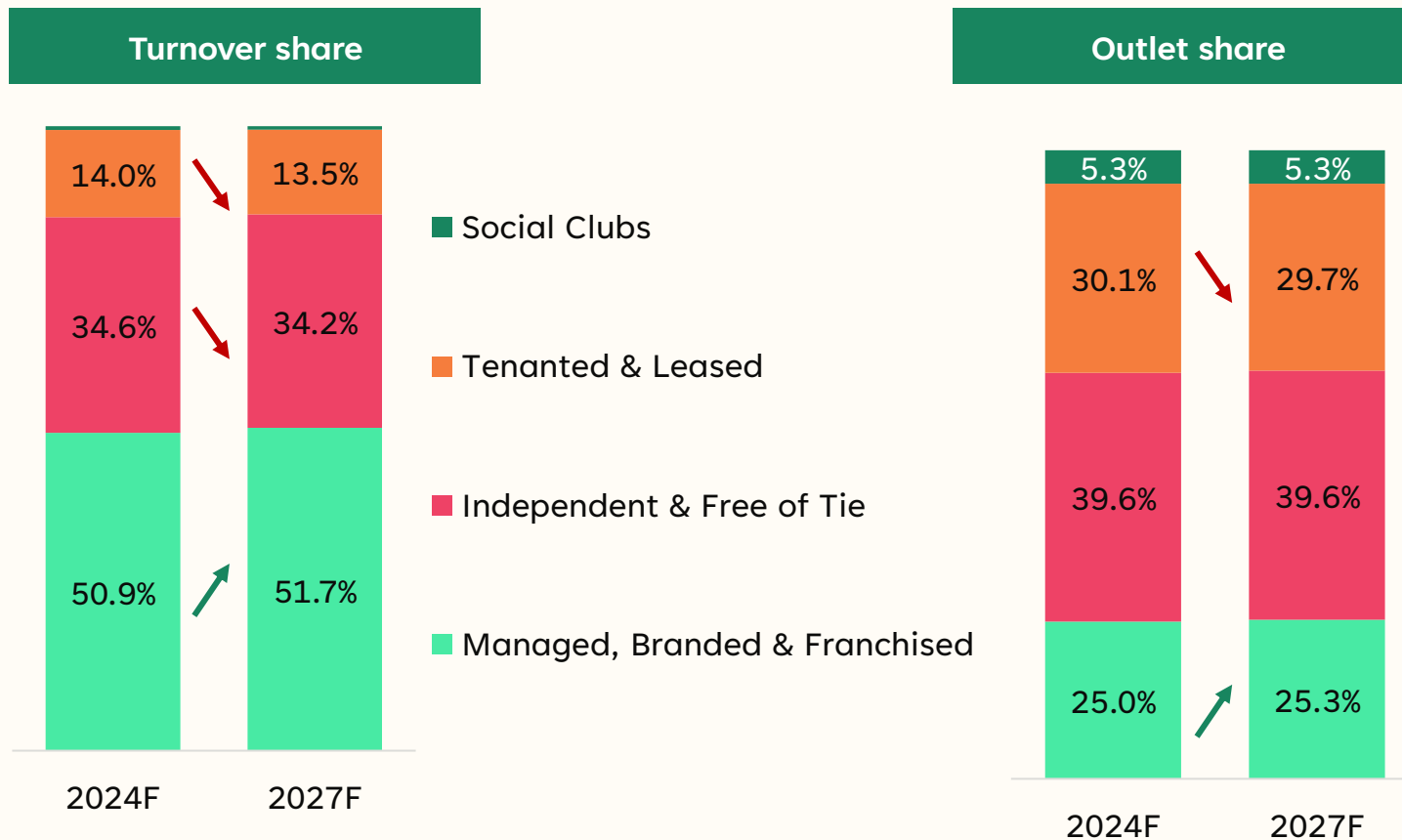
Source: Lumina Intelligence Eating and Drinking Out Panel, data collected 52WE 10.07.2022 and 52WE 07.07.2024 *Menu Tracker 2024



UK pub market value and outlet share by segment, 2024F-2027F

Independent pubs are set to retain share amid end of net closures

Independent & free of tie pubs are forecast to retain a 40% share of the market by outlets, driven by improving conditions. The governments Planning & Infrastructure Bill is expected to broaden opportunities for smaller wet-led community operations. Managed, branded and franchised pubs are forecast to boost turnover share as investment in more premium formats drives higher transaction values.



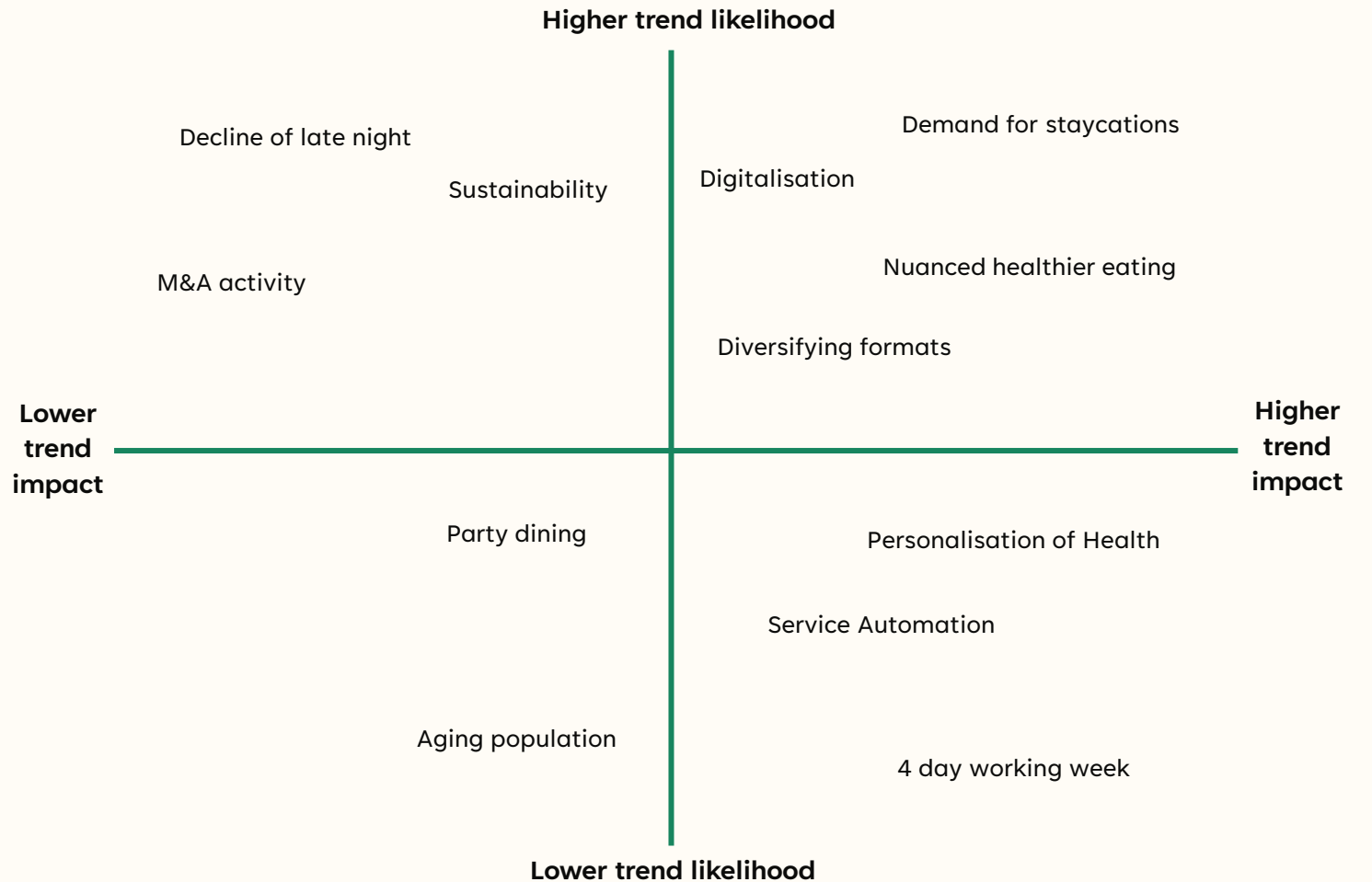
Source: Lumina Intelligence Market Sizing Insight & Analysis, August 2024



Macro and pub & bar market: 2024F-2027F trends

Trends expected to be highly likely and have a high impact on the market and consumers in the next three years include operator digitalisation, diversification of formats and consumer trends around nuanced healthier eating. Trends with lower likelihoods in the next three years including ageing population and 4 day working week are expected to be more likely in the next 10 years.

Trends, 2024F-2027F



Source: Lumina Intelligence, August 2024

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Market Insight

Tourism & sports bring pockets of opportunity

Pub & bar market growth 2024F forecast

Business challenges driving outlet decline in the pub market

Investment in growth drivers and managed market share

Consumer confidence nears pre-covid levels

Market Insight

GfK consumer confidence, July 2019-2024

Weather and tourism challenges and opportunities in 2024

Macro factors impacting the pub market, 2023-2024

New government launch bills that will benefit hospitality

New bills announced by government in July 2024

Market Insight

The pub & bar market value in 2024F

Pub market growth rate VS total market

Ongoing business challenges and pub closures

UK pub market outlets and outlet decline 2019-2024F

The managed model is growing share of the pub market

Market Insight

UK pub market value and outlet share by segment, 2018-2024F

Pub model benefits and challenges

Pubs & bars market growth drivers, 2024F

Pub & bar market growth inhibitors, 2024F

Source: Lumina Intelligence, August 2024

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Leading brands focus

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Top 10 branded restaurants by outlet growth

Competitive Landscape

Branded restaurant trends & growth drivers

Digital transformation strategies

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QSR trends & growth drivers

Competitive Landscape

Top 10 pub & bar brands by outlets

Pubs & bars trends & growth drivers

Top 10 coffee & sandwich brands by outlet growth

Coffee & sandwich trends & growth drivers

Competitive Landscape

Format diversification

Driving efficiencies through automation

Brands use of digitalisation

Operators use of drink innovation

Source: Lumina Intelligence, August 2024

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Consumer Insight

- Occasion analysis
- Pub visits and frequency
- Quality VS value
- Economic improvements and impact on KPIs
- Consumer demographics
- Weekly frequency % change, pubs and bars

Consumer Insight

- Pub & bar market share reverses to 2022 levels
- Channel share of occasions
- Pub & bars, occasions by day of the week
- Missions – Pubs & bars
- Occasions – Pubs & bars

Consumer Insight

- Reason for choosing an establishment (Top 10)
- Shifts in operator share
- Drinks bought and consumed
- Reason for choosing beer
- Opportunities for premium, world beers and Guinness

Consumer Insight

- Guinness – Demographic Changes
- Dietary requirements and restrictions
- Locality and sustainability opportunities
- Pub classics share

Source: Lumina Intelligence, August 2024

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Future Outlook

Economic stability, government reforms and consumer trends

The UK pub & bar market forecast

Market trends will force developments in pub models

Proposed policy changes will bring challenges and opportunities

Expected areas of legislation changes, 2024F-2027F

Future Outlook

Grounds for optimism for UK economic growth to 2027F

Key economic indicators, EY Item Club, 2022-2027F

Pub market growth is forecast to accelerate from 2024F-2027F

UK pub & bar market value in millions, with percentage growth, 2023-2027F

UK pub market outlets and outlet decline 2022-2027F

Future Outlook

Independent pubs are set to retain share amid end of net closures

UK pub market value and outlet share by segment, 2024F-2027F

Pubs & bars market growth drivers, 2024F-2027F

Pub & bar market growth inhibitors, 2024F-2027F

Macro and pub & bar market: 2024F-2027F trends

Future Outlook

Trends, 2024F-2027F

Key areas of the market impacted

Food-led pubs: future development expectation

Wet-led pubs: future development expectation

Experience-led pubs: future development expectation

Source: Lumina Intelligence, August 2024

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)

2020-2024

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

2018-2027F

Secondary external sources

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

Source: Lumina Intelligence, August 2024

Report Details



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