



# Market Report

A Snapshot of your Market Sector

## Takeaway Food

This pack has been designed to provide information on setting up a business in the **Takeaway 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](http://www.bgateway.com/businessplan)), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **October 2020**. 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 Takeaway 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:

- ◆ As of November 2019, **79%** of Brits said they bought home delivery/takeaway food, down slightly from **82%** the year prior. However, demand from the sector's core base of affluent consumers is holding up well, as illustrated by **the 83%** of those earning over **£50,000** who've ordered takeaway. Those who remain in the market are also increasing their frequency of ordering, with **26%** ordering at least once a week compared to just **22%** a year ago. (Mintel, *Attitudes Towards Home Delivery and Takeaway – UK*, March 2020).
- ◆ Competition is rife in the ethnic takeaways market, as restaurants face a greater threat from non-specialists, such as supermarkets, which are competing on price and convenience. However, with more and more traditional eat-in restaurants entering the takeaway market, Mintel expects to see growth of **12%** in the ethnic takeaway/home delivery segment over the **next five years (2019-24)**, with value reaching **£7.7 billion in 2024** (Mintel, *Ethnic Restaurants and Takeaways - UK*, February 2020).
- ◆ IBISWorld expects revenue to expand at a compound **annual rate of 2.8%** over the five years through 2024-25 to reach £22.9 billion. The terms of the UK's exit from the European Union may create difficulties for the industry over the next five years. New immigration rules after the transition period ends on 31 December 2020 could negatively affect operators. According to the BBC, the government has indicated that low-skilled workers will not get visas and a points-based immigration system will be introduced. As the industry is not reliant on skilled workers, a labour shortage could occur. This may lead to higher wage costs, squeezing profit margins for operators. Additionally, if Britain leaves the European Union without a deal, supply chains are expected to be disrupted, as imported ingredients are essential in the production of fast food (IBISWorld, *Takeaway & Fast-Food Restaurants in the UK*, March 2020).
- ◆ Recovery from the COVID-19 (coronavirus) pandemic would also be beneficial to the industry, with unemployment falling and incomes rising. However, some sort of distancing measures are likely to remain in place until there is a vaccine for the coronavirus, which may take a considerable time. As a result, consumers may remain cautious about dining out, which would continue to benefit the industry in the short term (IBISWorld, *Pizza Delivery & Takeaway in the UK*, August 2020).
- ◆ There are several national organisations for this industry including the [British Takeaway Campaign](#), [British Hospitality Association](#), [Scotland Food and Drink Federation](#), 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](mailto:info@bgateway.com).

- ◆ **Mintel - Attitudes to Home-delivery and Takeaway Food - UK** (March 2020). 50% of takeaway diners would be willing to order from a restaurant with no shop front, now commonly referred to as a 'dark kitchen' (see Market Drivers). Younger consumers are most open to the idea in comparison to their older counterparts (62% of 16-24s versus 29% of over-65s). However, 25% of 45-64s and 32% of over-65s 'don't know' if they would consider using them, indicating unfamiliarity with the concept among older consumers.
- ◆ **Mintel – Ethnic Restaurants and Takeaways – UK** (February 2020). 18% of Britons strongly agree and a further 44% agree that ethnic restaurants and takeaways should offer customers a discount for using their own takeaway containers (see Eating Out Attitudes). Operators should promote sustainable business practices to forward-looking consumers who are most likely to be receptive to responsible restaurants and food choices.
- ◆ **IBISWorld - Pizza Delivery & Takeaway in the UK** (August 2020). The public is becoming increasingly health conscious, with many people seeking to improve their diets and nutritional intake by choosing healthier food options. This is expected to increase competition from restaurants and fast-food chains that offer healthier alternatives to pizza. Nevertheless, new entrants in the industry may seek to exploit the opportunity that health consciousness brings by targeting niche markets with products like gourmet pizza. These products often use higher quality items and fresh ingredients that are considered better for health. Due to the higher prices of such pizzas, operators benefit from bigger margins as consumers are willing to spend more knowing that they are eating healthier. Hence, operators offering these options are expected to grow at a faster rate over the next five years compared to traditional operators.

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

- ◆ **From Institute of Grocery Distribution (IGD) – Coronavirus (COVID-19): UK foodservice today and tomorrow** ([tinyurl.com/y6v5woqy](https://tinyurl.com/y6v5woqy)) - According to industry consultant Peter Backman, around 30% of all spend on food and drink is made out of the home – a substantial part of the market and a daily habit for many. . . With major national chains such as Greggs, McDonalds, Subway, Pret, KFC and Burger King, closing stores completely, the opportunity for independent operators to fill the gap is huge.
- ◆ **Food Drink Europe** ([www.fooddrinkeurope.eu](http://www.fooddrinkeurope.eu)) this is a useful website which collates industry news and data insights from across Europe.

**Disclaimer:** This report has been updated in October 2020 - we have included Post COVID-19 market material where available. 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.



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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](mailto: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](mailto: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.

## 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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