**A close up of a logo

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# **UK Pub & Bar Market Projected to Grow Beyond Pre-Pandemic Levels in 2023 Despite Challenges**

The UK pub and bar market is forecast to reach a value of £23.3 billion in 2023, marking a 1.0% growth beyond its pre-pandemic value. This growth comes despite economic challenges, including high inflation and a cost of living crisis that has resulted in a decrease in consumer discretionary spending.

However, this growth isn't without its struggles. The sector is predicted to see an unfortunate decline in outlets, with a weekly closure of seven pubs throughout 2023 due to increased food, drink, and energy prices. This leads to an estimated annual rate of decline of 0.8%, leaving a total of 41,916 operational sites. Interestingly, the managed, branded, and franchised segments are the only areas projected to see growth in the number of outlets in 2023, as the market shifts from tenanted to managed formats.

Nevertheless, the pub and bar industry continues to adapt. Consumers are now more value-led than ever, with three out of four consumers very mindful of the value they receive, a significant increase from last year. This trend has been responded to by providing affordable special occasions and introducing attractive offers, despite the risk of lower average spend due to promotions and shared dishes.

In a nod to changing consumer tastes and sustainability, pub and bar menus are evolving. An increase in customisable and meat-free dishes is evident, catering to those seeking healthier alternatives. Simultaneously, simple classics like burgers have seen consistent popularity, representing one in four main dish options.

Looking ahead, the market forecast for 2026 paints a more optimistic picture with an estimated value of £24.6 billion. The sector's recovery and future growth will hinge on creativity in food, drink, and customer experiences. Food-led pubs are anticipated to implement innovative cooking methods, such as nose-to-tail and over-fire cooking, to control prices. In contrast, experience-led pubs will focus on multi-faceted sites, providing a wider range of revenue streams.

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The Lumina Intelligence Pubs & Bars Market Report 2023 is a must-have review of the UK pub & bars market. Including market sizing and forecasts to 2026, up-to-date consumer behaviour insight and analysis of the current pub & bars competitive landscape, this report is a holistic source of intelligence on this channel for suppliers, operators, service providers and investors alike.

**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.

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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