



Market Report

A Snapshot of your Market Sector

Catering

Cost of Doing Business Support

For information on **reducing the cost of running your business**, the [Find Business Support](#) website has links to advice, funding and regional support.

This pack has been designed to provide information on setting up a business in the **Catering** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **November 2021**. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

What do I need to know about the Catering market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ The UK contract catering industry fell by **55% in 2020**, caused by site closures, consumer wariness and continued restrictions in operating capacity. The contact catering market is estimated to grow by 90% over the five-year forecast period to reach a value of **£5.1 billion in 2025**. The recovery will be dependent on consumer confidence, which should be boosted by the public vaccination programme which began in December 2020. (Mintel, *Contract Catering – UK*, December 2020).
- ◆ Operators have felt the effects of increased uncertainty surrounding the UK's departure from the European Union over the five years through 2021-22. A fall in business confidence and the marriage rate is expected to weigh on demand for corporate functions and private events over the five years through 2021-22. The outbreak of the COVID-19 (coronavirus) pandemic is expected to have significantly weighed on revenue in 2020-21 with most event being cancelled or postponed. Over the five years through 2021-22, industry revenue is expected to contract at a compound annual rate of **6.5%**, including a revenue recovery of **165.3%** in the current year, to £1.1 billion. (IBISWorld, *Catering Services in the UK*, June 2021).
- ◆ Despite long periods of closure and ongoing uncertainty surrounding COVID-19, the vast majority of consumers still consider themselves to be pub diners. **81%** of consumers say they visit pubs to eat during the day, whilst **79%** do so in the evening. These figures are broadly comparable to pre-pandemic times, although the proportion of daytime diners has slipped from 84% to 81% since March 2019. However, it is clear that some consumers are eating food in pubs less regularly than they were prior to the pandemic. The number of people who say they eat at pubs during the day at least once a month has fallen from **50%** to **46%** since 2019, while the proportion of evening diners has dropped from **43%** to **40%**. (Mintel, *Attitudes Towards Pub Catering – UK*, 2021).
- ◆ The national organisation for this industry is the [British Hospitality Association](#). Other industry bodies include the [Nationwide Caterers Association](#), [The Association of Scotland's Self Caterers](#) and [the Association for Catering Excellence](#).

Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **Mintel – Contract Catering – UK** (December 2020). The coronavirus pandemic has discouraged canteen usage with over half of respondents (**53%**) stating that they would visit canteens less over the next 12 months, and **69%** of these people listed concerns over exposure to COVID-19 as a reason for visiting canteens less. Consumer wariness, in addition to COVID-19-related closures and restrictions subdued the contract catering market's performance in 2020 and led to a **55%** reduction in its value to **£2.7 billion**.
- ◆ **IBISWorld - Catering Services in the UK** (June 2021). Businesses are estimated to account for **46.8%** of industry revenue in 2020-21. Events for this market typically consist of conferences, trade shows, product launches and other functions such as holiday parties, annual events and shareholder meetings. Businesses generally have higher budgets to spend on functions than consumers and consequently have more lavish events with higher quality food. As a result, business functions usually generate a greater amount of revenue per event than events organised by individuals. According to VisitBritain, the UK conference and meeting delegates market grew by £1.9 billion over 2018, to total £20 billion. Larger industry operators tend to gain more revenue from this customer base, as small firms often do not have access to the resources required for bigger events.

There are also a number of online resources you may find helpful:

- ◆ News articles from **Hospitality and Catering News** (<https://tinyurl.com/yd7jue85>).
- ◆ **Department for Environment, Food & Rural Affairs, Food Statistics Pocketbook**, last updated in **November 2020** (<https://tinyurl.com/y5tzls3t>). This document provides a summary of statistics covering the economic, social and environmental aspects of food in the UK.
- ◆ **Food Standards Agency** (<https://tinyurl.com/y9d78qs5>). The FSA produces a wide range of publications for the public and the food industry.

Disclaimer: Please note that this research may contain copyrighted material. Copyright belongs to the holders credited above and, as such, recipients of this research reproduce and repurpose this information at their own risk.



Connect with us

How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#) ,[Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



Connect with us

What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Retaining and Grow Your Customer Base](#) will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these website, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Accountant](#)" tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

Although every effort has been made to ensure the accuracy of the information provided, Business Gateway will not be held liable for any inaccuracies or omissions in the data supplied, or for the content of any website that the document above may contain links to. By using this information, you accept this disclaimer in full. Also, please note that Business Gateway does not endorse any business or individual that may be referred to above.

You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

Last updated: November 2021

Updated by: Rosie

Connect with us