

Operators realistic as growth in food sales expected to slow, says Eating Out-Look survey

Confidence remains relatively strong amongst the UK's eating out operators, with nearly two-thirds of those taking part in the latest Eating Out-Look survey saying that their food sales had increased year-on-year.

However, compared with last year, a smaller proportion of operators reported a growth in sales, with nearly a third saying they had experienced no real change in food sales over the past 12 months, a significant increase on the 18% of operators who said that this time last year.

The survey, conducted amongst a cross-section of foodservice operators by JRA [9 Sept-4 Oct] on behalf of Horizons, is designed to gauge operators' impressions of how the market is performing and their expectations for future growth.

Looking ahead, over 70% of the operators, which included representatives from the restaurant, hotel, pub and bar, and contract catering sectors, were optimistic that food sales would rise over the next 12 months, while a quarter expected no real change in food sales in the future. This represents a significant fall on last year's survey results where nearly 90% of operators expected some growth in the forthcoming 12 months.

Having recovered from the economic downturn, the eating out market is now levelling out and growth is likely to be much more conservative illustrated by the declining number of operators still expecting to see sales growth. Feedback from the market suggests that consumers are still being cautious over spending. This demonstrates the need for operators to keep their prices competitive, commented Horizons' analyst Liz Land.

Operators reported less trading down and fewer meal deal purchases this year, compared with last year. Only 15% of those taking part thought consumers were still trading down to lower priced meals, compared with 22% who thought this 12 months ago. Likewise, 27% said consumers were choosing meal deals and promotional meals, compared with 34% who said they were in Autumn 2014.

One in five operators reported that they were no longer taking cost-cutting measures such as renegotiating supply contracts or re-engineering menus to save money. This suggests greater confidence in the market and a change on last year when a third of operators said they had reduced staff wages or instigated a wage freeze.

When it came to issues that might impact dishes in the future, two-thirds of operators thought the biggest influence would be the provision of gluten-free dishes, while 42% expect dairy-free and lactose intolerance to have an impact. Reducing sugar content and providing low carbohydrate dishes were also mentioned as likely to become important factors.

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Editor's Note

Eating Out-Look is a collaboration between foodservice expert Horizons and JRA Research. Eating Out-Look brings together research from consumers and operators to give a rounded view of the eating out market. By looking at the market from the perspectives of both consumers and operators, Eating Out-Look provides invaluable insights into what is driving eating out trends.

Eating Out-Look builds on data from what was formerly known as Horizons' QuickBite consumer eating out survey and findings from JRA's tracking research with catering professionals. The quarterly report will analyse key eating out trends from both a

consumer and operator perspective.

Between them Horizons and JRA Research have more than 50 years' experience in the foodservice sector. Horizons offers an integrated portfolio of services to businesses and other organisations with an interest in foodservice. These services range from Menu Trends, a twice yearly review of high street menus, to industry-leading market statistics and trends, and Ones to Watch, the survey of the fastest growing eating out brands. www.hrzns.com.

JRA runs a panel for catering professionals with chefs and other professionals throughout the foodservice sector. It has a national field force of 750 interviewers who carry out research covering a wide spectrum of issues, from overall attitudes and behaviour within the sector to new product development, product and brand usage within catering kitchens, testing of new product formulations. www.jraresearch.com