**Perspective on the Foodservice Market in Europe   
  
March 16th, 2020**

**What we saw in China**

Since we are operating CREST in China, we want to share first learnings with you about how consumer behaviour impacted the restaurant industry in their market during the month of January. Having in mind that the outbreak started regionally limited and only impacted the last ten days of the month, the overall decline of around -4% in consumer spending indicates a soft decline – that was certainly only the start.

More interesting however is how different channels were hit: Most strongly hit during the beginning of the crisis were Full Service Restaurants as well as Coffee Bars and Cafés. The Quick Service sector held fairly stable for two reasons: Firstly, those that could, did focus on delivery and focused communication and operations to optimize that service type. Delivery grew strongly by 20% during the month. Secondly, consumers cut back more of their ‘on-premise’ visits, so consuming meals in the store whilst in the earlier days, take-away and meals consumed at home kept stable.

The most interesting observation was around consumers’ reason for choosing the places they got food and beverages from: During these times people still went to those places they know well and like (the place around the corner, where I know the manager or owner and those that are close to my community), so they were much more loyal during the crisis. On the opposite side, Chinese consumers showed no willingness to try out new things. At the same time they were less price-sensitive but – certainly - put more emphasize on hygiene and safety.

That suggests that there is a chance to decrease traffic losses with a focus on delivery. Leverage resources on hero products to drive loyal consumers and enhance communication about quality, health but also hygiene and safety to meet less price-sensitive consumers demand. Lunch remained a focus and there were even more ‘solo-diners’ around than before, larger groups cut down more drastically.

**Where are we heading in Europe?**

Having in mind that our preliminary data covers the **first week of March** and things keep changing very quickly, we actually saw very different developments in different countries:

* The market where we saw Traffic and Spend dropping most strongly were France and Germany. Whilst before the crisis- in January and fist weeks of February - both countries showed a stable performance for Foodservice Market as a whole, during the first week of March both counties saw low double-digit declines. As reported from China, QSR and especially Retail-Gastro-Hybrids (the Foodservice business in what used to be retailers such as Bakeries, C-Stores, Supermarkets or Gas Stations) showed a much softer decline than Full Service Restaurants and Entertainment places with stronger visit and spend losses.
* Despite relatively strongly hit by the coronavirus in terms of infections and deaths in the most recent days, the Spanish market showed a decline during the first week of March as well but still softer than those in Germany and France and in the single digits.
* The Russian market was still holding stable in early March. The corona outbreak – whilst still being reported officially as relatively soft - however, still stopped the growth path we have measured during the first two months of the year. During January and February, first data indicated a good single-digit Spend and Visit growth.
* And Great Britain still seemed to be not impacted during the first week of March. As reported for Russia, still with a relatively low number of infections in the first days of March yet, we saw no significant drop in Spend or Visits versus the previous year and an ongoing softly positive development as during the first two months of 2020. Maybe also because Great Britain is one of the most advanced in Europe in Delivery options and digital ordering.
* Certainly Italy is a very different story. Being hit harder – or earlier – than any other country in Europe with the highest number of both, infections as well as deaths. Also due to the first strong governmental restrictions, Foodservice spend and visits went down strongly double digit.

**Where this information comes from**

With our consumer panel CREST, we are tracking Foodservice markets across 13 geographies worldwide every single day! Our representative samples allow us to understand size, structure and trends in the market, its channels and chains. CREST allows us to understand who eats and drinks what, how, why and at which price. We normally release CREST monthly, however, during these challenging times, we analyze raw CREST results by week with complete, projected and more detailed analysis for the month and quarter. In addition, our receipt-tracking tool SnapMyEats allows us to better understand markets in Great Britain and France.

**We continue to update you with information from our tools and your account team is there to help you navigate through this tough time.**

Best regards,

Dominic Allport Maria Vanifatova

Head of Foodservice UK Head of Foodservice Europe