



Market Report

A Snapshot of your Market Sector

Sandwich Bar

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 **Sandwich Bar** 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 2022**. 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 Sandwich Bar 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:

- ◆ **Packed lunches are increasingly popular, eaten by 76% of workers** who don't currently work mainly/entirely at home, and who state their interest in doing so is *saving money*. Lunchtime foodservice operators' margins have been squeezed more than ever before having been hit by the pandemic, Brexit, VAT returning to 20% from 1 April 2022 and now unprecedented increases in fuel/energy and ingredient costs. This has resulted in a significant increase in prices, even at the budget end of the market with the likes of Greggs and McDonald's already raising prices of some items more than once this year. (Mintel, *Attitudes to Lunch out of home UK*, June 2022).
- ◆ IBISWorld reports that within the Bakery Café industry, **bread and sandwiches** are expected to account for the **largest share of industry revenue in 2021-22, at 48% (£465.84m)**. Bakery cafes are also expanding product ranges to include gluten-free and vegan options in order to attract more customers. (IBISWorld, *Bakery Cafes in the UK*, July 2021).
- ◆ In 2020, an estimated 7.7million people used coffee shops or a sandwich bar to take away a drink, while **6million** took away something to eat. In **2021, over £530million** was spent by UK consumers on sandwiches, rolls, and baguettes (SRB). This was a large increase in value of roughly £156million in comparison to the previous year. (Statista, *Food & Drink Services*, July 2021 and *Food & Nutrition*, June 2022).
- ◆ Supermarkets are the most used retail channel for buying lunchtime foods, attracting 58% of category buyers. **Pre-packed sandwiches** are the most popular retail lunch choice, eaten by **37% of people**. Own-label dominates the pre-packaged fresh sandwiches market, reflecting the challenges brands face in creating tangible, inimitable points of difference. (Mintel, *Lunchtime Foods in Retail UK*, February 2022).
- ◆ **23% of consumers visited a coffee shop or sandwich bar** to buy drinks in the year to September 2021, up from 21% a year beforehand. Therefore, bakeries and sandwich shops that focus on coffee shop-style drink offerings are providing greater competition to specialised coffee shops. (Mintel, *Coffee shops UK*, November 2021).
- ◆ The national organisation for this industry is [The British Sandwich & Food to Go Association](#). Other industry bodies include [UK Hospitality Association](#), [Scotland Food and Drink](#), the [Scottish Food and Drink Association](#) and the [Café Life Association](#).



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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.

- ◆ **Mintel – Burger & Chicken Restaurants UK (August 2022).** Overall usage of fast food outlets/restaurants is still lagging behind pre-pandemic levels in 2022. Subway and Burger King, in particular, saw usage in 2022 drop by 7% and 6% respectively, from 2019. Subway is undergoing a menu revamp to launch 12 sandwiches consisting of existing sandwiches and new options. Subway UK continues to expand its number of locations in the UK from 2,229 in 2021 to 2,318 in 2022.
- ◆ **Mintel – Bread UK (November 2022).** Bread is most likely to be used to make sandwiches (83%) or toast (77%) reflecting its continuing importance for breakfasts and lunches. A threat to bread sales going forward is that a lower proportion of Generation Z eat bread on these occasions than older groups, though seven in 10 still do. Brands will be vulnerable to people switching to own-label to save money during the cost-of-living crisis, as 61% of eaters and buyers of bread agree that own-label bread tastes just as good as branded.
- ◆ **IBISWorld – Bread & Bakery Goods Production in the UK (November 2022).** Market demand has seen product innovations by plant bakers, an example being sandwich thins, which are thin slices of bread designed for making low-calorie sandwiches. There is growing consumer demand for non-bread bakery products, particularly the rise in popularity of crumpets and bagels. According to the British Society of Baking, bagels and wraps were among the best performing bakery products during the coronavirus pandemic, recording sales growth of 22% and 17% respectively in 2020.

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

- ◆ **FoodHub** – In November 2021, a study by Food Hub named the Bacon Butty as the UK's favourite sandwich. According to the study, one in five Brits (20%) opted for bacon as their favourite, with cheese (18%) coming in second and cheese and pickle (15%) in third, with ham and cheese in fourth. (tinyurl.com/mt2rtw43).
- ◆ **British Sandwich Week** – this site offers useful market Facts & Figures, Recipes and Event news, as well as information about the annual Sandwich Week.
- ◆ **Café Life Magazine** (tinyurl.com/3cnbf785) and **International Sandwich & Food to Go News** (tinyurl.com/yck4ktpa) - monthly trade publications for sandwich shop owners and café, tearoom and coffee shop owners in the UK. The publications provide market news and trends, reviews of new tea, coffee and snack products, and details of trade events.
- ◆ Franchises provide both opportunities and competition for start-up sandwich shops. See pointfranchise.co.uk for examples of franchises and fees.

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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 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](#).

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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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