AHDB Retail Insight Snapshot

Menu Trends Spring/Summer 2018

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June 2018

Data Source:

MCA. Eating and drinking out market insight.

Summary: Menu Trends Spring/Summer 2018

Menu Dish Trends

- Increasing variety of dishes offered
- Grilled is the most common preparation method while flame-grilled & breaded dishes see strong growth
- Increasing signposting to vegetarian & vegan dishes

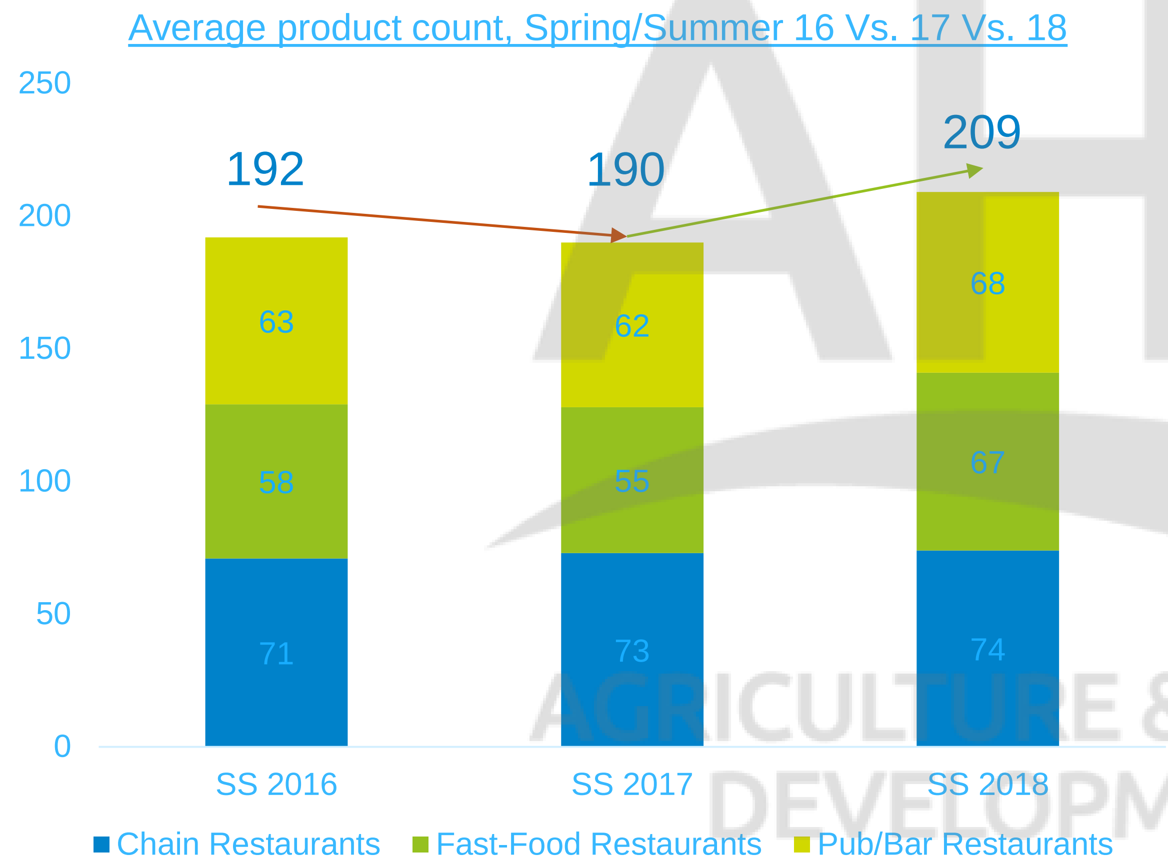
Menu Pricing Trends

- Average menu price continues to increase although slowing
- Brands are compensating through menu engineering techniques such as descriptive words & psychological pricing
- Promotions are becoming more prominent in the market – fixed price offers are the most popular

Opportunities

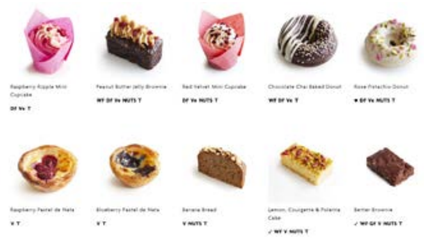
- As variety of dishes and cuisine types grows in food service processors and retailers have an opportunity to innovate offerings and inspire recipes which incorporate a variety of different ingredients and protein cuts
- Encourage 'British' sourcing on menus as a descriptive word due to the link consumers make to quality
- If locally sourced produce is sold, this again should be communicated as this denotes; benefits to local economy/farmers, freshness and sustainability among other consumer benefits.

Menu's are increasingly offering consumers more variety by driving up dish numbers



Fast Food

While chain restaurants lead in terms of number of products, they see minimal growth YOY and it is fast food driving product count gains the most; adding 12 dishes to Spring/Summer 2018 menus. The increase is largely driven by operators expanding the number of sides and desserts on offer with Leon adding a dessert section to their menu.



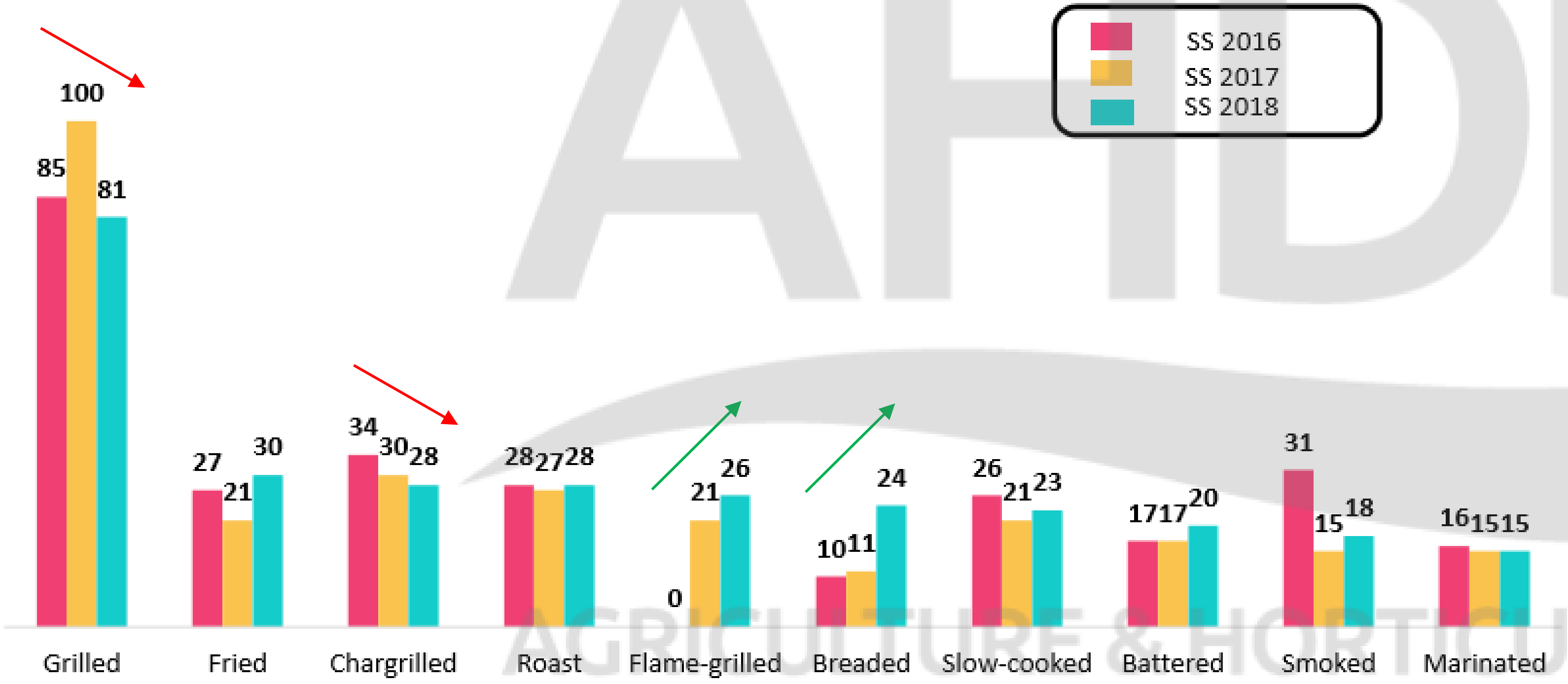
Also contributing to growing consumer variety is the trend towards more adventurous world cuisines and this is reflected in what consumers are claiming to eat OOH* – see full details in "The competitive game of World Cuisines" article on the AHDB Consumer Insight part of the website

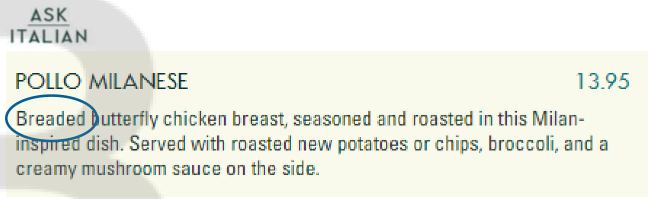
Data source: MCA Menu Tracker: Product analysis based on consistent set of 31 leading chain restaurants, managed pubs/bars and fast food brands.

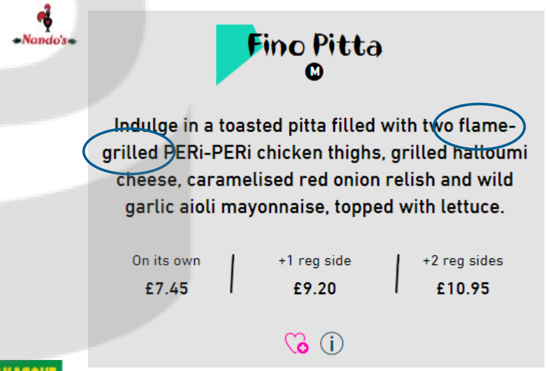
*The growth in world dishes is represented in the Consumer Eating Out Panel as the Menu Tracker capture larger restaurants whereas world cuisines over index in more niche offerings (independents, pop ups etc)

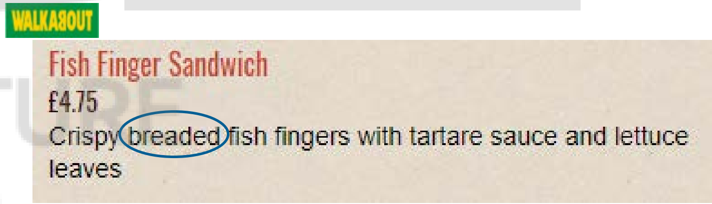
Grilled is the most popular cooking method stated on menu's while Flame-Grilled & Breaded are seeing an increase in dish numbers

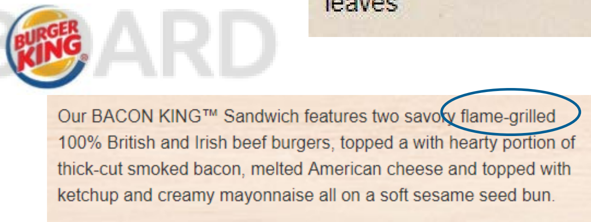
Top 10 most common preparation methods on mains menus only (# of dishes), Spring/Summer 16 vs. 17. vs 18











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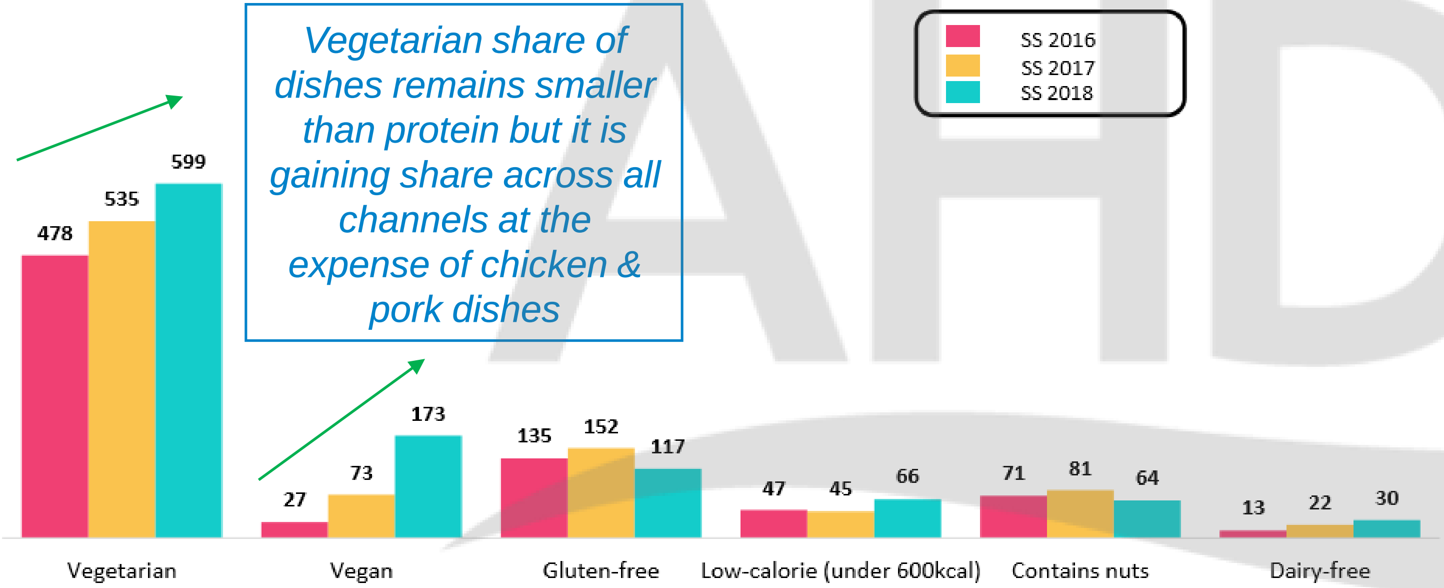
Dietary labels are becoming more prominent with a trend towards flagging (and offering) more vegetarian & vegan dishes

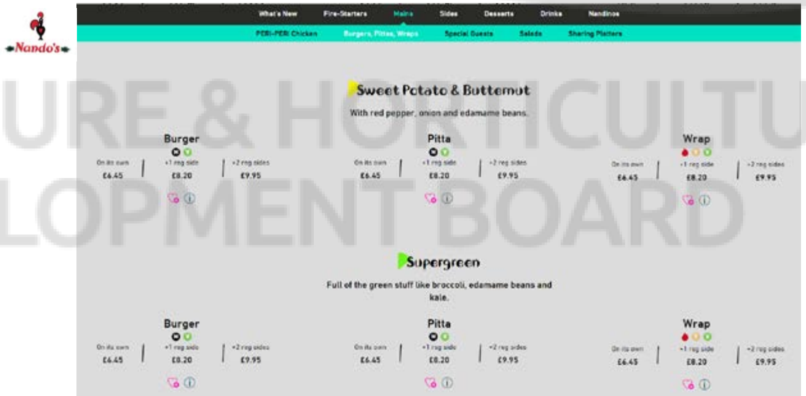
Number of dietary requirement flagged on menus, all courses, Spring/Summer 16 vs. 17. vs 18

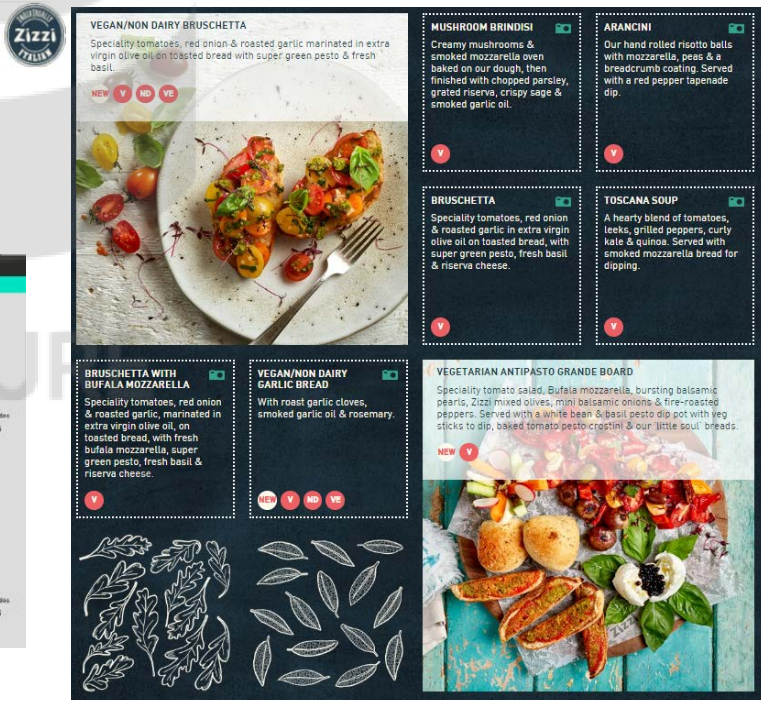


Vegetarian share of dishes remains smaller than protein but it is gaining share across all channels at the expense of chicken & pork dishes

Chains

Chain restaurants signal vegetarian and vegan dishes the most. Zizzi, ASK Italian & Nando's having the highest menu flags in Spring/Summer 18





Data source: MCA Menu Tracker: Product analysis based on consistent set of 31 leading chain restaurants, managed pubs/bars and fast food brands.

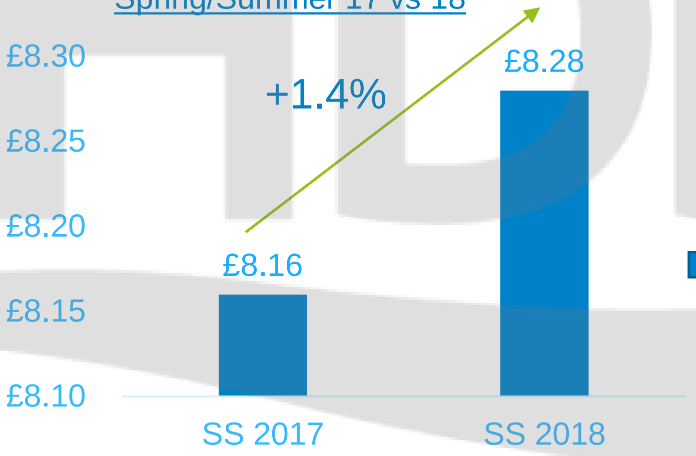
Average menu price has increased (although slowing) driven most by pub/bar restaurants

Pub/Bar +1.9%

Fast Food +1.8%

Chains +1.1%

Price movements for same-line dishes*
Spring/Summer 17 vs 18



Increases have slowed from +3.1% SS 2017 vs 2016

Starter  £8.20 +1.4%

Main  £10.33 +1.5%

Side  £3.05 +1.2%

Dessert  £4.93 +1.5%

Data source: MCA Menu Tracker: Product analysis based on consistent set of 31 leading chain restaurants, managed pubs/bars and fast food brands.

Same line* dishes are directly comparable same name products (989) with same description on the seasonal periods. Analysis is based on brands which have more than 10 same-line dishes between Spring/Summer 2017 and 2018. Brand standard region is the operator's region where sites are most often located

Brands are mitigating the impact of price rises on consumer perceptions through menu engineering techniques

Descriptive terms are commonly applied to encourage, excite and tempt customers. The number of descriptive phrases on a menu correlates with higher prices. Top descriptors on menus are 'Fresh', 'Crispy', 'Classic' & 'Green'. Menu's claiming "British" sourcing are lower in comparison.

Descriptive Phrases used on menus Spring/Summer 18 (Incidence > 5% considered high due to character limitations)

"Crispy" features on 5% of dishes

'Fresh' features on 8% of dishes

"Classic" & "Green" features on 4% of dishes

"British" features on 2% of dishes

Encouraging communication around "British" sourcing may be an effective way to enhance an offering as 54% of fresh meat buyers claim that British or local helps identify a product as higher quality (Source IGD ShopperVista Jun'16)

Psychological Pricing

Traditional fast food chains, contemporary fast food chains and value-led pubs lead the usage of £#.#9 value driven price point with the average spend in these channels tending to be <£10 per head

Prices ending with the number 5 are relatively easy to add up and do not give an overly expensive perception. Mainstream restaurant brands over index here with the average spend in these channels tending to be around £15 per head

£#.#0 price point is an indication of more confident and upmarket/premium brands. Rounded-up prices are widely used in up-market brands (>£20 per head). These brands target more affluent customers and aim to maintain a premium impression

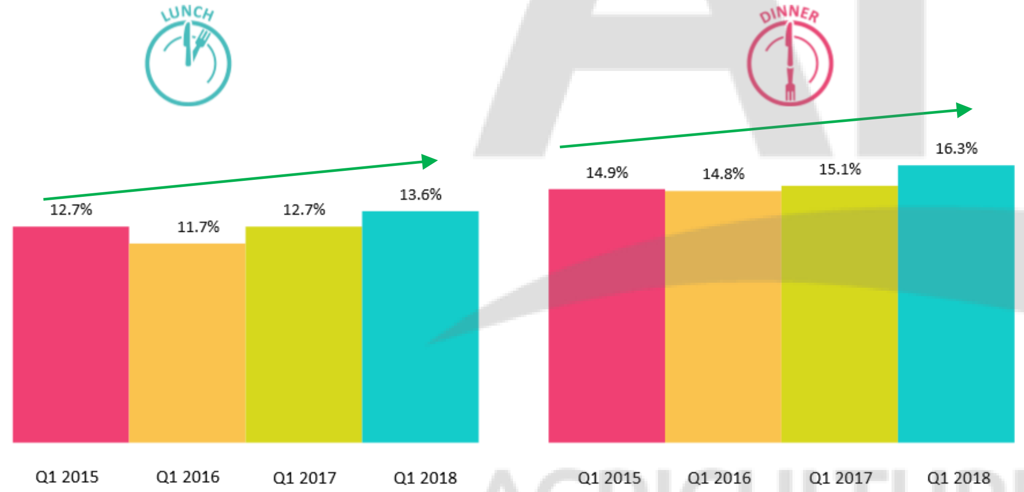
Data source: MCA Menu Tracker: Product analysis based on consistent set of 31 leading chain restaurants, managed pubs/bars and fast food brands.

*Descriptive phrases refer to terms that are used in dish names and dish descriptions, but exclude ingredients, numbers, punctuations etc. Note based on London menus & this is menu advertising not sourcing data

Promotions are becoming more prominent with the most popular promo mechanic being fixed price offers

The % share of lunch/dinner visits that consumers have used a promotion has grown significantly in 2018

Promotional usage, % share of lunch and dinner visits – Q1 2015-Q1 2018



Driven by… Chains Pub/Bar

Out of the top 25 branded chain & pub restaurants there were 101 active promotions advertised on the websites in April*

Among 13 consistent branded chain & pub restaurants assessed in 2013 and then again in 2018, there has been a 50% increase in the total number of promotions available

Top 3 promotional mechanics:

41% Fixed Price Special Offers

13% App initiatives or partnerships

10% kids offers

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*between 04/04/2018 and 05/04/2018 advertised on company websites www.ahdb.org.uk/consumerinsight

New health report June 2017

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