William Reed
INFORMING BUSINESS GROWTH

UK Eating Out Market Report 2021

June 2021

Lumina Intelligence

HOTELS, PUBS & RESTAURANTS GROWTH INHIBITORS, 21F-24F

Weak cash reserves for some operators will continue to be a growth inhibitor whilst the risk from further trade restrictions remains.

Higher importance

Internal

- **Weak cash reserves** limiting innovation and development in property, product and services
- **Greater difficulty in recruiting** and maintaining staff due to Brexit
- **Government restrictions** limiting trading opportunities
- More reliance on less profitable revenue streams, namely, **delivery**
- Greater reliance on **technology alienating older demographics** that are more resistant to digital
- **Slowing physical expansion** limiting turnover growth through net new space and putting the focus on driving growth through existing sites

External

- **Unexpected closures** through further virus outbreaks and lockdowns
- **Limited discretionary spending** from the impact of the pandemic
- Food and ingredient **price rises and fluctuations**
- Growth in competition with rises in consumer use of **competitor markets** including meal-kit solutions, grocery and F&B specialist stores
- Cost increases from **obesity strategy legislation** meaning calorie information at point of choice
- Changes in legislation surrounding **legal minimum wages** and higher business rates

Lower importance

Source: Lumina Intelligence, June 2021

TECHNOLOGY IS KEY TO WINNING 18-34S BACK ON-PREMISE

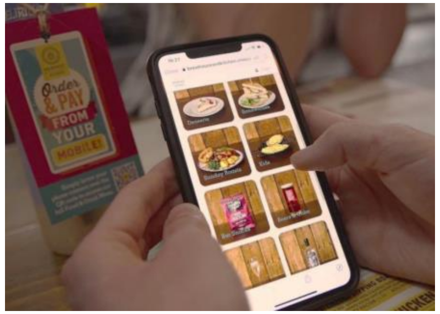
Risk-adverse older consumers place higher importance on social distancing measures being enforced, whilst younger consumers are more likely to be attracted back to venues by special events and remote ordering via technology.

What can restaurants, coffee / sandwich shops, pubs, and bars do to get you to visit again in the next 12 months?

Enforce social distancing rules	44%
Offer good promotions	41%
Increase cleanliness	40%
Offer outdoor seating	37%
Offer remote ordering or payment via a tablet	22%
Special events	10%

18-24's are **+72%** more likely to visit for special events and **+26%** more likely if remote ordering via tablet is available.

25-34's are **+49%** more likely to visit special events and **+39%** more likely to visit if remote ordering via tablet is available.



Brewhouse and Kitchen launched a new mobile app ordering service in July last year.

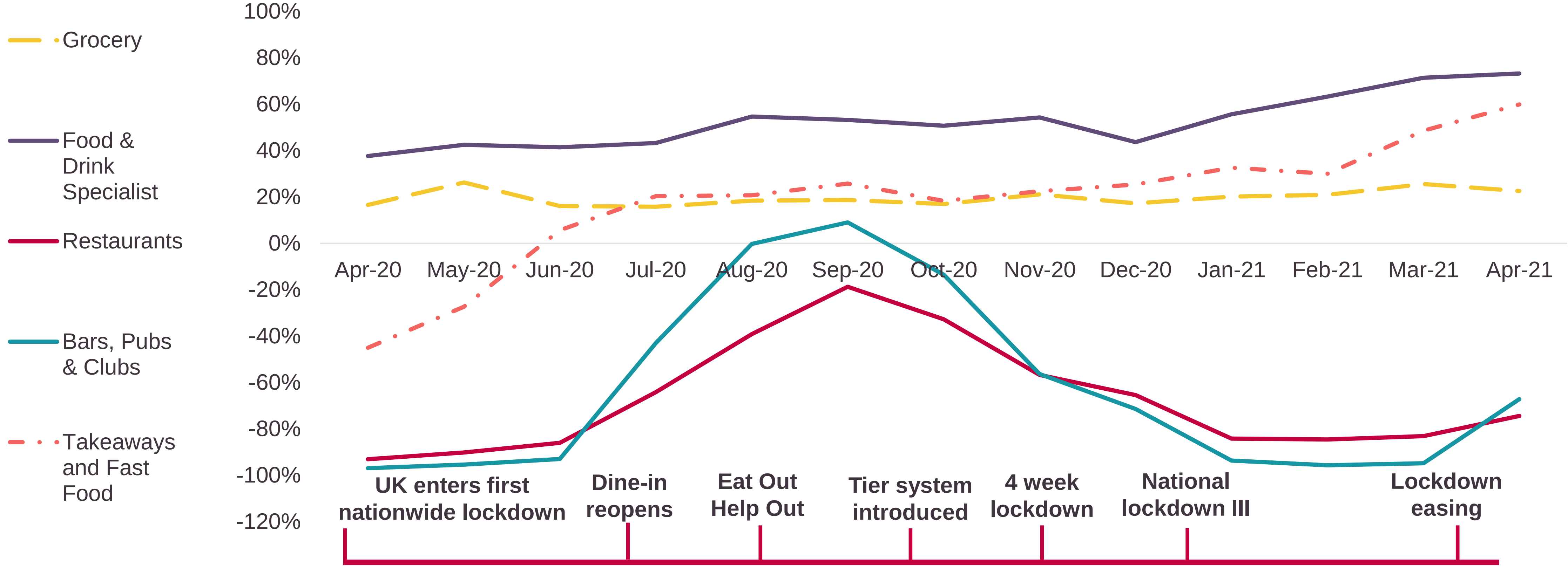
The Artichoke in Croxley Green clearly highlights on the front door steps taken to ensure social distancing is enforced

Apps which allow ordering can be used to facilitate social distancing and encourage loyalty and repeated visits through integrated loyalty schemes. Maintaining alfresco dining spaces as summer approaches will be one way to ease consumer concerns around social distancing.

Source: Lumina Intelligence Bespoke Eating Out Consumer Survey, May 2021

SPECIALIST F&B AND TAKEAWAY SHARE GROWS DURING LOCKDOWN

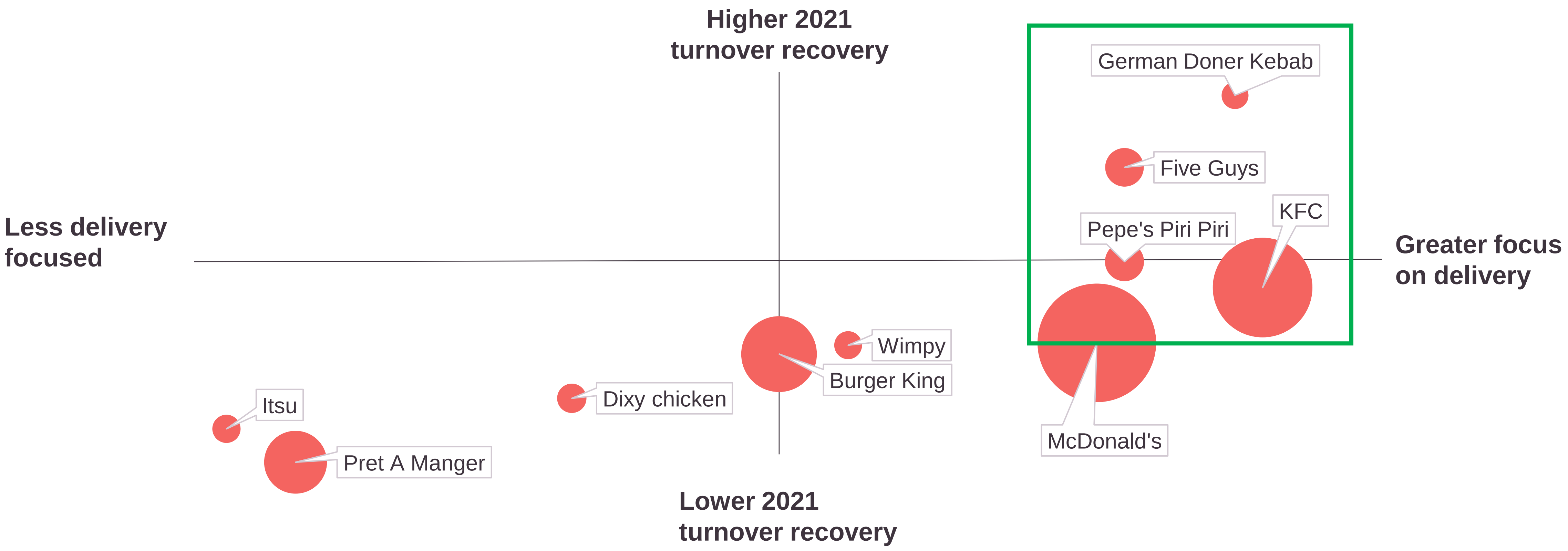
Food and drink specialist stores including butchers, green grocers and alcohol stores have seen continued growth throughout the pandemic, as local shopping has remained a strong consumer need.. Restaurants, pubs and bars across England were able to reopen for outdoor dining from 12 April, driving a slight uplift for pubs/bars/clubs and restaurants which should continue with the reopening of indoor hospitality from May 17.



Source: Barclaycard Consumer Spending Reports, April 2020-April 2021, 2020 and 2021 figures show percentage change versus the same month in 2019

FAST FOOD OUTPERFORMERS MORE FOCUSSED ON DELIVERY

Fast food brands expected to recover past 2019 turnover in 2021 include German Doner Kebab, Five Guys, Pepe's Piri Piri and KFC. Alongside continued physical expansion these brands are more skewed towards delivery and have been able to maintain meaningful revenue streams throughout lockdown periods of the pandemic.



Note: Bubble size refers to operator size by outlets at Dec-21F

Source: Lumina Intelligence, June 2021

FULL REPORT TABLE OF CONTENTS

TABLE OF CONTENTS

TABLE OF CONTENTS

Consumer Insight : Consumer Behaviour

TABLE OF CONTENTS

TABLE OF CONTENTS

Get in touch

For further information about this report please contact:

Holly.franklin@lumina-intelligence.com or

Visit our website

Lumina Intelligence