



# Topline Top Three

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## The Top Three Quarterly Trends Shaping the Great Britain Foodservice Industry

Consumer confidence remained positive as British people enjoyed warm temperatures this spring and welcomed to the world Princess Charlotte.

GDP was still improving — up 2.6 percent compared to Q2 2014 and up 0.4 percent compared to Q1 2015 — meaning we are officially back to the pre-recession level in 2008. With a “technical” full employment, the economy is now looking very positive.

Our CREST® data shows the slight slowdown experienced by the foodservice market in Q1 2015 was only temporary. Helped by the high temperatures in the second quarter, the total sector kept on growing traffic year-on-year by +1.4 percent during the second quarter of 2015, which was well above the +0.6 percent experienced in the first quarter of this year.

Traffic growth contributed to a 1.1 percent year-on-year increase in average eater check, which led to impressive growth of 2.5 percent in overall consumer spend.

This growth was fuelled by strong performance of major brands (+3.6 percent traffic growth), whilst small chains and independents continued their traffic decreases (-1.7 percent).

The traffic boost was seen amongst all sectors except on-site, which saw visit declines of -0.8 percent compared to the same quarter last year.

QSR remained the strongest performer, recording a strong 3.2 percent growth in total spend and 2.1 percent traffic growth.

In this edition of Topline Top Three, we look at penetration and frequency as growth drivers, explore London’s dynamism, and consider snacking’s potential comeback.

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

### Frequency is driving out-of-home growth as penetration remains flat.

British consumers ate out-of-home more often during each month of first half of 2015 than they did in the same period last year and in 2013. Our average monthly penetration and frequency study shows frequency has climbed from 15.1 times per month in the first half of 2013 to 15.3 in the first half of 2014 and 15.5 in the first half of this year.

Meanwhile, penetration remained quite flat, fluctuating from 98.8 percent to 98.7 percent from the first half of 2013 to the first half of 2014, and back to 98.8 percent the first half of 2015.

**Total Out-of-Home  
Average Monthly Penetration and Frequency  
First half year (Jan-Jun)**

We have an exciting announcement: A foodservice report is now available for Poland! [Contact us](#) to learn more.

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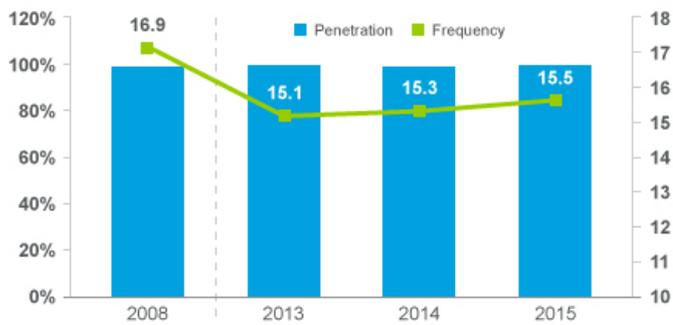
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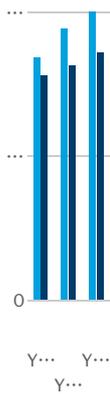
Source: The NPD Group/CREST®

However, looking in the long term, we see the frequency is still far from the first-half 2008 level, when consumers ate out on average 16.9 times a month.

**London now represents £1 of each £5 spent in the British out-of-home market.**

Growing its share of spend by over 35 percentage points in two years, London accounted for 20.2 percent of all out-of-home spending in the year ending June 2015 and 17.3 percent of all traffic in this period.

**Total Out-of-Home  
London Share of Total GB**



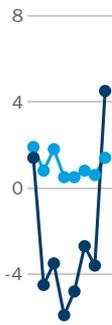
Source: The NPD Group/CREST®

Overall, Great Britain would not be experiencing its current boost if not for London. Indeed, London's performance is the key driver of out-of-home traffic in Great Britain. It grew 6.3 percent compared to the rest of Great Britain, stagnating at -0.3 percent in the year ending June 2015 compared to the same period a year earlier.

**PM snacking was back to growth in Q2 2015 for the first time in seven quarters.**

For the first time since Q3 2013, PM snacking experience traffic growth in Q2 2015. And it didn't just grow — it outperformed the overall traffic by 3.1 percentage points, with an impressive growth of 4.5 percent compared to 1.4 percent in total traffic.

**Total Out-of-Home  
Quarterly year-on-year % change**



Source: The NPD Group/CREST®

Difficult to predict if this is a momentary glimpse or if the growth will continue. In any case, it is clear that with six consecutive quarters of decline, it will take more quarters of growth to get back to 2013 levels.

Overall, the market continued to slowly get back to growth this quarter. Consumers ate out more often, and the dynamics were centered in London. It remains to be seen whether PM snacking will continue its recovery over the long term.

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To learn more about The NPD Group's solutions for the foodservice market, use the Contact Us button above or email us at [contactnpd@npd.com](mailto:contactnpd@npd.com).

