

**PRESS RELEASE**

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**EATING OUT EXPECTED TO RISE OVER CHRISTMAS  
BUT IT COULD BE A GRIM JANUARY AHEAD  
AS CONSUMERS REIN-IN SPENDING FURTHER**

Consumers are likely to spend more on eating out in the week before Christmas than they have in any other week of 2009, but are expected to rein-in their spending considerably in the New Year as the reality of continued economic uncertainty and fear of unemployment kicks in.

"For restaurant operators December is a crucial period. Horizons research shows that trading for restaurants, quick service restaurants and pubs through December tends to rise by an average of 22%," said Horizons' managing director Peter Backman.

"Sales are likely to pick up next week, but will still be lower than they have been in previous years. We would also anticipate that people will cut back much more in January as VAT rises, credit card bills start arriving, the weather gets colder and strike action from the likes of BA depress the nation's mood. The more formal sit-down restaurants are likely to suffer most during January and February, although takeaways could see trade rise, as they did during the heavy snowfall of 2009."

Horizons' recent QuickBite survey of over 1,000 consumers showed that between Q2 and Q3 of 2009 eating out increased 8.1%. However, sales were still 4.2% lower than they were during 2009.

Some 75% of consumers, surveyed by Horizons in September 2009, said they had eaten out over the past two weeks, a rise of 4% since June. On average consumers are eating out 1.58 times a week. Spend per head also showed a slight increase, up from £10.76 per head in June to £10.80 per head in September.

Horizons' data shows that quick service restaurants, such as fast food outlets, cafés, and takeaways, along with managed pubs, have become increasingly popular with consumers, while tenanted pubs continue to lose market share. This year the number of people visiting a pub for a meal has declined by 11%, compared with last year.

"Consumers may be planning to enjoy themselves a bit more over Christmas, but they will still be watching their spend carefully," added

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Backman. "Our data show that 40% of people are ordering a starter less often, the same number are ordering a dessert less often and 27% of are opting for a shared dish to reduce meal spend. Over half of consumers said they spent less on alcohol in September than they did in June."

When quizzed on their future eating out plans 2% fewer consumers anticipated eating out more often in the year ahead. They pointed to the increasing effect of financial pressures on eating out occasions, especially amongst the younger elements of the population, and uncertainty over the future. The North of the country was, however, more optimistic than other regions.

"Overall, the market is bottoming out – and next year may see some growth. More likely though, year-on-year figures will bounce along the bottom for most of 2010. However, there is a danger of some growth followed by a further downturn due to growing unemployment, more corporate failures, a hung parliament, and the much-anticipated growth in GDP not arriving which will dent confidence further," said Peter Backman.

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## **EDITOR'S NOTE**

### **About Horizons**

Horizons is an analyst and specialist information consultancy for the foodservice and hospitality sector. Its manager director, Peter Backman, is an expert on the structure and dynamics of the foodservice sector, and its supply chain, in the UK and across Europe. He has been involved in foodservice, as an analyst, researcher and consultant, for almost 30 years.

Horizons helps its clients make better business decisions by providing accurate and detailed information about the foodservice market, its trends, and opportunities. The company provides consultancy services, workshops and statistical information based on its model of the sector and database of key accounts across Europe. The company recently acquired the QuickBite (consumer research) and Menurama (menu tracking) services, adding further depth to its statistical knowledge of the sector.

The company's clients includes Compass and Whitbread, suppliers such as 3663, Brakes, Cadbury, Coca-Cola, Procter & Gamble and Electrolux,

investors JP Morgan and Goldman Sachs and trade associations such as the British Hospitality Association and the Food and Drink Federation. Horizons' views have been sought by organisations such as the Bank of England, the Department for Culture Media and Sport and the Department for Environment, Food and Rural Affairs.

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