



Foodservice in Europe and UK

Consumer trends and leverage

Dublin, June 2010
by Christine Tartanson



Behind Every Business Decision

AUTOMOTIVE
BEAUTY
COMMERCIAL TECHNOLOGY
CONSUMER TECHNOLOGY
ENTERTAINMENT
FASHION
FOOD & BEVERAGE
FOODSERVICE
HOME
OFFICE SUPPLIES
SOFTWARE
SPORTS
TOYS
WIRELESS

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Our programme this morning

- **CREST consumer tracker**
- **The European market opportunities**
- **Consumer behaviours in tough economic times**
- **Consumer leverages and trends**



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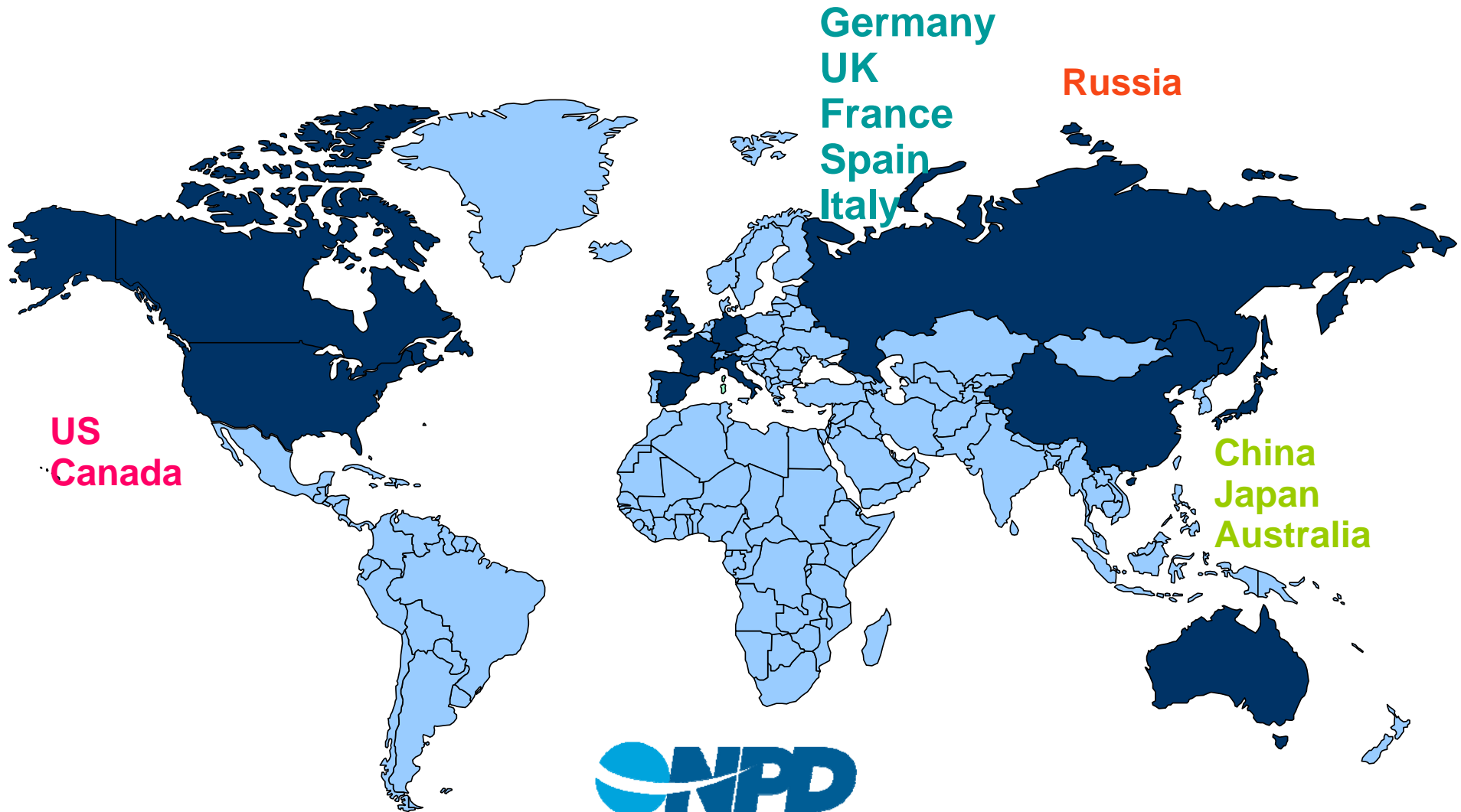
CREST tracker



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- Online panel
- ~ 500 Interviews per day
- Every day / 365 days a year
- Representative and projected to population
- Covering the full Away-from-Home market
- Food and beverage consumption

Today, we are running CREST in 11 countries.
Our focus today is the Big 5 in Europe ...



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A diverse group of smiling people in business attire, including a woman with long dark hair, a man with short brown hair, an older man with glasses, a woman with short dark curly hair, a woman with blonde hair and glasses, and a man with glasses. They are all looking towards the camera.

within Commercial restaurants

Pubs/ Coffee-shops

**Quick Service Restaurants
not only Fastfoods,
include also Bakeries, Sandwich shops,
Ethnics, other Take-Aways & Deliveries**

Full Service Restaurants

Retail/ convenience stores

Hotels, Leisure and Travel

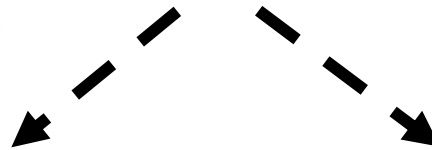


European Consumers spend 650 Mio. Euro per day in Commercial Restaurants

Europe Big 5 - 2009
Commercial Restaurants



236 Billion €



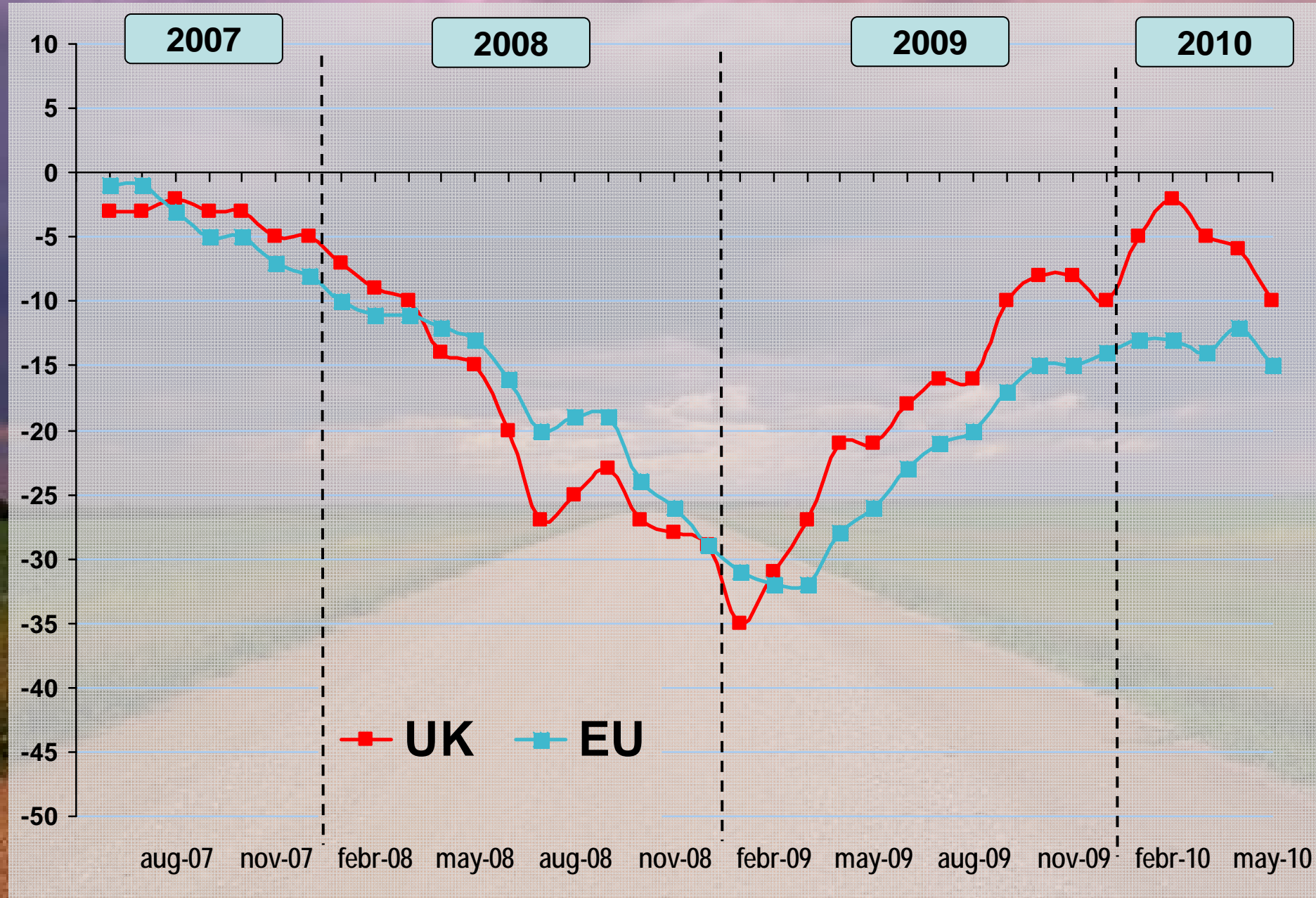
40 Billion Visits



5.79 €/ Visit

**Yet the economic slowdown
may have impacted
our market opportunities**



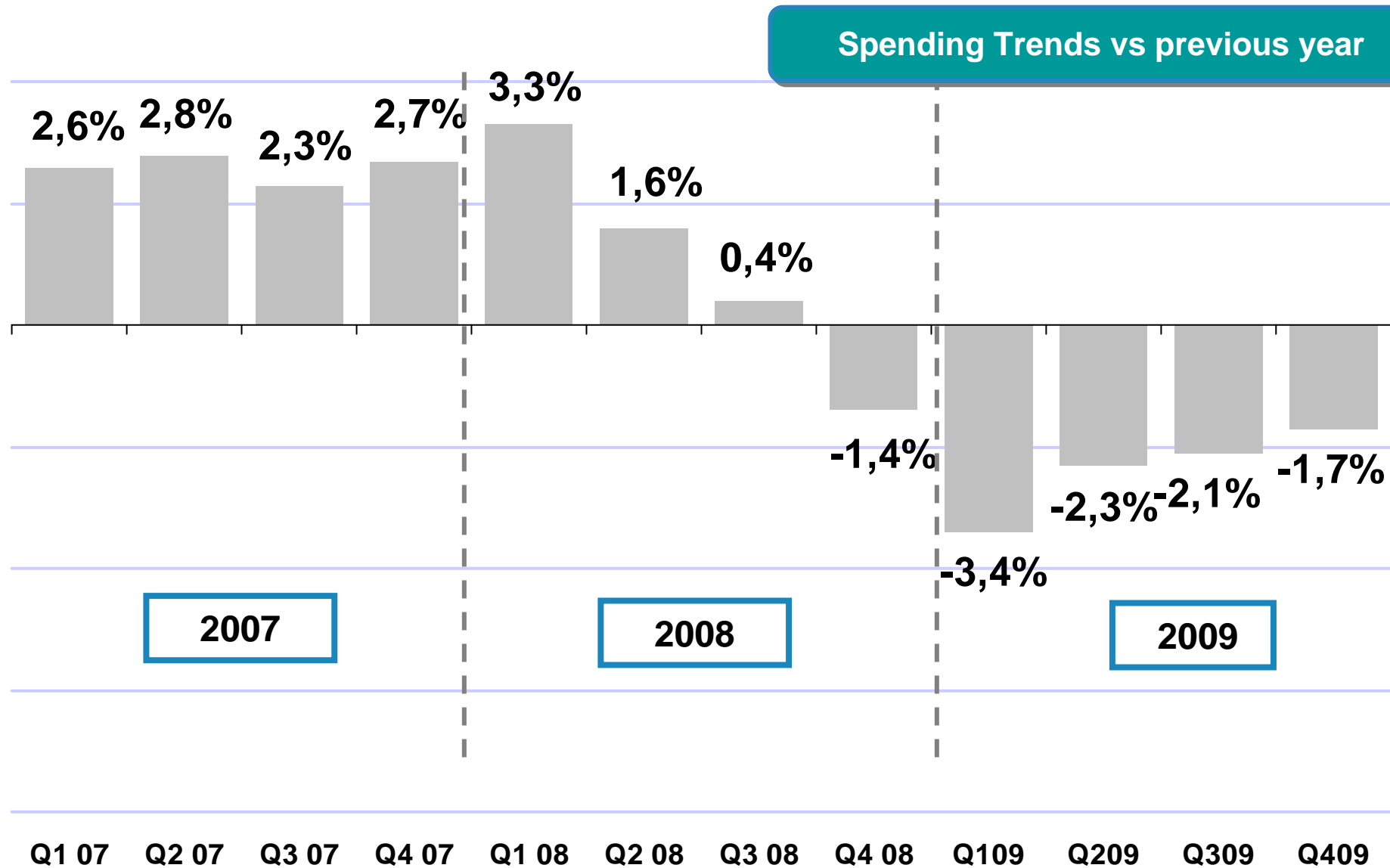


Source: Consumer Confidence – EU Commission

**How do
consumers
react in
tough
times?**

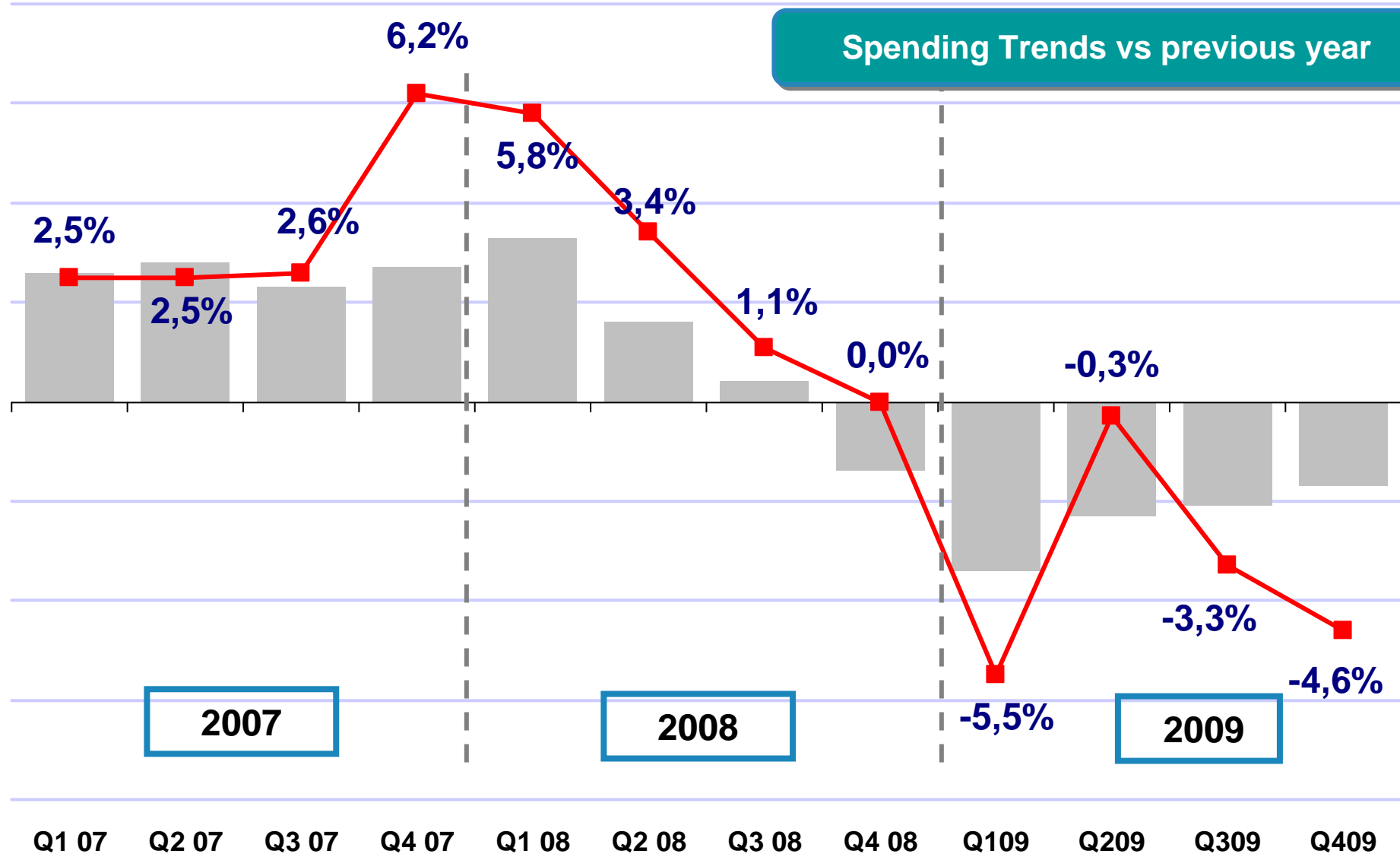


Consumer spending trends in Europe



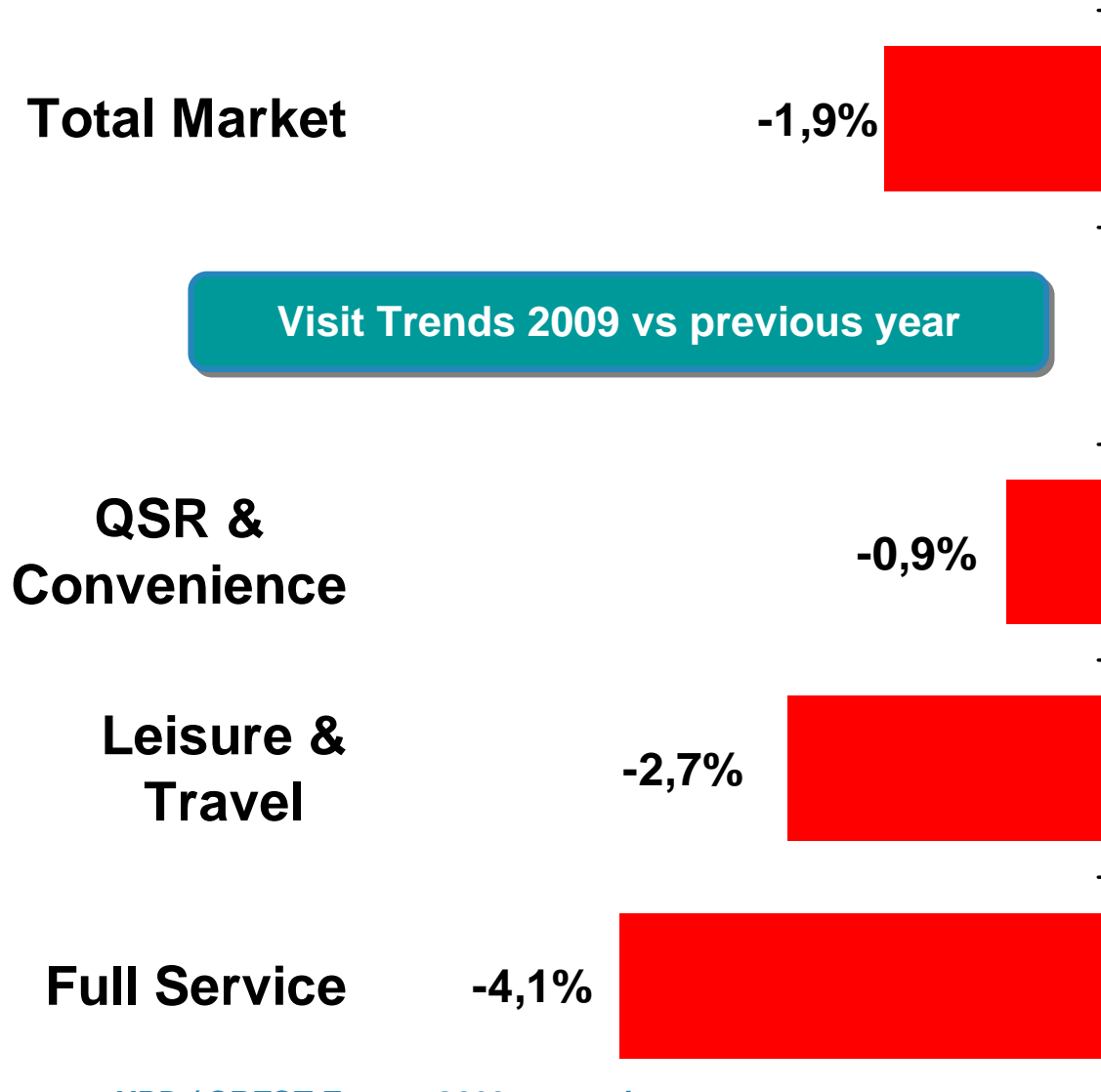
Source : NPD / CREST Europe 2009 – proprietary

During the tougher times, UK consumer spending more impacted



Source : NPD / CREST Europe 2009 – proprietary

Full Service Restaurants lost overproportionally – Quick Service remained more stable



Source : NPD / CREST Europe 2009 – proprietary



**Trading
Down**



**Trading
Out**

Trading Down:

- ★ Switching to less expensive Restaurants
- ★ Skipping Add-Ons
- ★ Using Promotions and Price Deals

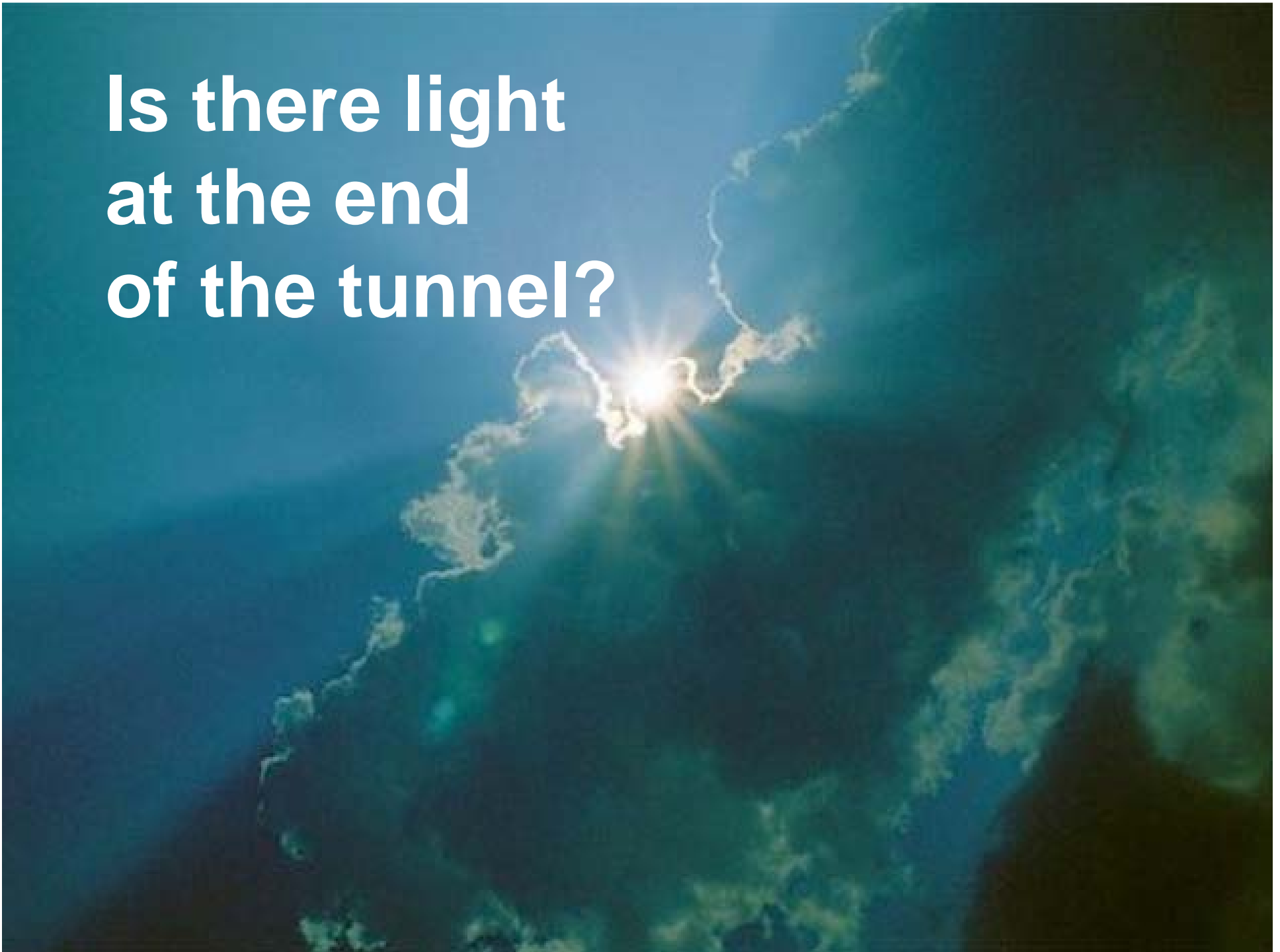


Trading Out:

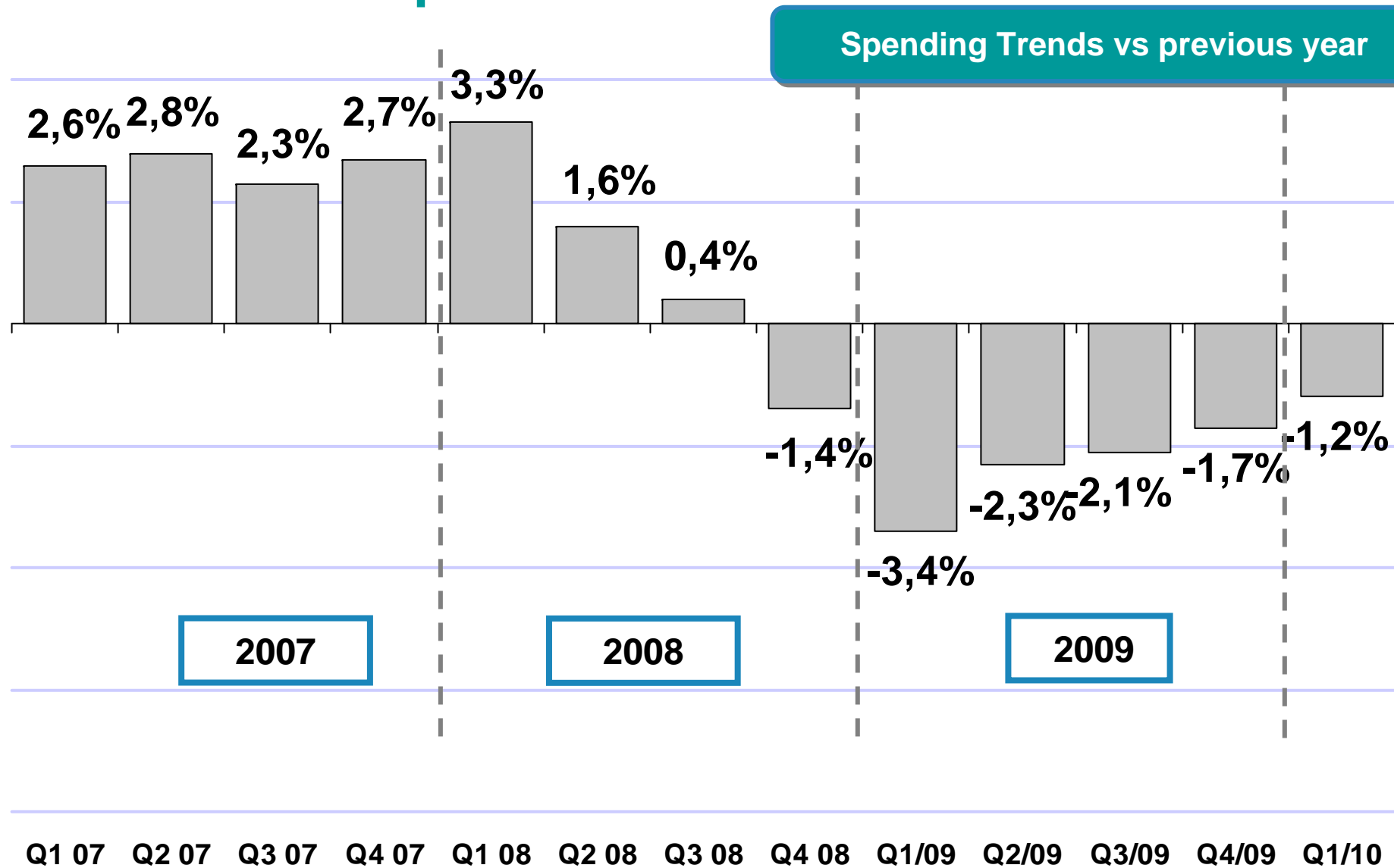
- ★ 'Brown Bagging for Lunch'
- ★ Cooking for Dinner at home
- ★ Less Business driven demand



**Is there light
at the end
of the tunnel?**



Consumer Spending started picking up in Q1 in Europe



Source : NPD / CREST Europe 2009 – proprietary



★ Several consumption indicators turn into more positive directions:

★ Weekday Lunch seems to take off again

★ Business Demand picks up

★ Less price driven

Key consumers leverages and trends





Key consumers leverages and trends

- ★ Women are becoming a more important group for our industry
- ★ Opportunity lies in the Generation 50 plus
- ★ Take-Away Shares are different but growing across all countries
- ★ Quick Service is making the most of the visits and keep on developing
- ★ Chains account for very different shares today but they grow across all markets
- ★ The Breakfast Daypart plays a very different role across countries but stands for growth
- ★ Yet there is also a cultural difference about WHEN we eat



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To have in mind about Foodservice markets in Europe

- ★ Our market recovery is not there yet! Watch out for **socio-eco drivers**
- ★ Key challenge for operators is to **recapture traffic** across Europe and in the UK, also reboost average spend
- ★ Economic circumstances have blurred our market's **frontiers**
- ★ Our business driven by Consumers' **culture, price perception and usages** of a restaurant
- ★ Key leverage trends are **international**



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Implications for suppliers

Price/ Promotion → assist operator to implement efficient menus and combo meals
(to increase incidence on lower traffic)

Product Offer → match target channel or customer's consumers' usage → try to mix cheaper and premium options

Product Development → focus on key consumer leverages

Channels → review your segmentation and strategy according to consumer leverages and product incidence



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