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**COST-CONSCIOUS CONSUMER HERE TO STAY
FOR THE LONG-TERM, SAYS HORIZONS**

Despite the recession consumers are still eating out but have reduced their average spend when they do so by going to cheaper outlets and choosing those offering good money-off deals.

New statistics from market analyst Horizons show that on average consumers spent £189.61 on eating out in the high street during the first six months of 2009, compared with £200.26 in the first six months of 2008. A decrease of 6% year-on-year.

This year consumers are spending an average of £6.45 per meal, compared with £6.62 in 2008. The figures also show that the QSR (quick service restaurant) share of spend has grown from 41.2% to 42.2%, demonstrating the growing popularity of fast food outlets and takeaways.

"The eating out market is unlikely to improve into 2010. The cost-conscious consumer is here to stay and that consumer is looking for value-for-money and attractive offers. That's not likely to change in the short-term and most operators – particularly the high street restaurant chains and pub operators - are doing a great job of adapting to this," said Horizons' managing director Peter Backman.

Horizons' predictions follow recent results from the major pub chains. Greene King announced that like-for-like sales across its food-led pub estate were 8.1% up on last year. Whitbread's pub-restaurant chains showed a 2.1% increase in like-for-like sales in the first half of this year, with its value-for-money focus attracting 7.2% more customers. And last week J D Wetherspoon announced a record year for sales with like-for-likes in the six weeks to 6 September up 1.2%, and total sales up 5.8%.

"The consumer of 2010 will be paying off more debt, taking on less borrowing and tightening the purse strings when it comes to discretionary spend. Average spend is likely to drop further still so the challenge for foodservice operators going forward is to keep people coming through the door with innovative deals and interesting menus without jeopardising margins," added Backman.

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EDITOR'S NOTE

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.