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**'SAVE-IT FOR SOMETHING SPECIAL' MENTALITY
MEANS GOING OUT LESS BUT SPENDING MORE**

The number of times people dined out hit an all-time low in the run-up to Christmas, with 72% of consumers claiming to have eaten out in the first two weeks of December – a 3% decrease on the previous year's figures and the lowest of any Christmas reading, according to a new Quickbite survey from market analyst Horizons.

The survey showed that establishments being hit the hardest by the current economic downturn are coffee shops, pubs, Indian and other takeaways, with sit-down restaurants in the mid and premium sectors being the main beneficiaries.

The consumers surveyed had eaten out an average of 2.7 times in the first two weeks of December, considerably less often than the average of 3.7 times during the same period the previous year.

"We are seeing a flight to quality with people eating out less but spending more. Spend per head at £12.46 is the highest ever recorded, demonstrating this new 'save-it for something special' approach," comments Horizons' managing director Peter Backman.

"The eating out market is polarising – it seems to be sliding away at the incidental sector such as coffee bars, sandwich shops and fast food takeaways where spend is under £5, and also the value sector where spend is £5-£11. A reduction in frequency of eating out is indicative of fewer ad hoc or unplanned meals out. Operators at the other end of the scale – the premium casual and premium restaurant sectors - where spend is above £17, are faring better," says Backman.

Despite this, pubs are experiencing a drop in spend per head – a decline of 8.6% to £13.42, a level not seen since December 2003. This is partly due to price promotions in the sector because of intense competition.

However, pubs and pub restaurants are still the biggest providers of sit-down meals eaten outside the home – representing a third of the sector. Chinese takeaways are the most popular fast food,

Horizons FS Limited

313 Regents Park Road · London N3 1DP

T: +44 (0)20 8349 0162 · F: +44 (0)8701 272 219

E: info@horizonsforsuccess.com

www.horizonsforsuccess.com

representing 26% of out-of-home convenience meals, with fish and chip shops accounting for 17.3% and Indian takeaways 15%.

One third of respondents to the QuickBite survey said they expected to eat out less often in the year ahead, while 57% expected to eat out at the same level as last year. Some 29% of respondents agreed with the statement that they were restricting meals out to special or planned occasions.

"This represents a substantial worsening of consumer sentiment compared with last December when 11% expected to eat out less and 75% expected to eat out at the same level as last year," says Backman. "The outlook for 2009 is for continued decline, with volume most severely affected in the under-£11 sector."

Geographically, dining out in the Midlands appears to be holding up better than the north or south, maintaining the same level of eating out as last year. AB's also appear less affected, eating out slightly more than they did last year. In terms of age, 25-34 year olds increased their dining out on last year, perhaps indicating they are less concerned about the downturn than those who have experienced previous recessions.

Horizons announced the acquisition of catering and consumer tracking product QuickBite from FMCG Ltd in December 2008. QuickBite is a quarterly survey of 1,000 consumers examining the eating out sector. QuickBite provides analysis by outlet and type as well as consumer attitudes to eating out, various food issues and food preferences.

About the survey:

Base: 1033 adults 16+, demographically representative of the British population.

Fieldwork was conducted 12-14 December 2008 by Mori.

For further comment or for copies of the full report please email press@horizonsforsuccess or contact Peter Backman:

Office: 020 8349 0162

Mobile: 07785 242809

Email: peter@horizonsforsuccess.com

Website: www.horizonsforsuccess.com

Skype: prbackman

For URL for RSS feeds log-on to:

<http://www.horizonsforsuccess.com/index.php/rss/>

EDITOR'S NOTE:

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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