

PRESS RELEASE

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EATING OUT UNDER MORE PRESSURE AS SUPERMARKET SECTOR STEPS UP 'MEAL DEAL' OFFERS

Consumers are increasingly opting for supermarket 'meal deals' which typically offer a meal for two for £10 or under, rather than eating out in a restaurant, according to new QuickBite research from market analyst Horizons.

Some 13% of respondents, in which over 1,000 people were interviewed during two days last month, said that over the past two weeks they had opted to stay in with a supermarket meal deal rather than eating out.

The largest uptake of supermarket deals was in the 16-24 and 35-44 age groups, in line with the trend for young adults to be less inclined or have less time to cook meals from scratch and families with children who are often also time-poor. Men (15%) were also keener than women (11%) to spend their food pounds this way.

Supermarkets have responded to consumer reluctance to pay for food out of the home by offering a growing number of restaurant-style offers, some geared around traditional eating out occasions such as Valentine's Day or Mother's Day. Marks & Spencer's 'dine in for two for £10' promotion kicked off the genre, extended this Mother's Day with a 'dine in for four' promotion and currently a lunchtime meal deal offering a choice of sandwich, crisps and a drink for £2.

Last month Sainsbury's trumped its rivals by offering a 'dine in for a fiver' deal with a choice of three gourmet main courses for two, a side dish and a choice of two desserts. A similar promotion from Waitrose offered consumers a 'dine in for two for £10' deal including an 'Indian meal deal' with two curries from a choice of five, rice, an accompaniment and a four-pack of drink for £10.

Last week Tesco went even cheaper with a meal for two from its Finest range including main course from a choice of five, side dish, dessert and wine for just £9.

"There is no doubt these deals are aimed at people who may once have eaten out but who could now be persuaded to save money by buying a gourmet-style meal to eat at home instead," commented Horizons' managing director Peter Backman. "Many pubs, restaurants and

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takeaways are attempting to take the supermarkets on by marketing their own price promotions and meal deals, but perhaps they need to push the benefits of an eating out experience more by highlighting their atmosphere, facilities, menu choice or quality.

“It has never been as competitive on the high street as it is now – particularly when it comes to vying for consumers’ food pound. While the supermarkets have always run strong price offers on food, the fact they are now putting together a menu means they are really competing head-to-head with high street restaurants, many of whom will be unable to compete. The recession has already seen casualties in this sector and we are bound to see more before the economy picks up.”

The latest QuickBite research also showed that consumer spend in restaurants had fallen, down to £10.64 from £11.15 per head last year. There was also a fall in the number of consumers opting to eat at a table service restaurant (from 48% to 46%) although a rise in fast food restaurant spending (11% to 12%).

Chinese (-3.4%) and Indian (-1.3%) restaurants and takeaways saw their market share decline, although pubs (1.5%) and fish & chip restaurants (1.8%) saw an increase as consumers opt for traditional British foods over ethnic food.

For further comment please email [press@horizonsforsuccess](mailto:press@horizonsforsuccess.com) or contact Peter Backman:

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EDITOR’S NOTE

About QuickBite Quarterly Tracker

Base: 1035 adults 16+ demographically representative of the UK population

Fieldwork was conducted between 20-22 March

About Horizons

Peter Backman is the managing director of Horizons, the analyst and specialist information consultant for the foodservice and hospitality sector. Peter is an expert on the structure and dynamics of the foodservice sector, and its supply chain, in the UK and across Europe. He has been involved in foodservice, as an analyst, researcher and consultant, for almost 30 years.

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. The company recently acquired the QuickBite (consumer research) and Menurama (menu tracking) services, adding further depth to its statistical knowledge of the sector.

The company's clients includes Compass and Whitbread, suppliers such as 3663, Brakes, Cadbury, Coca-Cola, Procter & Gamble and Electrolux, investors JP Morgan and Goldman Sachs and trade associations such as the British Hospitality Association and the Food and Drink Federation. Horizons' views have been sought by organisations such as the Bank of England, the Department for Culture Media and Sport and the Department for Environment, Food and Rural Affairs.

Peter Backman is a regular contributor to industry conferences and his views are often sought by the business and trade press, TV and radio.

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