

Turning Tables

From dine-in to doorstep:
unlocking the Foodservice frontier

Global grub

A resurgence worth savouring



Javier Sanchez

Global Business Development Director,
Out of Home & Usage

Worldpanel Division
Kantar



Feast mode

From the cobblestone streets of Paris to the vibrant tapestry of London's food delivery scene and Seoul's bustling eateries, the culinary world is coming back to life. The numbers speak volumes. In France, the annual number of lunch and dinner occasions surged from 34 in 2021 to an impressive 50 in 2023. Spain, not to be outdone, boasts an increase from 40 to 65 over the same period. Even South Korea, already renowned for its dining culture with 131 dining-out occasions in 2021, saw a jump to 148 in 2022 and to 162 in 2023.

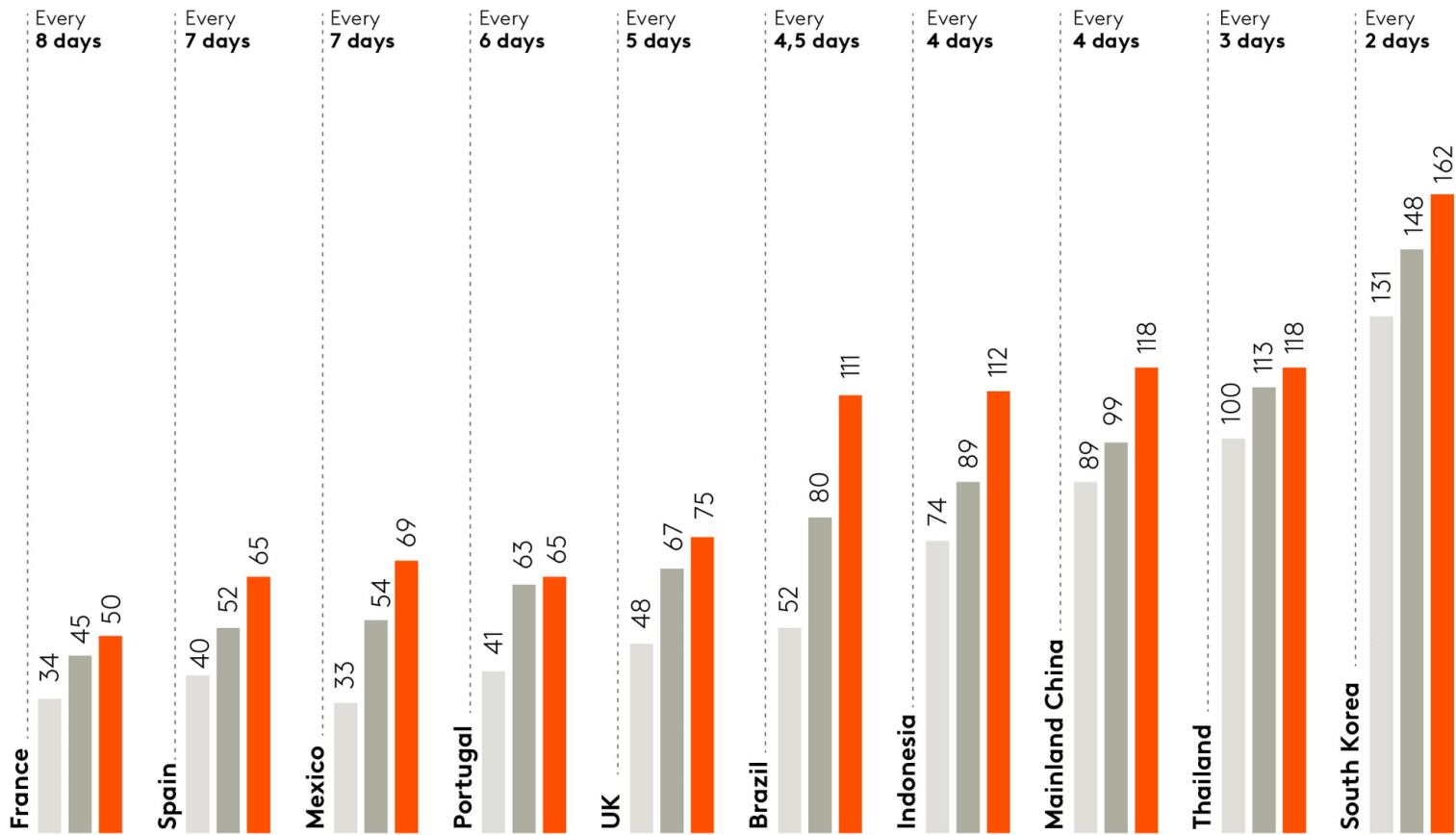
But these meal occasions aren't created equal. They're everything from full-service restaurants with waiters and wine to home delivery. And it's the eating and drinking taking place between those two ends of the spectrum that may be benefiting most — quick service restaurants (QSR).

Why, amid the pressures of inflation in most countries, are people still heading to restaurants, buying takeaway meals and ordering home deliveries? And how has the mix of Foodservice channels changed? The answers will largely depend on the geographic location in question. But, as you'll see, in many cases, they simply can't be bothered cooking at home. We'll also examine how cheeseburgers may be the new pizzas.

We looked at 11 countries encompassing about 40% of the world's population

Lunch & Dinner Occasions in Foodservice

● 2021 ● 2022 ● 2023



Source: Meal Delivery Questionnaire to OOH panel, Worldpanel Division, Kantar

In this year’s report on Foodservice consumption, we looked at 11 countries encompassing about 40% of the world’s population. And with the impact of the global pandemic waning, the new face of Foodservice is taking shape. A shift in growth trajectories in emerging markets, such as Brazil and Indonesia, also point to an even more dynamic environment for the future.

Methodology

Recipe for insights

We all eat and drink. It's perhaps the biggest common denominator for people on the planet. But what, where, and why we eat and drink raises important questions for the Foodservice industry and food and beverage brands.

This is the third year we've conducted this analysis to unravel the patterns of global consumption, specifically focusing on the changing landscapes of where freshly prepared meals are purchased and consumed, irrespective of the venue, under the umbrella of Foodservice.

A unique read
on the impact Meal Delivery
has on Foodservice dynamics



Source
OOH panel 11 countries
Survey to >15.000
respondents



**40% of worldwide
population**



**Data updated
as per June 2023**

UK, France, Spain, Portugal, Mexico, Brazil, Mainland China, India, Indonesia, South Korea, Thailand

Balancing plates and pockets

Is meal delivery inflation's fork in the road?



Mealtime medley

In a world where every choice feels like a strategic decision, the tale of meal delivery, takeaway food, and dining out unfolds as a gripping narrative. This transformation, driven by convenience, lifestyle preferences, and rising costs, is not limited to any single region but stretches across continents, profoundly affecting how we eat. So, what happens when the invisible hand of **inflation** starts reaching into our dining decisions?

In Europe, while it's tempting to think that the cost-effectiveness of eating out is driving its increased popularity, the reality is far more complex. It's a calculated dance between convenience and cost. Consumers are certainly increasingly choosing to eat out,

and they appear to be finding ways to do so at a lower cost by opting for cheaper options within the dining-out scene; downtrading. This could be one reason why the overall price isn't significantly driving the growth in value for out-of-home (OOH) dining. Additionally, there's a rising trend for quick, informal meals that people can eat on the go, which also offers a more budget-friendly and convenient way to eat.



Access the latest
Out-of-Home barometer

Europe rebuilds its OOH habit – but the 'price effect' hits hard in Latam

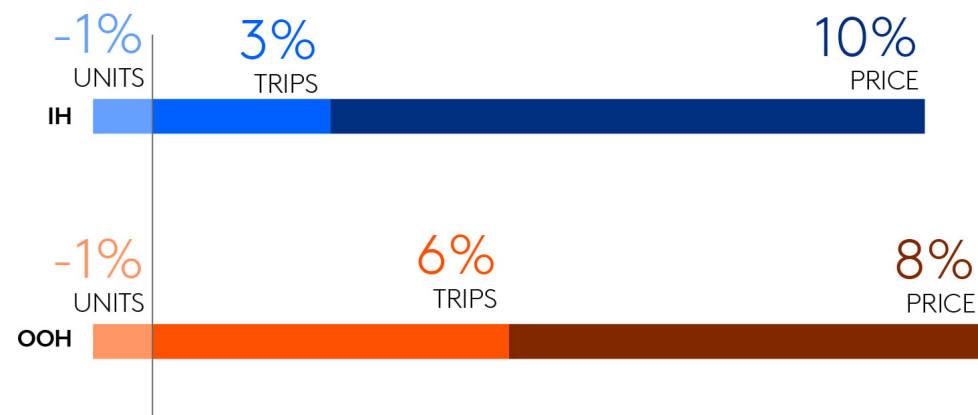


Global In-home vs Out-of-home

Of the 12% of the value growth for in-home, 10% is coming from price increases. However, for the 13% growth in out-of-home, it's more balanced between the natural growth of occasions (6%) and price (8%), healthy signs for the industry.

Snacks & Non-Alcoholic Drinks

Value %Evolution Q2 2023 vs Year ago



Source: Take Home & OOH panels, Worldpanel Division, Kantar
Global results based on 6 markets: UK, France, Spain, Mainland China, Brazil, Mexico

Let's use the United Kingdom as an example of cost pressures on people. Broad inflation hit highs of +10% earlier in the year, and grocery inflation — the cost of putting food on tables — hovered at around 17%. It is only in recent months we've seen it slide back to 12% levels, meaning despite the rate of increase, costs remain stubbornly high.

While it's tempting to think that the cost-effectiveness of eating out is driving its increased popularity, the reality is far more complex

But as those cost pressures have played out against in-home eating in the UK and elsewhere in Europe, our data reveals that trips to eateries for snacks and non-alcoholic drinks increased by a notable 17% in Q1 2022 compared to the year previous. By Q1 of 2023,

that rate had settled to 8%, lower but, interestingly, still growing in cost-conscious times. This is a sign that overall footfall continues to increase, and people are back to more "on-the-go" and impulse occasions throughout the day.

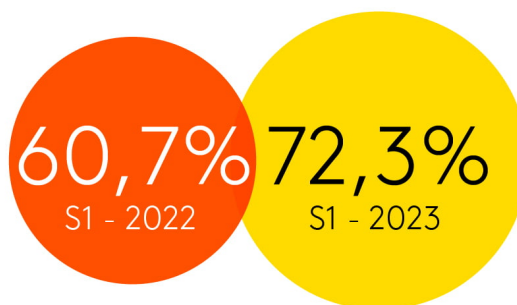
But the rise in out-of-home dining has not been without change. The French, for example, are making calculated decisions about what enhances their out-of-home experiences and what detracts from them. The economic pressures force a more discerning approach. Even the small things, like opting for tap water over bottled, or bypassing 'routine' menu items like salad or soup, become part of a larger effort to maximise the value of an outing.



FRANCE



Total Foodservice – main meals
Water carafe



Simplifying meals and downtrading on things like water are rising trends.

In more than **7 out of 10** meals in Table Catering, a carafe of water is taken. This is one more visit compared to last year.

Source: France OOH panel, Worldpanel Division, Kantar



But, as is often the case, context is key. There has been a recalibration of habits playing out. There has been a decline in delivery meals, perhaps unsurprisingly as we return to more normal post-pandemic habits. But it's not a true decline. It's a natural rebalancing th

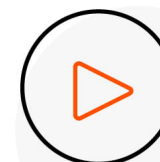
at is more about a return to pre-COVID baselines. For example, in Spain, one third of the shift away from delivery comes as consumers return to on-premise dining. Another third comes from cooking more at home. The final third comes because we're collecting meals ourselves to save on delivery costs. It seems takeaways were 26% cheaper than delivery costs; a compelling reason to shift.

This pragmatic approach on collection broadly appears to be a coping strategy, enabling consumers to manage costs while

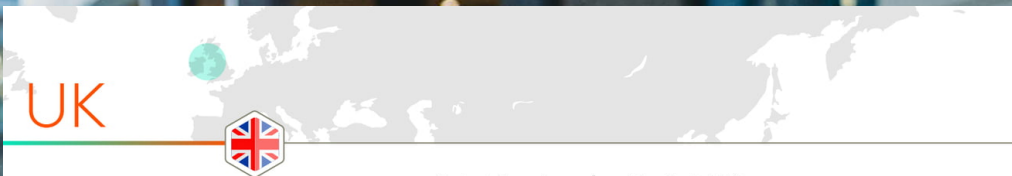
still enjoying the convenience of not needing to cook. For the Foodservice industry, it also keeps them in the market while the cost-of-living challenges rebalance.



More about the UK market
**Brand Brinkmanship
in Britain**



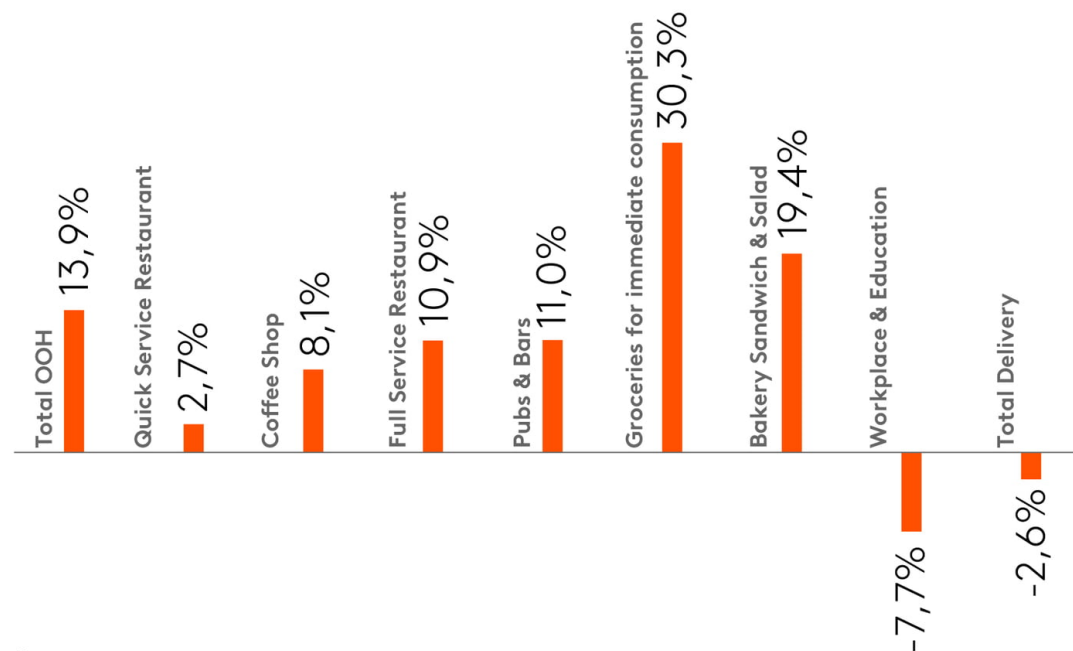
Watch this webinar (Spanish)
**Ingredients for growth in the Spanish
restaurant industry: Value or Price?**



Rise of informal on-the-go occasions coming from groceries for immediate consumption in the shorter term.

Total Foodservice Market UK

Year-on-year 12 w/e May-July, Transactions % change by channel



Source: UK OOH panel, July 2023, Worldpanel Division, Kantar

SPAIN



Set menus in lunch and dinner occasions

Non-Organised Horeca

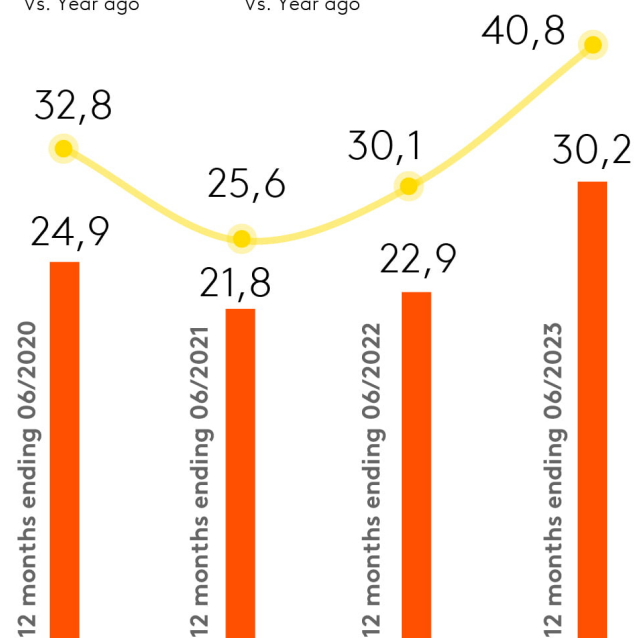
Set menu growth in Spain as a way to manage budget.

+11pp

Penetration
Vs. Year ago

+7pp

Value share
Vs. Year ago



Set menu

1x 85

spend per act vs
total lunch meals
OOH



À la carte

1x 108

spend per act vs
total lunch meals
OOH

Source: Spain OOH Panel, 12 months ending P6 23 – main meals at Independent restaurants, Worldpanel Division, Kantar





LATAM

Latam flavours

In contrast to Europe, Latin America presents a nuanced narrative amidst a reverse trend to Europe. Here, high inflation has long plagued grocery prices. Consequently, consumers in these markets are more accustomed to balancing the books and recalibrating their purchases at supermarkets and the like. In other words, for them, high grocery prices are the norm. This backdrop has forced a different behaviour from Foodservice outlets in the region.

Unlike their European counterparts, restaurants have charged ahead with price increases to offset reduced footfall. This has placed consumers in a challenging predicament: should they bear the burden of high dining-out costs or

grapple with the perennially rising expenses of groceries? It appears, they're still choosing carefully, but choosing both, nevertheless. Collection is up a solid 8%, eating in is up 1% as they shift their balance from delivery.



ASIA

In Asia, we observe a notable shift in where freshly prepared meals are consumed and how they find their way to households. Asia, often recognised for its familiarity with aggregator food deliveries, stands as an outlier in the global dining scene.

For lunch and dinner occasions:

- The preference for eat-in dining at restaurants has surged from 30% to 38%. This demonstrates a resurgence in the tradition of enjoying meals at restaurants, a clear cultural preference in the region.
- There has been a decline in meal deliveries from 36% to 30% year-on-year. This decline could be attributed to an effort to manage and control delivery costs that

often come with aggregator services. Consumers in Asia seem to be seeking more cost-effective and efficient ways to enjoy their favourite restaurant meals.

- Simultaneously, the collection of meals is on the rise in Asia, taking share from delivery, as it is elsewhere. We observed a 2% increase in meal collection between 2022 and 2023, signifying a shift towards enjoying restaurant-quality food within the comfort of one's home.

The interplay between these trends underscores Asia's unique approach to Foodservice consumption.



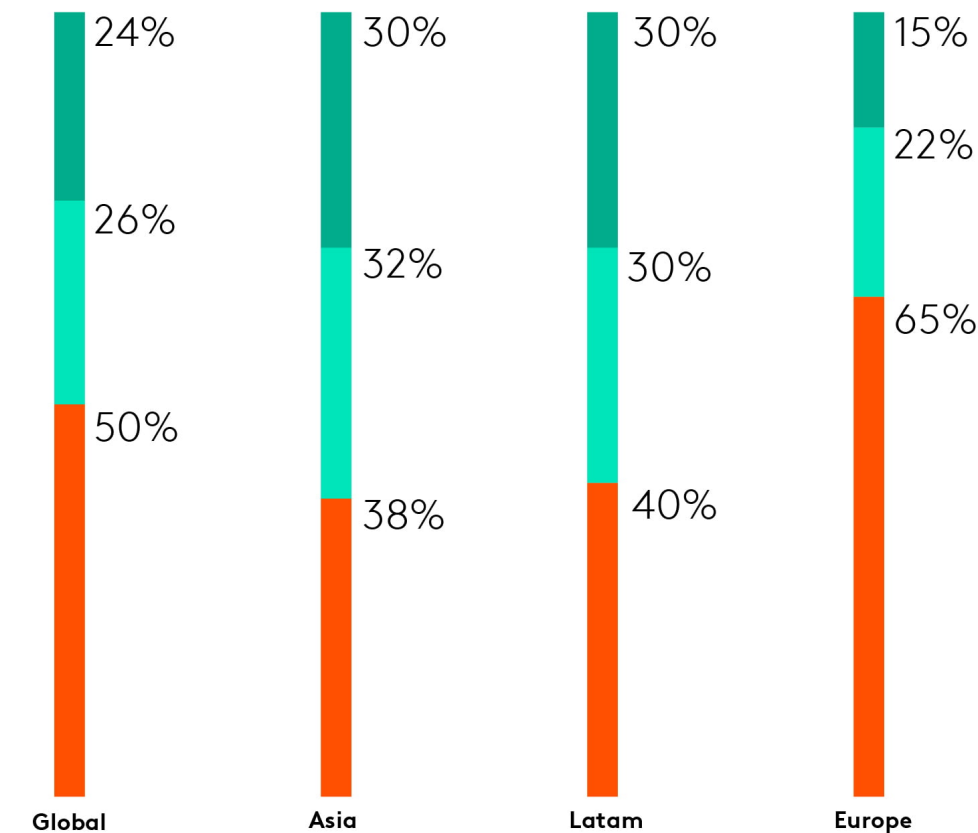
Find out more

A view into Indonesia's fast food purchase behaviour

Lunch & Dinner Occasions in Foodservice

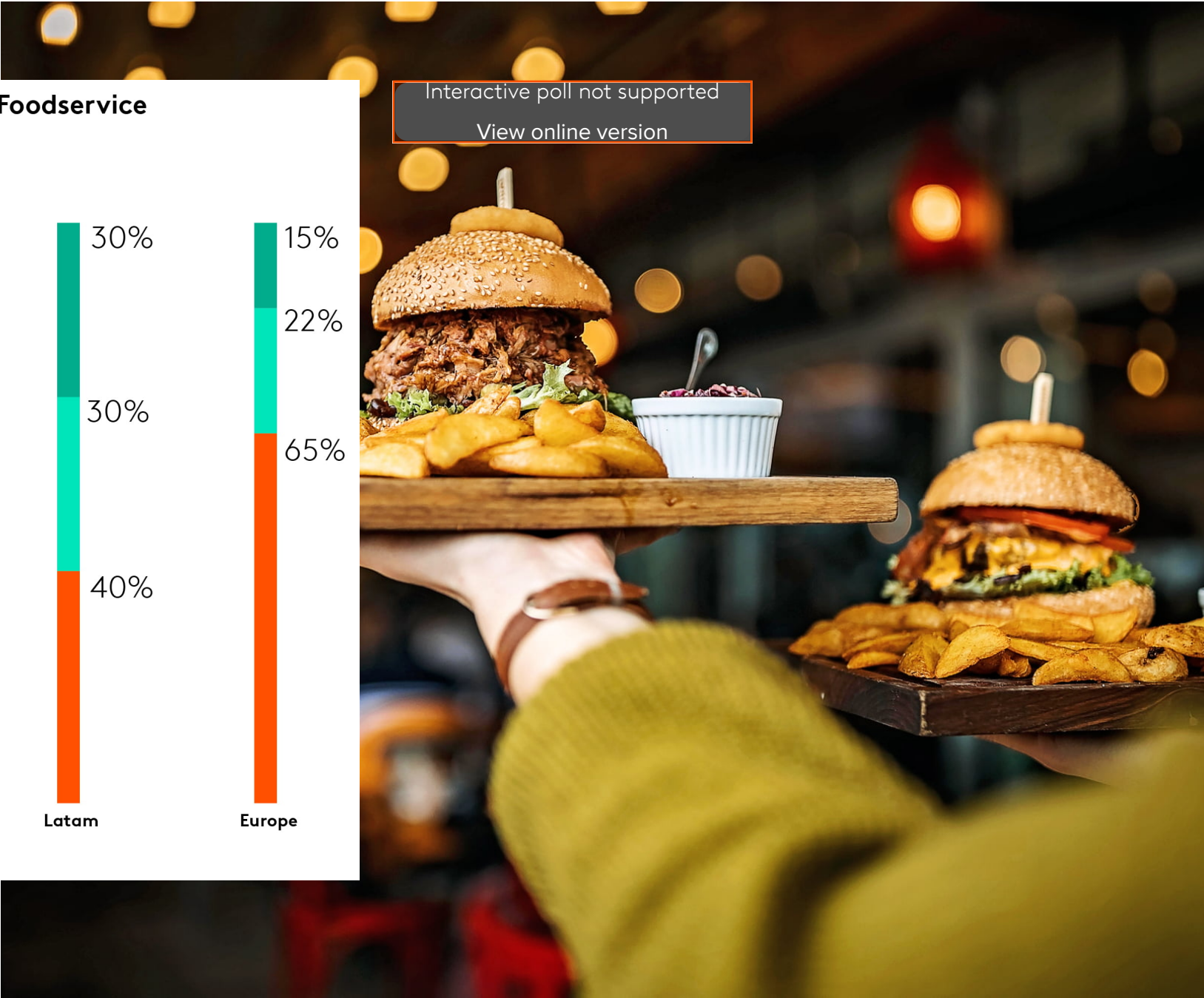
MAT Q2 2023

● Eat in ● Collected ● Delivered



Source: Take Home & OOH panels, Worldpanel Division, Kantar

Interactive poll not supported
View online version



Battle of the bites

Navigating the new normal of nosh



Sorry, you must sign up in the online version to view this content.

Fast-food finesse

A tasty triumph over inflation



Fast food phenomenon

Quick service restaurants (QSRs) like Burger King and McDonald's are experiencing a remarkable surge in their share of the consumer's dining preferences. This shift is underlined by a substantial 30% increase in value growth in 2023 compared to 2019. While inflation has played a small role in the value numbers for meals, QSRs have strategically refrained from imposing hefty price hikes, contributing to their success.

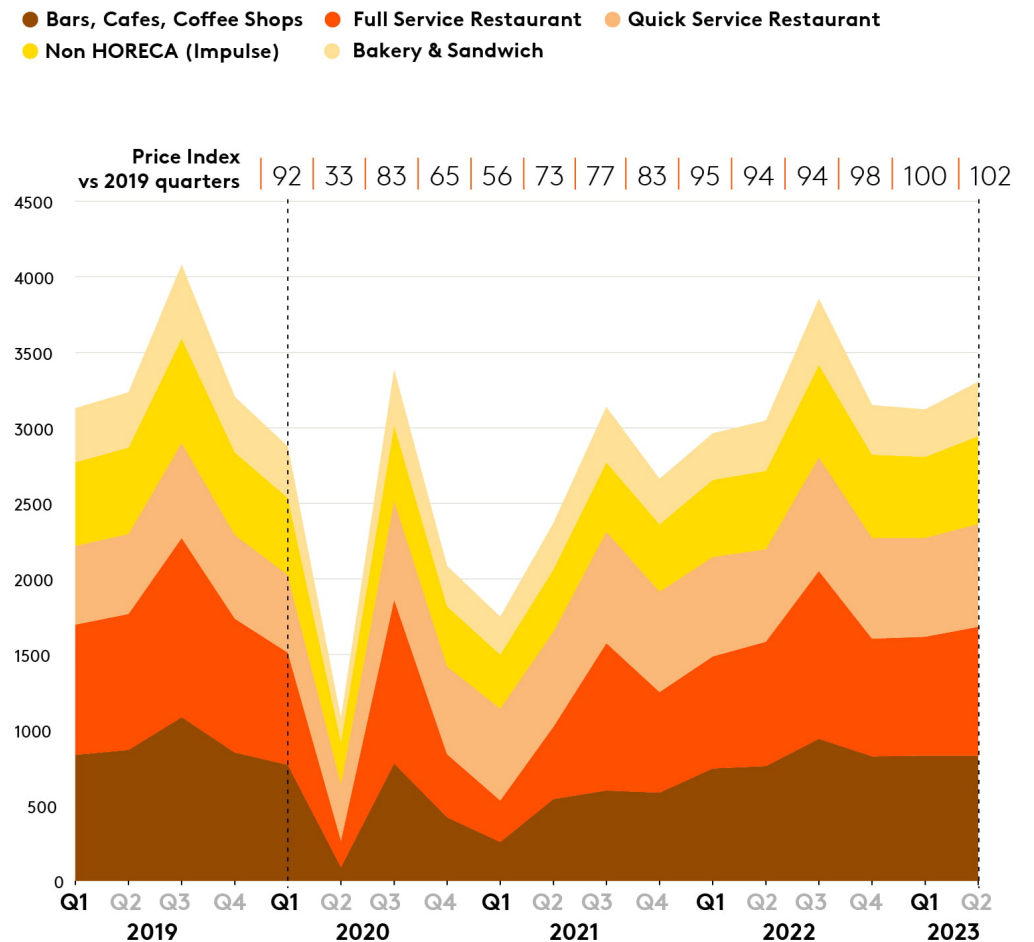
Inflation proof? No. Inflation friendly, it seems so.

Globally, QSRs have become a staple for consumers, with 8 out of 10 people opting for their offerings. What's intriguing is that consumers are increasingly diversifying their QSR experiences across different

channels. An impressive 80% of buyers are now combining various approaches, including eat-in, collection, and delivery, to enjoy their favourite QSR offerings.

Globally, QSRs have become a staple for consumers, with 8 out of 10 people opting for their offerings

Total OOH for Immediate consumption inc. Freshly Prepared Meals
Absolute Value in €Billion (%Value) - Great Britain + France + Spain



Source: Take Home & OOH panels, , Worldpanel Division, Kantar

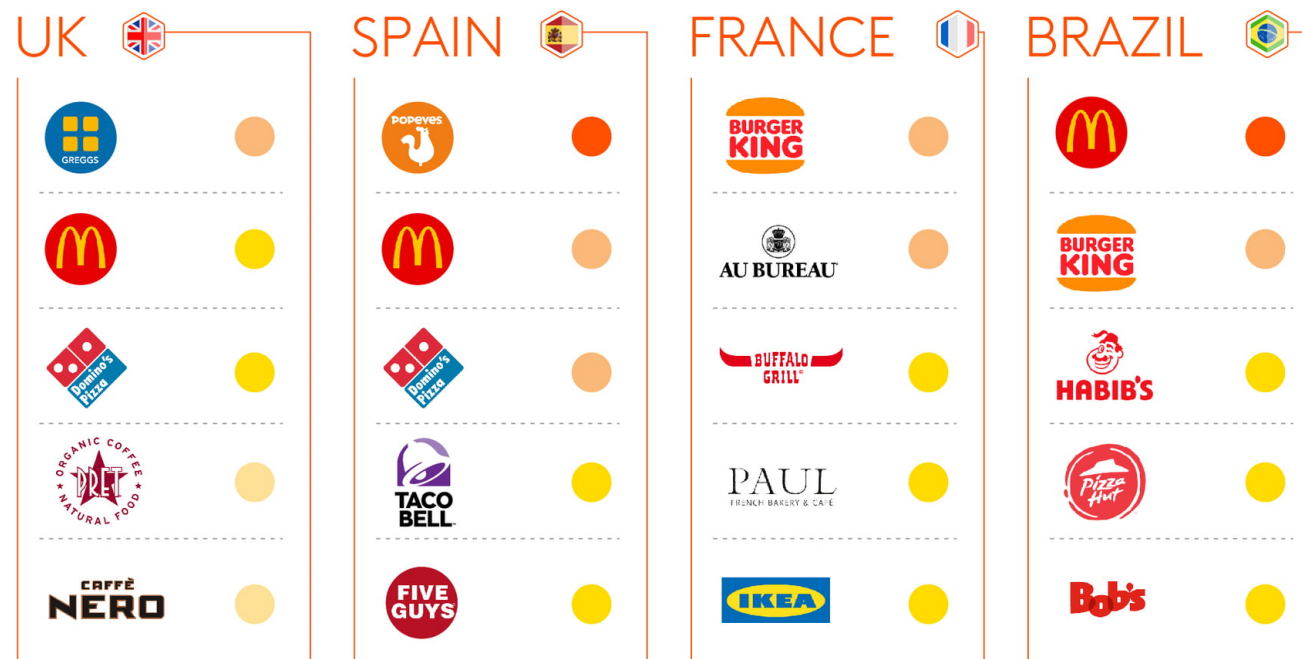
This surge in QSR popularity occurs within a broader context of shifting consumption trends. Younger demographics are choosing to dine out daily, breaking away from the traditional association of dining out with night-time activities. Additionally, there's a noticeable decline in the consumption of desserts and beverages in the out-of-home setting, signifying evolving consumer preferences.

In essence, QSRs have not only weathered the challenges posed by inflation but have emerged as key players in the contemporary dining landscape. Their ability to offer affordable yet satisfying dining experiences across multiple channels has solidified their position in the evolving world of Foodservice.

Many have also expanded loyalty initiatives to compel even more repeat visits, either in-store or online.

Ranking of Top QSR & Chain Operators in penetration growth 2023 vs 2020

● Up to 2pp ● 2,1pp to 4pp ● 4,1pp to 6pp ● +6,1pp



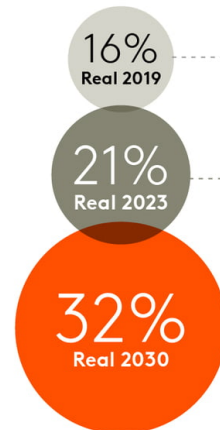
Source: Take Home & OOH panels, , Worldpanel Division, Kantar



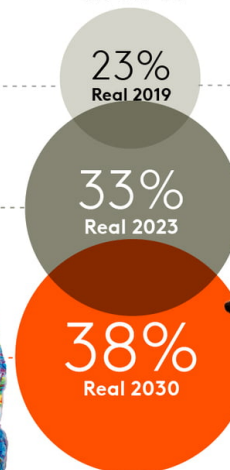
But the QSRs haven't stopped with consumer engagement. Store openings and market expansions are central to some of the growth we've identified. This trend reflects the changing dynamics of consumer behaviour, where convenience, affordability, and diverse options are paramount in their dining choices. Greggs' focus on new store openings and upselling strategies, along with Popeyes' expansion of its fast-food market share in Spain, exemplify the industry's response to changing preferences.

Difference in points of %Share Occasions 2023 vs 2030

QSR market value vs total OOH for Immediate Consumption
UK+FR+ES



Meal Delivery Platform value share inside QSR
UK+FR+ES



Meal Delivery value share in total OOH for Immediate Consumption
UK+FR+ES



Source: OOH UK, Spain, France and Brazil | Data to June 2023, Worldpanel Division, Kantar



Expanding Shopper Base

Greggs has significantly broadened its shopper base over the last four years, with a concerted effort to open new store locations across the UK. In 2023, the company attracted 23 million shoppers, an 8.3% increase compared to 2019.

Diverse Menu

Greggs has diversified its menu offerings, introducing a range of premium items, including Crispy

Chicken Ciabatta Rolls and new wraps.

Financial Growth

Greggs' strategic moves have translated into robust financial growth. The company reported a total spend of £1.21 billion in 2023, reflecting a substantial 15.8% increase compared to 2019.

+8%
penetration vs 2019
[+150 restaurants across
different regions in GB]

+16%
total spend per buyer vs
2019, driven by product
upgrade



BBQ Crispy
Ciabatta Roll+
£3.80



Sweet Chilli
Chicken Wrap
£3.50



Chili Loaded
potato Wedges
£4.00

Source: Kantar Worldpanel OOH UK | Data to 11th June 2023

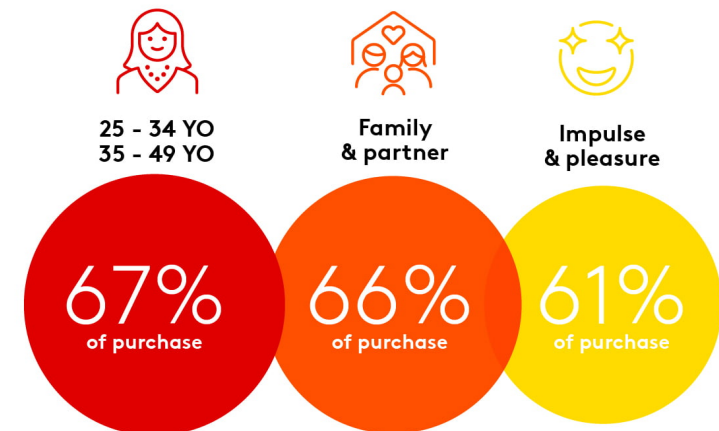


Overview

Popeyes, an American fast-food chain known for its fried chicken, achieved remarkable success in Spain, a market where fried chicken has not traditionally been a popular choice in the QSR sector. Despite its relative newcomer status, Popeyes managed to reach 5% of the Spanish population, making significant strides in a market dominated by larger players like McDonald's, which has a reach of 30%.

Key achievement

Popeyes' success in Spain can be attributed to its innovative approach. The company not only entered the market but also managed to create a new habit among buyers, effectively generating value for the market.





Overview

Burger King in France has been making notable strides in the fast-food market. Their expansion strategy has yielded impressive results, with a substantial 5.3 percentage point increase in penetration compared to 2020.

One of the key success factors has been their ability to attract a younger demographic. Burger King experienced a remarkable 7.4

percentage point growth in penetration among individuals under the age of 35. This significant increase in popularity among younger consumers is a testament to their brand's appeal and strategic choices.

Expanded footprint

Furthermore, Burger King's commitment to growth is evident in its expansion efforts. They added a substantial number of new restaurants, with an impressive

increase of 150 new locations compared to 2020. This expansion not only broadens their physical presence but also reinforces their brand's accessibility to consumers.

In addition to expanding its reach and attracting a younger audience, Burger King in France has adapted to changing consumer preferences. They have introduced a range of vegan options, acknowledging the growing demand for plant-based

alternatives. This menu diversification reflects their commitment to staying relevant and catering to evolving tastes.

+5.3 PTS.
of penetration vs 2020
[+150 new restaurants
vs 2020 in France]



Overview

McDonald's in Brazil has undergone a successful transformation by strategically targeting new moments of the day, particularly emphasising the importance of snack time and introducing more affordable products and coffee offerings. This approach has yielded impressive results, including a notable increase in the number of new buyers.

One of the key demographics that saw significant growth was Gen X, with a remarkable 2.8 percentage point increase in penetration. This indicates that McDonald's in Brazil has successfully resonated with this age group, likely through their tailored menu offerings and related marketing strategies.

Key achievement

Another noteworthy achievement is the substantial 5.8 percentage point

growth among female consumers. This signifies McDonald's ability to attract and retain female customers through menu diversification and a focus on their preferences.

While flavour remains a primary motivation for consumers to choose McDonald's, the emphasis on convenience has gained prominence. The search for lower prices and quicker service agility has become a compelling factor for

+4^{PTS.}

of penetration relative to
total QSR vs 2021 in Brazil

new buyers. McDonald's in Brazil has responded effectively to this demand, aligning their offerings with consumer expectations.



Topline takeaways

1.

The global Foodservice landscape is experiencing a revival with a surge in dining-out occasions. Brazil, Indonesia and South Korea are among the standouts.

2.

Inflationary pressures are leading to interesting and sometimes counterintuitive consumer behaviours. For instance, many Europeans find informal, on-the-go, affordable dining out or takeaway channels to be cost-effective due to lower relative price increases at restaurants versus grocery stores.

3.

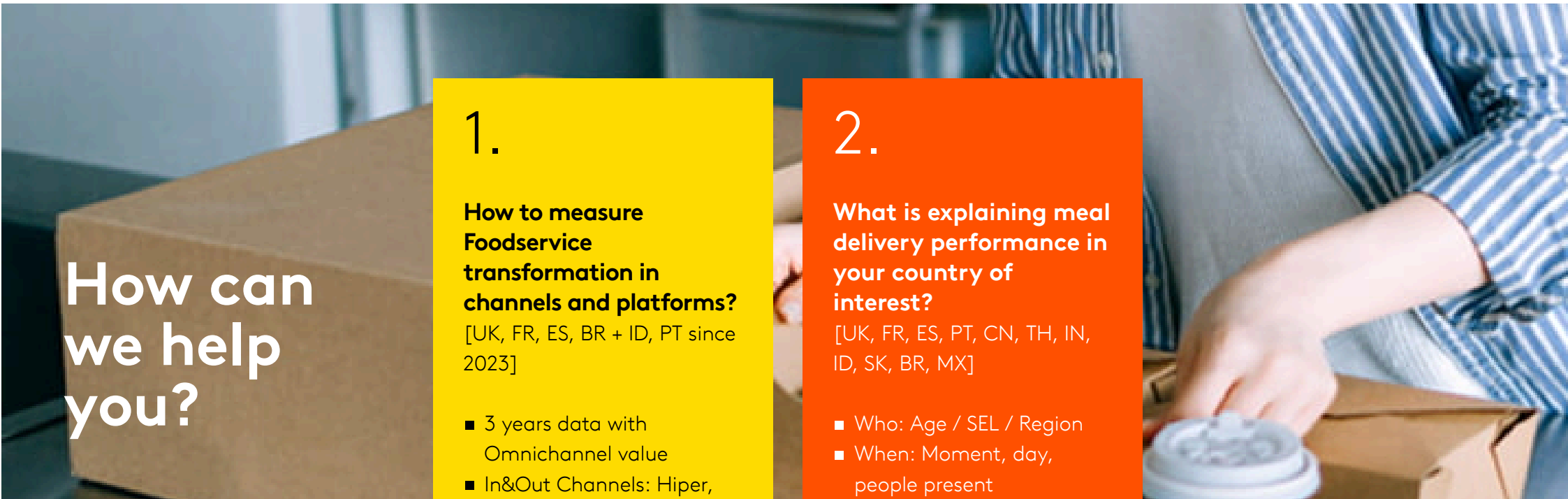
The pandemic has had a lasting impact on meal delivery, reshaping consumer habits and preferences. Younger demographics in Europe are driving the frequency of meal deliveries, while all age groups cite convenience as a key reason for ordering in.

4.

Quick service restaurants (QSRs) have successfully navigated inflation pressures, seeing a 25% increase in value growth in 2023 compared to 2019. They have diversified their offerings across eat-in, collection, and delivery channels, appealing to a wide range of consumers.

5.

Despite the challenges posed by inflation and the pandemic, the Foodservice industry is innovating and evolving. This includes market expansions and new store openings by outlets like Greggs and Popeyes, as well as developing new day-part strategies and focusing on loyalty initiatives to drive repeat visits.



How can we help you?

- ## 1.

How to measure Foodservice transformation in channels and platforms?

[UK, FR, ES, BR + ID, PT since 2023]

 - 3 years data with Omnichannel value
 - In&Out Channels: Hiper,
- ## 2.

What is explaining meal delivery performance in your country of interest?

[UK, FR, ES, PT, CN, TH, IN, ID, SK, BR, MX]

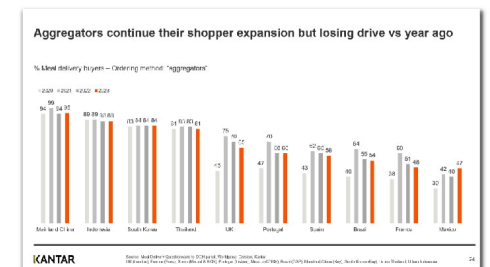
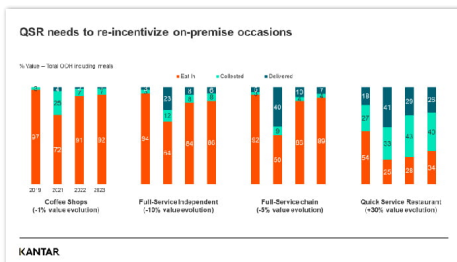
 - Who: Age / SEL / Region
 - When: Moment, day, people present

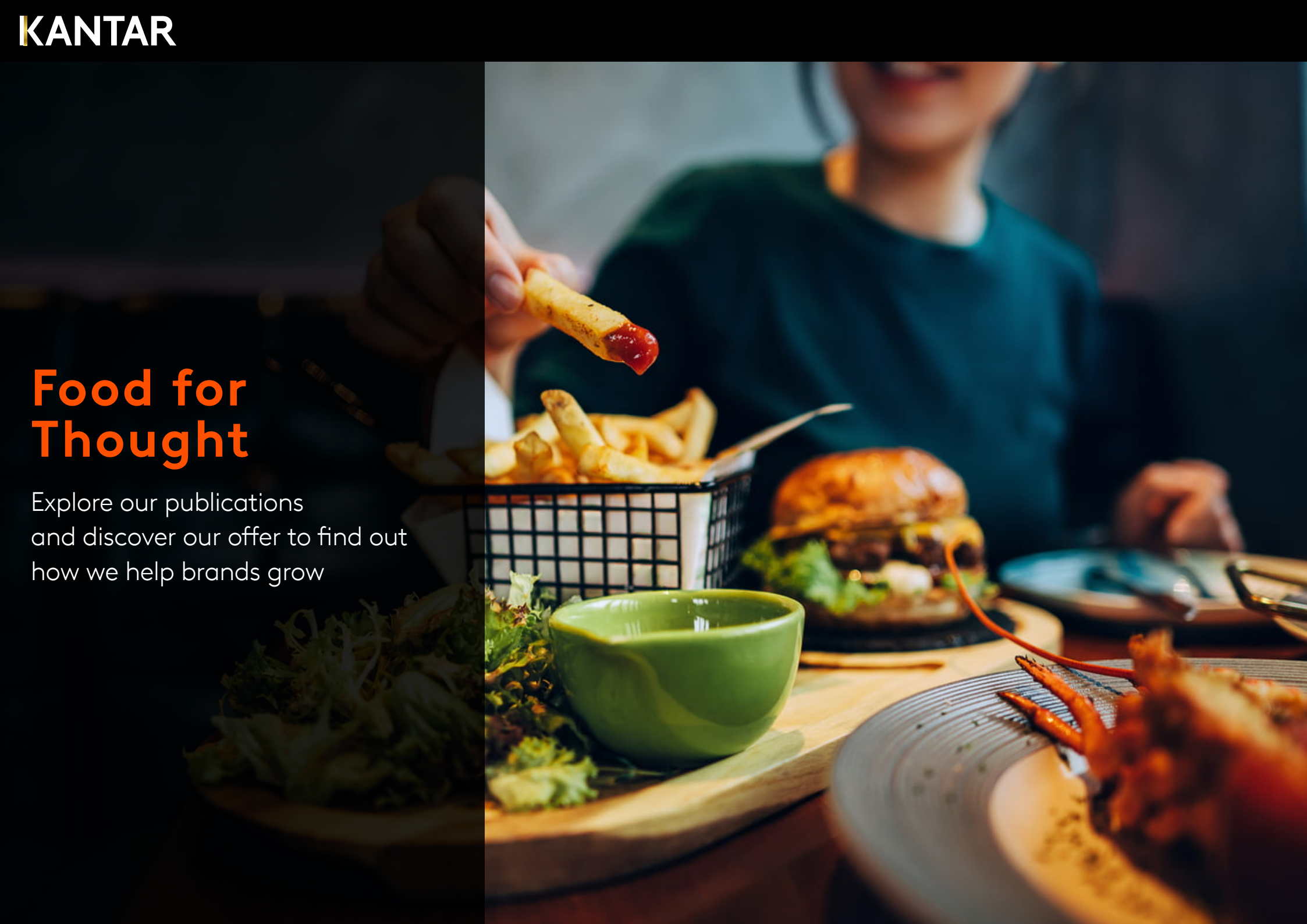
How to measure Foodservice transformation in channels and platforms?

- 3 years data with Omnichannel value
- In&Out Channels: Hiper, Super, Convenience Store, Traditional, Impulse, Restaurants (QSR vs FSR), Bars and Coffee Shops, Bakeries
- Platforms: Eat-In, Collected, Delivered

What is explaining meal delivery performance in your country of interest?

- Who: Age / SEL / Region
- When: Moment, day, people present
- How: Ordering method, promotions
- Why: Reasons for using
- What: Ranking of dishes





Food for Thought

Explore our publications
and discover our offer to find out
how we help brands grow

A woman with dark hair, wearing a white shirt, is sitting on a dark blue couch. She is smiling and looking towards the camera while holding a brown glass bottle of beer in her left hand and eating a small piece of food with her right hand. In the foreground, there are several food containers: a white cup, a blue bowl with yellow chips, a brown paper bag, and a pizza box with a pizza inside. The background is a dimly lit room with a lamp and some shelves.

Food for Thought

Find out more about
our Freshly Prepared
Consumer Insights
offer

Read: Europe
rebuilds its OOH
habit – but the
'price effect' hits
hard in Latam

Watch the webinar:
Turning tables –
Unlocking
Foodservice frontiers

Demand Moments
offer: How the world
eats and drinks

2022 report: Dining
out at home: how
meal delivery is
transforming
Foodservice

To get in touch with our experts
please contact

Javier Sanchez

Global Business Development Director,
Out of Home & Usage
javier.sanchez@kantar.com
Worldpanel Division, Kantar

