



Think Drinks Workshop: The Emerging On Trade

CGA by Nielsen IQ

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Market Context

How have hospitality venues recovered in the Midlands?

March 2020

115,108

total sites

June 2022

105,912

total sites

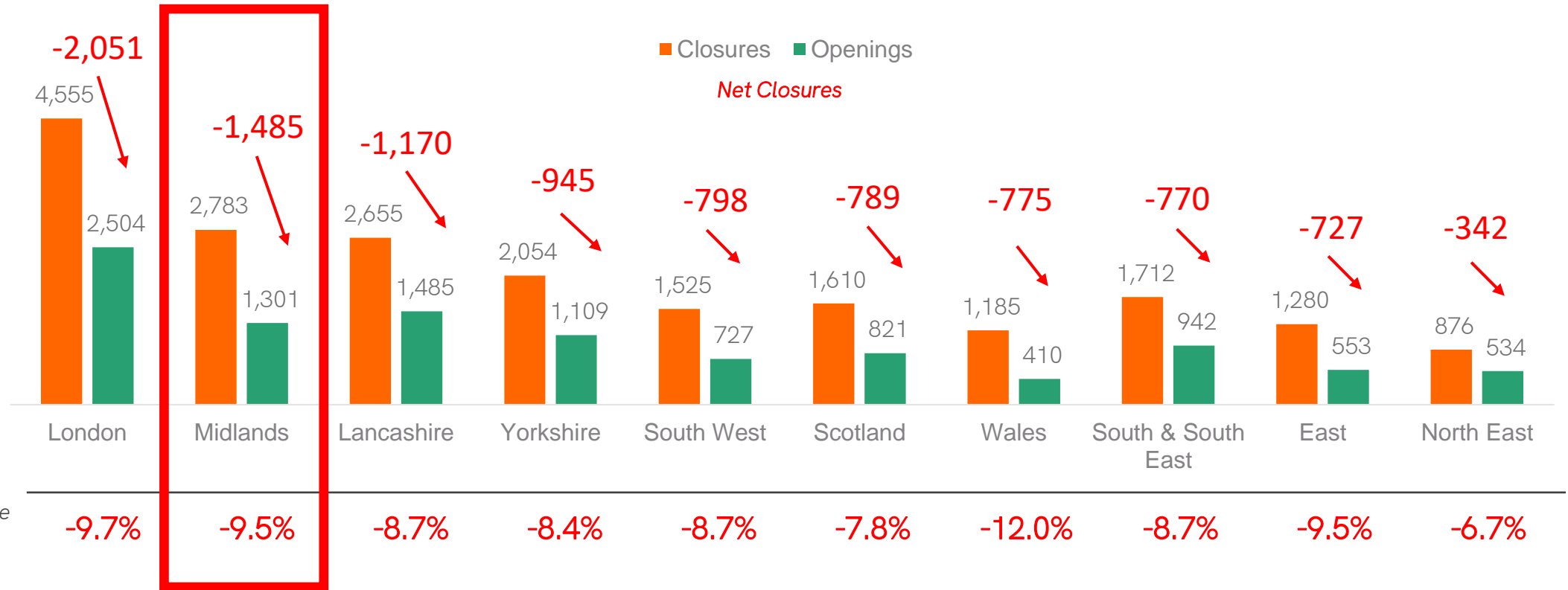
-9,196 sites

-8.0% of total universe



The Midlands saw one of the highest outlet closure rates over the Covid period but encouragingly openings in the market are increasing

Outlet Closure by Region
June 2022 vs June 2019



% Change vs June 2019



Shakeout of the Restaurant market and pressure faced by Nightclubs have driven overall decline in the size of the sector



Bars

-0.2%



Hotels

-4.0%



Pubs

-6.2%



Restaurants

-12.8%



Casual Dining

-18.8%



Nightclubs

-20.3%

	Food-Led	Drink-Led	Accommodation-Led
No. of sites	38,596	57,554	9,762
Decline vs March 2020	-10.5%	-6.0%	-9.2%
Share of Total Sites	36.4%	54.3%	9.2%
Share Change vs March 2020	-1.0%	1.1%	-0.1%



Restaurants, coffee shops, pubs, fast food outlets and bars remain as the top 5 most popular sectors consumers visit for food. Fast food outlets and bars have grown in popularity compared with 2019.

Sectors visited in the last 6 months for food led occasions



66%

Restaurants

Vs. 2019 -5pp



59%

Cafes & coffee shops

+3pp



59%

Pubs

-1pp



56%

Fast food outlets

+10pp



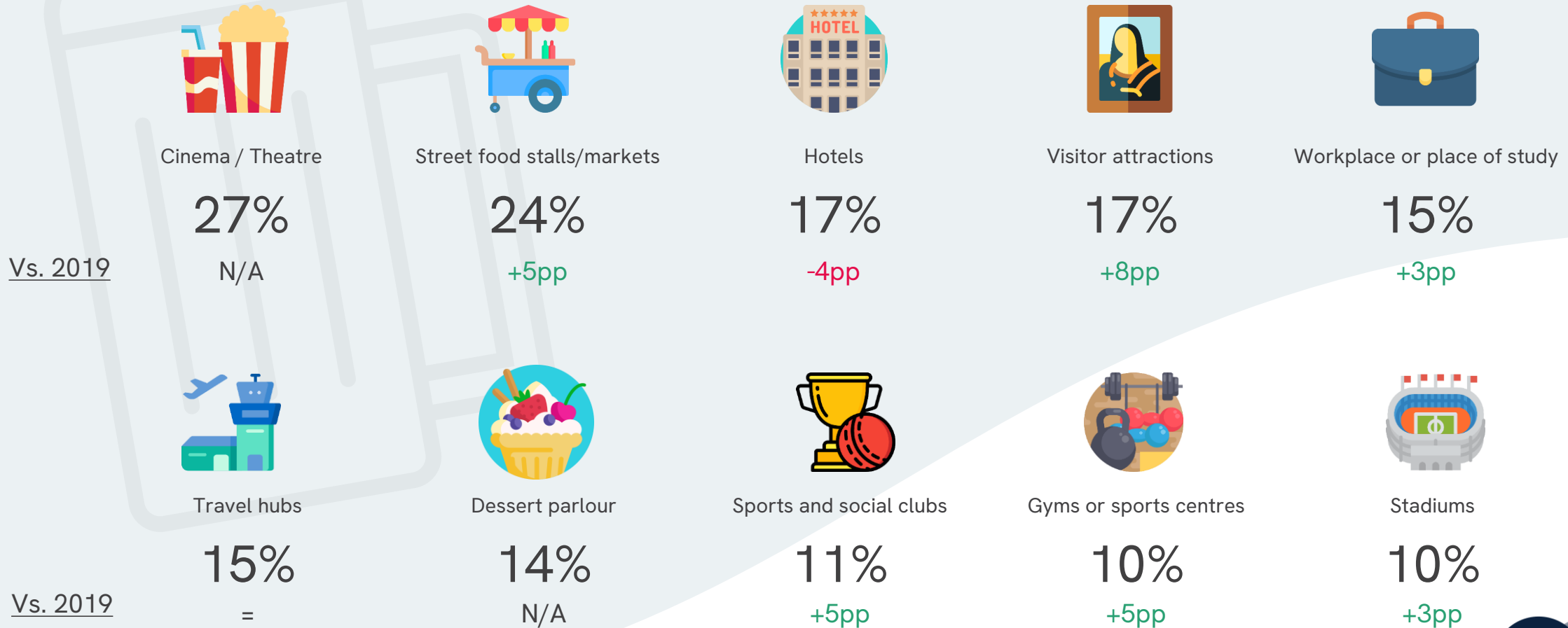
33%

Bars

+5pp

Street food stalls/markets have also gained traction along with other crowded hubs, signalling consumer confidence and an appetite for new experiences

Sectors visited in the last 6 months for food-led occasions





Consumer Confidence

Frequency, spend and impact of cost-of-living crisis

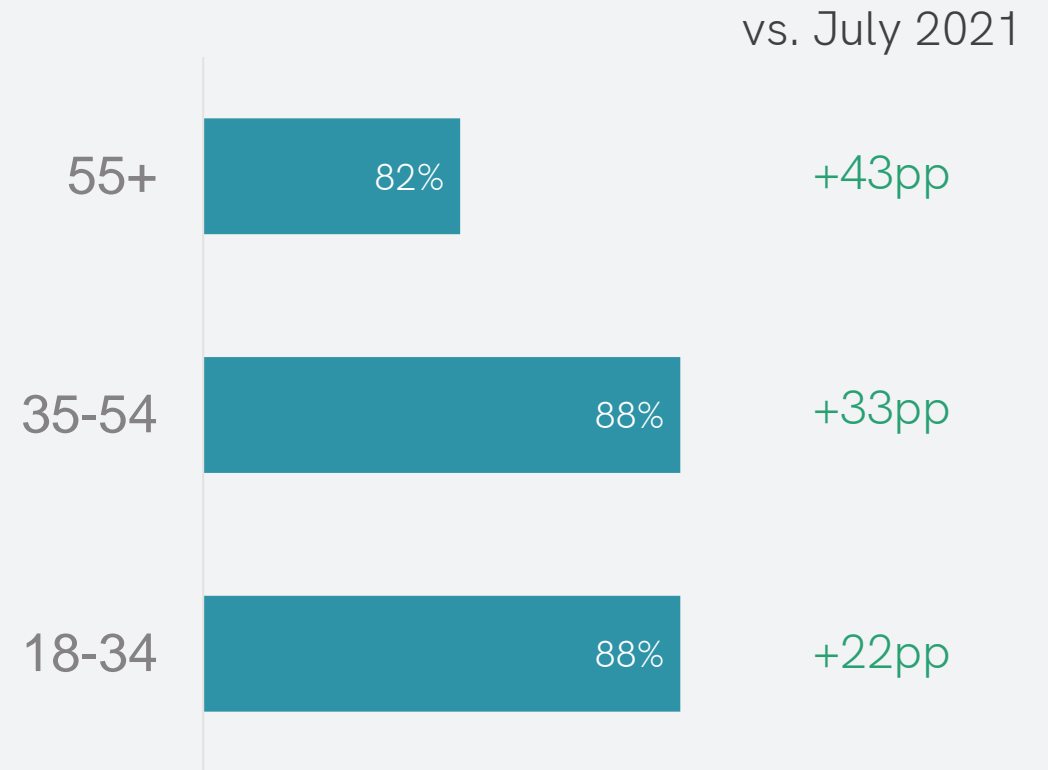
COVID is no longer a significant barrier to visits, even for older consumers who have seen the sharpest rise in confidence since last year

How confident do you currently feel about visiting pubs, bars and restaurants?

86%

Of average GB consumers currently feel 'very' or 'quite' confident visiting venues

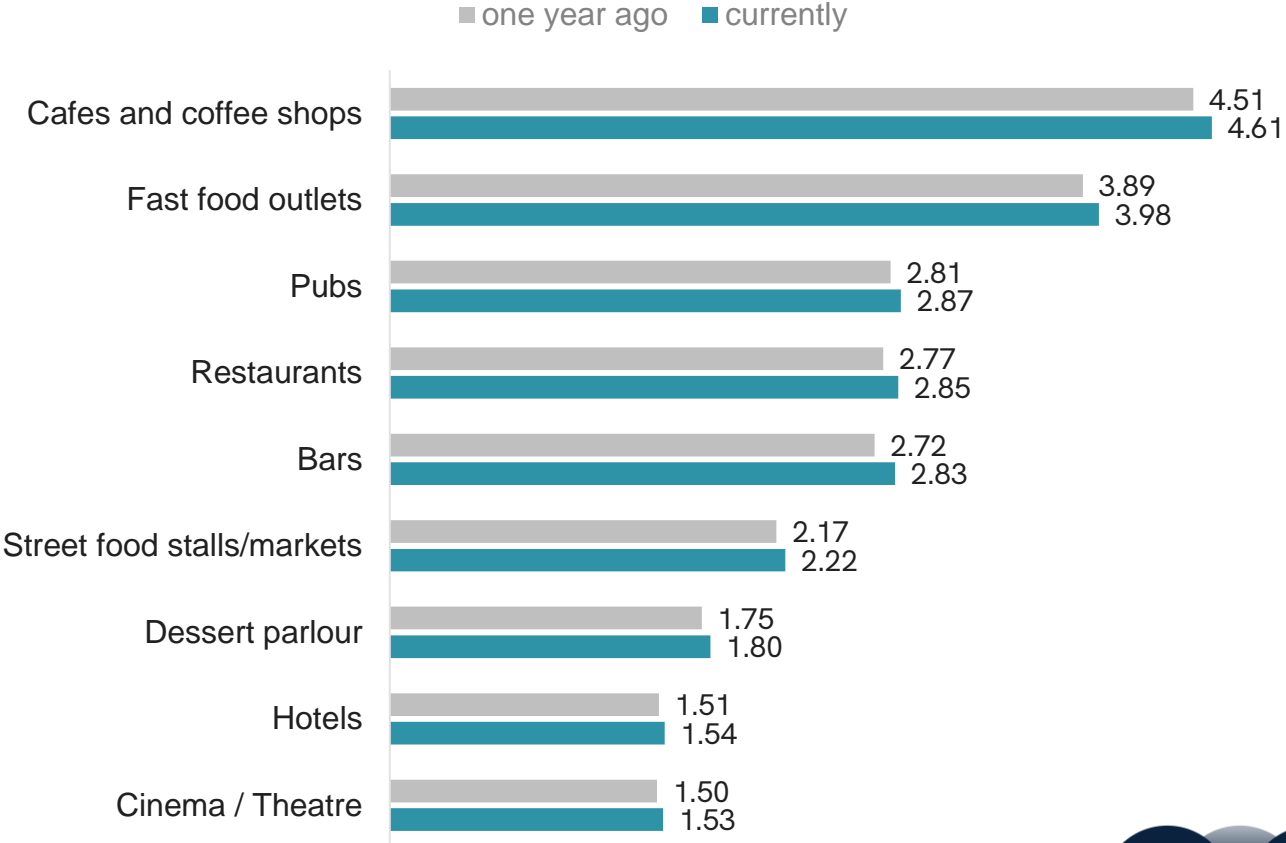
+33pp vs. July 2021





Frequency of visits have increased across all channels compared with one year ago, with bars, restaurants seeing the biggest uplift

Number of visits per month for an average consumer



Average consumers spend per visit has also increased in most channels as businesses raise menu prices

"Thinking about the amount you spend per head per visit, how much do you typically spend on food and drink when eating out at these venues?"



Hotels

£30.32

2021: £34.71



Restaurants

£31.94

£31.30



Bars

£25.14

£18.96



Pubs

£22.65

£18.77



Cinema/ Theatre

£17.05

£15.77



Street food stalls/markets

£13.86

£12.00



Fast food outlets

£13.29

£11.16



Cafés and coffee shops

£12.71

£9.92

The price of a meal in the Midlands is currently trending slightly behind the rest of the market

Region	Sep-22	% chg vs 3YA	% chg vs 1YA
London	£11.95	15.8%	4.8%
Midlands	£9.95	15.7%	4.7%
North	£9.68	17.3%	7.1%
Scotland	£10.96	17.2%	8.8%
South of London	£10.96	17.4%	+7.6%

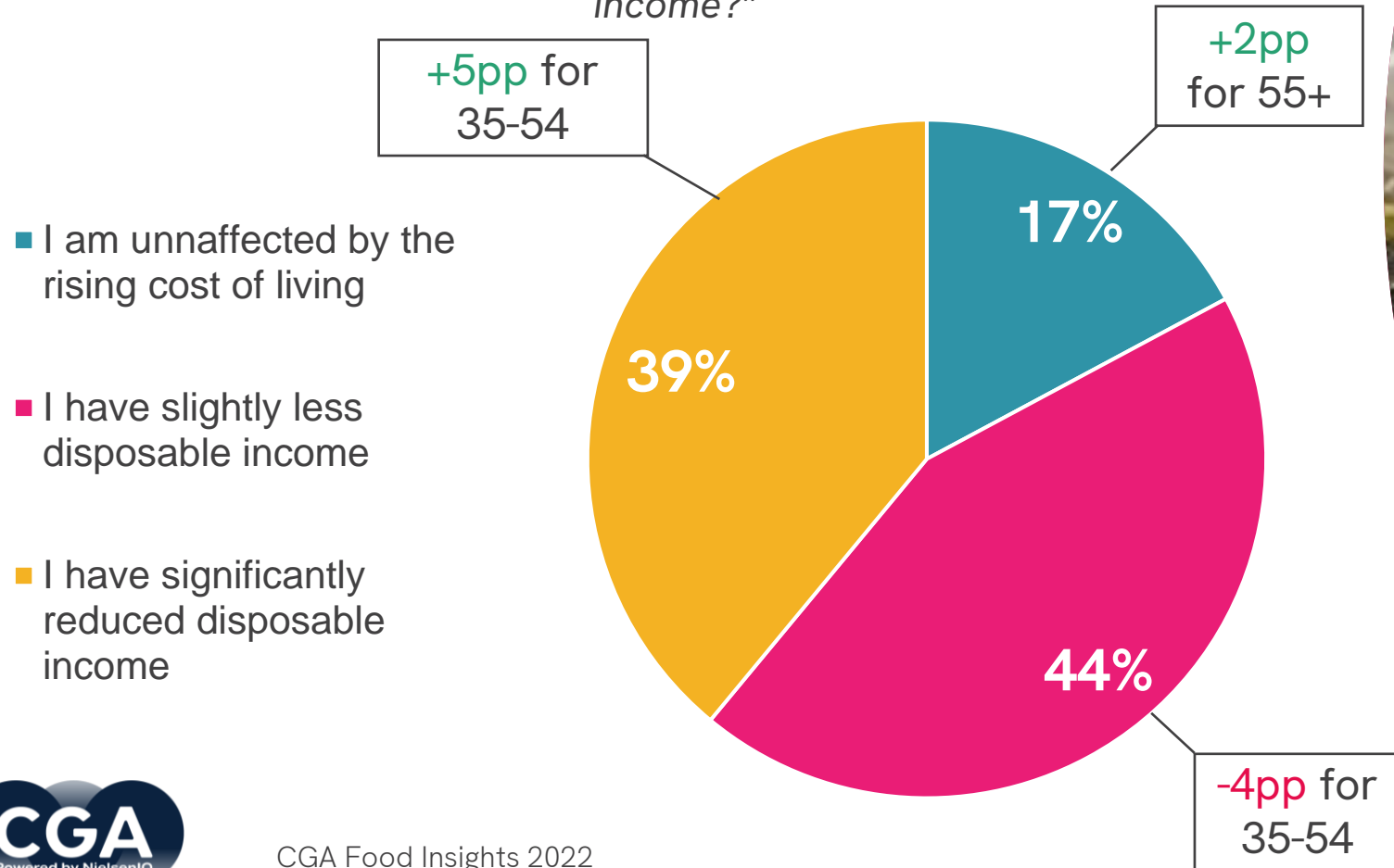
83%

Of GB consumers have **less** disposable income as a result of the rising cost of living



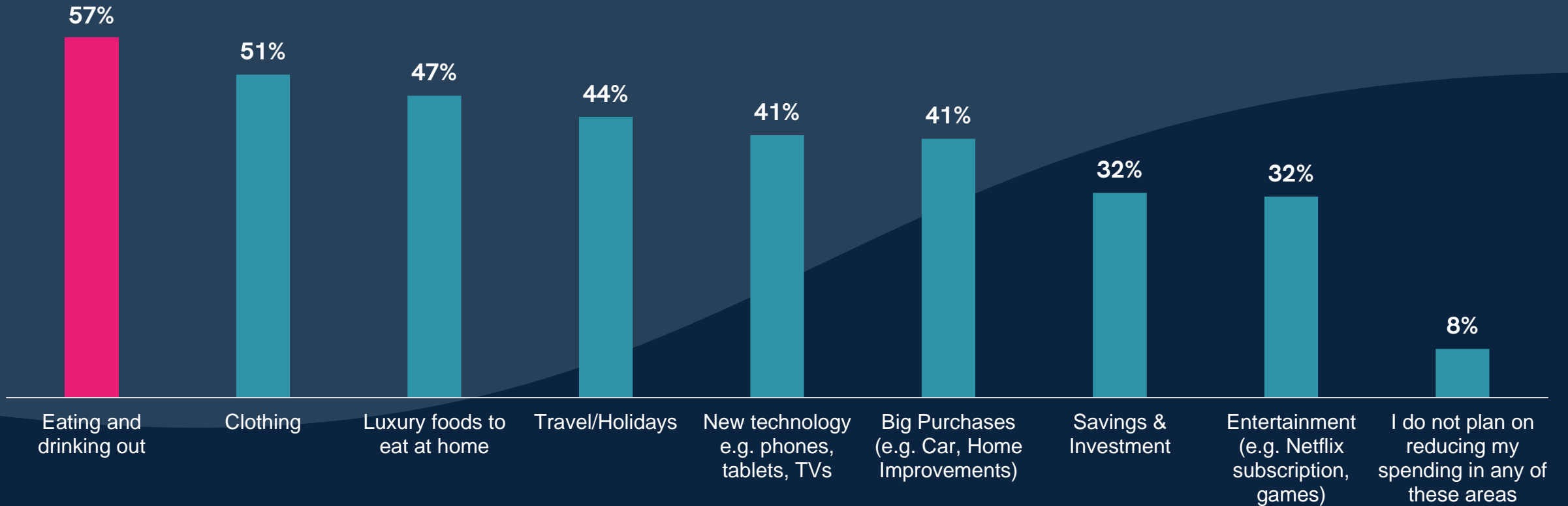
Around 2 in 5 people have **significantly less** disposable income due to rising cost of living. This is even more prevalent for the 35-54 age group.

"To what extent has the rising cost of living affected your disposable income?"



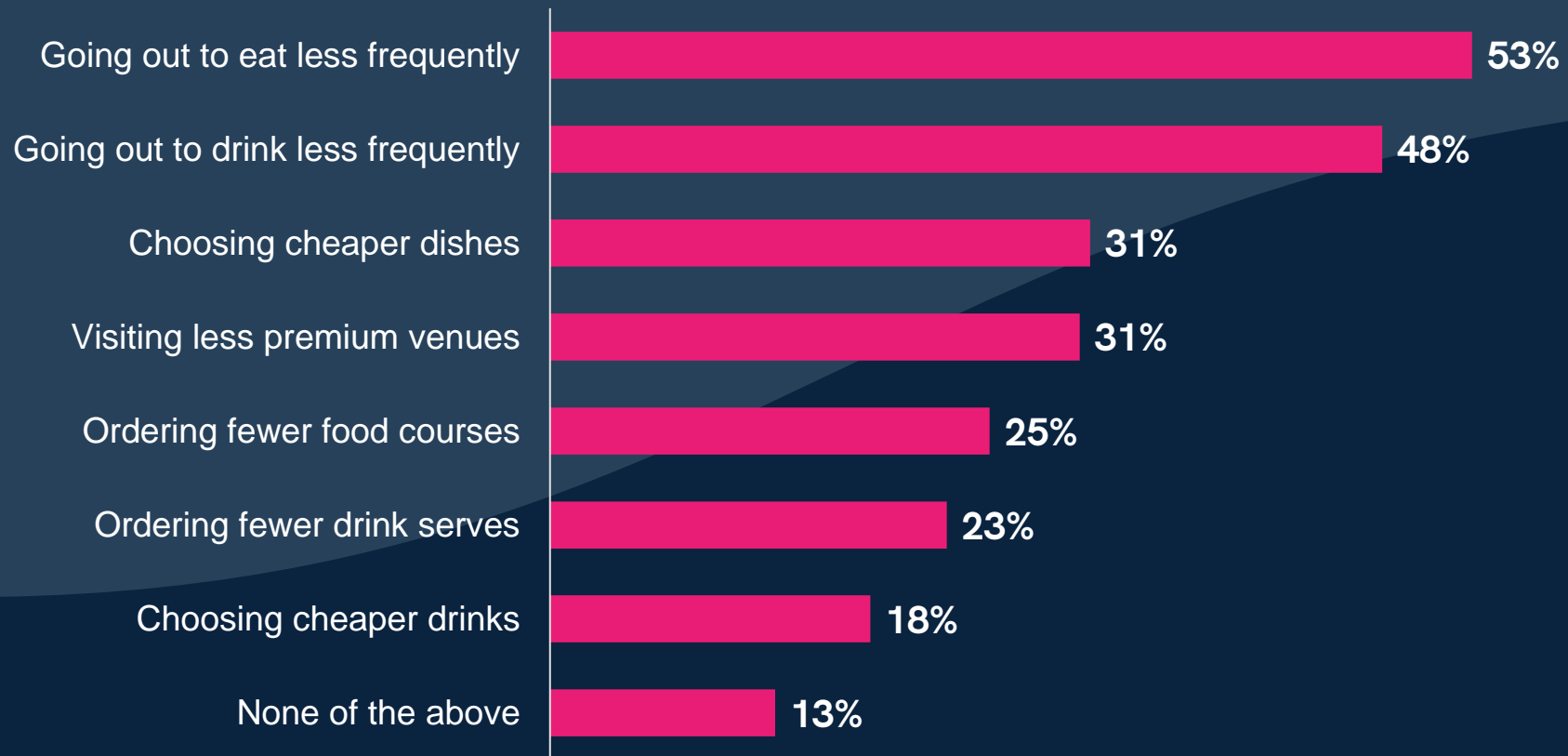
57% of those negatively impacted by rising cost of living said that they plan to reduce spending in eating and drinking out

“You said the rising cost of living has negatively impacted your disposable income, do you plan on reducing your spending in any of the following areas?”



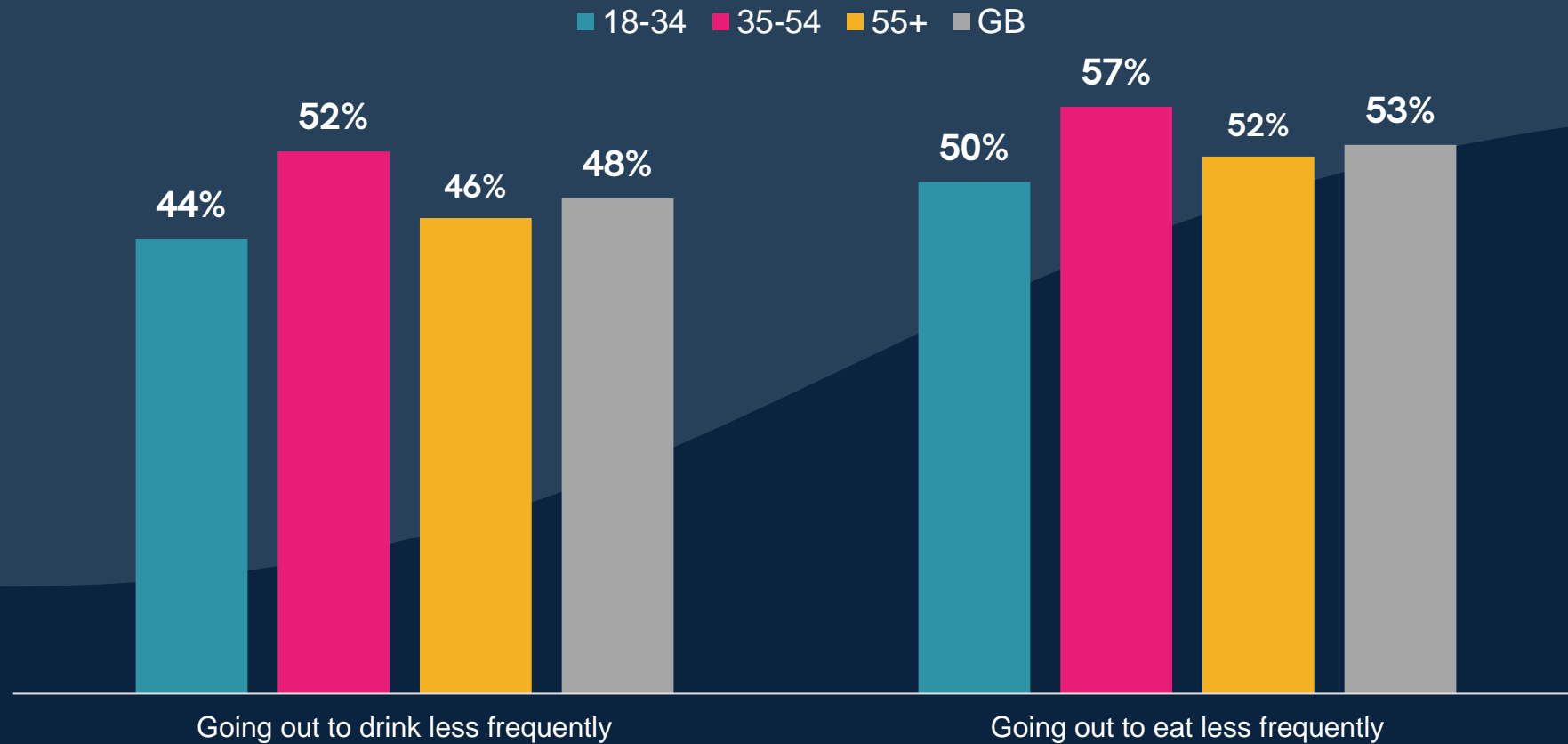
When asked how they would change their eating and drinking behaviour, consumers generally prefer to reduce their frequency of visits than the quality of visits

"How are you changing your eating and drinking out habits in response to the rising cost of living, if at all?"



35-54 year olds over-index for frequency reductions, they are also the group whose disposable income is most impacted so are particularly sensitive

“How are you changing your eating and drinking out habits in response to the rising cost of living, if at all?”



Frequency may reduce but consumers are looking to make the most of the visits they do make, providing opportunity for operators and suppliers

56%

Of consumers agree that they will be "making the most out of their out-of-home visits" when they do go out

(#2 factor selected)

vs 9% that disagree

To what extent do you agree or disagree: "I will be making the most out of my visits to bars/pubs/restaurants"

	18-34 y/o	35-54 y/o	55+ y/o
% agree	57%	59%	52%
% strongly agree	16%	14%	9%

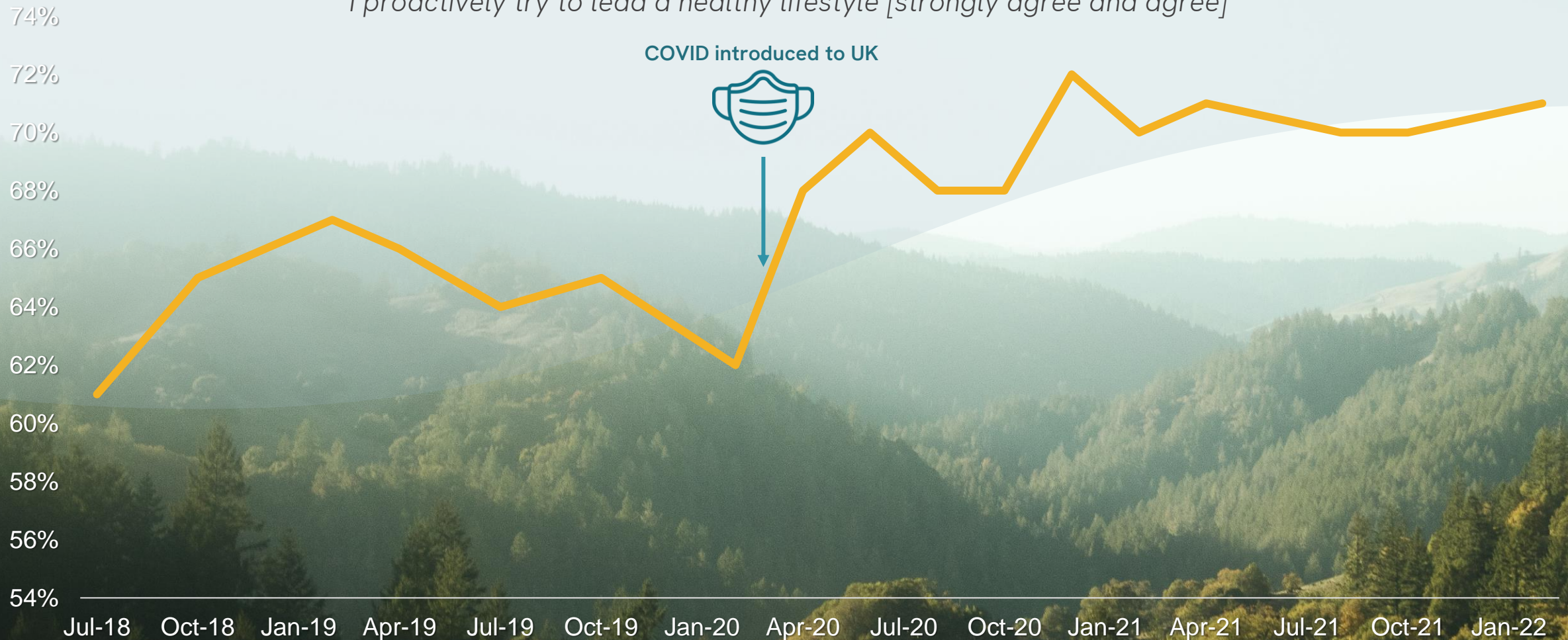
A photograph of a modern cafe interior. The space is characterized by a high, glass-paneled ceiling that allows natural light to filter through. Numerous green plants are suspended from the ceiling, creating a lush, indoor garden atmosphere. In the foreground and middle ground, several groups of people are seated at wooden tables, engaged in conversation. A long wooden bar counter runs across the middle of the frame, with various coffee-making equipment and bottles visible behind it. The overall aesthetic is clean, bright, and eco-friendly.

Consumer Choice Drivers

Health and sustainability

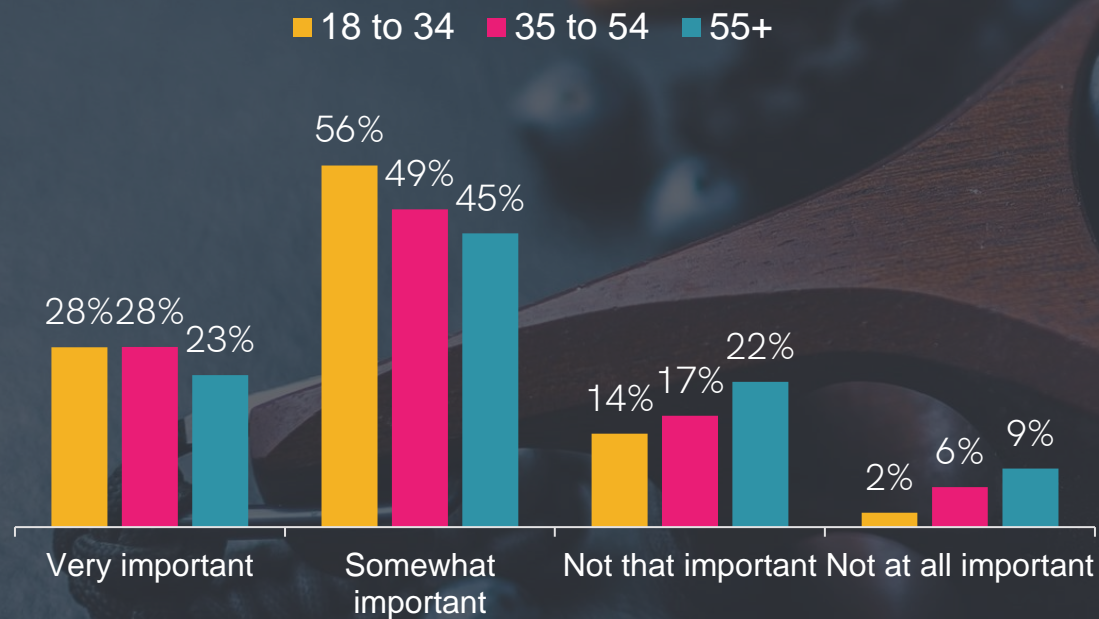
Health consciousness has remained high since the beginning of the pandemic, driving change across both eating and drinking habits

I proactively try to lead a healthy lifestyle [strongly agree and agree]



3 in 4 consumers said it's important to have healthier options available when eating out of home. Rising to 84% for 18-34-year-olds.

To what extent is it important to you to that healthier options are available?



75%

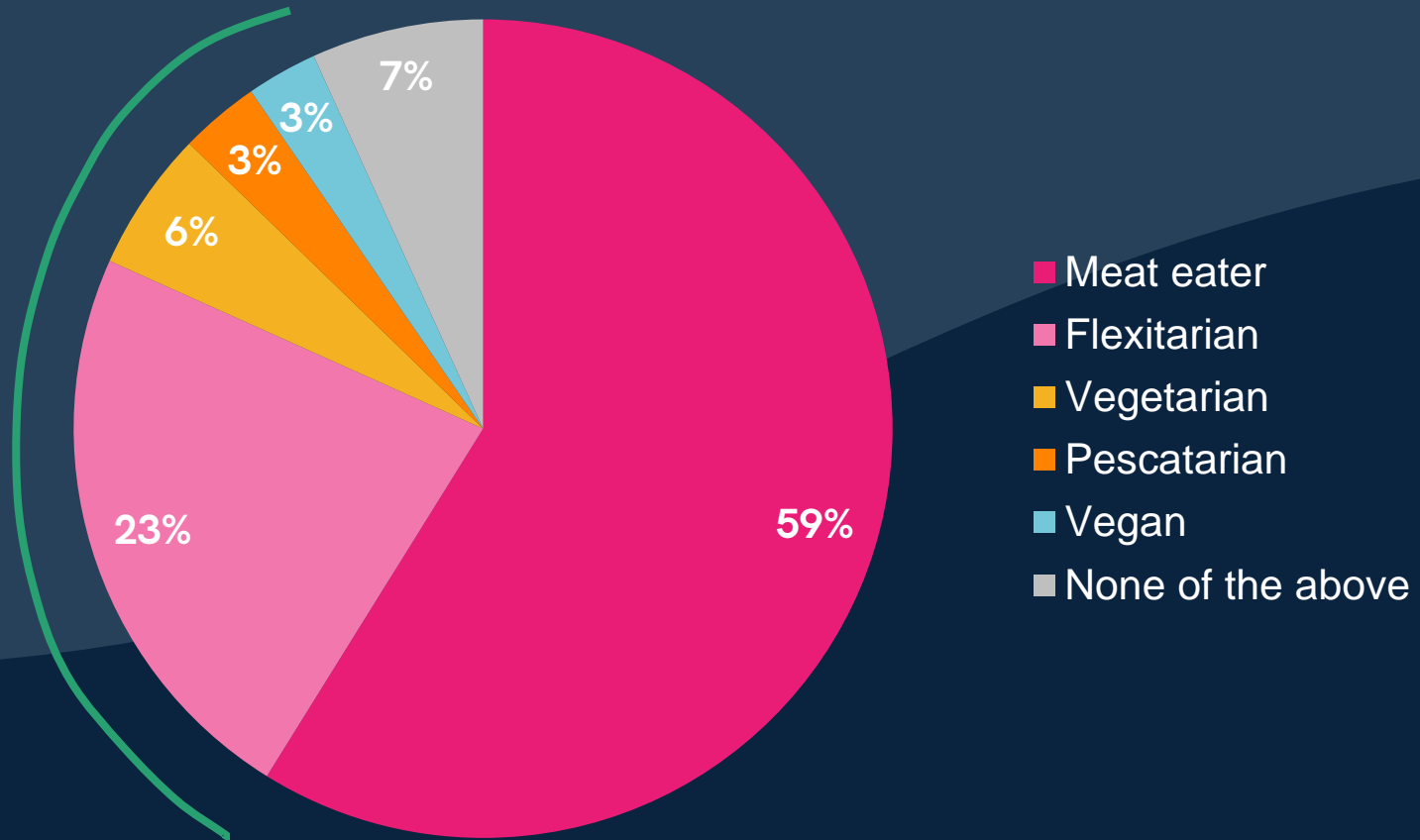
of consumers said that it's important to have healthier options available when eating out

(26% said very important)

Over a third of consumers are fulfilling diets that either reduce meat considerably or avoid it completely

"How would you best describe yourself?"

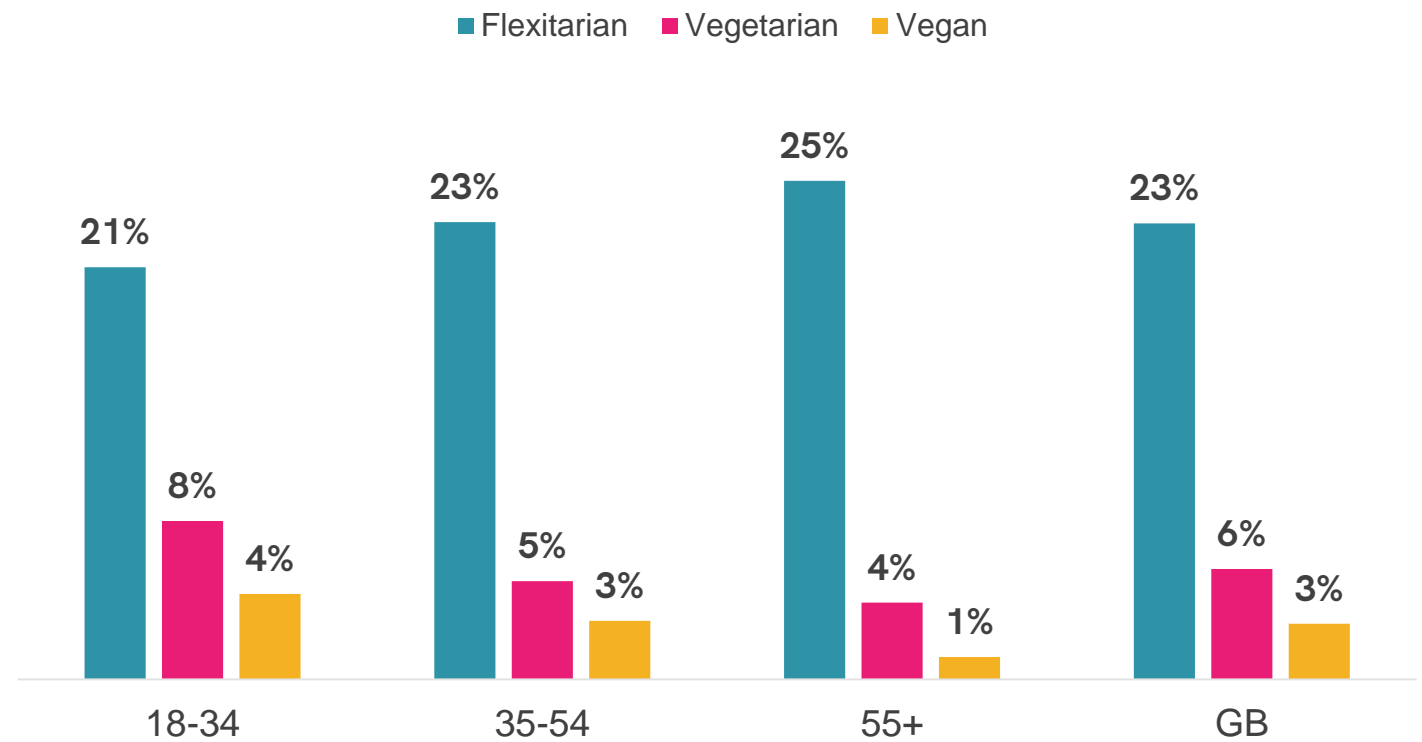
34% of consumers are reducing their meat intake



Younger consumers are more likely to opt for a stricter diet option, while older consumers choose flexitarian

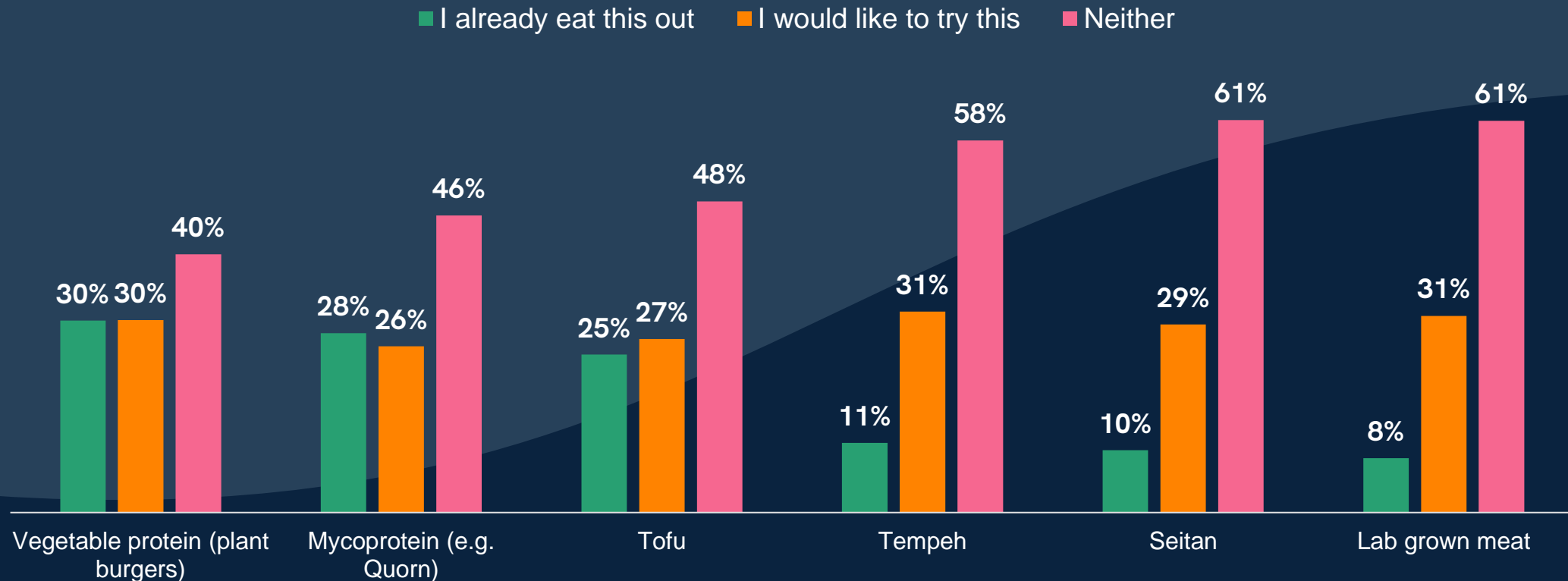


"How would you best describe yourself?"



Meat alternatives which mimic the texture and flavour of meat more closely or easily are the most popular options. Plant based proteins like Seitan and Tempeh have potential to grow popularity when it becomes more widely available

"Have you tried or would you like to try any of the below meat alternatives when eating out?"



6%

Of GB consumers follow
a dairy-free diet

9% for 18-34 year olds

EE

39%

of consumers order
milk alternative when
out

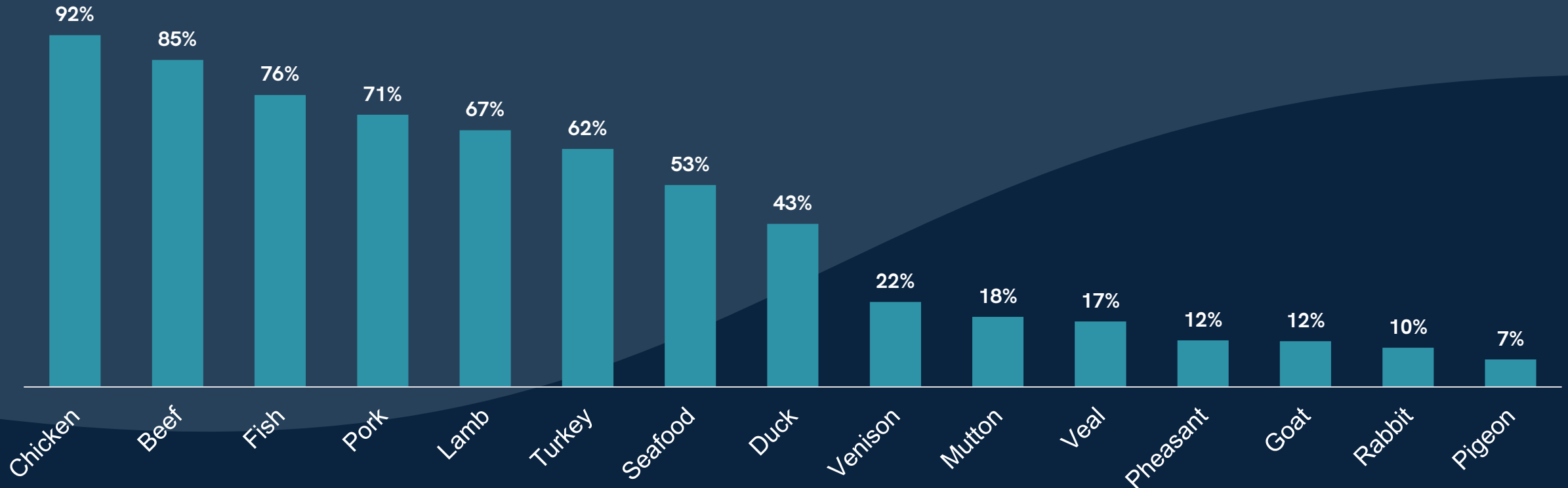
53%

of consumers rarely or never choose meals that do not contain meat when dining out



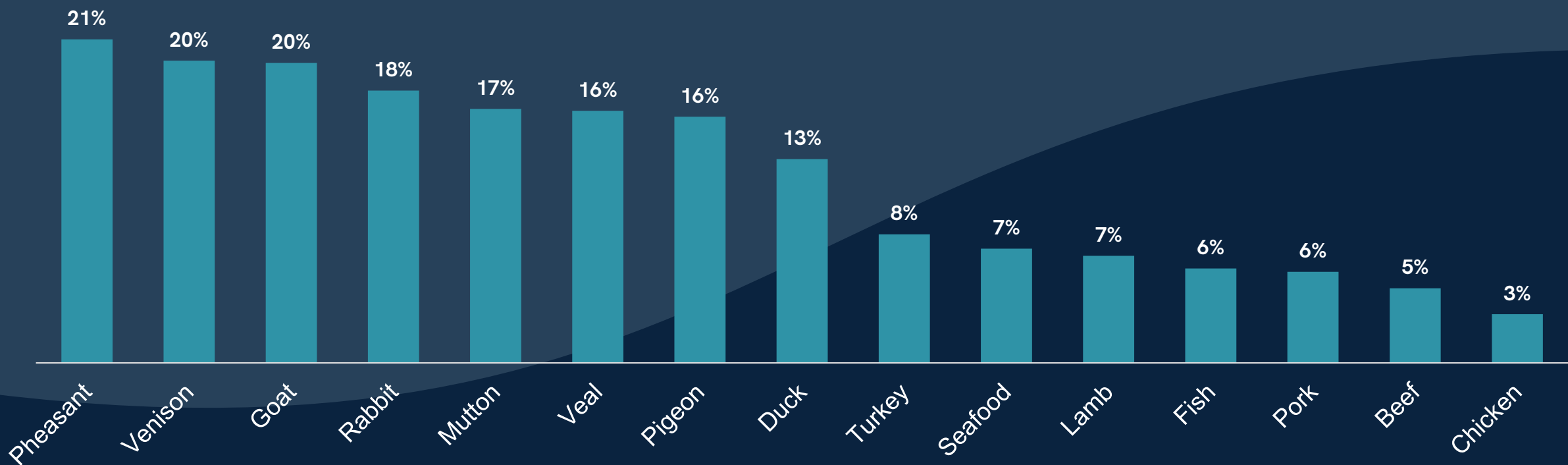
For those mostly choose meals contain meat when out, chicken, beef and fish are the most popular protein

"Do you eat any of the following meats when eating out at venues, such as pubs, bars, or restaurants?" - yes



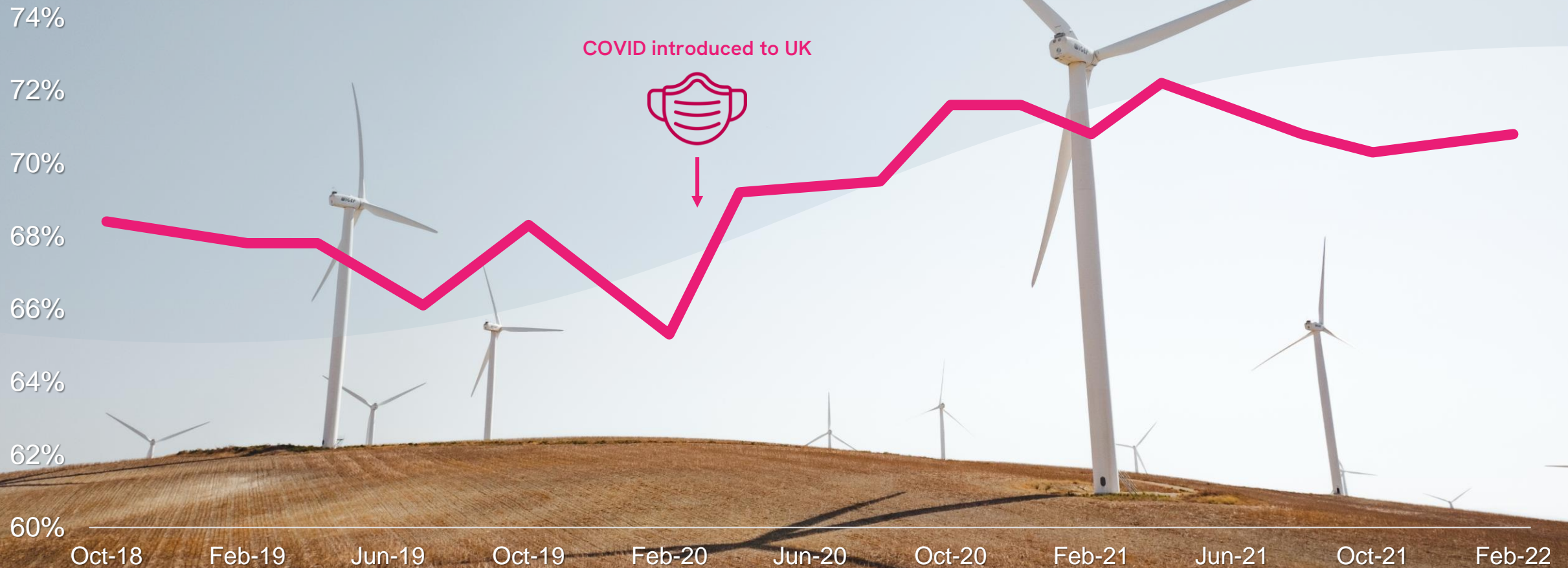
And Pheasant, Venison and goat are the meat types that they would like to try the most if available

"Do you eat any of the following meats when eating out at venues, such as pubs, bars, or restaurants?" – no, but I would like to try



Environmental consciousness has seen a similar bump to health consciousness, as the pandemic prompted greater engagement in local communities

I proactively try to lead an environmentally friendly lifestyle [strongly agree and agree]

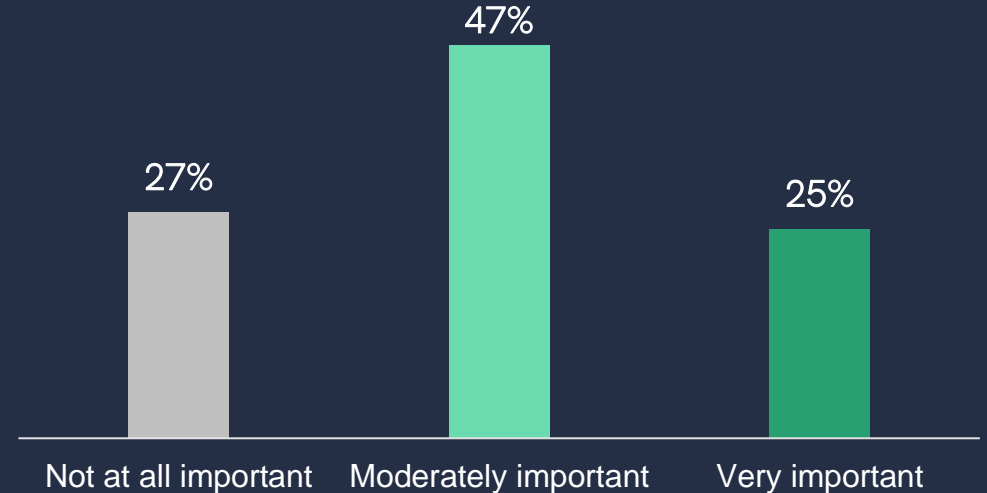
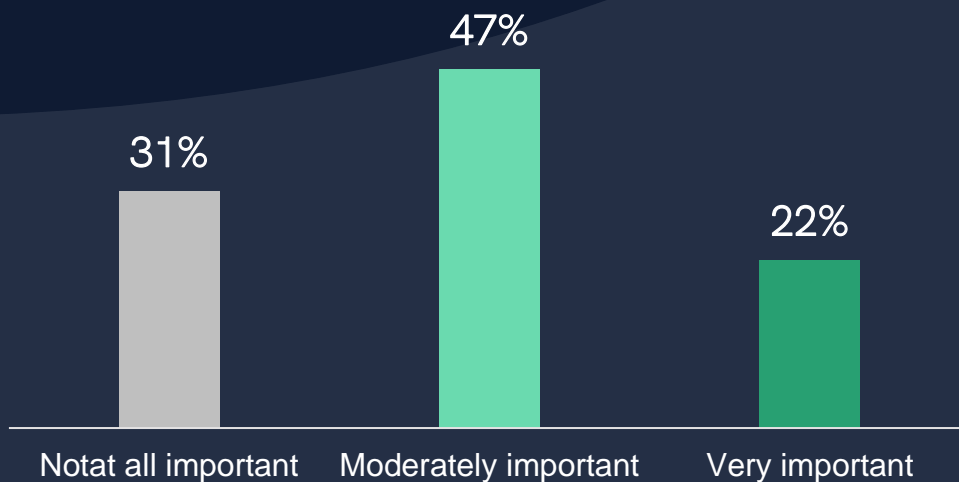


Around 70% of consumers keep sustainability in mind when deciding what to eat and where to eat and 42% of consumers think venues can do more to inform

How important of a consideration is sustainability to you in deciding what to eat in a venue?



How important of a consideration is sustainability to you in deciding where to eat out?



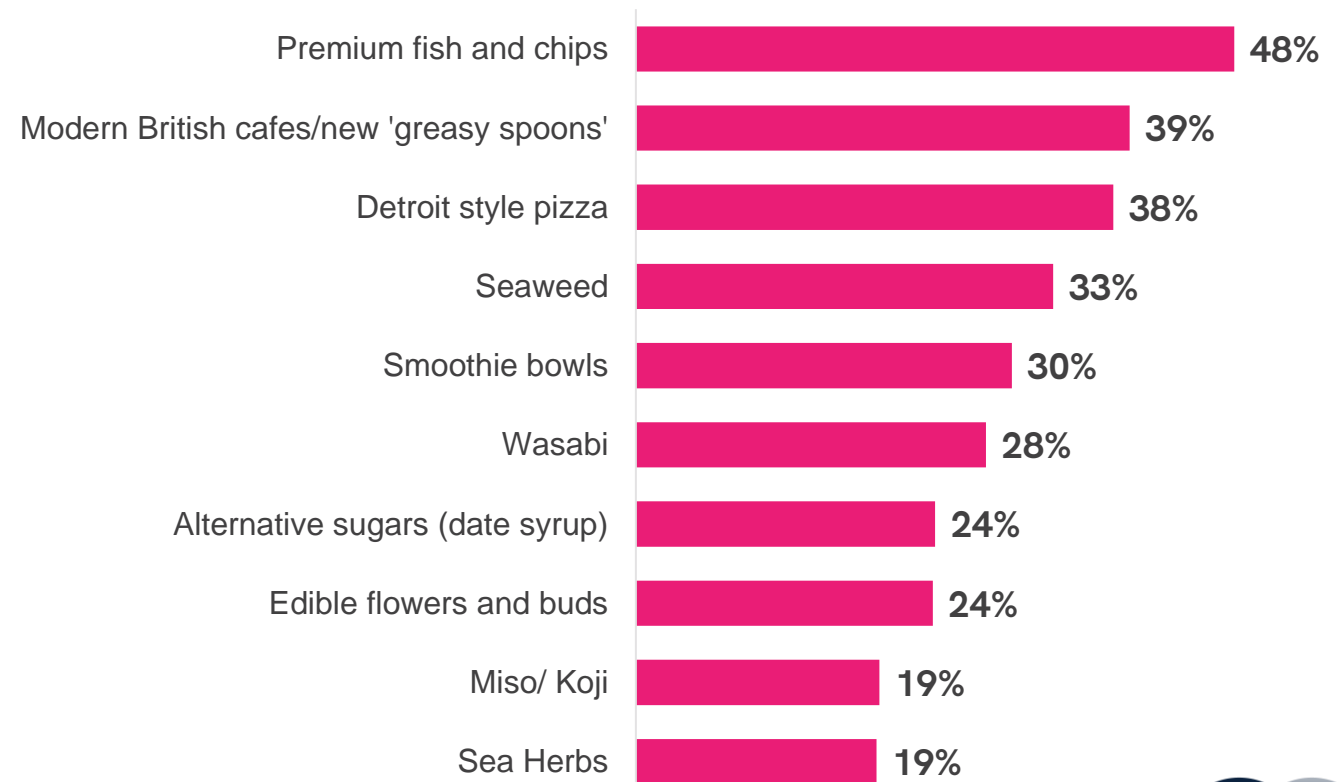
A modern cafe interior with a glass roof, hanging plants, and people sitting at tables. The scene is bright and airy, with natural light streaming in through the large windows and glass panels. The ceiling is a complex structure of metal beams and glass, with numerous hanging plants of various types, including ferns and succulents, adding a lush, green atmosphere. In the foreground, several wooden tables are set up, with people sitting and talking. A long wooden bar counter runs across the middle of the room, with a well-stocked backbar featuring shelves of bottles and coffee-making equipment. The overall aesthetic is clean, minimalist, and eco-friendly.

Emerging Food Trends



Premium fish and chips, modern British cafes and Detroit style pizza are the top trends to consumers want to try

% of consumers who are willing to try the trend





Over a quarter of consumers choose fish and chips as their favourite dish in pubs & bars

"From the list below, please pick up to 3 of your favourite dishes when eating out in pubs and bars"

	% of GB consumers
Fish & Chips	28%
Carvery & Roast	24%
Steak	22%
Pizza	21%
Beef Burger	17%
Mixed Grill	13%
Steak and Ale Pie	13%
Hunters Chicken/Chicken New Yorker	11%
Chicken Tikka	11%
Chicken Burger	11%

60%

Of consumers are likely to pay more for a better quality meal from a fish and chip shop



Rockfish

Rockfish select fish directly from a in Brixham, as such it is locally sourced, sustainable and the restaurants provide a seasonal menu subject to change



The Noisy Lobster, Avon Beach

At the Noisy Lobster they pride themselves in keeping it local. This means embracing where they live and building a reputation for fresh, seasonal produce 365 days a year. They specialise in locally-sourced seafood, much of which is caught by the hard working fishermen from Mundeford and Lymington.

54%

Of consumers eat seafood when out in the venues

Where the *seafood* is as honest as the welcome

AWARD-WINNING LOCATION, SEAFOOD & SERVICE

Nationwide recognition as one of the best and most exciting places to eat fresh fish in Pembrokeshire.



Griffin Inn - Pembrokeshire

Traditional harbour side pub specialising in seafood and homecooked classics. They serve fresh catch of the day and have their own boat, Griffin Girl, whose catch ensures some of the most direct sea-to-plate dining.

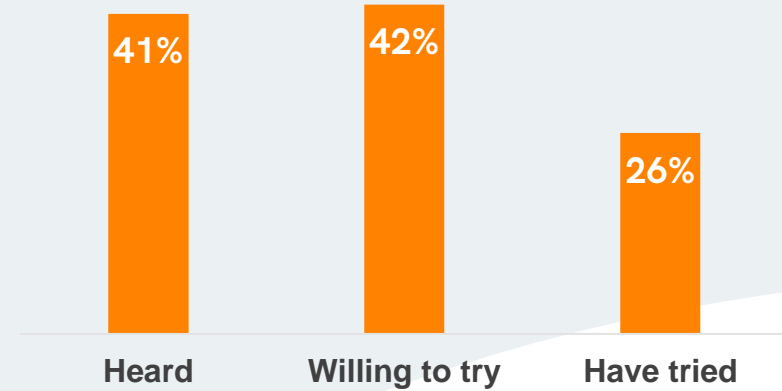


The local feel and quality of food in a **British café (or 'greasy spoon')** appeals to consumers, with more turning to a more modern or premium version

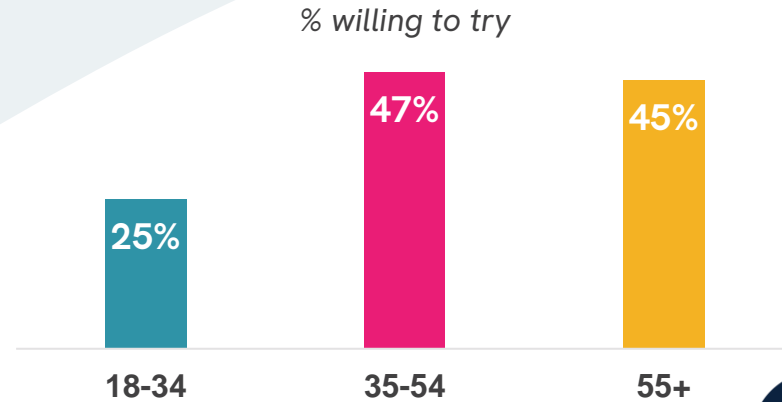
#premium #British #local



Norman's Café, London



Terry's Cafe, London



Although pizza may not be an emerging concept, the potential of Detroit pizza as a vehicle for emerging flavours is evident



Ramona Detroit Pizza, Manchester
Based in the centre of Manchester, Ramona is popular amongst consumers for serving up Detroit Pizza by the slice in their campfire beer garden.



Hot mess pizza company, Liverpool

Operating out of the Botanical Garden in the Baltic Triangle in Liverpool, Hot Mess Pizza Company are gaining many fans and are seen as the best pizza in town. They serve up Detroit-style Pizza such as their Hot Mess which is a margherita with pepperoni, fresh jalapenos and drizzled with chilli honey.

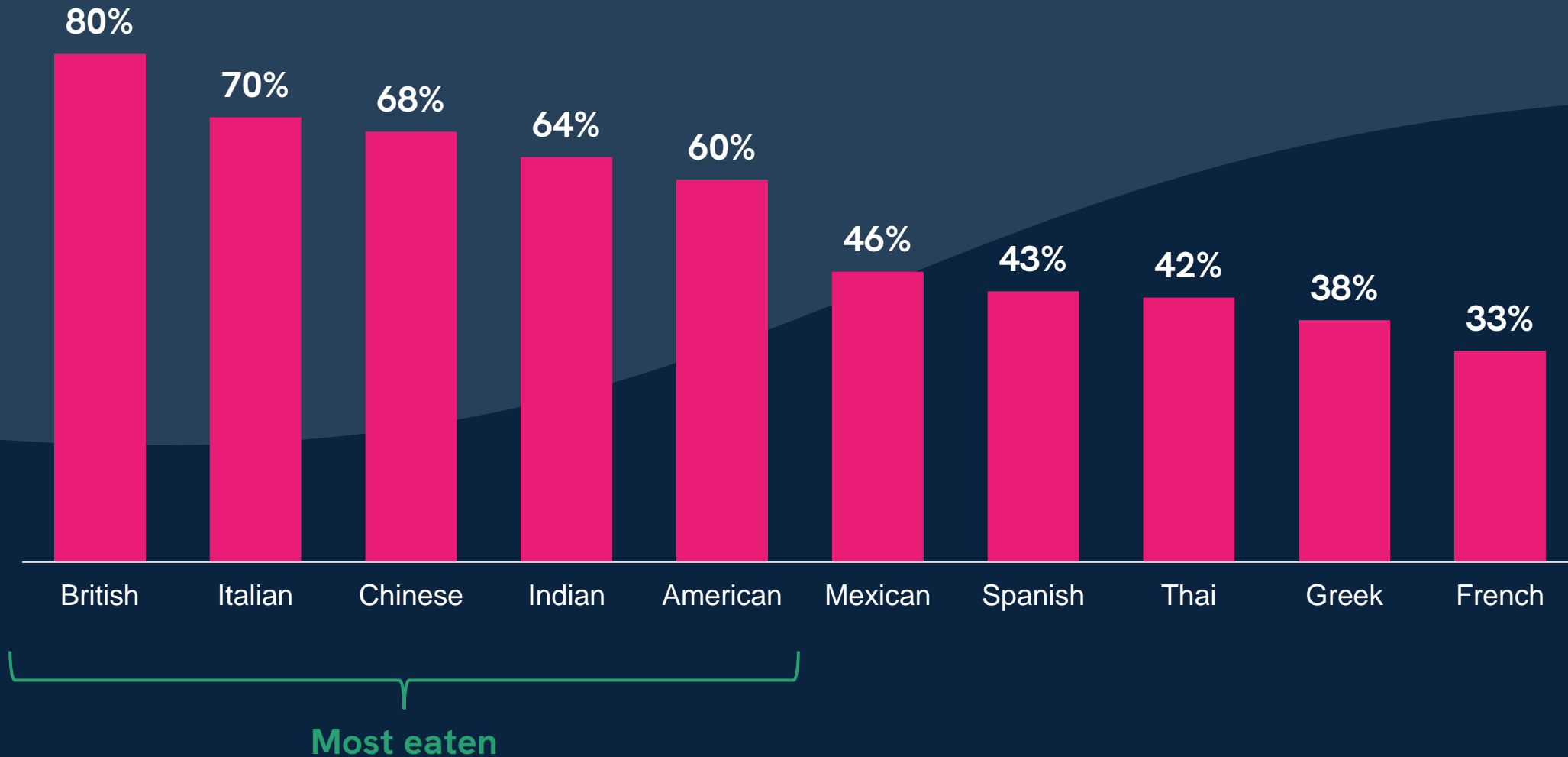
Ube, calamansi, birch sap, floral flavours and alternative flour are among those that have low awareness but a strong willingness to try to awareness ratio

food trends	% heard of	% willing to try	willing to try vs heard of ratio
Ube (purple yam commonly used in Filipino cuisine)	6%	13%	2.15
Calamansi (Philippine lime)	6%	14%	2.13
Detroit style pizza	18%	38%	2.07
Functional ingredients in food and drink (e.g. Nootropics)	7%	13%	1.88
Birch sap	7%	11%	1.67
Floral flavours	11%	18%	1.54
Alternative flour	12%	17%	1.38
Seitan	9%	12%	1.29
Smoothie bowls	25%	30%	1.20
Sea Herbs (e.g. kelp, sea aster, sea buckthorn and sea fennel)	17%	19%	1.13
Alternative sugars (date syrup, pomegranate molasses etc)	22%	24%	1.08
Yuzu	13%	14%	1.04
Poke bowls	18%	19%	1.04
Modern British cafes/ new 'greasy spoons'	39%	39%	1.01
Foraged ingredients	19%	19%	1.01
Cured seafood (e.g. pickled, ceviche)	19%	19%	1.00
Collagen in Food and / or Drink	17%	17%	0.99
Premium fish and chips	48%	48%	0.98
Miso/ Koji	24%	19%	0.81
Edible flowers and buds	31%	24%	0.77
Seaweed	50%	33%	0.66
Kefir	29%	19%	0.65
Fermented food (e.g. kombucha or kimchi)	27%	17%	0.64
Insect/cricket protein	20%	11%	0.57
Squid ink	28%	15%	0.53
Wasabi	55%	28%	0.51



The top 5 saturated cuisines are also the most eaten by consumers

Top 10 most eaten cuisines



While the top 5 emerging cuisines have remained the same since last year, emerging cuisines like Moroccan, Indonesian have moved up their ranks driven by growing consumer demand

Top 10 Emerging Cuisines:



Ranking change vs 2021:

= = = +1 -1 +1 +1 +4 +1 -1



Texture, London

Michelin-starred restaurant offers up imaginative treatments of fresh Scandinavian ingredients and best of all it has an accompanying champagne bar.



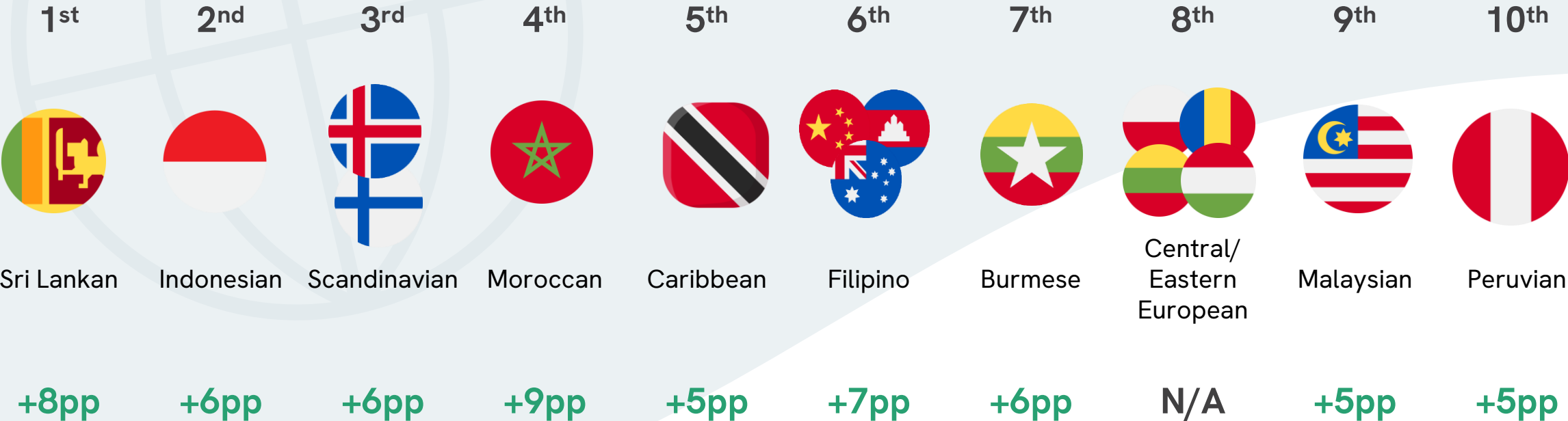


Kenza, London

Lebanese recipes that founder's mother's and grandmother's used to make when they were children. The food is authentic and home-style and is meant for sharing, whether with friends, families or colleagues.

Sri Lankan, Indonesian, Scandinavian, Moroccan and Caribbean are the top five international cuisines that have highest proportion of consumers who would like to try

Cuisine ranking of would like to try:
Indexed vs 2021
Top 10



Key Takeouts

Churn in the market means that your customer base is changing

Consumers are back and spending but navigating the costs of living will require your customers to deliver the menu options to encourage consumers to treat themselves

Don't forget health and sustainability agendas continue to shape how consumers eat and drink out of home

- Operators need to continue to accommodate the varied consumer missions and preferences in eating out

Emerging food trends and new trading styles provide a new potential customer base with different considerations in their food offer

Thank you

To learn more about our services, or to speak to a member of the team, please feel free to get in touch:



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