

Growth of new eating out brands evidence of demand for something healthy and different, says Horizons

- Mexican food-to-go gaining in popularity
- Japanese brands fulfil desire for healthy food
- Wraps and bagel outlets on the march
- Frozen yogurt surprising new trend

Despite the UK's depressed economy the eating out market continues to see a steady rollout of new restaurant and food takeaway brands, particularly those offering good quality, healthy, food-to-go and those based on Mexican and Japanese cuisines.

In its recently launched Ones to Watch service, foodservice consultancy Horizons charts the progress of small chains of between five and 25 units which have shown at least 20% growth over the past three years combined. Ones to Watch details the rate of growth of these high street restaurant, quick service* and pub restaurant brands and identifies the sectors in which they operate. It also includes Bubbling Under brands which fall below these criteria, but which show potential as trendsetters.

The Ones to Watch service is designed to assist food and equipment suppliers in tailoring new product development in line with current demand, as well as to provide foodservice operators with detailed information on market activity and eating out trends.

"Following the progress of these fledgling brands gives us a snapshot of the way eating out is changing in the UK and highlights the high street brands of the future," said Horizons' director of services Paul Backman.

The first Ones to Watch analysis identifies a clear growth in Mexican and Japanese cuisine-to-go, meeting consumers' demand for something healthy and different.

"While advantageous rent agreements will be an incentive for operators to expand, adding units in a difficult climate demonstrates confidence in their food offer and profitability. The size criteria for Ones to Watch means that these brands now have an outlet base significantly large enough to suggest that various launch and initial growth phase challenges have been overcome and that the offer has customer appeal significant enough to suggest long-term survival and growth," added Backman.

Adding the most outlets to its portfolio since 2008 is gourmet burger brand Byron, which in 2007 had just one outlet rising to 19 by the end of 2011. Currently all are in London but brand owner Gondola is likely to expand outside the capital in its stated quest to create a nation of 'proper' hamburger lovers. Average spend at Byron is £16.

The growth of Mexican foodservice brands suggests that the cuisine is finally finding a mass audience in the UK. Tex-Mex specialist Chimichanga has added seven restaurants to its portfolio since 2008, while Tortilla Mexican Grill has opened a further two outlets since 2008 giving it six restaurants in the capital. Burrito specialist Barburrito now has six units in the North West, Yorkshire and Humberside and bubbling under is Mexican burrito outlet Chilango, which has grown from one outlet in 2008 to four in 2011, albeit with a recent closure.

Japanese chains – both restaurant and quick service – are also on the march, reflecting consumers' growing preoccupation with eating healthily, particularly at lunchtime. Sushi and bento specialist Wasabi, for example,

now has 23 units in London – up from 11 in 2008, while Feng Sushi and Hi Sushi now have seven outlets each. Delivery and retail chain Itsu, which sells Japanese-style food boxes as well as hot dishes, has now gone beyond the remit of Horizons' Ones to Watch with 35 stores in London as well as two flagship restaurants.

Meanwhile healthy food-to-go deli and café Bill's Produce now has five outlets in London and the South East, up from two in 2008, healthy fast food chain Pod is up from seven to 12 units, Chop'd has six and Food To Go has five.

"We are seeing a growth in on-the-go concepts that offer consumers an alternative to a lunchtime sandwich, particularly those selling freshly prepared, quality food with an emphasis on healthy eating. Japanese sushi takeaways are a good example as are the growth of outlets specialising in wraps – such as Wrapid, which now has 16 outlets, and Wrap it Up, which has six. Bagel stores are another growth area, with Bagel Nash now having 11 units in the North of England and Ixy's Bagels having five.," said Paul Backman.

Frozen yogurt has also staged a come-back, with self-serve specialist Yoomoo operating 10 stores across the UK, up from four in 2008, international brand Snog with six units in London and Yog, which sells probiotic frozen yogurts, running six outlets and a take-home product available through Waitrose.

One of the latest Bubbling Under offers are the Brazilian all-you-can-eat churrascaria steakhouses – a new wave lead by brands such as Rodizio Rico and Tropeiro with four outlets each.

Ones to Watch is available on subscription through Horizons. Call Paul Backman on 07811 401356 or email him on paul.backman@hrzns.com for further details.

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*quick service** - defined as a fast food takeaway or eat-in operation where the customer typically pays for the food when ordering.

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Editor's Note

Horizons helps its clients make better business decisions by providing accurate and detailed information about the foodservice market, its trend, 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.

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