



FOODSERVICE  
SOLUTIONS

ISSUE 04

# In it Together

Sharing our knowledge and insight  
of *What's Hot* in out of home.

Your quarterly update on the market, menus and more...



# Welcome



Hello and welcome to **Issue 4** of **In it TOGETHER**.

This quarter we update you on the first months performance of 2021 (Jan-Mar) across the total out of home market, each segment and daypart.

We will have a deeper look into the segments to understand the challenges and opportunities they face and highlight the key growth drivers to support them.

This quarter's category focus is on how to help make your business boom in 2021 now the sector's doors are back open & hopefully that open sign is here to stay.

Take care,

*Alex*

Category Manager  
[alex.gregory@mccain.co.uk](mailto:alex.gregory@mccain.co.uk)

## **Economic Outlook**

An overview of the UK economy across a range of key measures

## **The Market - Fresh Insights**

A deep dive into the Q1 performance across the market, segments and dayparts.

## **The Consumer - The future of at home hospitality**

We reveal the need for operators to really understand the value of serving their customers at two tables; at venue and at home

## **Category Focus - The Big 2021 reopening**

This issue we share some insights from the 2021 bar and restaurant report on how to make your boom in 2021

## **Menu Trends - Foodie Fix**

Our Chef, Paul is firing up with BBQ this quarter and will have you drooling over 'Lo N Slow' cooking. He's also created a cheats Boston beans

## **New for Q1**

New developments & openings last quarter





# ECONOMIC OUTLOOK



- Dec-Feb GDP continues to decrease, but at a slower pace than in previous quarters.
- February's GDP is 7.8% below the levels seen in February 2020, compared with 3.1% below the initial recovery peak in October 2020.
- Latest estimates show that January's GDP fell by 2.2%, an upward revision from negative 2.9%.
- In March, consumer confidence improved as the "roadmap to re-opening" was put in action and reached **-15%**.
- Inflation was virtually flat at **0.6%** in the first quarter.

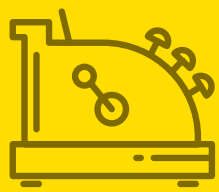




# The Market in Q1

Overall, Q1 2021 in the UK was spent under strict lockdown restrictions, with very little activity in the foodservice market apart from takeaway and delivery orders.

## Total out of home



SPEND

-44.7%



VISITS

-52.4%



AVERAGE EATER

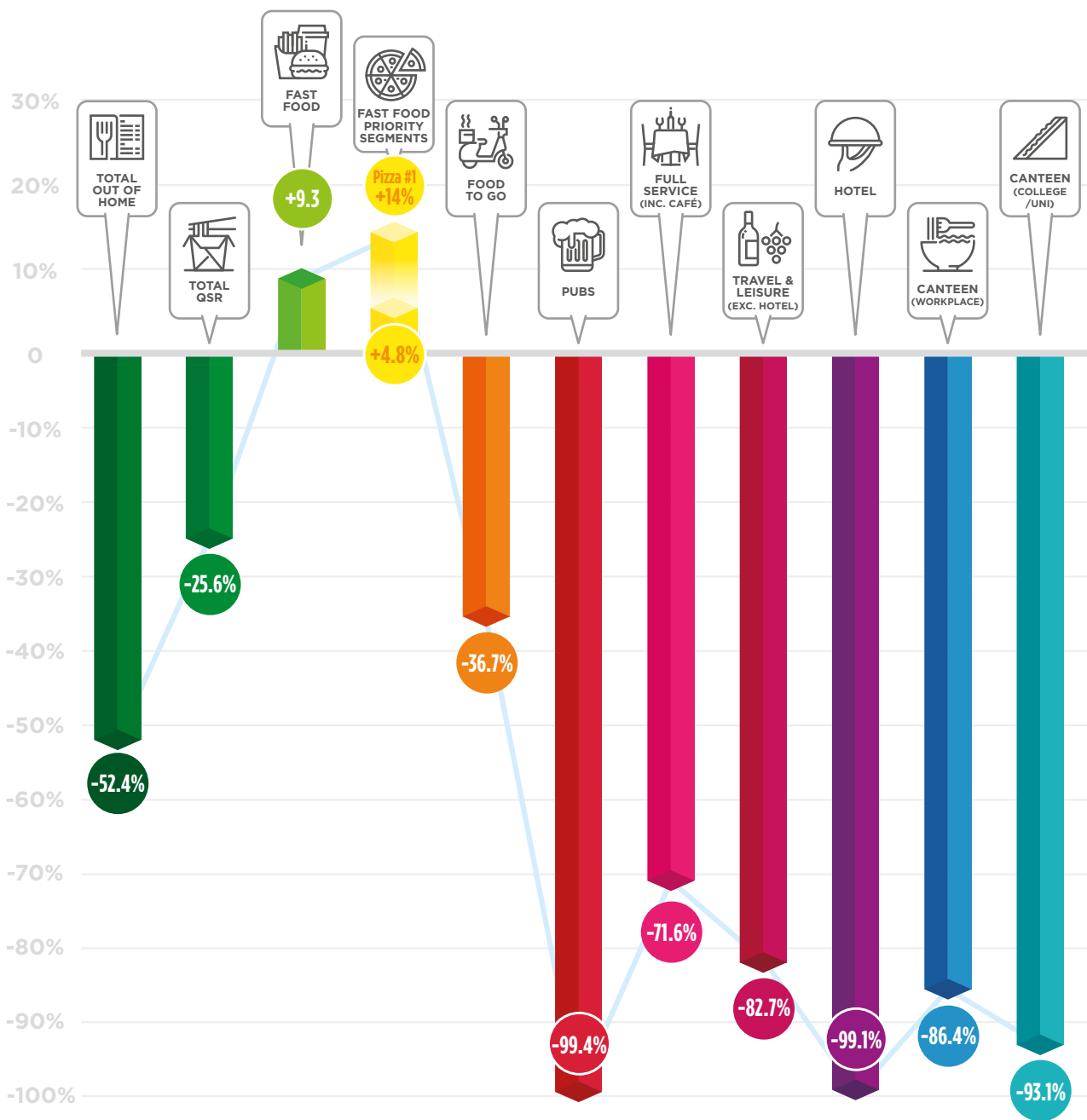
+16.1%



AVERAGE NO. OF ITEMS

-4%

- **Total Out of Home spend declined** driven by reduced visits
- **Visits declined by -51.8% in Q1 2021**, impacted by COVID-19 lockdown. Fast Food was more resilient, with Indian, Kebab, Pizza and Oriental/Chinese achieving visits growth. Pubs and Hotels were the worst hit.
- In Q1 2021 vs Q1 2020, **brands fared slightly better than independents**, though all segments saw a drop in visits. This was driven by Pubs and Restaurants. Fast Food Other Segments performed best, followed by Fast Food Priority Segments.
- Most **surveyed chains saw visits decline** on a year-on-year basis, with the exception of Pizza Hut Delivery, which benefited from the growth in delivery during lockdown. A handful of chains saw spend growth, driven by delivery.
- **'Has takeaway/delivery' and 'Food/craving' increased in importance** greatly, while 'Convenience/Habit' and 'New/Recommended' lost importance.
- Visits with deals are **claiming a higher share** of total visits



Q1 2021 VS  
Q4 2020 VISITS  
*performance*



# DAYPART

# PERFORMANCE

- Dinner was the best performing daypart in Q1 2021, helped by delivery orders, but still saw visits drop **-31.3%**.
- Lunch and other dayparts also grew in Fast Food segments
- Delivery spend was **up +51%** in Q1 2021, as the country remained in a strict lockdown. Drive Thru spend also **increased by +16%**.

BREAKFAST  
SPEND  
**-48.1%**



**-59.9%**  
VISITS

LUNCH  
SPEND  
**-55.4%**



**-60.6%**  
VISITS

DINNER  
SPEND  
**-32.6%**

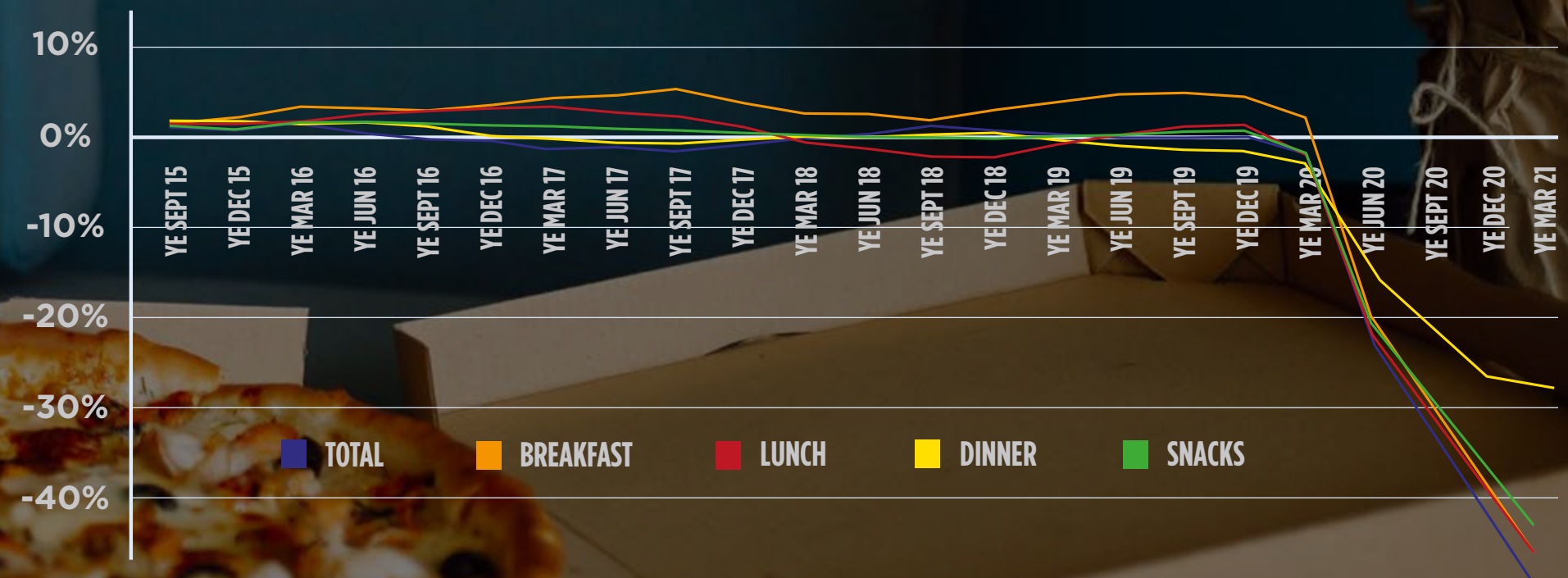


**-31.3%**  
VISITS

DELIVERY  
SPEND  
**+50.9%**



**+17.4%**  
VISITS





# PUB

## Insights

**Pubs were hit the hardest by the strict lockdown throughout Q1 with the majority of outlets closing and only a few offering an off premise option**

**Neither chains or independents faired any better than the other.**



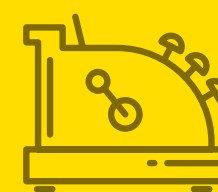
Breakfast Visits  
**-99%**



Lunch Visits  
**-99.4%**



Dinner Visits  
**-99.4%**



SPEND  
**-99.3%**



AVERAGE  
EATER  
**+11.7%**



VISITS  
**-99.4%**

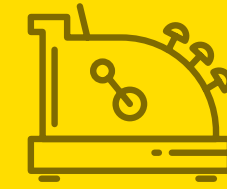


AVERAGE NO.  
OF ITEMS  
**-12%**



# FULL SERVICE

## RESTAURANTS



SPEND

**-56.8%**



AVERAGE  
EATER

**+52%**



VISITS

**-71.6%**



AVERAGE NO.  
OF ITEMS

**-17.6%**

The Q1 performance worsened further for FS restaurants as the country lived through a strict national lockdown for the full 1/4.

Weekday visits declined the least and breakfast fared better than the lunch and dinner dayparts.

Off Premise visits grew by 12.6% in Q4 as restaurants flexed their existing models to accelerate delivery (which grew 147% Vs YE Mar 20)

The main motivations for eating from an FSR in Q1 was functional or to treat myself/kids/others.

Habit of visiting a certain outlet or convenience & recommendation went out the window when choosing which outlet to eat from in Q1 and the main reason nor choice was simply because they offering takeaway/delivery.



Breakfast Visits

**-16.4%**



Lunch Visits

**-67%**



Dinner Visits

**-66.5%**



# Fast Food

# Q1

- Fast Food, was the best performing segment, with visits at **+9.3%**.
- Individual FF segments saw different performances. Burger visits declined by **-19%**, as on-premise visits were not allowed during the national lockdown.
- In contrast, segments with a strong focus on delivery saw double-digit growth in spend. Pizza visits were up **+27.6%**, and kebab visits increased by **+13.1%**.
- **Breakfast and snacking** day parts saw the biggest rise in visits and spend.
- Under 18's and males shown to have had the biggest increase in visits in Q1 but 50+ age group and females spend increased the most.

## Day parts in priority segments



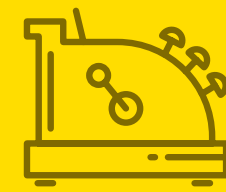
Breakfast Visits  
**+37.1%**



Lunch Visits  
**+22%**



Dinner Visits  
**+17.6%**



SPEND  
**+22.3%**



VISITS  
**+9.3%**



AVERAGE  
EATER  
**+13.6%**



AVERAGE NO.  
OF ITEMS  
**-0.5%**



# Fast Food

**Spend & visits**

**by priority segments**

SPEND  
**+5%**



**CHICKEN**

VISITS  
**-5.3%**

SPEND  
**-8.6%**



**BURGER**

VISITS  
**-19.6%**

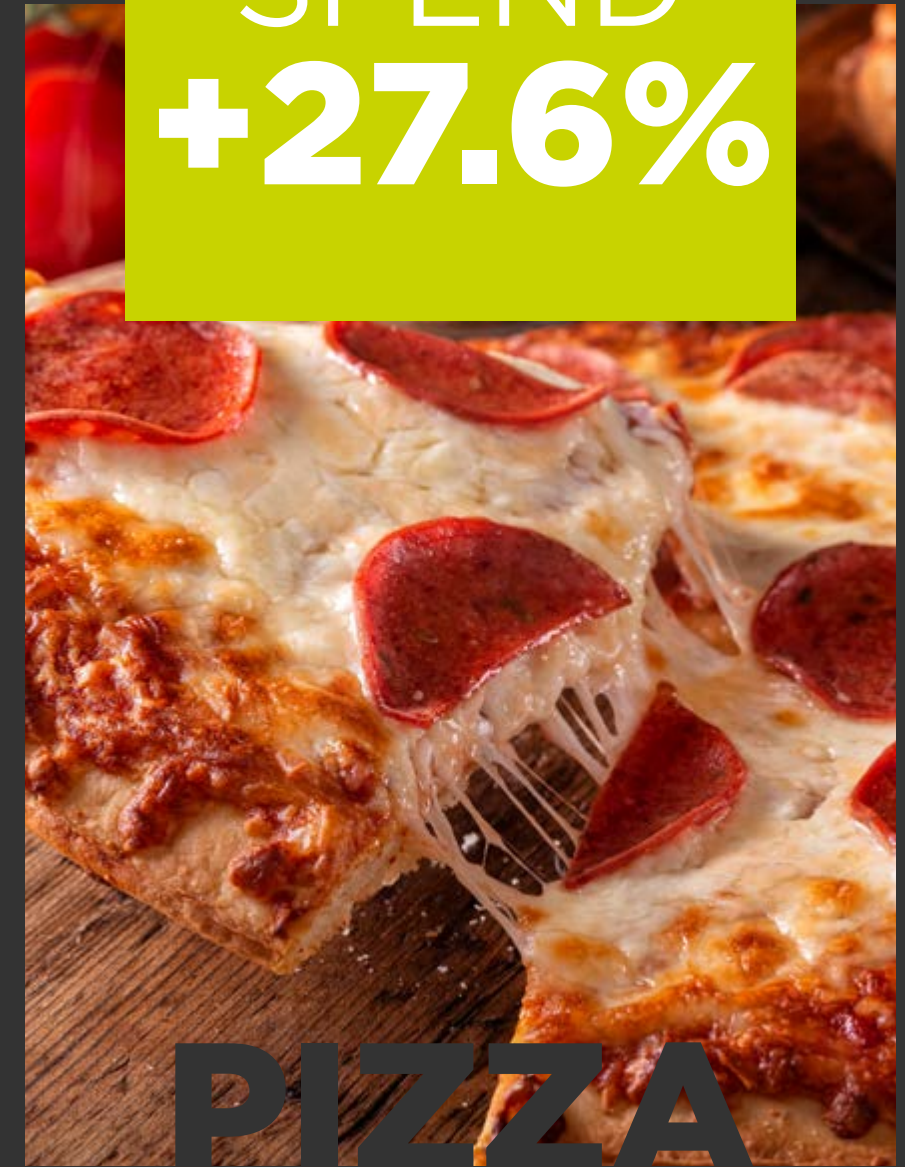
SPEND  
**+13.1%**



**KEBAB**

VISITS  
**+2.6%**

SPEND  
**+27.6%**



**PIZZA**

VISITS  
**+14%**



# Q1 2021 developments:

## Pret's **NEW** initiatives

Pret has been on a journey from a bricks and mortar brand to multichannel retailer. The brand closed 30 stores in Summer 2020, and had to make 2,800 staff redundant. Since then, Pret has introduced a new Coffee Shop subscription service, expanded its delivery service to all three aggregators, and also introduced a new Dinner Delivery by Pret service.

### Pret forced to axe 2,800 jobs

Pret has been forced to make 2,800 staff redundant as a result of the coronavirus. It said though sales and footfall have begun to recover, the impact of the coronavirus had set sales back ten years, when the business was "considerably smaller" than it is now (it had around 200 sites compared to 367 today). Weekly sales are averaging around £5m – the level they were at in August 2010. It also said trade across the UK estate was down 60% down year on year. As a result, the business said it has had to permanently close 30 shops

### Dinner Delivery by Pret

You've seen enough of your kitchen. We've got this. From Focaccia Pizzas to Spicy Chicken Enchilada Bakes, Red Thai Chicken Curry to indulgent Milkshakes, our new takeaway menu is delivered fresh from our kitchen, to yours.

Exclusively available for delivery from 30 shops.

### Introducing YourPret Barista: Pret's Coffee Shop Subscription

With our new coffee shop subscription you can enjoy all your coffees (and teas, hot chocolates...) for £20 a month and your first month FREE.

Exclusively on



# AFTER DARK

Source: NPD Q1 2021 Vs Q1 2020



# Market Trends

## for 2021

### Delivery *Acceleration*

As new consumers embraced delivery services in 2020, particularly older and more affluent ones are expected to continue to use the services, meaning 2021 will be another strong year for delivery.

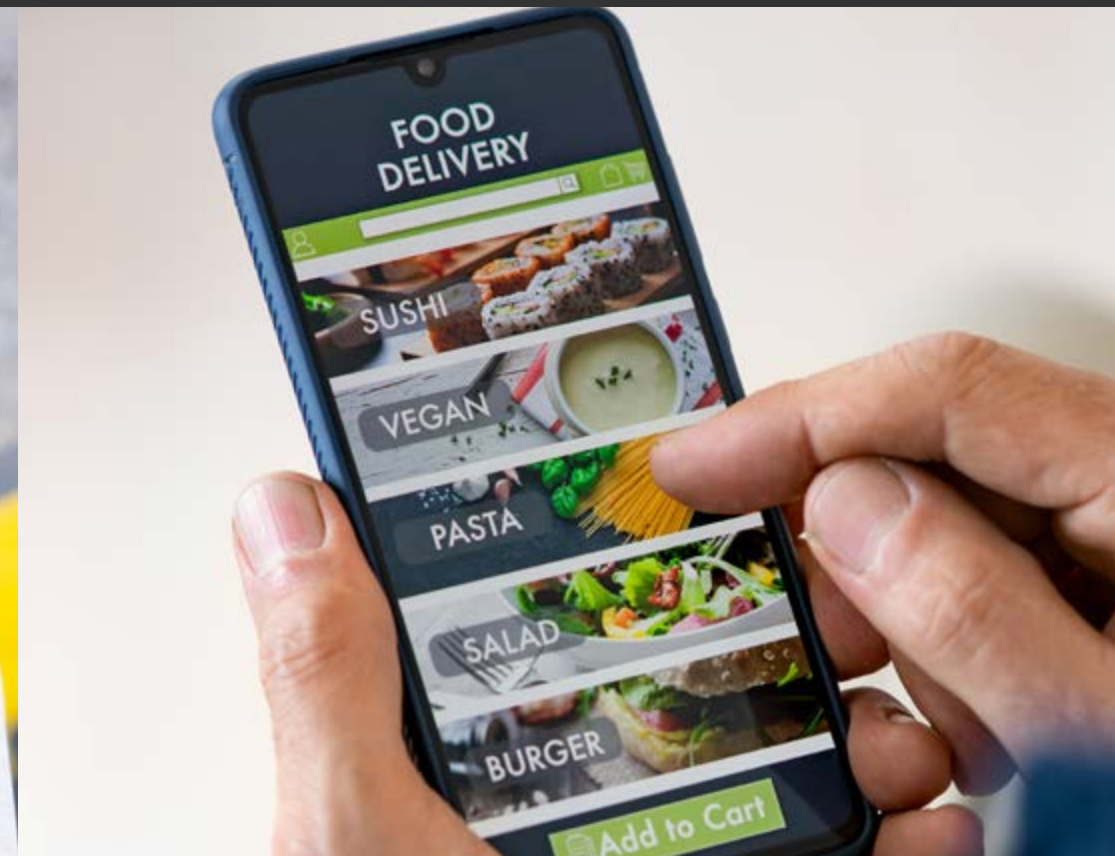


### Maximising the *Outdoors*

Operators with outside spaces will be better-placed to address continuing consumer anxiety about Covid-19. Many consumers are now more willing to sit outside during colder months as well, after their experiences in 2020.

### New smaller *Brands*

Now is a great time for smaller players and new market entrants to expand, with plenty of discounted sites on the market. Suburban locations will thrive in the first half of the year and city centre's will start recovering in the second half of 2021.



### Menu *Reductions*

Reduced menus in 2020 helped many operators improve margins by reducing waste and increasing operational efficiency. 2021 will see a continuation of this cost-cutting trend.



# THE CONSUMER

## The future of at home hospitality

At-home hospitality is definitely here to stay. Moving forward, the creativity that operators have exhibited by forging their online offering will be essential to stand out and drive opportunity. This is something very exciting and will be a pillar for our F&B strategy in the future.

### Past & future Participation



#### CONSUMER RESEARCH Research methods for at-home experiences



#### Insight

The future consideration exceeding the current participation is a massive indication of demand.

#### Actions

To capture this demand you need to offer a wide product mix under one roof and embrace nationwide delivery.

#### Insight

Search is essential to your at-home discovery - you need to ensure marketplaces aren't leveraging your brand's search terms.

#### Actions

Add an 'order direct' button across all channels and leverage loyalty through a referrals scheme. Never direct customers to a marketplace on search.



# THE CONSUMER

The future of at home hospitality

## Past & future Participation

%

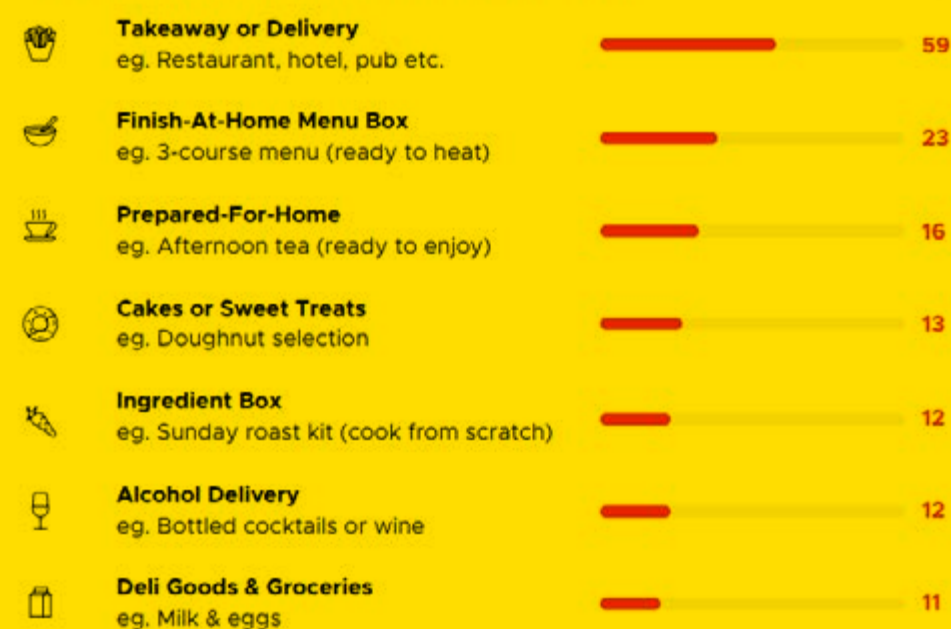
68

of UK adults will entertain **10+ people in their house** this year once allowed

### INDOOR ENTERTAINING

#### The future of at-home hospitality

% who would consider ordering for entertaining at home:



What socialising are UK adults intending to do inside their homes over the next 12 months?



### Insight

Make it easy for guests to customise group size when purchasing. Consider dietary habits for your online menus.

### Actions

Have an 'always on' approach to celebration packages on your online store. It's always someone's birthday.

### Insight

2021 is going to be the year of socialising at home. There's massive consumer demand for highly experiential, large group packages.

### Actions

Focus on delivering more than just food and drink. Brands that add playlists, table decorations and other personal touches outsell their competition.



# Category Focus

HOW TO MAKE YOUR RESTAURANT & BAR BUSINESS

# Boom in 2021

The recently published restaurant and bars report highlights that the following should be key focus areas for operators communicating to current and future customers during the next 12 months.

## Quality

You really need to be offering something of quality (or incredible value). So many habits have changed where customers will now not choose the muddy middle. Either you are of incredible quality (quick, tasty and convenient) or a real treat - something they cannot replicate at home.

## Safety

Your customers need to keep seeing what measures are in place to keep them and your teams safe.

## Craveability

You have to have something on your menu, drinks list, in your service/ environment or about your brand that people would dream about, walk over broken glass for or wear you as a badge of honour. Ask yourself honestly, do you have that? Truly? If not, make it happen as soon as you can. If you do have this, then this is what you lead all communications with like Burger King would do with The Whopper, Hawksmoor would do with steaks cooked to perfection/mac and cheese or as Brewdog do with Punk IPA and being one of the most Innovative companies on the planet. What's your 'thing'?

## Availability

This is the change that Restaurant and Bar businesses will see forever. You need to be available in any way that your customers and the consumer at large would want you. That means table service, click and collect, delivery, home kits, virtual events, cookbooks, your ingredients in supermarkets, Amazon shop and even orderable by voice through smart speakers.



With Summer just around the corner, I thought I'd take a look at BBQ. In particular cooking over coals. It's not just about burgers and sausage, the possibilities are endless.

TODAY WE'LL EXPLORE

# “Lo N Slo”

COOKING

**HOT off**  
**the PASS!**

## So what's it all about?

**The art of cooking meat over coal to achieve the best possible texture and flavour. It works particularly well with cheaper and tougher whole cuts of meat and allows the fat to render down and the meat to become melt-in-the-mouth tender.**

## So what do you need?

A BBQ with a snug fitting lid and the ability to vary temperature using the top and bottom vents. I use Weber Kettle and also a ceramic Komado for longer cooks to improve heat retention.

**Charcoal** – I prefer lump wood as it burns cleaner and is easier to light than briquettes. Take the time to allow the coals to get up to temperature, don't be tempted to use accelerants or instant light fluids that can taint the food.

**Wood** – Should you wish to add additional flavour to the meat you can use various types of wood to burn alongside your coals, these can vary from light woods like alder, which is great for fish, through to whiskey barrel oak, which brings strong flavour to pork, beef and ribs. I prefer blocks of wood as they suit my cooking style and will burn for hours imparting their wonderful aromas.

## So your good to go...

Use a BBQ starter chimney for the quickest results, add some screwed up paper and then the coals and light from beneath.

Place the chimney in the base of the BBQ and allow it to burn until the coals are glowing red with a light ash on them.

Tip the coals into the base of the BBQ on one side of the base.

As we're cooking 'Lo N Slo', we need to offset the coals in the BBQ, we want the meat to sit alongside rather than over the coals.

Place your prepared meat on the grill bars opposite the coals and put the lid on.

Monitor the temperature of the BBQ using the thermometer on the lid, open the vents to increase the temperature and close slightly to lower.

This will get you started with offset BBQ cooking and then you can experiment further.

**Next we'll take a look at adding flavour to your meat...**



# Flavour Focus

## Adding flavour to your BBQ

So, we've got the BBQ lit now let's take a look at adding flavour to the meat both prior to and during cooking.

**Rubs** - Every Pitt master has their own secret rub, they are mostly salt/sugar based and then flavoured with spices and a simple way to maximise flavour.

**Dry Rubs** - These are blends of herbs and spices that are rubbed into the meat prior to cooking, they season and dry the outside of the meat which will help with creating the bark (rough surface on the meat). This can be added up to 24 hrs before cooking to allow it to season the meat.

**Wet Rubs** - Similar to dry but combined into a paste using oil or wet ingredients like beer, vinegar, juice etc. these are applied like a marinade.

The rubs are built to compliment the type of meat to be seasoned, they are there to enhance and not mask the flavour of the meat.

### Typical basic dry rub recipe.

2 tbsp. sea salt

2 tbsp. sugar

1 tbsp. coarse ground black pepper

4 tbsp. paprika

1 tbsp. garlic/onion/chilli/mustard powder.

Combine all the ingredients together and store in an airtight tub until required.

This recipe will meet most requirements for BBQ cooking. You can adjust and add spices to create world flavours such as Moroccan or Jamaican Jerk etc.

Well that's the basic rub taken care of, next let's take a quick look at other methods.

**Brining** - Adds flavour and moisture to your whole cuts, it's a pre-cook technique that uses a bath of flavoured, salted water to add moisture and seasoning to lean meats, it works particularly well with Turkey & Chicken. You can also add spices and herbs to impart flavour into the meat.

**Marinating** - This involves soaking the meat in a highly flavoured liquid or sauce, it adds flavour to the outer layer of the meat and is good for all cuts.

**Injecting** - This uses a meat syringe with a needle to inject flavouring liquids like stock or sauce into the centre of the meat. This will take intense flavour beneath the surface and enhance your eating experience.

**Mopping** - During the cooking/smoking process flavour can be added in the form of a mop sauce. This is usually a thin highly flavoured sauce that is added using a brush at regular intervals whilst the meat cooks.

**Glazing** - This is a thicker sauce that is added towards the end of cooking and creates a final flavour layer on the meat. Glazes tend to be thick and sticky and mostly sugar based. They work particularly well on salty cuts like gammon and bacon ribs.

I hope you've enjoyed this whistle stop tour of 'Lo n Slo' BBQ cooking and it has inspired you to try it out in your kitchens or at home.

On the next page, I'll share a hack for a quick potato side filled with a cheats Boston bean recipe...





# Quick and Easy Boston Baked Bean Jackets.

**A BIT on  
the SIDE!**

**This is the perfect side for most BBQ occasions but particularly great with pork ribs or belly.**

I start by baking the **McCain Chef Solutions Jacket Potatoes** uncovered in the centre of the oven @ 190°C

Meanwhile we prepare the Boston Beans; In a large pan sweat off diced onions until browned, add smoked bacon lardons and brown off, next add some chipotle paste and garlic puree, followed by a generous dollop of treacle or BBQ sauce. Add the baked beans and allow to simmer on a low heat.

When you're ready, load up the jackets and top with sour cream & chives.

*Happy Cooking!*  
*Paul*

For this and many more inspirational recipes visit  
<https://www.mccainfoodservice.co.uk>





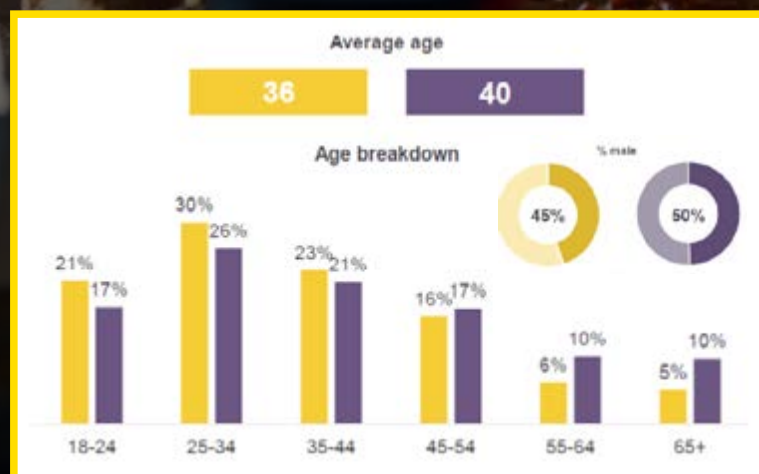
WHAT DO  
WE **KNOW**  
ABOUT THE

# Delivery CONSUMER?



## THE FOODSERVICE DELIVERY USER IS *Younger* THAN TOTAL MARKET

- Foodservice delivery users are 8pp more likely to be under 34 years old than the average total foodservice participant.
- Both delivery and total foodservice have an ABC1 skew and an almost equal gender split



## HEALTHIER EATING IS AN *Important Trend* FOR DELIVERY

- Healthier eating is more important to consumers post-pandemic
- Over 40% on consumers said Covid-19 has motivated them to change their diet to be healthier

**Protein Pizza Co.**

★ 4.8 Restaurant (US) - Pizza - Healthy

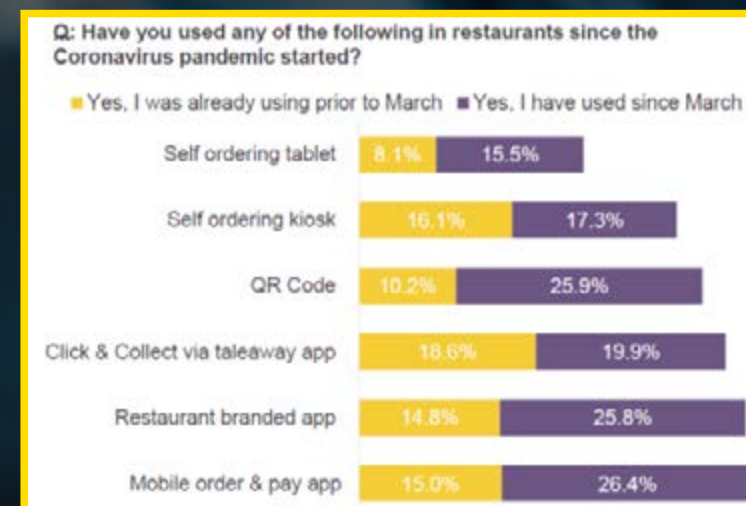
- Lower calorie and high protein pizza brand Protein Pizza Co. is targeting health conscious consumers with a lighter version of a delivery classic.
- Overcoming consumer perceptions of foodservice delivery being an occasional treat will drive growth in the coming years.

**Gainz Health Kitchen**

- Manchester-based healthier eating concept Gainz has expanded its delivery offerings partnering with Deliveroo and Uber Eats.

## TECHNOLOGY UPTAKE IS A *Positive Legacy* FOR DELIVERY

- The pandemic has accelerated operator implementation and consumer uptake of technology and going forward all demographics will be more comfortable using delivery technology, as it becomes more mainstream



## NANDO'S WEBSITE *Integrated* DELIVERY OPTIONS

Get PERi-PERi to your door!

**ORDER DELIVERY**

brought to you by  
**deliveroo**

Nando's entered into an exclusive partnership with Deliveroo in 2020. In an industry first, Deliveroo's ordering technology has been integrated into Nando's own website under a new 'brought to you by Deliveroo' service.



# Q1 2021 DEVELOPMENTS

## Slice by Pizza Pilgrims



Pizza Pilgrims have launched a new restaurant, on the South Bank in London. The restaurant is a new venture from the Pizza Pilgrims group, and is called Slice. The new concept will take over the YO! Sushi site on the South Bank until the end of 2021.

Slice focuses on New York-style pizzas, served as big 12" slices, or as a whole metre of pizza. There are five pizza options available, and drinks include slushies, such as a Limoncello spritz slushie.



The site is open now for takeaway pizzas, and will eventually open for dine-in as well. A slice of pizza costs £4.50-£5, with the one-metre pizzas going for £30-38.



## US-based chain openings



Popeyes, the US-based chicken chain, said it would open its first UK restaurant by the end of 2021, and that it planned to open 350 restaurants across the UK by 2031. Popeyes is owned by Restaurant Brands International, which also operates Burger King in the US and most European countries, and Tim Hortons.

Delivery will be a big focus, with customers able to order delivery through Popeyes' own app or other delivery services.

Popeyes marinates its fried chicken for 12 hours, and serves it in sandwiches or on its own. It also sells fried prawns in the US.



Popeyes currently operates more than 3,400 restaurants across 29 countries. It is one of several US QSR chains recently looking to expand in the UK, including Wendy's and Chipotle.



US burger chain Wendy's is opening a new store in Croydon – its first London opening since announcing its return to the UK market. The new restaurant will offer dine-in, takeaway and delivery. A total of five sites are expected to open in the UK this year, with the aim of eventually reaching 20.

The chain previously operated around 10 restaurants around the UK, including sites on Shaftesbury Avenue and Oxford Circus. However, it left the UK market in 2000 to focus on its home market. Wendy's now has over 6,700 outlets in 30 countries around the world.



One of the flagship items at Wendy's is the Baconator burger. In the US the brand also offers chicken sandwiches, salads and breakfast items.





# ASK YOURSELF...



- ✓ Are you currently maximising the off premise *GROWTH OPPORTUNITY?*
- ✓ Is your current food offer *SUITABLE FOR OFF PREMISE?*
- ✓ Does it *DELIGHT YOUR CONSUMERS* time and time again?

## ARE YOUR FRIES & SIDES



## ?

For further insight on how McCain Foodservice can support your business on capitalising on the category growth drivers.

**Please contact your Customer Sales Manager or your Category Manager**



**FOODSERVICE  
SOLUTIONS**