



Market Report

A Snapshot of your Marketing Sector

Restaurant, Café and Coffee Shop

This pack has been designed to provide information on setting up a business in the **Restaurant, Café and Coffee Shop** 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 **July 2025**

What do I need to know about the Restaurant, Café and Coffee Shop 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 industry has experienced a decline in revenue over the past five years, with a compound annual growth rate (CAGR) of **-3.4% from 2020 to 2025**. This decline has been attributed to several factors, including a decrease in profit margins and significant operational challenges, such as rising energy and labour costs. Despite these challenges, the number of **businesses has increased annually by 1.2% during the same period**, indicating some resilience and adaptability among smaller and independent cafes that are capitalizing on consumer demands for sustainability and quality. (IBISWorld, *Cafés and Coffee Shops in the UK*, April 2025)
- ◆ Foodservice value **sales increase by 6% in current terms in 2024 to GBP18.5 billion**. Outlet numbers grow by 0.4% to 58,573 in the same year. Juice/smoothie bars is the best performing category in 2024, with foodservice value sales increasing by 14% in current terms to GBP107 million. Foodservice value sales are set to grow at a current value CAGR of 3% (2024 constant value CAGR of 1%) over the forecast period to GBP21.3 billion. The **number of outlets is expected to increase at a CAGR of 1% to 60,648** over the same period. (Euromonitor, *Cafés/Bars in the UK*, February 2025)
- ◆ The outlook for the restaurant industry from 2025 to 2030 is positive but comes with some challenges. Revenue is expected to **grow at a compound annual rate of 3.5%**, driven by increasing consumer demand for dining out. However, the industry will continue to grapple with labour shortages and rising wages, which are of significant concern. Restaurants will likely focus on innovation and technology to enhance customer experiences and operational efficiency, while sustainability and local sourcing will become even more critical. Social media will remain a key marketing tool to attract and retain customers, along with promotions and loyalty schemes. (IBISWorld, *Full-Service Restaurants in the UK*, April 2025).
- ◆ Over half of UK foodservice consumers and nearly two thirds of those over 45 prioritise high-quality food, creating a chance to win older diners with premium ingredients and well-prepared dishes. Younger diners aged 16-44 focus on affordability, **with 52% valuing deals like 2-for-1 offers**. Additionally, **32% of foodservice consumers and 48% of 16-34 year olds have redeemed restaurant app rewards** in the past six months, underscoring their importance. Balancing the needs of quality-focused older diners and budget-conscious younger ones will be key to success. (Mintel, *Eating Out - UK*, January 2025).
- ◆ The national organisation for this industry is [UK Hospitality](#). Other industry bodies include [The British Coffee Association](#), [Specialty Coffee Association UK](#), [Scotland Food and Drink](#), [Scottish Food Trade Association](#), [Catering Scotland](#) and the [Food and Drink Federation](#)

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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.

- ◆ **IBISWorld – Café and Coffee Shops in the UK (April 2025).** The most popular product in this segment is coffee, which represents a £3.6 billion market. Britons now drink around 98 million cups of coffee a day, with younger generations leading the shift in preference from tea to coffee. Additionally, there is a rising demand for artisan and specialty coffee options, with consumers willing to pay more for premium products. Besides coffee, cafes are also diversifying their beverage menus to include water, carbonated drinks, juices, teas, and hot chocolate. Health-marked drinks like kombucha and low-sugar varieties are gaining popularity due to increasing health awareness among consumers.
- ◆ **IBISWorld – Restaurants and Takeaways in the UK (June 2025).** There are opportunities for businesses that can develop strong customer loyalty, adapt quickly to healthier food trends, and maintain competitive pricing. Additionally, the industry has very low barriers to entry, allowing new businesses to enter the market easily.
- ◆ **Statista – Restaurants in the United Kingdom (February 2025).** This report presents a selection of statistics and facts about the restaurant industry in the United Kingdom. It provides an overview of the UK food service market, plus data on restaurant revenue, leading restaurant chains, and consumer behaviour. It also includes a spotlight chapter on employment in hospitality.

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

- ◆ **Food and Drink Scotland** have an information portal [The Knowledge Bank](#) which offers industry reports and useful statistics that are specific to the market in Scotland.
- ◆ The [Scottish Government Food and Drink Strategy](#). The food and drink industry is a major contributor to Scotland's economy. It is worth around £15 billion each year and accounts for one in five manufacturing jobs. Scotland has 18,850 food and drink businesses, which employ around 115,400 people.
- ◆ [Visit Scotland – Food and Drink Tourism](#). This page explores the food and drink experiences of visitors to Scotland. Food and drink are a key part of a visit to Scotland, almost half (46%) of visitors participated in at least one food and drink experience whilst on their trip, rising to 62% for long haul visitors.
- ◆ **COBRA Reports, Accessed from [National Library of Scotland](#).** Have several Business Opportunity Profiles on a range of food service industries including **Café/Snack Bar, Tea Room, Coffee Shop, Cat Cafe, Board Game Café and Restaurant**. These include key market issues and trends, trading, commercial and legal issues and legislation.

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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**



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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 [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

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 websites, 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.



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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.

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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.

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