

# Impact of the Recession on Eating Out Habits - UK - October 2010

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## What is this report about?

There is no doubt that the food service industry was heavily affected by the recession, but fears that consumers would cut out eating out altogether, due to it being an area of secondary expenditure failed to materialise. Eating out is no longer a luxury for the majority of the British population, but a firmly embedded habit driven by convenience and the growing variety of meals and venues that the industry now offers.

## What have we found out?

- Operators should be moving away from profit-eating price-led promotions and instead focus on experience and innovation, after all, over half of diners haven't changed their eating out habits in the last 12 months.
- One in four diners rank 'regular treat' as the main reason they eat out, compared to one in five who prioritise 'special occasion' dining. This has been bolstered by the expansion of casual dining options such as the fast food and fast casual sectors. It has also stemmed from operators increasingly looking to tap into the all day dining market by expanding the breadth of meal occasions they cater to.
- However, despite the relative resilient performance of the market during the recession, the eating out market has still contracted slightly with around a quarter of out-of-home diners that have either reduced their expenditure per head on eating out or reduced the frequency of their visits.
- Re-establishing regular weekday eating out habits is a central concern for operators as around half of diners who have been cutting back on out-of-home dining say they have done so by eating out less during the week. However, promotions such as theme nights (eg curry clubs) are now so common that they lack the point of differentiation that they were originally designed to provide.
- Price promotions are not the primary motivator of why consumers eat out. However, of the diners who have cut back on eating out in the last 12 months, a quarter state that they often use money-off vouchers, which illustrates that discounting does affect their venue and dish choices. The downside of discounting therefore is that it has promoted venue promiscuity amongst consumers, as they have been taught to buy on promotion.
- Meal occasions such as breakfast and lunch often lack the 'experience'/leisure factor associated with eating out that evening dining tends to embody. As such, around one in four consumers now say that they eat more home made sandwiches than they did a year ago.

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