Lumina Intelligence

2025

Lumina Intelligence Top of Mind Report

Brochure

About the report

The **Lumina Intelligence Top of Mind Report 2025** provides business leaders with valuable insight into the key developments, opportunities, and challenges shaping the UK Eating Out and Grocery Retail markets.

Drawing on exclusive feedback from senior decision-makers, the report benchmarks industry sentiment, highlights business priorities, and identifies the forces expected to influence trading performance over the next 12 months.

With a focus on helping businesses validate internal perspectives, adapt to market headwinds, and seize emerging opportunities, this year's report combines robust data analysis with qualitative insights from Lumina's extensive research programmes.

Key focus areas:

- **What** is the state of the current business climate?
- **How** are trading environments expected to develop in the next 12 months & what expectations are behind this?
- **What** are the key long term consumer trends impacting both markets?
- **What** initiatives are being prioritised within businesses?
- **What** are the main business challenges?
- **Why** are businesses having difficulties attracting & maintaining staff?
- **What** are the most admired brands?

Sample Slides

Hospitality shoulders heavier legislative and taxation burden than grocers

Hospitality is anticipated to be hit harder by upcoming legislative changes. These are expected to raise labour costs while heightening marketing restrictions and security duties, squeezing already fragile margins.

Expected areas of legislation changes, 2026F-2029F - Impact

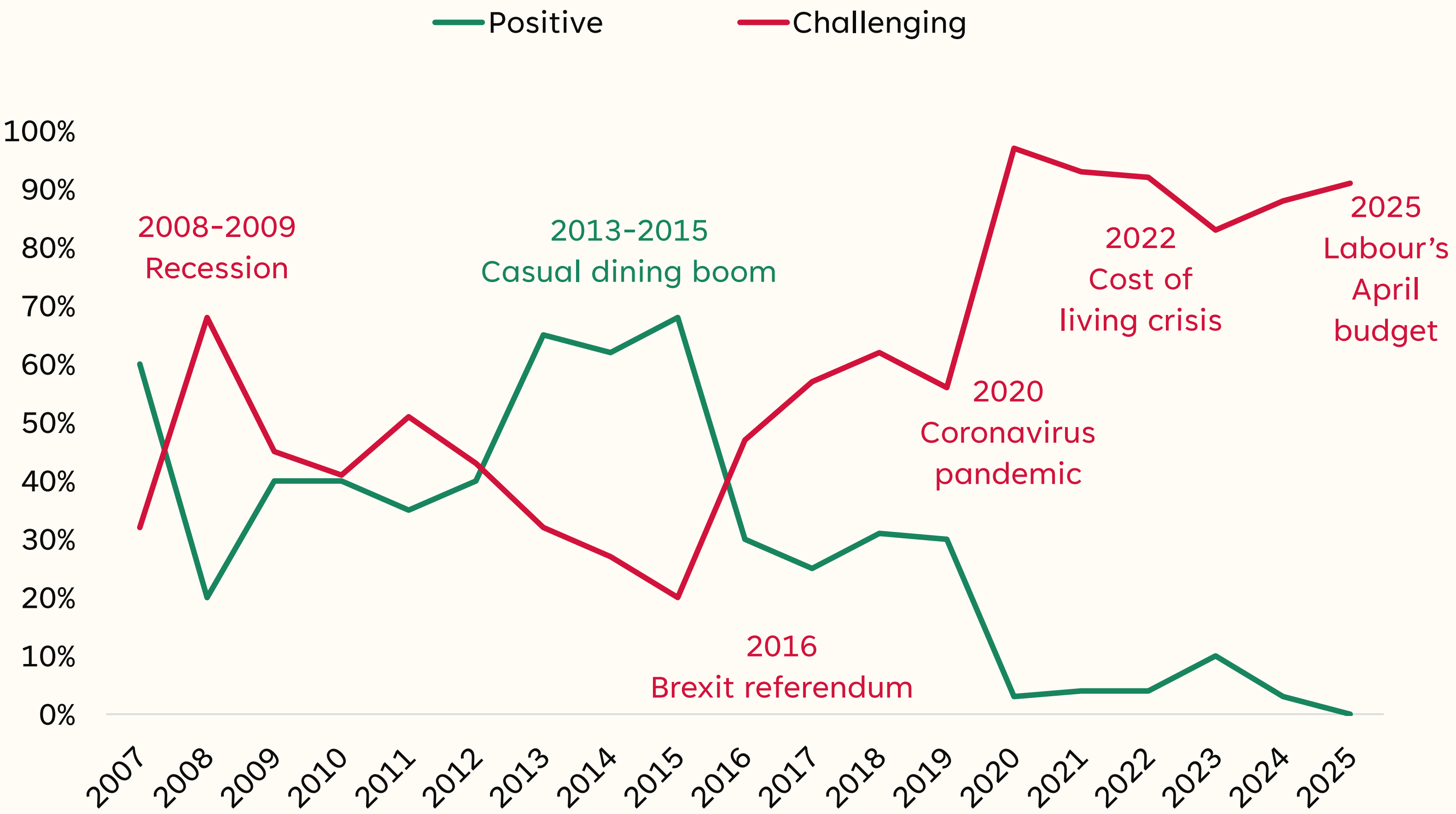
	Impact on grocers	Impact on hospitality
National Minimum Wage trajectory	Rising wage bills for store staff; automation and self-checkout adoption likely to accelerate	Increased labour costs for front-of-house and kitchen staff; risk of reduced opening hours or service cuts
Business rates reform	Relief for smaller supermarkets and convenience stores; higher costs for large supermarkets and distribution hubs	Relief for independent pubs/restaurants; higher bills for large hotels, chains, and venues
Revaluation of properties	Some grocers may face higher bills despite relief, especially in high-value urban locations	City-centre restaurants and bars could see sharp increases; suburban/rural operators may benefit
VAT scope/threshold changes	Potentially higher VAT burden on food categories if scope widened; could push up shelf prices	Eating-out spend more exposed if VAT reliefs narrowed; higher menu prices likely
Martyn's Law	Minimal direct impact on grocers	Significant compliance costs for larger venues (200+ capacity); training and security investment required
HFSS advertising restrictions	Limits on promotions/advertising for less healthy products	Fast food/QSR brands face tighter ad restrictions which could undermine demand.
Extended Producer Responsibility (EPR) fees	Higher packaging compliance costs; pressure to reform pack formats and pass costs to suppliers	Takeaway/delivery packaging costs rise; operators may need to charge for packaging or reduce options

Source: Lumina Intelligence, October 2025

Eating out market continues to battle tough conditions

Some 91% of hospitality leaders deem the current climate challenging, +21ppts higher than the 2008–09 crash. Labour's April hikes to the national living wage (NWL), national insurance and business rates squeezed already tight margins, hitting independents hardest. Since the Budget, 84,000 hospitality jobs have been lost, according to the ONS.

Q. How would you describe the current trading environment in the eating out market?

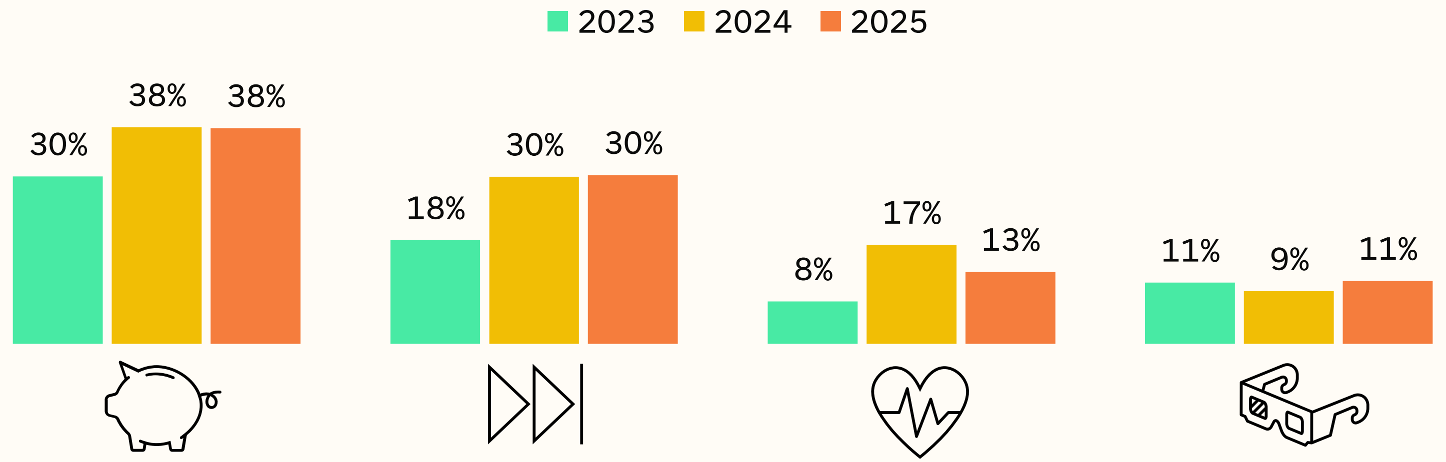


Source: Lumina Intelligence Top of Mind Business Leaders Survey, Q4, 2007-2025

Q: Which of the following are the most important long-term consumer trends affecting the eating out/grocery retail market?

Renewed focus on the experience but less on conscious consumerism in 2025

Trends around conscious consumerism tailed off in 2025 as businesses turned their eye to improving experiences, leveraging technology including AI. Financially driven consumer trends remain the most selected followed by future proofing as households continue to express caution on discretionary spending.



Financially driven = average of:

Squeeze on household budgets

Value consciousness

Decrease in footfall

Future proofing = average of:

Changing behaviour of younger consumers

Impact of social media on marketing

Conscious consumerism = average of:

Ethical consumerism and environment

Moderation of alcohol consumption

Healthier eating

Experience driven = average of:

Experience-driven behaviour

Demand for home delivery

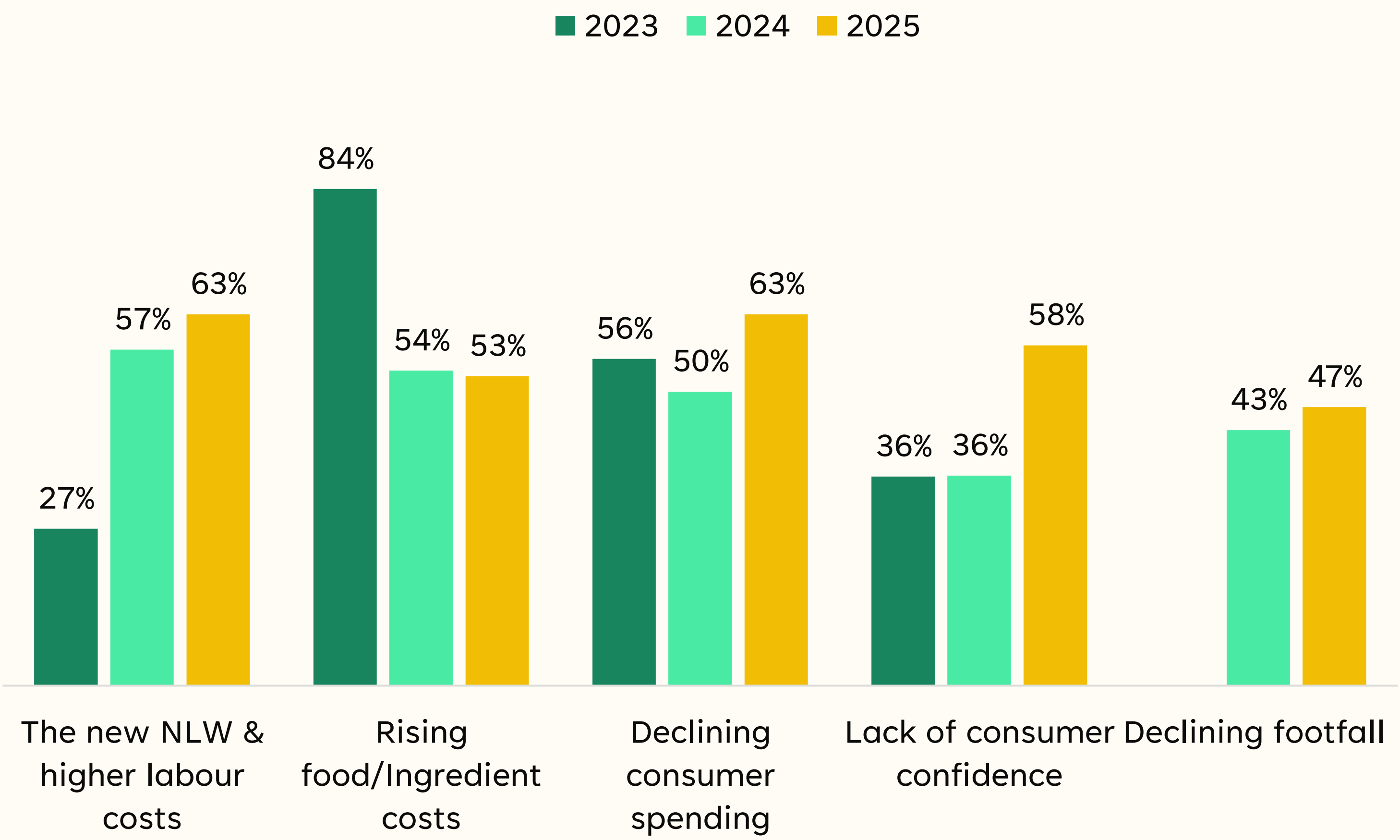
Customisation and personalisation

Source: Lumina Intelligence Top of Mind Business Leaders Survey, Q9, September 2025

Negative consumer confidence and rising costs unnerve hospitality

Making work pay is central to the Labour government's agenda. Changes to the NWL in April disproportionately affected hospitality. Concerns regarding higher labour costs jumped +36ppts over 2023 while that for consumer confidence grew +22ppts. The NLW rise is projected by UKHospitality to result in 110,000 job losses within the sector by the next budget.

Q: In your view, what are the most important business challenges facing your organisation currently? – eating out market (top 5)



Source: Lumina Intelligence Top of Mind Business Leaders Survey, Q7, September 2025

Grocery businesses recognised for adaptability, relevance and channel strategy

Adaptability, consumer relevance and channel strategy were the most referenced reasons to admire a grocery retail business. A mixture of operators and suppliers were noted.

Most admired brands in grocery retail summary

	Adaptability	Channel Strategy	Collaboration	Consumer relevance	Ethical Values	Innovation
AGB		●				
Bold Bean Co	●			●	●	●
Coca-Cola	●	●		●		
Co-Op Food	●			●		
HUEL	●			●		●
Lucozade		●	●	●		●
Marks & Spencer	●	●		●		●
MOJU	●			●		●
Nestle		●		●		
Sainsbury's		●		●		
Tesco	●	●		●		●
Tony's Chocoloney	●			●	●	●

Source: Lumina Intelligence Top of Mind Business Leaders Survey, Q12.1, September 2025

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Methodology

All data presented in this report derives from an online questionnaire targeted at industry professionals across the eating out and grocery retail markets, focused on understanding the current trading environment, challenges and growth opportunities.

The survey was carried out from June-September 2025 and data has been compared to previous waves, collected in June-August 2021-2024.

A total of 46 leaders working in senior management positions completed the survey. 20 were from grocery/retail, 22 from hospitality and the remaining four straddled both sectors.

Supporting data sources

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-present

Lumina Intelligence's UK Convenience Tracking Programme (CTP) – survey-based data collection with 1,500 responses weekly and 78,000 on an annual basis

2020-present

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Lumina Intelligence

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