

Cost of eating out reaches all-time high, says Horizons

The cost of eating out in Britain's branded high street restaurants, pubs and hotels rose by 7.5% during 2010 pushing the average price of a dish across all courses up to £6.78.

The Menurama survey by foodservice consultancy Horizons, which analyses menus across 115 high street brands, reveals that this above-inflationary price increase has largely been on main courses rather than starters and desserts. The price of an average starter has reached £5.12 (up 0.2% year-on-year, from Dec 2009-Dec 2010), a main course now costs £9.63 (up 7.3%) and a dessert £4.29 (up 3.1%).

The average price of a three-course adult meal on a menu rose to £18.94 in 2010, up from £18.03 in 2009 ? a 5.1% rise year-on-year.

?This hike in menu prices suggests that while food ingredients may be cheaper in the short-term, taking the year as a whole the trend is that costs are still rising and operators are having to factor this in to their menu prices. There will also be an element of raising menu prices to pay for the widening use of discounts and money-off vouchers,? commented Horizons' services director Paul Backman.

?Operators are trying to maintain their margins by using their buying power to keep cost pressures under control and re-engineering menus to bring average costs down. While these price increases seem high, meal deals and discounts are being used to lower prices and drive consumers to choose higher margin alternatives. Furthermore, this research doesn't take into account the rise in VAT in January, so menu prices are likely to have risen again in the first quarter of 2011.?

The biannual Menurama research shows that pub prices have increased at the fastest level, with a three-course pub meal now costing an average of £15.45, compared with £14.85 a year ago ? a rise of 4.1%. A three-course meal in a restaurant has risen 2.8% to £20.92, while the average cost of a three-course meal in a hotel is now £26.26, a rise of 3.8% year-on-year.

Menus are also changing to take into account current consumer trends. For example the use of fish is declining, being replaced by cheaper, vegetable-based dishes.

More operators are serving breakfast, some 58% compared with 44% in 2009. Porridge is now found on a range of menus from Garfunkel's to Leon and O'Neill's as well as an increasing use of local, artisanal cheeses such as Ford Farm Cheddar, St Endellion brie and Cumbrian Tovey.

Sharing dishes continue to gain in prominence and rather than being confined to starters are also evident in main courses and desserts. A significant number of menus are featuring smaller and half portions to appeal to both health and value-conscious consumers. Examples include half a portion of hand battered fish and chips at Table Table, Plantation platter at Harvester and smaller portions of main courses at half price at Las Iguanas.

Other menu trends revealed by Menurama include:

? The continuing decrease in specified weights for red meat dishes on menus eg 8oz steak becomes a 6oz steak. This is due to operators seeking to improve their margins and consumers wanting better value.

? Mentioning ethical sourcing is becoming more commonplace ? 60% of brands mention 'free range', 'local', 'organic' or 'sustainable' on their menus, particularly noted in Giraffe, Gusto, Loch Fyne and JD Wetherspoon.

? Use of Fairtrade ingredients is growing as are mentions of 'Freedom Food' and 'grass-fed'. Becoming less common is the use of the terms 'corn-fed', 'dolphin-friendly', and 'outdoor-reared' as the terminology becomes outdated.

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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.