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**13 October 2020**

**More challenges ahead for UK eating out market, with a full recovery not expected until 2023**

According to Lumina Intelligence’s new UK Eating Out Market Report 2020 Update, the UK eating out market will contract 40% to £54.7bn in 2020 and will not fully recover the value lost until 2023, when the market is forecasted to reach £92.8bn.

The UK eating out market is forecast to see growth of 64% in 2021, equating to value sales of £89.5bn for the full year, with delivery, tech-led solutions around contactless service and eased restrictions on trading hours all crucial for market recovery.

Growth in 2021 will be spearheaded by the prolonged reopening of dine in foodservice locations, assuming there are no more nationwide lockdowns. Reduced footfall and therefore reduced sales are expected to continue for key segments including pubs and service-led restaurants with social distancing restrictions showing no signs of being eased in the short term.

In the immediate, the picture is much bleaker. Data from the Lumina Intelligence Hospitality Leaders Survey revealed that over a third of hospitality leaders do not believe that their business will be able to survive the 10pm curfew for six months. In the first week following the curfew being announced, three in ten operators saw more than 30% of bookings cancelled.

Channels predominantly offering dine in operations are anticipated to be hit the hardest, as they were more exposed to the effects of the coronavirus. Pubs and service-led restaurants are set to lose the most value, forecast to decline by over £11 billion and £8 billion, respectively.

In contrast, speed of service has grown as a core need for consumers and is in the top three needs across all dayparts, placing quicker, more-convenient on-the-go solutions in a position to recover more quickly.

Blonnie Walsh, Head of Insight at Lumina Intelligence says, “The government’s new three tier lockdown plan has resulted in a significant step backwards for parts of the UK, with forced closures meaning that hospitality continues to be one of the worst hit industries throughout the pandemic. Unfortunately, in the short term, this will intensify the pressure on operators, suppliers and wholesalers. However, we expect hospitality to remain resilient throughout this time, and, despite a significant decline in value in 2020, we forecast the market to somewhat recover in 2021, with 61% growth expected.”

“Faster, value-led solutions that offer greater convenience to the consumer are well placed for a swifter recovery. However, dine in operations, which continue to feel the full force of the pandemic can also capitalise on the trend towards speed and ease of service. Technology led innovation including digital ordering and payment, click & collect operations and app initiatives can facilitate fast service, social distancing and encourage loyalty through integrated schemes.”

For more information on the Lumina Intelligence Eating Out Market Report 2020, please [click here](https://www.lumina-intelligence.com/total-eating-and-drinking-out-market-reports/uk-eating-out-market-report-2020/).

**ENDS**

**Report methodology**

The research, from Lumina Intelligence’s exclusive UK Eating Out Report 2020 Update, was conducted using data from Lumina Intelligence’s Eating Out Panel, Channel Pulse, Operator Data Index and Hospitality Leaders Poll.

* Eating Out Panel – tracks the behaviour of 6,000 nationally-representative consumers each month, building up to a sample of 72,000 every year, across all eating out channels and day parts.
* Channel Pulse – Lumina Intelligence’s weekly measure of shopper and consumer behaviour across all UK food and drink channels – consisting of 1,000 interviews per week.
* Operator Data Index - provides comprehensive data on leading UK convenience operators, including rankings, outlet numbers and estimated sales.
* Hospitality Leaders Poll – A weekly poll of board level members of pubs, restaurants and food to go operations to understand their attitudes and behaviours towards the current trading environment, conducted in partnership with MCA News, Big Hospitality and the Morning Advertiser.

**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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