

FOOD FOR THOUGHT

With forecasts for growth over the next few years, operators in the eating out market are adapting their offers to feed the demands of today's consumers.

It seems that the growth of the UK eating out market is somewhat outperforming the wider retail sector. According to one report by market research company Mintel, the eating out market grew by nearly seven per cent over the 2007-12 period. Furthermore, as a top consumer spending priority (after bills), the market is said to be well placed to benefit from any levity in consumer confidence levels in 2013.

Resilience and stability were key messages in the latest edition of Deloitte's Taste of the Nation survey, which tracks the UK consumer's going out habits across the eating and drinking out sub sectors. The survey, produced together with market research firm BDRC Continental, found that the average monthly number of going out occasions rose 3.1 per cent in the six months to October 2012. It also showed a nine per cent growth in visits to coffee and sandwich shops in the same period. 'Despite the cautious mood and a period containing numerous activities, including the London 2012 Olympic and Paralympic Games and the Diamond Jubilee weekend, consumers across the UK have continued to go out more often,' says Jon Lake, a corporate finance director in the licensed retail group at Deloitte.

In a further study by research consultancy Allegra Strategies, the informal eating out market is expected to grow from £52 billion to £65 billion by 2017, with value growth being driven by increased eating out frequency, the physical expansion of outlets and price inflation. In particular, Allegra has noticed growing consumer demand for branded restaurants, such as Domino's, Prezzo and Carluccio's. Speaking at the Eating Out Summit in 2012, Anya Marco, director of insight at Allegra Strategies, said: 'Branded restaurants are out-performing both the wider hospitality market and the overall retail sector. With established marketing prowess, delivery of consistency and familiarity, and the ability to capitalise on new outlet expansion opportunities, branded chains will continue to drive growth in the market.'

'It is clear that UK consumers are refusing to give up on affordable eating out,' continued Marco. 'By focusing on innovative ways to deliver added value for money, branded restaurants can benefit from a greater share of consumer spend on experiences that cannot be easily replicated at home.'

British restaurant group Bumpkin unveiled a new kitchen, bar and grill format at Westfield Stratford City in London towards the end of 2012, to appeal to a more 'time-conscious all-day market'. The 170-cover restaurant, located in The Street, still reflects the 'quirky, British and generous ethos' of Bumpkin, but with a wider choice of dishes at a variety of price points. The brief, explains Bumpkin MD, Tina English, was to create a more relaxed Bumpkin operation and take all the best bits of the retail environment and blend them with the restaurant and bar. The windows, for example, are changed monthly with dynamic displays more akin to a retail store than to a restaurant.

'The Westfield Stratford location brings along a different clientele - shoppers and visitors who are looking for a quick-ish all-day dining experience - whereas Bumpkin Notting Hill and South Kensington provide a finer restaurant atmosphere,' says Kristiane Leu of likethat, the design studio behind the new format. 'The branding reflects this difference with its more light hearted quirky illustrations and stripes, as well as a crisper colour scheme.'

The group is already looking for more sites for the Kitchen Bar and Grill concept, which it believes will sit well in premium shopping malls, railway stations and airports.

Jordan Littler, associate at hospitality design company Blacksheep, believes a greater amount of creativity is being put into the delivery and experience of food and beverage offers in the UK. 'With "double dip recession" and "austerity measures" in every headline, restaurants have to fight to survive, using ingenuity and pushing boundaries to attract and





Image:

The new kitchen, bar and grill format from British restaurant group, Bumpkin

maintain custom,' he says. 'There has been a rise in fast food based concepts (hot dogs, burgers, fried chicken) perhaps not stretching the realms of possibilities, but the food and experiences have been reinvented, a twist on the old favourites, making the mainstream offers more high end.'

While the food should always be king, Littler argues that dining out is an experience of the senses. 'If you were sat in an oriental-themed restaurant eating a burger it would feel disjointed,' he says. 'The space should be an extension of the F&B strategy, particularly in (for example) London, where competition is strong and point of difference matters, good design enhances the experience and adds another dimension to it.'

According to Richard Blandy of Stiff + Trevillion, which counts Costa Coffee, Pizza Express and EAT, among its clients, food and design work hand in hand. 'Great food can often be let down by poor restaurant design,' he maintains. 'The best way to create a great restaurant is for the food concept and design to work together, as a close collaboration between designer and restaurateur. The design can echo the style of food and vice-versa.'

According to the Mintel report, generalist foodservice brands which fail to respond to current trends towards specific targeting continue to fall by the wayside as diners become less tolerant of, and more likely to cut back on, venues which offer them only mediocre dining experiences and are disengaging with lifeless branding. 'This is the era of heightened segmentation of diners, specific marketing and dynamic branding; in the face of which lacklustre branding and mediocre experiences will not stand up to the scrutiny of today's increasingly demanding diner,' says Helena Spicer, senior foodservice analyst at Mintel.

With the eating out market set to grow further in the coming years, we check out some of the latest restaurant and coffee shop concepts to launch in the UK and further afield in 2012. ➔

China develops taste for coffee culture

New research from Mintel suggests that China is experiencing a boom in cafe culture with the number of cafes doubling over the past five years - increasing from 15,898 in 2007 to 31,783 in 2012. The boom compares with just modest growth for teahouses, which have risen by four per cent over the same period, from 48,842 in 2007 to 50,984 in 2012.

'Cafe chains only really began to appear in China in the late 1990s, and have grown very rapidly in number since,' notes Matthew Crabbe, director of Asia-Pacific research at Mintel. Meanwhile, the teahouse sector has struggled to find a response in terms of a successfully organised, branded, franchised chain - remaining focused on either tourists or low-spending older people looking for traditional places to relax and becoming less relevant to younger Chinese consumers. In the meantime, cafes have combined outlet expansion with adding value through encouraging consumers to trade up to higher-value coffees, snacks and meals.

The combined value of the cafe and teahouse market in China in 2012 stands at RMB 71,599 billion - up from RMB 31,785 billion in 2007. Though the rates of growth in the market are expected to slow from those seen over 2007-12, Mintel predicts the total market value to rise by 70 per cent between 2012 and 2017 to reach RMB 121,690 billion.