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Channels in Foodservice

This Market Insight factsheet provides a summary of the different channels in the Great Britain (GB) foodservice market.

09/01/2024 Suzi Pegg-Darlison (20-minute read)

Contents

Factsheet overview

This Market Insight factsheet provides a summary of the different channels in the Great Britain foodservice market using year ending data to September 2023.

Consumer preferences are constantly changing with several factors playing a role in their purchasing decisions. Understanding this and having insights into the seafood market and its role in the foodservice sector also known as Out of Home, can be used to help business owners to run a successful seafood business.

This factsheet provides the latest seafood data and insights in the foodservice market in Great Britain. Current trends in the industry and the seafood market will be presented, but the aim of this factsheet is to focus on the different channels in the foodservice sector and the role of seafood within them.

Top takeaways

On-premise channels continue to recover as off-premise channels such as Fish and Chip Shops and Quick Service Restaurants beginning to suffer.

- Foodservice equates to almost one-third of the volume sales of seafood with 4% of all food and drink servings Out of Home being to seafood.
- Seafood is purchased in six different channels that make up the foodservice sector. They are Quick Service Restaurants, Fish and Chip Shops, Pubs, Full service Restaurants, Travel and Leisure, and Workplace and Education.
- The largest Out of Home channel is Quick Service Restaurant where over 50% of total food and drink is served.
- 29% of all seafood served Out of Home in from Quick Service Restaurant.
- The youngest seafood consumer is found in Travel and Leisure.

Foodservice trends in Great Britain

The cost-of-living crisis continues to impact the market. Poor weather during the school holidays negatively affected visits to foodservice in Quarter 3 2023 (Q3 July to September) as such foodservice has been slow to recover.

Market recovery slowed.

The market continued to recover in Quarter 3 2023 (July to September) with total Out of Home visits gaining 2.3% on last year's Quarter 3. But this is a slowdown on the previous quarter, Quarter 2 2023 (April to June), where visits had increased by 9.8%. Sales are up 10.7% but this is price driven with average eater check-up 8%.

Below we explore what drove the foodservice markets recovery to slow in Quarter 3 2023.

Poor weather negatively affected foodservice.

Although the ongoing cost-of-living crisis had an impact on Out of Home traffic, a major reason for the slow-down in recovery to visits was the poor weather seen in August during the school holidays.

We would expect families to dine out during the school holidays allowing them to spend quality time with one another, enjoying a meal together Out of Home. Additionally, some restaurants may offer special deals or promotions during school holidays to attract more customers and when the weather is fine, this is usually a successful driver of increased business.

Demand for social eating out occasion endures.

Full Service Restaurants saw traffic growth of 2.5%, benefitting from continuing demand for social eating out occasions and gatherings with family and friends.

Trading down from other channels.

Visit growth to Out of Home was strongest in on-site and Retail, which continued to benefit from consumers returning to offices and buying lunch out. Supermarket meal deals continued to benefit from the trading down behaviours from other channels.

Workplace treats.

The main growth areas are linked to workdays and going into the workplace. Evening snacking led total Out of Home growth, with traffic up 7%. Demand was driven by a desire for coffees and treats when at the workplace. Breakfast traffic was also up 7% year-on-year, benefitting from the growing demand for convenience on workdays. Lunch was up by a more modest 1%, while dinner was down 2% year-on-year, showing how many consumers are cutting back on more expensive meals out. Adult only parties were up. Family meals, meals at home and supper all saw a drop in traffic.

Consumers switching from drive thru to in-store visits.
On-premise saw strong traffic growth, up 11% year-on-year. 'In car' saw a decline of 16%, as consumers switched from drive thru back to in-store visits. 'At Home' meals were also down 5% year-on-year, as the demand for delivery faltered. Adult-only parties drove growth, with traffic up 7%, while traffic from parties with children decreased by 7%.

Value for money remains key with demand for socialising to remain.
Foodservice operators that are meeting consumer demands for value for money, convenience, and memorable experiences for socialising with friends and families, are well-placed to succeed in the current market.

Seafood in foodservice

Foodservice equates to almost one-third of the volume sales of seafood with 4% of all food and drink servings Out of Home being to seafood.

Total seafood visits and servings Out of Home continue to recover.
The foodservice market provides an environment to easily try new and trending foods. It also provides consumers with a convenient place to establish and maintain their social connections.

It allows consumers to try new species of seafood and explore seafood flavour trends that they might otherwise not try. As such over one-third of all the volume sales of seafood is purchased Out of Home. 4% of all food and drink servings purchased out of home are seafood. In the 12 months to September 2023, consumers in Great Britain ate an estimated 135,000 tonnes* of seafood Out of Home worth £5 billion. Of all the food and drink servings in the foodservice market, 4% are to seafood.

**Tonnes is an estimation calculated by the total number of servings sold multiplied by 140g, the recommended serving size of seafood.*

In the last 12 months, seafood has continued to recover. Total seafood visits are up 5.6% in the last 12 months, and 18.7% verses Q3 2020. This is still 18.7% less than pre-pandemic levels of Q3 2019. In terms of servings of seafood Out of Home, being how many portions of a product were sold, they are up 5.7% in the last 12 months and 17.6% up on 2020, but this is still 18% less than pre-pandemic levels in Q3 2019. Seafood spend is now 23% higher than pre-COVID-19, but this is price driven with average eater check up 51% on Q3 2019.

Channel summary

Consumers can purchase seafood in six different channels that make up the total foodservice market.

The six foodservice channels

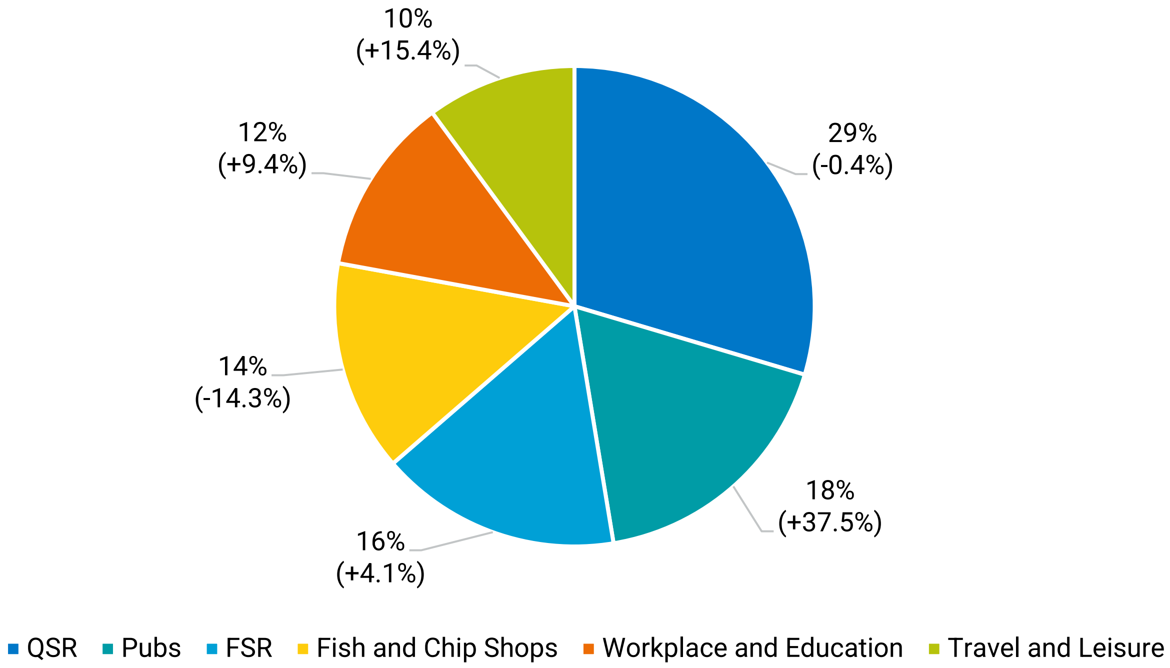
The Out of Home channels are Quick Service Restaurants; Fish and Chip Shops; Pubs; Full Service Restaurants; Travel and Leisure; and Workplace and Education.

To September 2023, consumers purchased the following amounts of in each channel, with 12-month servings growth.

1. Quick Service Restaurants: 40,330 tonnes (-0.4%)
2. Pubs: 24,254 tonnes (+37.5%)
3. Full-Service Restaurants: 22,131 tonnes (+4.1%)
4. Fish and Chip Shops: 19,396 tonnes (-14.3%)
5. Workplace and Education: 16,411 tonnes (+9.4%)
6. Travel and Leisure: 13,740 tonnes (+15.4%)

Chart 1 below illustrates the seafood servings share of each channel with 12-month servings growth.

Chart 1. Servings share of total seafood by foodservice channels in Great Britain with servings growth (%) to 12 months end September 2023.



Channels performance summary

Mirroring total foodservice, seafood is recovering particularly well in on-premise channels with Pubs, Full Service Restaurants, Travel and Leisure and Workplace and Education all in growth. These channels were hardest affected by foodservice restrictions over the course of the Coronavirus (COVID-19) pandemic.

Conversely the channels that fared better with the COVID-19 restrictions Fish and Chip Shops and Quick Service Restaurants, are both experiencing declines in total seafood visits and servings, as on-premise dining, driven by the need to socialise, becomes ever more popular with consumers.

The following sections provide an overview of total food and drink performance to 12-month end September 2023 for all Out of Home channels including Quick Service Restaurants, Fish and Chip Shops, Pubs, Full Service Restaurants, Travel and Leisure and Workplace and Education.

Quick Service Restaurants

40,330 tonnes of seafood were purchased in the Quick Service Restaurant channel.

The Quick Service Restaurant channel are all eating out establishments where you can order food on the go, from a kiosk, at a drive thru or for delivery, usually they do not offer waiter/ waitresses services. However, in recent years, several Quick Service Restaurants outlets have started to offer tables service where food can be ordered to be brought to your table such as at McDonald’s.

This category also includes coffee shops (Costa, Caffe Nero, Starbucks, etc). sandwich shops (Subway) and bakers (Greggs, Wenzels). At the total level they also include Fish and Chip shops, however Seafish separate this data out to report as a stand-alone channel.

Total food and drink in Quick Service Restaurants

50% of all food and drink servings Out of Home was sold in the Quick Service Restaurants channel. Servings were up 5.5% year on year with visits to Quick Service Restaurants up 5.0%.

Compared to pre-pandemic 2019 levels (year-end September 2019) sales were at 86% of visits and 89% of servings with value sales now above pre-pandemic up 12.1%, however this is price driven with average eater-check up by 29.9%.

Total seafood in Quick Service Restaurants

29% of all seafood servings Out of Home was sold in the Quick Service Restaurant channel. Servings of seafood in Quick Service Restaurants was down 0.4% year on year with visits up 1.3%.

Compared to pre-pandemic 2019 levels (year-end September 2019) sales were at 79% of visits and 80% of servings.

Who is the Quick Service Restaurant seafood consumer?

A younger and more affluent consumer. Just over half of all seafood servings are to consumers under 35 years old with over 68% of servings being to the social class ABC1. The main motivation for seafood consumption in Quick Service Restaurant is convenience.

Seafood in Quick Service Restaurant - good to know.

- 42% of all seafood servings are sold at dinner, while 37% are sold at lunch.
- 30% of all seafood is consumed by families and 38% is purchased by 45+.
- Friday is the most popular day for seafood with 19% of all weekly servings, followed by Saturday at 18%.

Pubs

24,254 tonnes of seafood were purchased in the pub channel.

The pub channel includes all pubs be it drink, or food led. Its consumer defined, so if a respondent believes that the establishment, they had a meal at is a pub, then this transaction will be recorded as a pub in the data.

Several pubs operate using traditional names like Lower Red Lion, or Rose and Crown, etc., and in most cases, respondents have no knowledge about the umbrella company these pubs are part of. As such we are unable to understand the share of large pubs companies operating under multiple names. The exceptions to which are Wetherspoon, Beefeater, Harvester, etc.

Total food and drink in Pubs

14% of all food and drink servings Out of Home was sold in Pubs. Servings in Pubs were up 10.1% year on year with visits to Pubs up 9.2%.

Compared to pre-pandemic 2019 levels (year-end September 2019) sales were at 89% of visits and 81% of servings with value sales now surpassing pre-pandemic up 12.0%, however this is price driven with average eater-check up 25.3%.

Total seafood in Pubs

18% of all seafood servings Out of Home was sold in Pubs. Servings of seafood in Pubs was up 37.5% year on year with visits up 32.2%.

Compared to pre-pandemic 2019 levels (year-end September 2019) sales were at 97% of visits and 95% of servings.

Who is the Pubs seafood consumer?

An older and more affluent consumer. 77% of all seafood servings in Pubs are to consumers over 35 years old with over 73% of servings being to the social class ABC1. The main motivation for seafood consumption in pubs is socialising.

Seafood in Pubs - good to know.

- 48% of all seafood servings are consumed at lunch, with dinner as the second largest dayparts for pub seafood with 41%.
- Seafood consumption is skewed to older generations as 65+ represent 36% of all servings consumed, followed by 45-64 with 27%.
- The data suggest that the most popular day for seafood is Wednesday with 19% of all servings consumed on that day.

Full Service Restaurants

24,254 tonnes of seafood were purchased in the Full Service Restaurants channel.

Full Service Restaurants are all eating out establishments that provide table service to guests with a waiter/waitress service.

Total food and drink in Full Service Restaurants

14% of all food and drink servings Out of Home was sold in the Full Service Restaurant channel. Servings were up 7.1% year on year with visits up 6.2%.

Compared to pre-pandemic 2019 levels (year-end September 2019) sales were at 90% of visits and 84% of servings with value sales now surpassing pre-pandemic up 14.3%, however this is price driven with average eater-check up 26.7%.

Total seafood in Full Service Restaurants

16% of all seafood servings Out of Home was sold in the Full Service Restaurant channel. Servings of seafood was up 4.1% year on year with visits up 6.9%.

Compared to pre-pandemic 2019 levels (year-end September 2019) sales were at 87% of visits and 82% of servings.

Who is the Full Service Restaurant seafood consumer?

An older and more affluent consumer. 58% of all seafood servings in Full Service Restaurant are to consumers over 35 years old with over 71% of servings being to the social class ABC1. The main motivation for seafood consumption in Full Service Restaurant is socialising.

Seafood in Full Service Restaurant - good to know.

- At 42% of servings, dinner is marginally more popular for seafood than lunch, 41%.
- 43% of all seafood at is consumed by 45+ visiting without kids, while families consume 25% of seafood dishes.
- Saturday is the most popular day for seafood at with 25% of all weekly servings, followed by Wednesday and Sunday both at 15%.

Fish and Chip Shops

19,396 tonnes of seafood were purchased in the Fish and Chip Shop channel.

Fish and Chip Shops is a foodservice channel which specialises in selling fish and chips, they can offer other hot food such as fried chicken, sausages, and meat pies. Usually, food purchased at these outlets are consumed off-premise with a takeaway service offered, as such they are broadly categorised into the wider Quick Service Restaurant channel. The exception to this is to fish and chip specific restaurants such as Harry Ramsdens which is categorised as a Full Service Restaurant outlet.

Total food and drink in Fish and Chip Shops

2% of all food and drink servings Out of Home was sold in Fish and Chip Shops. Servings in Fish and Chip Shops were down 1.5% year on year with visits to Fish and Chips Shops down 4.9%.

Compared to pre-pandemic 2019 levels (year-end September 2019) sales were at 71% of visits and 72% of servings with value sales remaining behind pre-pandemic down 24.1% despite an increase in average eater-check up 7.1%.

Total seafood in Fish and Chip Shops

14% of all seafood servings Out of Home was purchased in Fish and Chip Shops. Servings of seafood in Fish and Chip Shops was down 14.3% year on year with visits declining by 13.1%.

Compared to pre-pandemic 2019 levels (year-end September 2019) sales were at 77% of visits and 74% of servings.

Who is the Fish and Chip Shops seafood consumer?

An older and less affluent consumer. 68% of all seafood servings in Fish and Chip Shops are to consumers over 35 years old with 62% of servings being to the social class ABC1. Out of all the channels, Fish and Chip Shops have the lowest seafood servings to the ABC1 class. The main motivation for seafood consumption in Fish and Chip Shops is convenience.

Seafood in Fish and Chip Shops - good to know.

- 70% of all seafood servings are sold at dinner, lunch is responsible for 26% of all seafood servings sold during the day.
- 54% of all seafood are consumed by 45+.
- At 17%, Wednesday is the most popular day for seafood at this channel, followed by Friday at 16%.

Workplace and Education

16,411 tonnes of seafood were purchased in the Workplace and Education channel.

The Workplace and Education channel are all eating out establishments situated at the place of respondent's work or study, for example work/school/university canteens, cafeterias, refectories, etc.

Total food and drink in Workplace and Education

12% of all food and drink servings Out of Home was sold through the Workplace and Education channel. Servings were up 2.0% year on year with visits up 1.7%.

Compared to pre-pandemic 2019 levels (year-end September 2019) sales were at 72% of visits and 82% of servings with value sales remaining behind pre-pandemic down 47.0%, with average eater-check also down 26.5%.

Total seafood in Workplace and Education

12% of all seafood servings Out of Home was purchased through Workplace and Education. Servings of seafood in was up 9.4% year on year with visits up 7.5%.

Compared to pre-pandemic 2019 levels (year-end September 2019) sales were at 92% of visits and 94% of servings.

Who is the Workplace and Education seafood consumer?

A younger and less affluent consumer. 59% of all seafood servings in Workplace and Education are to consumers under 35 years old with 65% of servings being to the social class ABC1.

Seafood in Workplace and Education - good to know.

- 40% of all seafood servings is purchased at lunch and 27% sold at dinner.
- Due to the nature of the location, 42% of all seafood at Workplace and Education is consumed by younger customers aged 25-44.

- Friday is the most popular day for seafood at this channel with 22% of all weekly servings, followed by Tuesday at 17%.

Travel and Leisure

13,740 tonnes of seafood were purchased in the Travel and Leisure channel.

The Travel and Leisure channel is all eating out establishments situated at travel hubs, for example train stations, airports etc and all entertainment venues such as cinemas, concert venues, etc.

Total food and drink in Travel and Leisure

8% of all food and drink servings Out of Home was sold through the Travel and Leisure channel. Servings were up 6.1% year on year with visits up 4.3%.

Compared to pre-pandemic 2019 levels (year-end September 2019) sales were at 55% of visits and 58% of servings with value sales remaining behind pre-pandemic down 34.0%, this is despite average eater-check up 19.6%.

Total seafood in Travel and Leisure

10% of all seafood servings Out of Home was sold through Travel and Leisure. Servings of seafood in was up 15.4% year on year with visits up 14.8%.

Compared to pre-pandemic 2019 levels (year-end September 2019) sales were at 59% of visits and 71% of servings.

Who is the Travel and Leisure seafood consumer?

A younger and more affluent consumer. 72% of all seafood servings in Travel and Leisure are to consumers under 35 years old with 70% of servings being to the social class ABC1. Out of all the channels, Travel and Leisure have the highest seafood servings to the younger consumer.

Seafood in Travel and Leisure - good to know.

- Seafood consumption is more evenly spread during the day than other channels with 23% of all seafood servings sold at dinner and 22% sold at lunch and 19% sold at breakfast.
- 49% of all seafood is consumed by families and 26% is purchased by the 25-44 age group.
- Tuesday is the most popular day for seafood at Travel and Leisure with 19% of all weekly servings, followed by Friday at 16%.

Sources

Data sources: (%) values represent changes from the previous year unless otherwise stated.

Resources used in the production of this factsheet can be viewed below.

Circana Foodservice data:
- Panel based data to year ending September 2023.

Additional data and insights used to produce this factsheet:
- Circana, September 2023, 2023 Q3 Quarterly Report, Report
- Circana, September 2023, Q3 2023 Datasheet, Report
- Seafish, December 2023, Fish and Chips in Foodservice, Factsheet

Are you interested in the data behind the insights? Individuals working for seafood businesses can register for the Market Insight Portal on Seafish.org and access the Retail, Foodservice, and Trade data and reports directly. Click here to register today.

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