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**The UK Pub & Bar market is set to value £22.5 billion in 2022, 98% of its 2019 value**

According to the new Lumina Intelligence UK Pub & Bar Market Report 2022, the UK pub and bar market is set to value £22.5 billion in 2022, 98% of its 2019 value with restriction s and further virus mutations hampering market recovery in 2021. A full year of unrestricted trading is expected to fuel growth of +£8 billion in 2022, though further growth prospects have been thwarted by the immediate challenges around consumer behaviour amid the cost of living crisis, surging inflation and energy costs.

**Outlet prospects are weaker in 2022 than previous forecasts, though 2024 is expected to mark the end of net closures**

It is expected that six net sites will close every week in 2022, with the independent segment of the market is expected to see outlet decline of -1.5% – with less support for these operators leading to unviable sites. Lumina Intelligence forecasts decades of pub closures to net out in 2024, before positive growth in 2025 sees the market boast 42,729 sites. Investment in estates, digital services and technology will be key growth drivers.

Sustainability, innovation, training and digitalisation are being prioritised by hospitality business over the next 12 months. Each of these investment areas will aid operators to drive spend per head whilst creating more efficient operations in the front and back of house, contributing to cost management

**Value will be a key focus for pub operators and consumers across the next 18 months**

There has been a +5ppt increase in consumers being value-led, with value for money also increasing as a top consumer need. Good value equates to more than low prices and operators are targeting expansion on more premium pub concepts and to deliver value through good quality products and services.

**Pub & bar restaurant operator drink price inflation is outpacing food inflation**

Drink prices on menus have increased +8% from April to July 2022, mostly driven by increases in alcoholic beverages including la ger and cider.

Operators have been able to cushion food increases through menu management including removing more costly items.

Pub & bar restaurant menu sizes recover to pre-pandemic levels

Pub & bar restaurant menu sizes have grown +32% year-on-year, to an average dish count of 86 items, just -2% smaller than in Summer 2019. Operators are mitigating challenges through careful menu management including utilising customisable options and premiumisation.

**Recovery in the economy and consumer confidence will foster pub market growth to total £23.9bn in 2025F**

Food-led pubs will tap into non-traditional day-parts, kitchen gardens and more aspirational cuisines to increase sustainability credentials and drive volumes and spend from consumers. There is a crucial need for wet-led pubs to create a point of differentiation to at-home consumption as consumers reduce drink-only occasions and the number of drinks per occasion.

Commenting on the results, Senior Insight Manager at Lumina Intelligence, Katherine Prowse, said: *“Despite a tough few years, a year of unrestricted trading is expected to see the market gain back £8 billion of lost value from the pandemic.”*

*“The market is facing a new challenge around the cost of living crisis, surging inflation and energy costs. However strong pub operators are expected to continue investing in estates to drive spend per head with the FIFA World Cup offering opportunity to capitalise on an extended festive season”*

Find out more about Lumina Intelligence’s Pubs and Bars report [here](https://store.lumina-intelligence.com/product/uk-pubs-bars-market-report-2022/)

**ENDS**

**Report methodology**

The Lumina Intelligence UK Pub & Bar Market Report 2022 is a comprehensive overview of the pub market in the UK, including detailed market sizing, competitive landscape and consumer metrics. Our robust methodology, combining multiple established and trusted data sources, makes this report a holistic source of intelligence on the sector for suppliers, operators and investors.

The methodology for this report is as follows:

* 78,000 online surveys (1,500 per week) through Lumina Intelligence’s Eating & Drinking Out Panel.
* Menu insight from Lumina Intelligence Menu Tracker – a database of over half a million menu items from the Top 80 Operators.
* Operator performance for 700+ leading hospitality operators from Lumina Intelligence Operator Data Index

**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/>