Horizons

PRESS RELEASE

9 MARCH 2010

HORIZONS URGES FOOD MANUFACTURERS TO TAKE NPD FOR THE CATERING SECTOR MORE SERIOUSLY

Food manufacturers should be encouraged to take the catering market more seriously when it comes to new product development, consider using the sector to launch products and build brands, and should stop viewing catering as just a bolt-on to retail sales.

This was the message from foodservice analyst Peter Backman, managing director of Horizons, speaking to an audience of FMCG investors at a conference in London today [9 March], organised by the Consumer Analyst Group Europe (CAGE).

Horizons values food and drink purchases made by the catering sector at £10.3bn, but is critical of the fact that many food and drink manufacturers are focussed almost entirely on the retail sector.

"FMCG manufacturers often view foodservice as a poor relation to retail sales, merely repackaging their products into larger pack sizes. But the foodservice sector is growing at a faster rate than food retail as people eat more and more of their meals out of the home – and we will continue to see further growth over the next decade," said Backman. "Many restaurant and pub menus now feature specific brand names on their menus, while other restaurant products have successfully transferred to the retail market, where they usually command premium prices.

"Foodservice is a good place to launch products – manufacturers can test the market, gauge customer response and, with the help of restaurant operators, build successful brands. It's also far cheaper to build a brand through the catering sector than it is through the retail trade.

"The catering market is currently suffering from a real lack of new product development, at a time when pubs and restaurants are desperate to keep their menus fresh and interesting for customers. This is a great opportunity for food manufacturers."

Horizons' latest QuickBite survey, of over 1,000 consumers, puts the value of sales through the catering sector at £36.6bn, a figure that has shown an impressive 12.5% increase year-on-year. While the economy has slowed the market, consumers have opted to reduce their spend rather than not go out. Average spend per head including drinks currently stands at £11.69, a 7.5% fall year-on-year from £12.64.

Horizons FS Limited
313 Regents Park Road · London N3 1DP
T: +44 (0)20 8349 0162 · **F**: +44 (0)8701 272 219
E: info@horizonsforsuccess.com
www.horizonsforsuccess.com

Registered in England and Wales
Registration number: 4493962
Registered office: 167-169 Great Portland Street,
London W1W 5PF

This year the UK eating out sector is likely to be boosted by a strengthened tourist trade, with visitors attracted to the UK by a weak pound against the US dollar and Euro. British holidaymakers are also likely to stay at home again this year, given the high cost of holidaying abroad.

Horizons' QuickBite survey, conducted in December 2009, reveals that price is becoming less of an influencing factor on eating out and that consumers are becoming less pessimistic about how often they thought they would eat out in the future. Some 5% of respondents predict they would eat out more often in 2010 than they had in 2009, while 73% feel they would eat out just as often in the coming year.

For further comment or to interview Peter Backman please contact Linda Pettit at Tilburstow Media Partners on 01737 823721/07973 789853 or email press@horizonsforsuccess.com.
Alternatively contact Peter Backman on:
Office: 020 8349 0162 or mobile: 07785 242809
Email: peter@horizonsforsuccess.com
Website: horizonsforsuccess.com

For URL for RSS feeds log-on to:
http://www.horizonsforsuccess.com/index.php/rss/

EDITOR'S NOTE

About Horizons
Peter Backman is the managing director of Horizons, the analyst and specialist information consultant for the foodservice and hospitality sector. Peter 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.
Peter Backman is a regular contributor to industry conferences and his views are often sought by the business and trade press, TV and radio.

(ends)