



The Future of Quick Service Restaurants: Inc Impact of COVID-19 - UK - September 2020

Report Price: £2195 | \$2995 | €2600

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This report looks at the following areas:

- The impact of COVID-19 on the QSR sector, with a focus on consumers' eating out decision-making process.
- Consumers' QSR eating in and takeaway/home delivery habits and how these are impacted by the COVID-19 outbreak.
- Improvements that consumers would like to see made to QSR venues and their food/drink offerings.
- Consumers' attitudes towards the value and quality of QSR food/drink.

Mintel's COVID-19 Tracker shows that consumer confidence in eating out is gradually improving, with 42% of Brits saying they would feel comfortable going to an outdoor restaurant/bar as of 3-11 September, compared to 27% at the end of June (on the eve of premises reopening).

Whilst it is important for the market to maintain the momentum of August's eating out participation helped by the government's 'Eat Out to Help Out' (EOHO) scheme, consumers' "discount mindset" is likely to persist in the face of tighter household budgets and rising unemployment in the UK.

Although quick service restaurants (QSRs) are often characterised by the takeaway nature of the food and drink, more QSRs will offer home delivery, which will provide a regular and consistent revenue stream that will help to offset some of the uncertainty surrounding dine-in trade. Whilst some of this expenditure will be redistributed to QSRs within suburban and rural areas, overall spend will be restricted by the lasting impact of COVID-19 on the economy, unemployment and consumer confidence.

Since VAT has been temporarily cut from 20% to 5% for food and non-alcoholic drinks sold in foodservice venues, some big players including Burger King and Subway have slashed prices in the form of value deals to pass on the benefit of the VAT cut to their customers.



"As most QSR operators are forced to streamline their business in response to COVID-19, menu innovation needs to focus on healthful choices as well as broadening consumers' at-home experiences. These include diet-specific meals as well as meal kits featuring fast food recipes."

– **Trish Caddy, Senior Foodservice Analyst**

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