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**Growth eludes out of home sector as consumers remain cautious of spending**

Consumer enthusiasm for eating and drinking out this year has been dampened by the challenges posed by the cost of living crisis, despite some indications of a positive outlook for the sector earlier in 2023.

The frequency of out of home occasions has flatlined and spend growth is behind inflation year-on-year. There has been a modest increase in penetration driven by necessity-based visits – up +1.7ppts – however, more lucrative dining-out missions have not seen growth as cash-conscious consumers reduce their spending on social dining.

The service-led market is suffering amid the cost living crisis, with pubs & bars and restaurants declining -0.2ppts year-on-year. Among necessity-based visits, drink-only occasions gained the most share, up +0.9ppts as the June heatwave led to more consumers purchasing drinks out of home. Consumers were also out and about in city centres and workplaces in greater numbers compared to last year with the slow post-pandemic return to normality. Dinner occasions, on the other hand, continued to decline, down -1.0ppt.

The rise in necessity-based trips in the sector is a driver of quick service needs and demonstrates that consumer needs are changing. The growth of QS restaurants and retail channels reveals that consumers are, increasingly, looking for a fast or friendly service.

One significant shift in consumer mindset when compared to last year is that occasions have become more treat-led, with these visits experiencing a rise of +0.8ppts. Therefore, to be most effective, marketing should include treat-led messaging to encourage consumer engagement with the market.

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**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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