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**UK consumers begin to opt for inexpensive dining out occasions as the cost of living crisis hits**

The latest Lumina Intelligence Eating & Drinking Out Panel data has shown a decline in both penetration and spend across the eating out market as the impact of economic uncertainty starts to hit. In the last quarter (w/e 4th September 2022) average spend declined 2% vs the previous quarter despite inflation within the market. This has been driven by consumers opting for more affordable options when they do dine out of the home.

**Lower cost channels are growing in popularity across the market**

QSR is the most popular channel for consumers increasing +0.9ppts however the retail channel has seen the largest increase growing 1.5 ppts. Within the QSR channel, consumers aged 45+ have grown in share in QSR however younger consumers (34 and under) still make up a large proportion of visits however it must be noted that this age group are starting to trade out of the market across most locations. All day parts have seen a reduction or no growth in the number of 18-24 year olds eating out in the last quarter. This age group will feel the financial impact of the cost of living crisis the hardest resulting in reduced discretionary spending. Emphasising value for money credentials through promotions and loyalty schemes will entice these consumers. There has been

**Drink only occasions losing share**

Lumina Intelligence has seen consumers are less likely to be going out on a drink only occasions declining in share by -4.6ppts this quarter. We have seen this impact particular channels more than others, with the pubs & bars channel falling 3.6 ppts for drink only occasions as consumers reduce their alcohol consumption. However, retail has seen a +2.5ppts growth for drink-only, driven by warm weather and more consumers choosing on the go drinks options. Branded coffee retailers Costa Coffee, Starbucks and Caffe Nero have all lost share for drinks only, as consumers turn to more affordable convenience retailers such as Co-op and Sainsburys. Purchasing drinks as part of a meal deal is likely to have contributed to this decline. Offering meal deals in coffee shops can help to encourage purchase and demonstrate value for money.

**Beer and cola lose share amongst drink occasions**

Cola has seen the largest decline at lunch and dinner, falling 10.2ppts and 9.9ppts respectively whilst energy drinks declined 6.7 ppts for breakfast. Consumers are instead choosing juice drinks and squash as well as fruit fizzy drinks, driven by a reduction in pub visits and an increase in retail drink only occasions. When we look at alcoholic drinks, we have seen a decline across most alcoholic drinks as consumers choose lower ticket drinks in place of premium spirits and cocktails.

**ENDS**

**Report methodology**

The Lumina Intelligence Eating & Drinking Out Panel helps category, insight and sales team across FMCG business grow within foodservice. It covers over 78,000 online surveys (1,500 per week) and covers retail, QSR, restaurants, pubs & bars and coffee and & sandwich shops understanding all consumer eating & drinking out occasions.

**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.

We are the experts in market and consumer insight across the food & drink and nutrition markets.

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