



Topline Top Three

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The Top Three Quarterly Trends Shaping the Great Britain Foodservice Industry

In the U.K., GDP growth slipped slightly from +0.7 percent to +0.5 percent, but it continued growing in the fourth quarter of 2014. Consumer confidence remained positive as unemployment kept going down, ending the quarter at 5.8 percent compared to 6 percent last quarter.

The foodservice industry continued to benefit from favourable conditions, posting a 2.0 percent rise in spend in Q4 2014 versus the same period a year ago, meaning £261 million in extra spend. Consumers ate meals out more often (+0.8 percent in visits) and spent more (+1.2 percent in average spend per visit) compared to last year.

The quick service restaurant (QSR) channel continued to outperform the market; consumer spending increased by 2.3 percent.

Travel & leisure also grew strongly (2.0 percent in spend) in Q4, showing the full

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effect of the economic upturn.

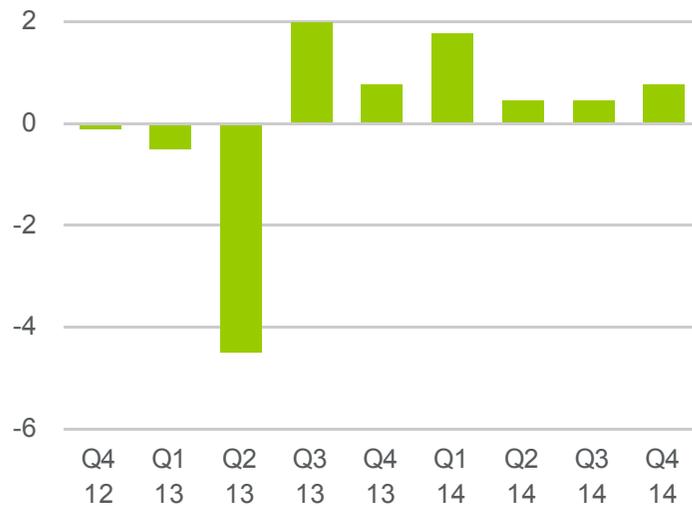
In this edition of Topline Top Three, we look at the stability of foodservice performance, weekday occasions' renewed growth, and dinner growth in QSR.

As always, if you would like to discuss this information in greater detail, just contact your NPD account representative.

Foodservice showed signs of stability after six consecutive quarters of growth.

The rising British economy and positive consumer confidence allied over the past year to foster a certain stability in the foodservice market. We saw 0.9 percent visit growth in 2014 compared to 2013, driven by consistent growth over the course of the year's four quarters.

**Total Out-of-Home Traffic % Growth
3 Months Ending December 2014 vs. Year-Ago**



December 3, 2014

Pester power drives 763 million family eat-out visits per year in Britain

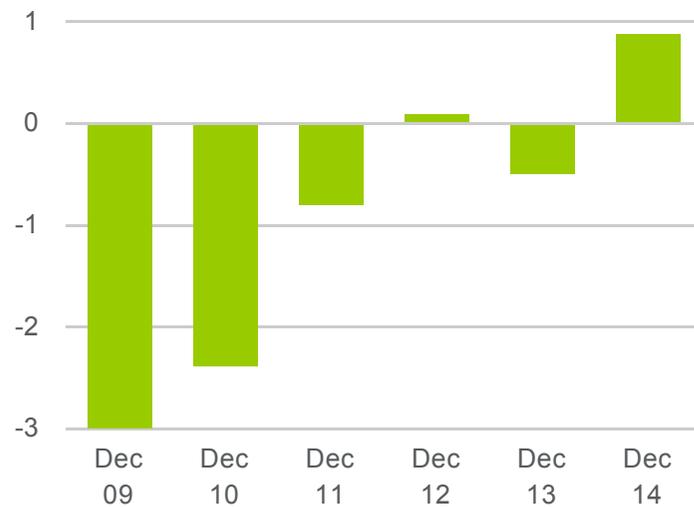
September 24, 2014

Londoners love their 'lunch-to-go' but they pay 24% more than the rest of Britain

If the positive economic context continues alongside the increasing excitement of new concepts and innovation taking place in the British eating out landscape, there's hope for a strong 2015.

Weekdays occasions also began to see the benefits of recovery with 0.9 percent growth in 2014.

**Total Out-of-Home Weekday Traffic % Growth
Year Ending December 2014 vs. Year-Ago**



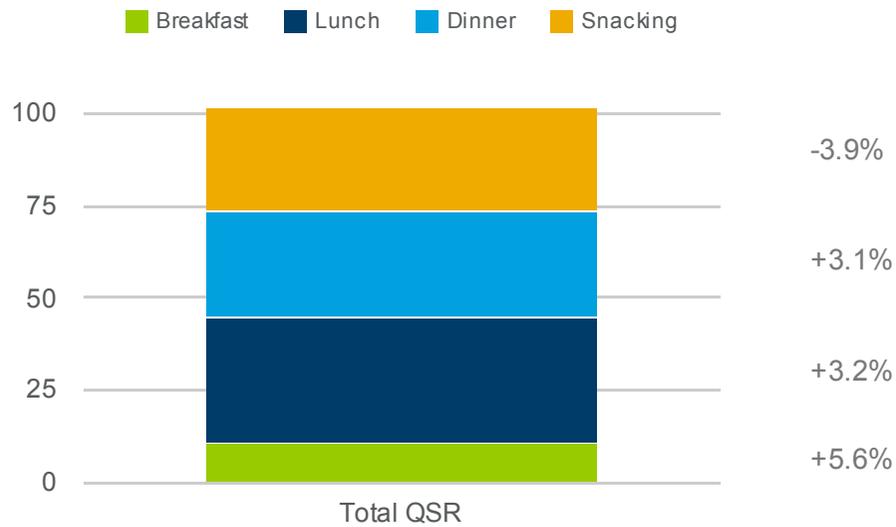
Another sign of foodservice stabilisation is the growth of weekday occasions.

Over the last few years, consumers saved on weekday occasions, which were considered non-essential treats. The recovery started with consumers eating out at weekends but still deserting restaurants during the week.

This is no longer the case — operators' efforts to step up and innovate finally paid off in the fourth quarter. Consumers were tempted to also venture out of home during the week, showing consumers were thinking treats no longer needed to be limited to weekends. ***All core dayparts continued to march on in QSR, and dinner joined the party with 3.1 percent growth in traffic in 2014 compared to 2013 in this channel.***

Lunch and breakfast remained key drivers of growth in the quick service restaurant channel, showing 3.2 percent traffic growth at lunch and +5.6 percent at breakfast in 2014. Dinner also was strong with 3.1 percent growth in traffic. Snacking remained the only declining occasion for the channel, down 3.9 percent.

Total Quick Service Restaurants %Traffic Share and Growth vs. Year-Ago



Source: The NPD Group/CREST®, YE Sept 2014

Quick service operators who relied on lunch to drive growth will welcome the news, as they see their efforts to develop the offering and refurbishing outlets finally paying off.

Overall, 2014 was a very positive year for the British foodservice market, and this augurs a good start for 2015.

To learn more about The NPD Group's solutions for the foodservice market, click on the Contact Us button above or email us at contactnpd@npd.com.