

## Eating out sector to see further growth as consumer confidence improves, says Horizons

Trading through the eating out sector is likely to improve further this year, although it's still a long way off peak 2008 levels, according to foodservice consultancy Horizons.

The UK's restaurants, hotels, quick service dining outlets, cafés, contract caterers and takeaways saw sales improve around 2% during 2014 with similar growth anticipated for 2015.

‘It won't be a meteoric rise this year, but sales are likely to see steady growth if consumer confidence continues to improve, prompting a rise in average spend,’ said Horizons' managing director Peter Backman.

However, consumer confidence is fragile particularly with current global uncertainties such as the ebola virus, the threat posed by Islamic extremists, the UK's presence in Europe and the outcome of the general election in May. Such issues could weigh on people's minds and negatively affect their confidence limiting any projected growth in foodservice sales.

In terms of the types of outlets likely to increase their presence in the market, Backman earmarks limited product takeaways such as juice bars, Mexican street food and bakeries and coffee outlets for further growth. These occupy small outlets in high traffic areas and mean that consumers can satisfy their need to buy food when they want, where they want.

‘We envisage this trend continuing as entrepreneurial operators come up with novel ideas for brands. It is these operators who will bring new food trends to the market by renting small, cost-effective spaces that larger brands can't,’ said Backman.

Horizons also envisages a year in which the bigger eating out operators are likely to grow further through acquisition with smaller players the inevitable targets.

‘The larger players are now at the point where they will start to ask where further growth will come from. The eating out market in some sectors is reaching saturation and overseas expansion is difficult for most, so acquisition through 2015 and into 2016 is the obvious answer. Investors are much keener on the eating out sector than they were and obtaining finance for deals will get easier,’ he said.

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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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