

Gap in the market provides opportunity for restaurant operators, says Horizons' Ones To Watch

Restaurant operators looking to develop new eating out brands are beginning to colonize areas of the foodservice sector previously dominated by independents.

Horizons' latest Ones To Watch report, which tracks emergent new eating out brands, shows that Thai, Chinese, Mexican, Caribbean and Mediterranean restaurants are amongst the fastest-growing areas of the branded eating out sector, alongside American dining, healthy eating outlets, coffee shops and sandwich bars.

Fledgling brands serving Thai, Caribbean and Mediterranean cuisine, traditionally the domain of the independents, are taking their cues from successful street food vendors. They are offering freshly cooked, authentic cuisines in an affordable, casual dining setting. If they have the financial controls in place and find suitable sites they are on target for a successful rollout and could be our high street brands of the future," commented Horizons' director of services Nicola Knight, author of Ones To Watch.

The latest Ones To Watch report includes a record number of new concepts with 105 Ones To Watch brands, and 88 Bubbling Under brands, identified as those yet to reach five outlets.

Successful operators are building brands of the future based on high levels of customer service, value for money and freshly cooked food. Today's consumer prefers a casual dining setting with good quality food, often with dishes that can be ordered with friends and shared. Horizons own consumer research has shown that diners like the option of trying something new and their increasing knowledge of world cuisines mean they are seeking authentic dishes when they eat out.

Stand-alone independents and small regional chains of Thai restaurants have been popular with UK consumers for a number of years, but only recently have any brands been potential national chains. The Giggling Squid chain of Thai restaurants, with recent openings in Reigate and Marlow, is taking growth seriously with the recruitment of a property director to oversee its intended expansion to 80 sites in seven years.

Koh Thai Tapas has tapped into the trend for smaller plates by offering a version of Thai tapas in contemporary surroundings. The Chaophraya chain has six restaurants between Birmingham and Glasgow and is planning to launch a new brand called Thai Pad early next year. A number of smaller Bubbling Under' Thai chains (Rosa's, The Thai and Busaba Eathai's sister brand, Naamyaa) are also expanding and may well be future contenders for the first national Thai chain.

However, topping the fastest growth rate list is the healthy casual dining brand, Bill's, which has increased the size of its estate more than five-fold since 2010. Bill's is also the brand with most new openings since 2010 (21 in all), sharing the top spot with Tesco-backed coffee shop chain Harris + Hoole.

Bill's opened its 25th site in October and has five more in the pipeline (Leamington Spa, Hammersmith and Salisbury are due to open before Christmas). The company is preparing to push north to locations such as Manchester as it aims to reach 50 outlets and also offers food and drink hampers to order online.

Mezzé, second on the fastest growth list, now has six outlets and plans to open 10 more as it expands from its Bristol base into the West Country. All sites are converted pubs, branded 'Mezzé at ...' with food accounting for over 70% of sales. Its model is serving all types of food in mezzé size portions, capturing the trend for sharing dishes driven by consumer demand for choice, flexibility and conviviality.

Ones To Watch provides an important litmus test on the eating out sector," adds Nicola Knight. "While some of these fledgling brands may not survive many more will go on to expand and become recognised names on the high street. The Ones To Watch service demonstrates that the eating out market is still a dynamic one in terms of new openings, new concepts and plans for expansion."

Ones To Watch identifies and tracks the growth of up and coming brands on the UK's high streets, charting their rate of growth in terms of outlet numbers and percentage growth. The report, compiled for investors, suppliers and operators, includes those outlets with between five and 25 outlets which have shown at least a 20% growth over the past three years combined.

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Editor's Note

Horizons helps its clients make better business decisions by providing accurate and detailed information about the foodservice market, its trend, 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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