



Market Report

A Snapshot of your Market Sector

Street Food

This pack has been designed to provide information on setting up a business in the **Street Food** 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 **October 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 Street Food 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:

- ◆ Over the five years through **2020-21**, industry revenue is expected to **fall** at a compound annual rate of **11.8% to £569.4 million**, mainly as a result of the 59.1% collapse in revenue during the pandemic. However, economic conditions are expected to improve over the coming five years, enabling the industry to recover and grow at a compound annual rate of 22% over the five years through **2025-26, reaching £1.5 billion**. (IBISWorld, *Food Markets in the UK*, February 2021).
- ◆ Out of 2000 consumers who had eaten lunch out-of-home in the survey period, more than **half (51%) had ordered a takeaway for lunch** in the last 12 months to April 2021. Multiple takeaway formats have helped the foodservice lunch market diversify traffic across home delivery (29%), drive-through (24%), orders made in-person (23%) and orders for collection (18%). 63% of consumers have ordered a takeaway for lunch from a fast food outlet, with **15% choosing food from a Street Food stall**. (Mintel, *Attitudes towards Lunch Out-of-home - UK*, June 2021).
- ◆ The value of the foodservice market is estimated to have **declined by 58% in 2020**, to reach just **£32.4 billion**, down from £76.8 billion in 2019. Mintel's central forecast is for a **sharp recovery in sales in 2021, increasing from its 2020 low to £46 billion: a rise of 41%**. As hospitality venues reopen there is huge pent-up demand for eating and drinking out of home, with consumers saying these are among the things they are most looking forward to doing. (Mintel, *COVID-19 and Foodservice: A Year On – UK*, April 2021).
- ◆ As many foodservice venues closed their doors during the national lockdowns, outlets that focused on takeaways with minimal social contact saw a spike in orders, with street food venues/stalls **increasing their market penetration by 5% points to 29%** of consumers surveyed. (Mintel, *Eating Out Review: Inc Impact of COVID-19 – UK*, December 2020).
- ◆ Perhaps unsurprisingly, the end to most social distancing measures means that **foodservice saw the biggest rise in activity**. 17% of people had been out for a meal in the three months to July, compared to just 9% in the same period to May 2021. (Mintel, *Consumers and the Economic Outlook - UK*, Summer 2021).
- ◆ The national organisation for this industry is the [Nationwide Caterers Association \(NCASS\)](#). There is also useful information from the Nationwide Caterers Association on starting a street food business on [Street Food UK](#), and further guidance offered on [National Market Traders 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.

- ◆ **Mintel – Fast Casual Restaurants UK** (July 2021). ‘Crowded by design’ food halls were particularly hard hit by the pandemic. Street Feast, for instance, was operating four popular London-based food halls/street-market venues in Canary Wharf, Canada Water, Shoreditch and Lewisham before COVID-19 hit, but was forced to close three of its four venues permanently due to collapsed footfall. However, the broader picture has been one of healthy growth, with consumers tempted out by an increasingly diverse and high-quality dining scene. e.g. Boxpark launched its Boxhall concept on a large site in Bristol, while its London venues have been more focused, featuring between six and 12 street food vendors. Food hall visitation will be led by 16-34 year olds, with 55% saying they are likely to eat in at a food hall in the next six months compared to 38% of all.
- ◆ **Mintel – Ethnic Restaurants and Takeaways UK** (April 2021). According to the Mintel Trend Driver Identity, it is important for 53% of Britons to feel part of a community, and there is an underlying positive perception of familiarity in street food markets, with these standing out as being viewed as part of the community (34%). The pandemic has led many consumers and communities to come together to support each other, with more consumers keen to visit street food markets regularly once they feel safe to do so as part of their efforts to ‘support local’. An added advantage of street food markets is the typical outdoor nature of these venues which suits current social distancing trends as people continue to limit the time spent in-store. Street food markets are the most likely form of food venue to be described as unhygienic (20%), therefore Street food market operators should make food hygiene ratings a priority, given that 61% of consumers check an ethnic restaurant or takeaway’s food hygiene rating before visiting or ordering from it.
- ◆ **IBISWorld – Food Markets in the UK** (February 2021). People aged under 35 are expected to account for the largest proportion of industry revenue in 2020-21, at 47.8%. People in this category eat outside of the home more frequently than older consumers, particularly for lunch when at work, because they are often time-poor and regard the perceived health benefits of eating a freshly prepared meal highly.

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

- ◆ **Trail Blazer BBQ** – offers an article **5 Street Food Trends of 2021** (tinyurl.com/r4zz5yjc)– highlighting current trends in this sector.
- ◆ **StartUps.co.uk** – several articles and advice blogs on [Street Food](#) businesses in UK.
- ◆ **Restaurant Insights 2020** - A Paymentsense Annual Market Report which takes a look at facts and significant trends in eating out and restaurant sector. (tinyurl.com/y4olvcpj)

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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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