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**UK eating out market to decline 60-70% by the end of 2020**

According to the recently launched Lumina Intelligence UK Recovery Report 2020, the UK eating out market is forecast to decline between 60-70% in the full year to December 2020.

The compound annual growth rate (CAGR) for spending on out of home (OOH) food and drink is expected to be -23.1% between 2017-2020F, down from +1.2% over the period 2014-2017. In contrast, the CAGR for in home food and drink spend is set to grow, from 2.0% between 2014-2017 up to 4.5% for the period 2017-2020F.

This highlights the greater exposure of OOH businesses to external factors, whereas a large proportion of in-home food and drink is somewhat of a necessity. In home spending is set to accelerate from 2017-2020F, as around two thirds of the population consume all their meals at home during the lockdown period.

Consumers have remained cautious with their spending throughout the coronavirus pandemic, with 63% actively trying to save. More positively, 45% of consumers are confident about their financial position over the next 6 months, compared with 21% who are concerned.

Nearly two-thirds (64%) of consumers are worried about visiting eating out venues. Operators will have to comply with various safety measures, costing them time and money as well as impacting the very essence of socialising pleasurably.

The ability for operators to bounce back from the coronavirus pandemic will be heavily based on the channel and location they serve. Travel and tourism, work-district and city-centre-based operators are more exposed to the effects of the lockdown. Reduced footfall will be a key challenge, with rental negotiations pivotal in moving forwards. Previously attractive sites could lose some desirability.

Blonnie Walsh, Head of Insight at Lumina Intelligence said, “The UK eating out market has been brought to its knees by the coronavirus pandemic and recovery will not come quickly. Certain channels and locations are certainly better placed to bounce back more quickly from the effects of coronavirus, such as coffee shops and fast food outlets, which are more suited to on-the-go visits and are less experience-led. Also, as was the case throughout the pandemic, those with delivery capabilities are likely to recover quicker than others. In contrast, dine-in channels that revolve around social experiences will not recover as swiftly, with social distancing measures set to be in place for some time.”

“Regardless of channel, recovery is going to be hard, with over half of operators expecting it to take 13-24 months to get back to pre-crisis profitability levels. However, consumers are positive about their finances, so there remains an opportunity for operators to attract future spend. Consumer expectations will be much higher, and the onus will be on operators to reassure its customers that their operations and premises are clean and safe. As always, those that are best prepared, will be best placed to seize opportunities for success.”

Further information on Lumina Intelligence UK Recovery Report 2020 can be found on their website.

**ENDS**

**Report methodology**

The Lumina Intelligence UK Recovery Report 2020 provides strategic thought leadership on the factors affecting the UK eating out and grocery retail markets due to the coronavirus pandemic and our view on what the market could look like post coronavirus. The report is based on data from:

* Lumina Intelligence’s Eating Out Panel, comprising 72,000 consumer surveys a year
* Lumina Intelligence’s Consumer Tracking Programme, incorporating 20,000 shopper interviews a year
* Lumina Intelligence’s brand new Channel Pulse, our weekly measure of consumer behaviour and attitudes across channels from a nationally representative sample of 1,000 consumers
* Economic trends available from external sources such as ONS, with our own advanced analysis techniques applied
* Bespoke 1,000 consumer study specifically for this report
* Interviews with journalists and industry leaders from the Foodservice and Grocery Retail sectors

**About Lumina Intelligence**

Lumina Intelligence inspires the global food and drink sector with deep, actionable insights powered by the world’s best analytics technology. Our products and services are used by the major brands and organisations in these fast moving and growing markets to support business planning, strategic marketing and new product development.

With offices in London, Chicago, Montpellier, and Singapore, and local on the ground analysts across our businesses, you can trust our market knowledge. We are committed to providing all our customers with up to date accurate information to support critical decision making.

Combining the expertise and experience of HIM, MCA Insight and Lumina Intelligence, we are the experts in market and consumer insight across the food & drink and nutrition markets.

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