

Horizons' research questions value of discount vouchers

Latest QuickBite research from market analyst Horizons shows that restaurants could be wasting their time and money issuing discount vouchers as the majority of consumers (55%) don't base their decision to eat out on the availability of a money-off deal, while only 17% of consumers even use discount offers or vouchers.

Some 25% of diners who use discount deals say they would have eaten elsewhere had the deal not been available, while 20% would have stayed at home.

'We have questioned the value of discount vouchers before and this research vindicates our belief,' said Horizons' development executive Paul Backman. 'Vouchers are untargeted in that while they persuade a percentage of consumers to dine somewhere they are also being used by more loyal customers who would dine in that restaurant anyway and don't need to be persuaded with money-off vouchers.'

'Deals in the eating out sector have become much more sophisticated over the past 18 months, but operators still need to work harder at attracting new customers, rather than purely rewarding existing ones.'

Two-for-one offers are the most common eating out vouchers used by diners, with money-off coupons and 'meal deals' ranking second. Women (19%) are more likely to use discount vouchers than men (12%) with those under 35 the most common age group to use them.

PizzaExpress is the most popular place to redeem restaurant vouchers, although deals at McDonald's (13%), Tesco (10%), Domino's Pizza (9%) and Pizza Hut (7%) are also popular.

Some 44% of diners hear about vouchers from friends and acquaintances, with digital communication the second most important method, the majority of which come direct from the restaurant. Only a small number download their vouchers from websites such as [Moneysavingexpert.com](#) or [Vouchercodes.co.uk](#), while others get them from smartphone applications such as [Vouchercloud.com](#) or [Foursquare.com](#).

Horizons' quarterly QuickBite survey shows that overall the eating out sector has risen in both market volume and value over the past 12 months, although quarterly figures suggest a recent weakening in demand attributable to the impact of consumers staying at home during the World Cup in June.

The survey also shows how dining out is becoming more casual with a 9% decrease year-on-year in the number of people eating in a table service restaurant, with 5% more choosing takeaways and 7% more opting for fast food.

The value of the eating out market has increased 2.6% year-on-year from £31.4bn to £32.2bn while the total number of meals eaten out has risen by 3.2% from 2.84 billion to 2.93 billion to June 2010. However, while consumers are spending more per head when they do eat out - up 14.3% to £11.53 - they are eating out less often than previously, a year-on-year fall from 1.6 times to 1.4 times a week.

'QuickBite is a telephone survey of 1030 adults, aged 16+, demographically representative of the UK population. Fieldwork conducted 19-20 June 2010.

For more details or comment please contact Linda Pettit at Tilburstow Media Partners on 01737 823721/07973 789853 or email press@horizonsforsuccess. Alternatively contact Paul Backman on 07811 401356 or email him on paul@horizonsforsuccess.com

Website: horizonsforsuccess.com

Twitter: twitter.com/peterbackman

For URL for RSS feeds log-on to: <http://www.horizonsforsuccess.com/index.php/rss/>

EDITOR'S NOTE

Horizons is an analyst and specialist information consultancy for the foodservice and hospitality sector. Its manager director, Peter Backman, is an expert on the structure and dynamics of the foodservice sector, and its supply chain, in the UK and across Europe. Horizons helps its clients make better business decisions by providing accurate and detailed information about the foodservice market, its trends, and opportunities. The company provides consultancy services, workshops and statistical information based on its model of the sector and database of key accounts across Europe.

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