

Eating Out Review: Inc Impact of COVID-19 - UK - December 2020

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This report looks at the following areas:

As vast numbers of consumers are still uncomfortable dining indoors, people will respond well to operators that offer outdoor dining facilities throughout all seasons as 75% of consumers are happy to eat/drink in a heated outdoor seating area.

Underlying consumer demand for out-of-home leisure experiences such as eating out remains strong. However, COVID-19 has had a devastating effect on the foodservice industry with sales expected to be cut by more than half in 2020. Prior to the national lockdown that was announced on 4 January 2021, most pubs, restaurants and coffee shops were already closed for dine-in trade for an indefinite period of time due to local tiered restrictions, with businesses only able to offer takeaway food/drink. This latest development adds greater uncertainty for operators and will undoubtedly result in more closures.

The long-lasting impact on the economy represents a key threat to the industry moving forwards, as those hit by unemployment or changes to their financial security will cut back on discretionary expenditure. Meanwhile many people will remain hesitant to visit hospitality venues due to concerns about transmission of the virus, at least until a vaccine is widely distributed.

However, Mintel is optimistic about the long-term prospects for the sector and there are clear opportunities for operators to benefit from consumers' desire to support local in the aftermath of the pandemic. Pubs and cafés/coffee shops are viewed as being a valuable part of local communities, and more consumers will be keen to visit these establishments regularly once they feel safe to do so. Operators can tap into this goodwill by emphasising their use of local suppliers and by developing their own initiatives to help run or sponsor community events.

- **The impact of COVID-19 on the foodservice market.**



“For years, pubs and coffee shops have been vying with one another in ruling the high street, and with more consumers staying at home since the start of the pandemic, a fundamental human need for community unlocks the opportunity for both to respond and give consumers a sense of belonging.”

– **Trish Caddy, Senior Foodservice Analyst – 6 January 2021**

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- Consumers' participation in eating out and how this has been impacted by the pandemic.
- Ways that brands can adapt their foodservice business to reach more consumers who are staying at home.
- The impact of COVID-19 on consumers' eating out decision making process, with a focus on promotional activities.
- Consumers' perceptions of foodservice venues.

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