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**15 February 2022**

**UK restaurant market to grow +59% in 2022 to £17.8bn – 94% of its 2019 value**

According to the new Lumina Intelligence UK Restaurant Market Report 2021/22, the UK restaurant market is set to recover to 94% of its 2019 value in 2022.

The report indicates that the UK restaurant market grew +25.9% or +£2.3 billion in 2021 to a total value of £11.2bn. Coronavirus restrictions in the first half of the year, including no dine-in trade until early April and outdoor only trade until late May, hampered recovery in the first six months of the year.

Outlet decline continued in the market in 2021, at a rate of -2.8%, seeing a net loss of -817 sites.

In 2022, the report predicts year-on-year growth of +59.4% or £6.6bn to a value of £17.8bn. Outlet decline in the market is expected to ease to -2.1% in 2022, impacted by continued decline in the independent segment.

In contrast to the entire restaurant market, the top 10 branded restaurants by turnover are expected achieve sales of £3 billion in 2022, exceeding 2019 turnover. Leading branded restaurants are also forecast to add a net +56 sites in 2022, a +1.5% increase.

Restaurant penetration was +69% higher in December 2021 than in December 2020, peaking in September with one in ten consumers having a restaurant occasion each week. Restaurant penetration fell towards the end of 2021 with the spread of Omicron impacting consumer risk aversion.

Delivery share of occasions peaked at 56% yet the channel continues to account for almost one in three branded restaurant occasions.

Consumers eat out in independent restaurants less frequently than branded restaurants, but when they do, they spend more. Average spend per person per visit for independent restaurants is £25.14, versus £21.59 for branded restaurants.

**Operators use customisable dishes to maintain consumer choice, whilst maintaining reduced menu sizes.**

Chain restaurant menus had an average of 64 dishes in 2021, a decline of -20% compared to 2019. This is the steepest decline in the market (vs. pubs and fast food). Operators are retaining simplified and reduced menus to mitigate challenges around staff shortages and supply chain disruption.

The proportion of items tagged as customisable increased by +46% on chain restaurant menus, with over a quarter of dishes (26%) now customisable. Greater customisation allows operators to continue to offer personalisation and wide choice, despite running reduced menus.

**UK restaurant market to be worth £18.3bn in 2025**

The UK restaurant market is forecast to see a compound annual growth rate (CAGR) of +1.0% from 2022F-25F, to see the market recover to £18.3bn.

Restaurant outlet decline is expected to slow from 2022F-25F to a CAGR of -1.5%, up from -4.0% in 2019-22F.

Blonnie Whist, Insight Director at Lumina Intelligence said, *“Unrestricted trading throughout 2022 is forecast to underpin recovery in turnover across the market. Falling case numbers will boost virus conscious consumer confidence in socialising out of home. However, despite most wanting to move on from pandemic, it is the pandemic-led trends that will continue to provide the biggest growth opportunities. Demand for delivery shows no sign of waning, menus are set to remain streamlined to manage rising costs, digital ordering and payment solutions will increase speed and satisfactions and outdoor dining will be a key development opportunity.”*

*“Operators will have to be savvy, with costs rising impacting both consumer and operator spend. Increases in NLW, utility costs, VAT, the end of the rent mortarium and the introduction of mandatory calorie labelling on menus will all increase expenses for suppliers and operators. Increases in bills and National Insurance are expected to see consumers tighten purse strings. Restaurants will be in direct competition with pubs, QSR, delivery and grocery channels for spend.”*

Find out more about Lumina Intelligence’s UK Restaurant Market Report 2021/22 [here](https://store.lumina-intelligence.com/product/uk-restaurant-market-report-2021-22/).

**ENDS**

**Report methodology**

The Lumina Intelligence UK Restaurant Market Report 2021/22 brings together various data solutions from Lumina Intelligence:

* Consumer eating out behaviour: based on 78,000 surveys across the year from Lumina Intelligence’s Eating & Drinking Out Panel
* Consumer attitudes and future intentions based on a bespoke survey
* Menu insight from Lumina Intelligence Menu Tracker
* Operator performance for 140 leading branded restaurant operators from Lumina Intelligence Operator Data Index
* Business Leaders perspectives from Lumina Intelligence Top of Mind business leaders survey and Hospitality Leaders Poll

**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.

<https://www.lumina-intelligence.com/>