

# FOODSERVICE IN IRELAND 2011

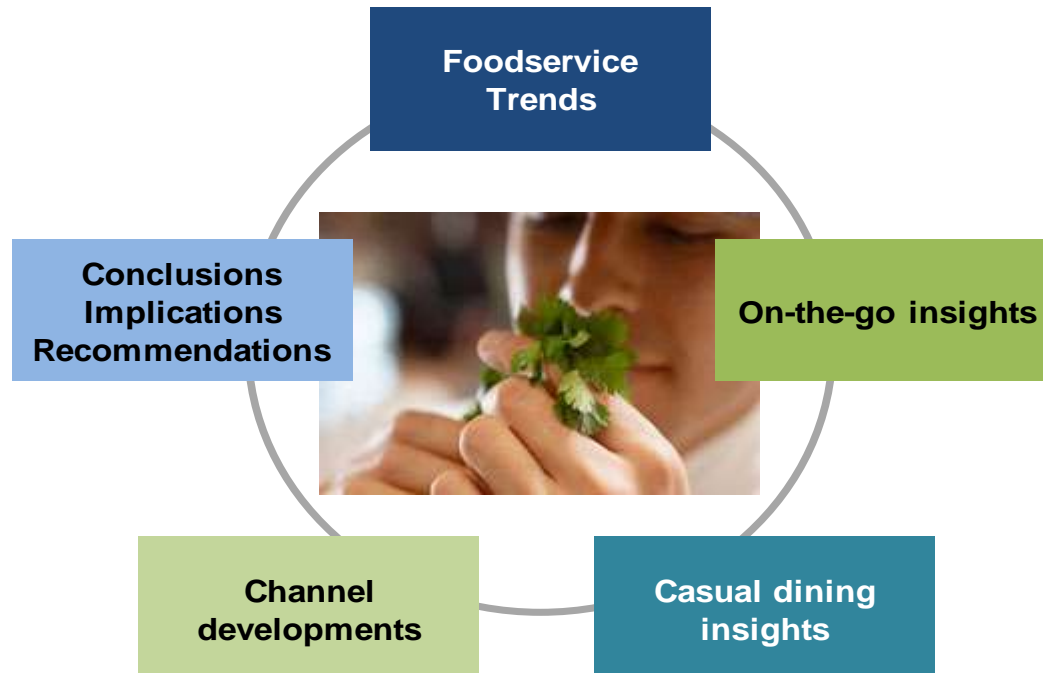


Prepared for

*Bord Bia*  
Irish Food Board

# Key study objectives

- Update on channel developments from 2010 report.
- Deep dive examination of **on-the-go** consumption and **casual dining**.
- Provide insights to guide operational and strategic development.



# Irish foodservice general trends

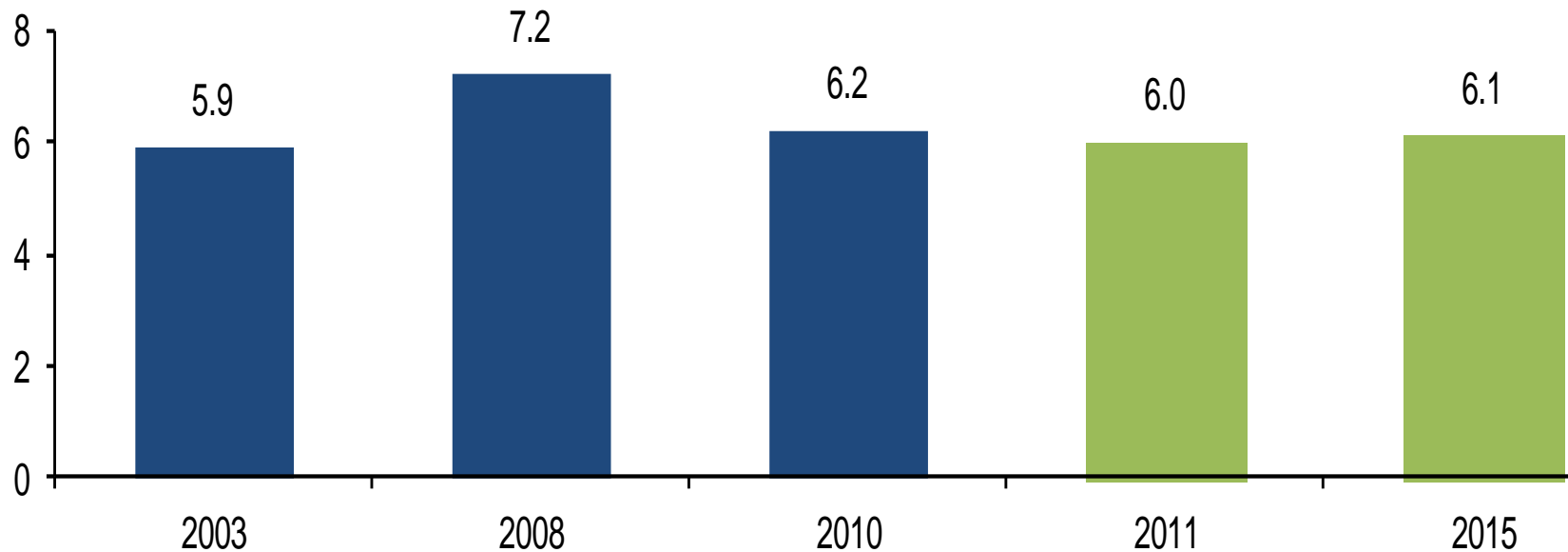
- Foodservice has faced unprecedented challenges.
- Market value down by 15% over 2008 to 2010 period.
- In 2010 sales valued at €6.2 billion at consumer prices.



# Irish foodservice general trends

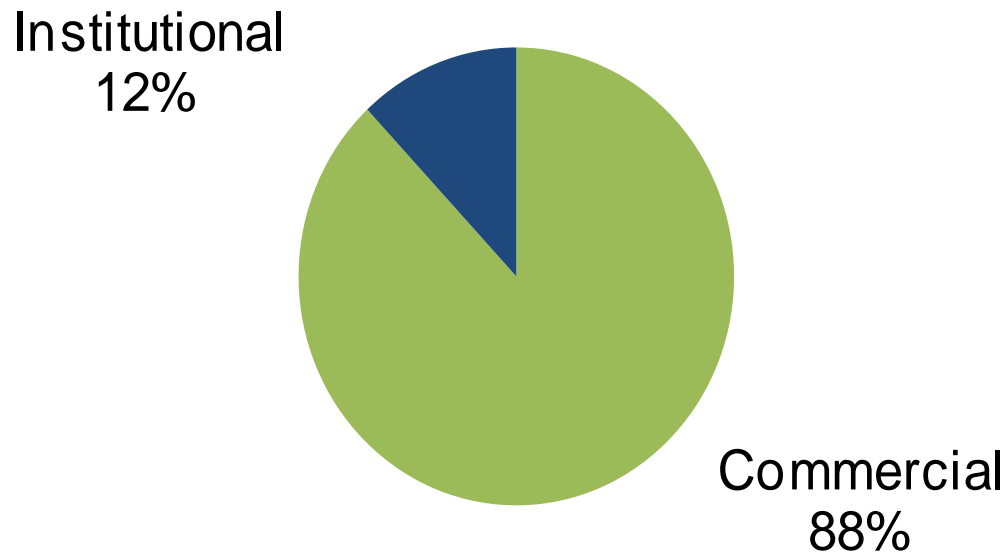
- Slow recovery to 2015, strong variation by channel

## Foodservice Sales Trends (€bn)



# Foodservice IOI 2010 dimensions

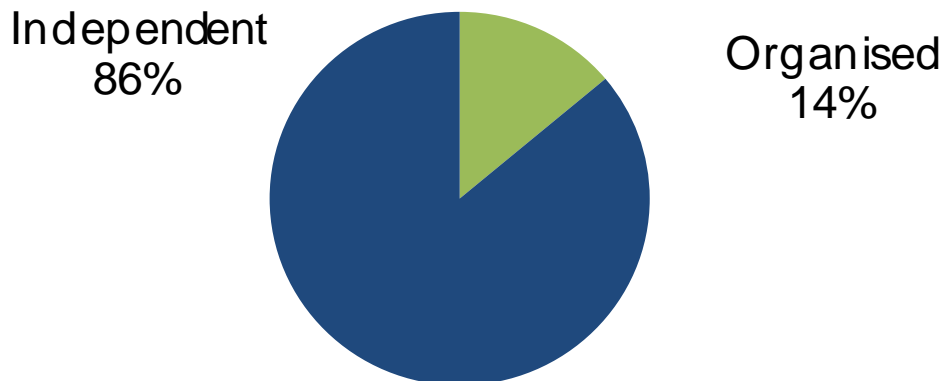
## Value Breakdown by Channel



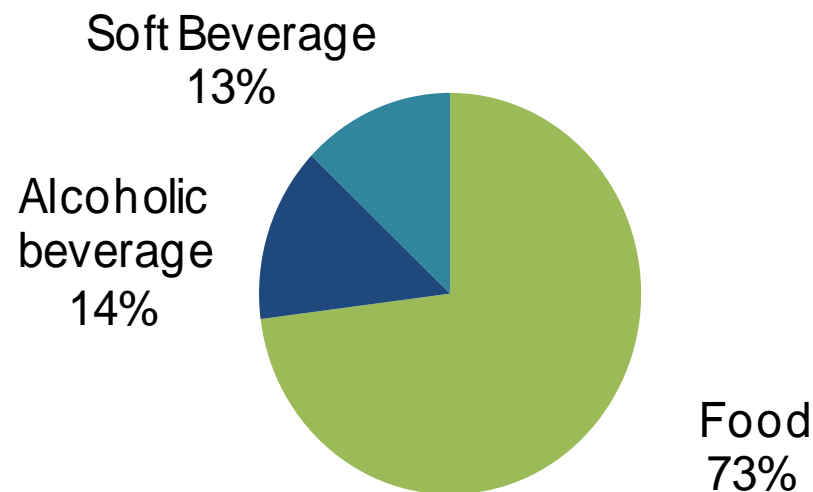
- Commercial channels have suffered particularly badly.
- Decline in spend per occasion was a key factor.

# Foodservice IOI 2010 dimensions

## Breakdown by Outlet Ownership

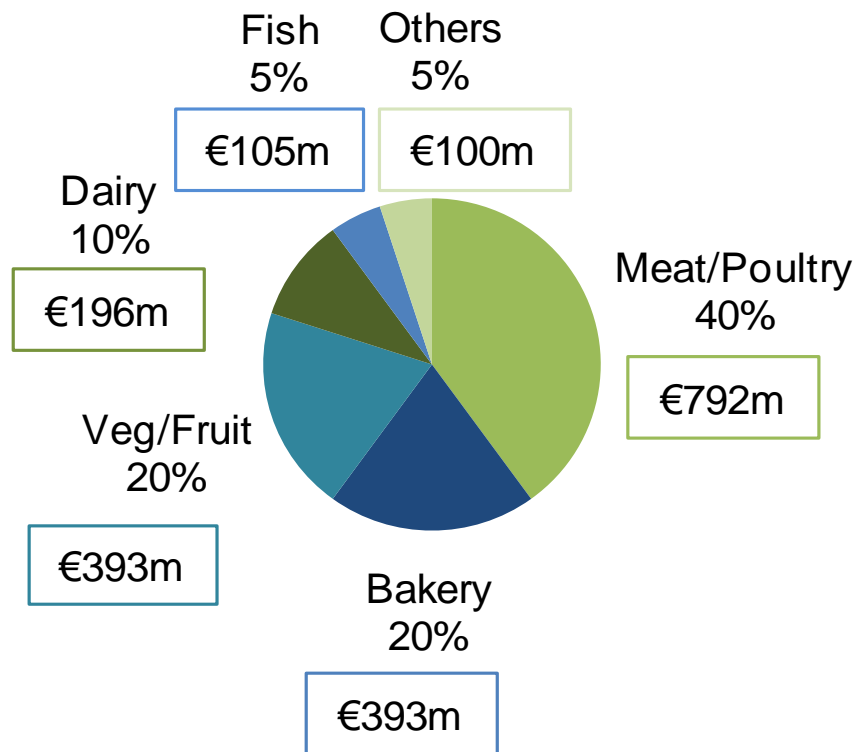


## Food/Beverage Split by Value



# Foodservice IOI 2010 dimensions

## Foodservice Product by Value (operator buying prices)



# Foodservice channel dimensions 2010

	Sales 2010 (€m)	CAGR* 2008-2010
QSR (Quick Service)	2,110	(1.8%)
FSR (Full Service)	662	(16.8%)
Pubs/Coffee Shops	2,148	(8.2%)
Hotels/Accommodation	369	(14.5%)
Other Commercial	142	(14.2%)
<b>TOTAL COMMERCIAL</b>	<b>5,431</b>	<b>(7.8%)</b>
Business & Industry	320	(13.2%)
Health	241	0.0%
Education	135	(1.8%)
Other Institutional	38	(2.5%)
<b>TOTAL INSTITUTIONAL</b>	<b>734</b>	<b>(6.9%)</b>
<b>TOTAL IOI</b>	<b>6,165</b>	<b>(7.7%)</b>
ROI	4,306	(10.6%)
NI	1,859	0.4%

\*CAGR: Compound Annual Growth Rate

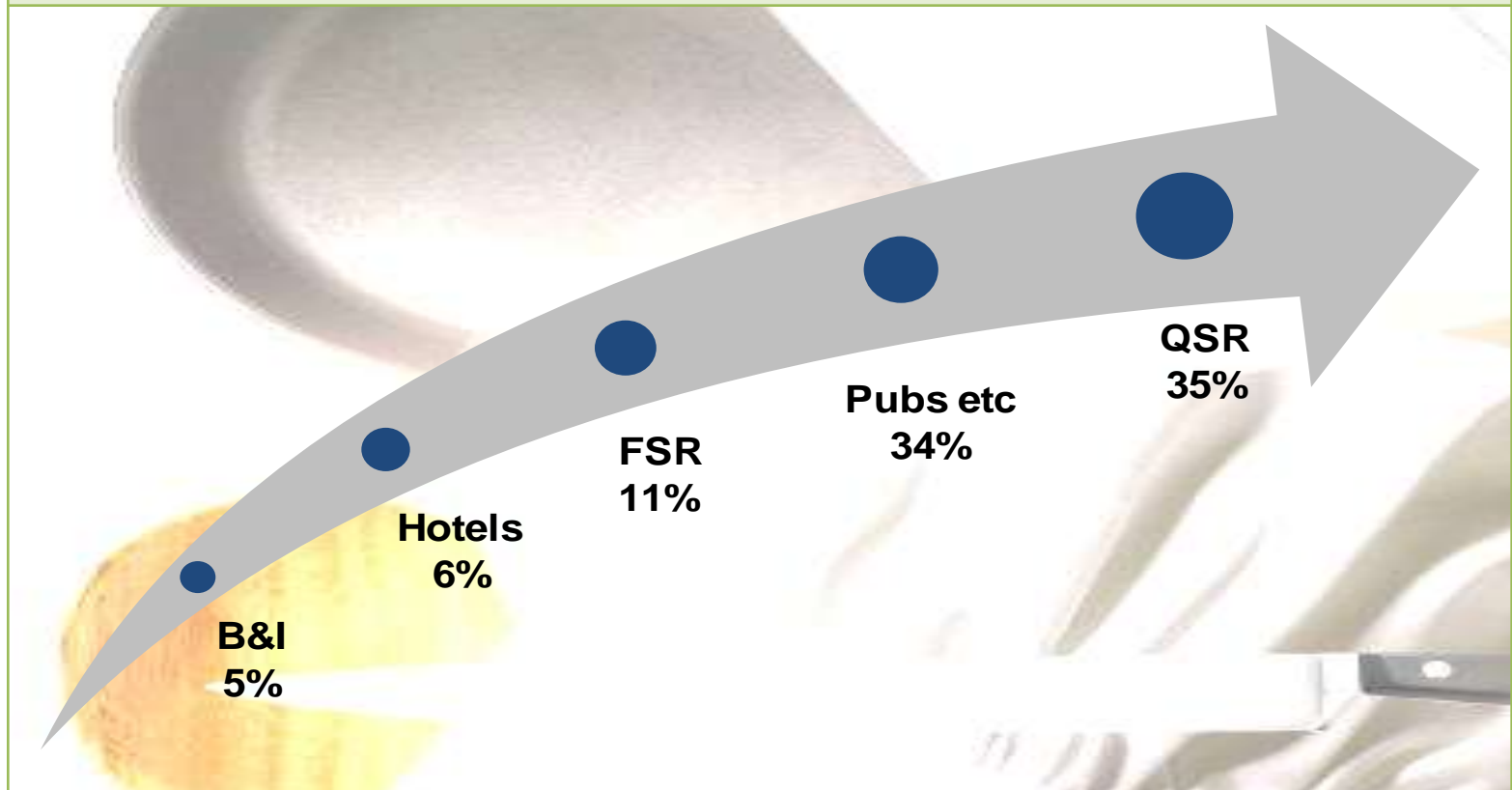


# Foodservice developments 2010-2011

- Sales in up-market and middle outlets declined most.
- Even QSR fell in value as heavy discounting by operators was necessary to maintain volumes and traffic.
- Lower cost operators experienced lower decline as they could better absorb discounts.
- Chains have generally performed better.
- The state sector maintained volumes, but tightened margins.
- From 2010 to 2011, the market is estimated to have fallen further by just under 3%.

# 2011 indications

## The 5 largest channels by value in 2011



- In 2011 the indications are that QSR will replace Pubs, cafés and coffee shops as the largest Irish foodservice channel.

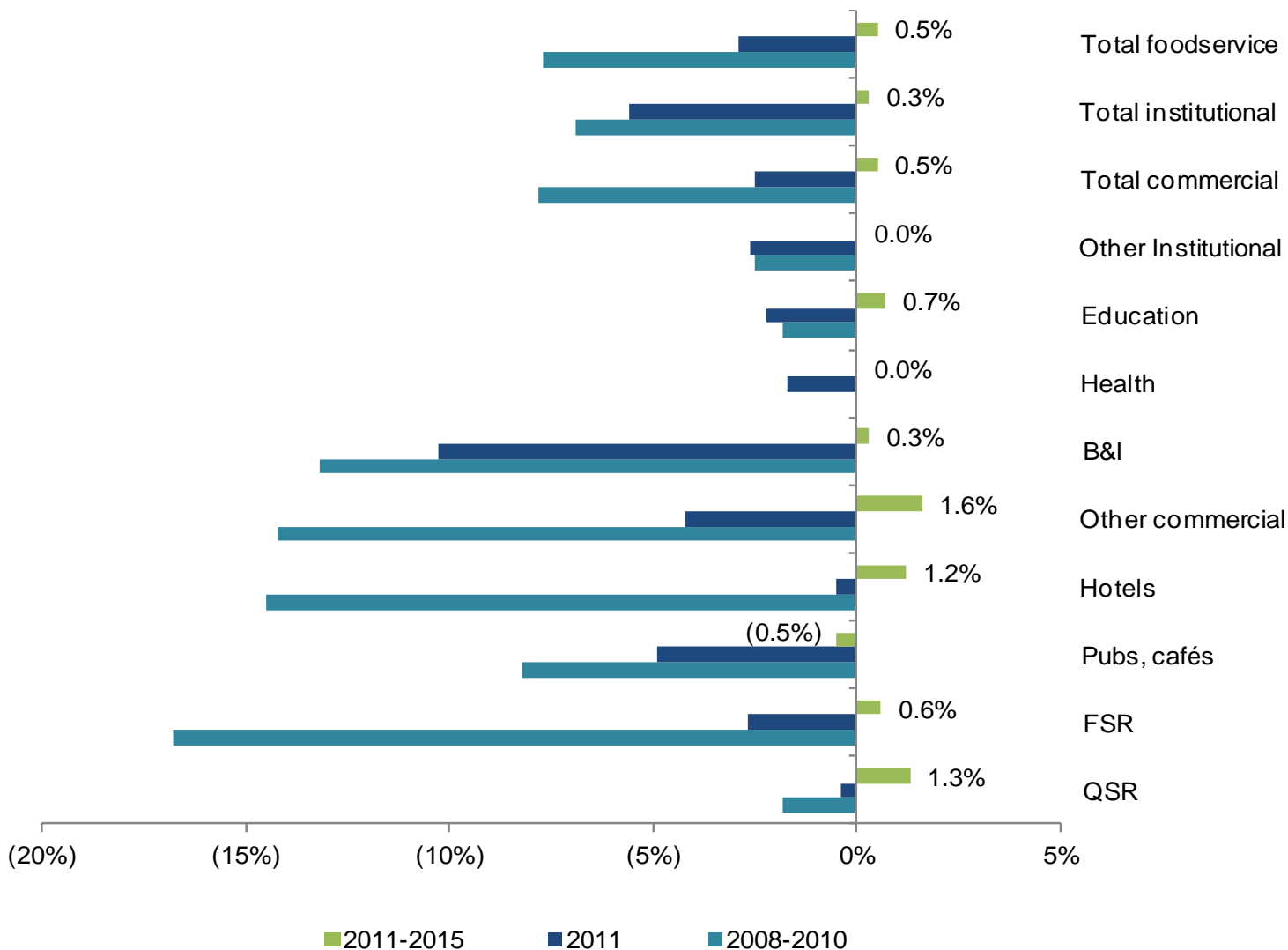
# Where to from here?

- Foodservice market showing signs of stabilising.
- In some segments – such as on-the-go, casual dining, and QSR, there are clear green shoots emerging.
- Sense of certainty is returning to the market and that is a real positive.
- For the first time in three years players can plan with some sense of market stability.



# Irish Foodservice 2010-2015

## Trends in foodservice channel sales



# Foodservice developments to 2015

- QSR and on the go will drive the revival.
- Casual dining will expand substantially.
- Sales in up-market and middle outlets will suffer further.



# Foodservice developments to 2015

- The professional operators, those close to their market and customers will be the ones that come through and succeed.





# What will be the winning attributes?



## Mission 1 - 2005

- To become the most convenient choice for **fresh food, custom built, fast** served in an eco-friendly environment.

## Mission 2 - 2011

- To energize your body and mind by serving food that tastes great, is good nutritionally and is flexible to meet personal diet choices.



# Irish foodservice future outlook

- The time of severe market decline is over. Relative stability and low growth is forecast.
- A general sense of increased optimism.
- Leaner, fitter and stronger industry is emerging.
- Players have formed new competencies on which they can build as they move forwards.





# Irish foodservice future outlook

- The sector will become sharper, more focused and more cost effective.
- Innovation needed to entice consumers back.
- Despite the challenges, the opportunities will emerge:
  - ➔ in the cross-over areas where the channels overlap the most exciting new concepts will emerge;
  - ➔ operations that reflect powerful and ongoing consumer trends will drive growth.

