



# 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 February 2018. 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:

- ◆ **45% of men aged 16-44** are more likely to order takeaway/home delivery more than three times a month directly from restaurants. Only 13% of people order takeaway/ home delivery directly at least once a week directly from restaurants and 8% through a third-party. (Mintel, *Attitudes to Home-delivery and Takeaway Food – UK Report*, March 2017).
- ◆ The ethnic restaurants and takeaways market is expected to be worth **£11 billion in 2017** and to reach £15 billion by 2022. Chinese restaurants lead the eat-in segment: **34% of Britons** have eaten Chinese food out of home in the three months to October 2017. (Mintel, *Ethnic Restaurants and Takeaways - UK Report*, January 2018).
- ◆ Regulation in the form of taxes on fast food and bans on fast-food advertising are expected to threaten the industry over the next five years. Industry revenue is **forecast to increase at a compound annual rate of 2.7%** over the five years through 2022-23 to reach **£21.8 billion**. (IBISworld, *Takeaway and Fast-Food Restaurants in the UK Report*, November 2017).
- ◆ One of the major driving forces for the industry has been consumers' desire for convenience. Consumers with busier lifestyles who work more hours are more likely to order takeaways than to cook for themselves. The average weekly hours of work is expected to rise slightly in 2017- 18, which is an opportunity for operators. Since consumers are projected to continue prioritising convenience, **revenue is forecast to grow at a compound annual rate of 3.5% over the five years through 2022-23 to reach £3.4 billion**. (IBISworld, *Pizza Delivery & Takeaway in the UK Report*, February 2017).
- ◆ **76% of UK consumers** have bought lunch out of home for an everyday occasion in the last three months and 75% for a leisure occasion. This is a large increase compared to the findings of the 2016 research when 64% and 68% had done so respectively. (Mintel, *Consumer Attitudes Towards Lunch Out-of-Home – UK*, October 2017).
- ◆ There are several national organisations for this industry including the British Hospitality Association, Scotland Food and Drink, The Beverage Standards Association and the Food and Drink Federation.

## 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 2017)***. Price is a key consideration when ordering home delivery. This translates to lower consumer spend, as opposed to the average dine-in visit at a restaurant. Changing British lifestyles boost takeaway/home delivery services as consumers turn to delivery services to provide quick meals as they find themselves having no time to cook at home and to wash dishes. Mobile ordering is still very new and the market is small. It is important to note that home delivery is still driven by traditional methods of ordering in person at the venue and by phone.
- ◆ **IBISWorld - *Takeaway and Fast-Food Restaurants in the UK (November 2017)***. Profit margins in the industry are expected to have narrowed over the past five years. The introduction of the National Living Wage of £7.20 in April 2016 for employees over 25 is expected to have significantly increased wage costs for the industry. Many workers are paid the minimum wage for unskilled labour, which meant that a significant proportion of workers were entitled to the pay rise. The increasing use of online delivery sites like Just Eat has also increased competition in the market by allowing consumers to compare menus and prices of different takeaways.
- ◆ **IBISWorld - *Pizza Delivery & Takeaway in the UK (December 2017)*** Establishments that do not subscribe to ordering sites can often go under the radar and lose customers. However, restaurants subscribed to ordering sites pay up to 10% commission on revenue made through the site. This has put many operators in a difficult position as they are forced to choose between losing out on potential customers or paying high commission fees.
- ◆ **Mintel – *Ethnic Restaurants and Takeaways – UK (January 2018)*** 49% of British consumers are most likely to visit ethnic eateries that offer all-you-can-eat buffets. Women are drawn to shareable dishes; in particular women aged 16-24 (42%) who are encouraged to visit ethnic restaurants that offer dishes to be shared at the table. 44% of men aged 25-44 would be motivated to visit ethnic restaurants that serve set meals. The scope for full-service venues to generate additional revenue by moving into grab-and-go is apparent in that 20% of British consumers would like to see these options from ethnic eat-in restaurants.

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

- ◆ **The Food People, Food and Beverage Trends 2018** (<https://tinyurl.com/y85f8ay8>) This year Korean and American Korean (e.g. Korean barbecue) is approaching mass market appeal.
- ◆ **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:** 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](mailto: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](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 [Retaining and Grow Your Customer Base](https://tinyurl.com/c2fw4o4) (tinyurl.com/c2fw4o4) 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 Account](#)" 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](#).

**Last updated:** Feb 2018

**Updated by:** James Brown



**Connect with us**