

FOODSERVICE INTELLIGENCE FROM  
**Allegra STRATEGIES**

## Breakfast Trends for 2014

>> Allegra Foodservice has reported on the growth of consumers eating out at breakfast over the past year, and we forecast this to continue during 2014.

When frequencies of eating out at lunch and dinner were falling during 2013, breakfast frequencies were increasing, although it is the least eaten out occasion, with only 1.9 meals per month eaten out on average by consumers.

The key driver for consumers eating breakfast out has been an increase in availability; as more operators provide a breakfast offer, more consumers will take the opportunity. This is partly because of our greater need for convenience as we work to fit more into our lives, but it's also a function of the growth in coffee shops – we are accustomed to buying a coffee and a snack in the morning, so breakfast is an easy step up for consumers.

The pub market has been important in driving breakfast sales, with Wetherspoons leading the way, and pubs in the right locations are in a good position to build on this opportunity.

The trends for breakfast will still feature elements of a traditional English breakfast, whether that be a bacon roll or the full English, although the Australian influence with Eggs Benedict is becoming more prevalent and provides a really attractive breakfast option. We do expect to see more savoury pastries being developed to provide an alternative to traditional croissants and viennoiserie.

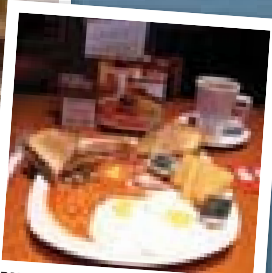
Porridge will continue to develop, and more consumers will maintain the trend of having a low GI, healthier start to the day with porridge or muesli.

We have also forecast more use of different types of eggs, such as duck, or even goose, and different ways of serving them, which provides operators with options such as Turkish eggs or Frittatas.

Breakfast will certainly continue to be an egg-citing growth area in 2014!

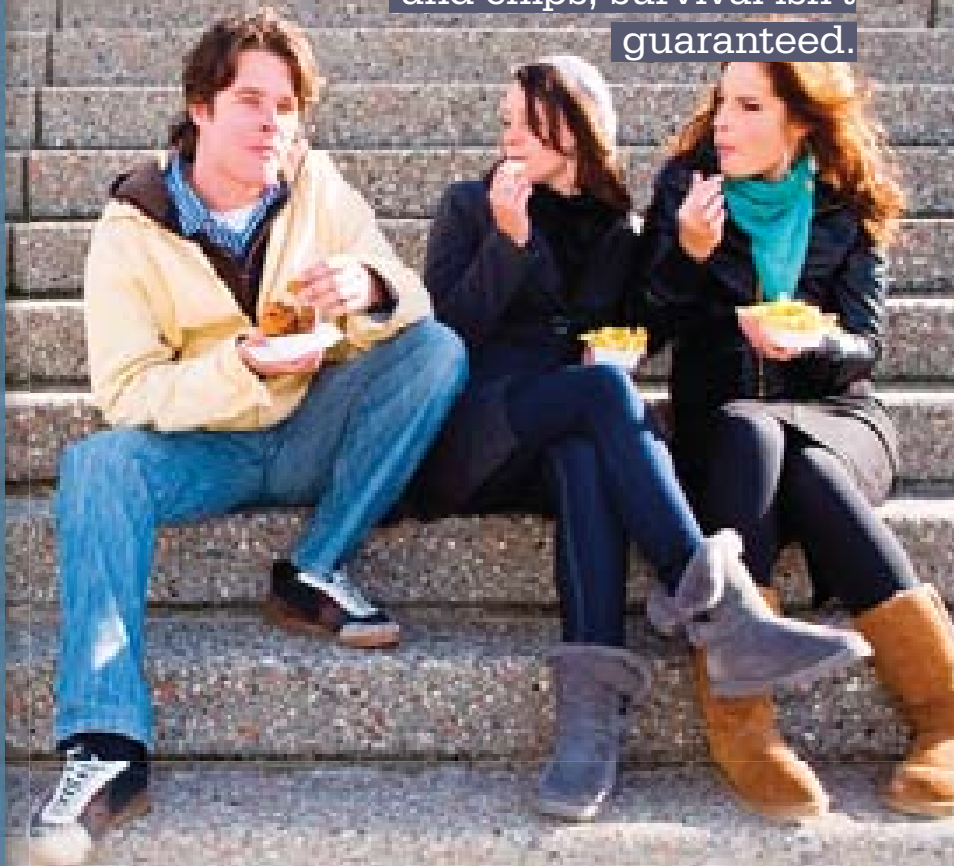


Duck & Waffle



Wetherspoons

...despite our love affair with fish and chips, survival isn't guaranteed.



## Fish and chip shops 'batter' it out for survival

>> Britain's fish and chip industry is facing increasingly tough competition from the fast food giants, according to the latest research.

The sector grew by 1.1% in the year ending September 2013 but will have to 'batter' it out with fast food brands to keep their place in the £11 billion market.

New foodservice industry figures from The NPD Group, a global information company, show that Britain's fish and chip shops saw a small increase in total spend and consumers are now spending an average of £3.20 per person each time they visit their local chippie.

Fast food has done well in the recession as people trade down to the cheaper channels when eating out and the British fast food market (which includes burger chains, chicken shops, kebab shops, takeaways, chippies and pizza deliveries) accounts for 23% of the total out-of-home eating industry. Brands account for 50.4% of traffic and 50.6% of sales in the fast food market.

'Quality of food' has increased in importance this year with 24.5% of fast food consumers saying this was a reason for choosing a particular place to eat (up from 22.6% last year). 28.7% of consumers cite 'good price' as a reason for choosing where to eat in the fast food market – up significantly from 9.7% in 2008.

Guy Fielding, director of business development for The NPD Group, said:

**"The independent chippies will need to fight hard to compete with the might of the big chains in terms of promotions and overall marketing activity."**

*"Our chippies need to think 'family' and attract adults with their kids, offering real value rather than just cheap food at low prices. But despite our love affair with fish and chips, survival isn't guaranteed. Many of the chain competitors selling burgers and chicken directly over the counter are offering great family deals, something that is not replicated in the chip shop channel. You can feed a family for £12 at a fast food chain – can the same be said for the independent British chippie?"*

Breakfast

# The Best *Start* to Your Day

Breakfast occasions in the quick service sector, including coffee chains and fast food outlets, grew by 10.5% last year...



>> Around a quarter of consumers eat breakfast out of home once a week or more and out of home breakfast visits are up 2.2% – so it's worth setting your alarm to make the most of this growing market.

Much of this growth has been attributed to an increase in the number of places that serve breakfast and the main reasons people are choosing to have a breakfast out of home is convenient location, good price closely followed by fast service (Mintel, Feb 2013).

John Sutcliffe, out of home and convenience controller, Taylors of Harrogate, says: "Pubs are an example of a sector that has become wise to the consumer demand for breakfast out-of-home and moved away from more traditional hours, opening their doors much earlier and increasing takings in the process."

Breakfast occasions in the quick service sector, including coffee chains and fast food outlets, grew by 10.5% last year to 553million. Meanwhile, full service restaurants saw a 7.8% rise in early morning traffic to 70.4million breakfast occasions.

Average breakfast spend has increased to £3.04 per visit – up 5.6% growth from last year.

## Breakfast with a bang

When it comes to breakfast – be it a plated sit-down meal, hand-held snack or buffet option – bacon and sausages are an important part of the offering.

Tony Goodger, of BPEX, says: "Caterers offering breakfast really need to stand out for all the right reasons. This means sourcing good quality, thick sliced rashers of bacon to deliver real bite and flavour to complement the other meal components (sweet cured and smoked bacon are ideal examples). For sausages, traditional pork and breakfast style chipolatas are readily available from catering butchers and suppliers. With a high meat percentage and just a hint of seasoning so as to not overpower the palate, these are the perfect choice for morning consumption."

For those taking breakfast on the run, speed is of the essence. Caterers need to have their bacon and sausages hot and ready to serve in a sandwich or



Tea and coffee also present the perfect opportunity to upsell



Bubble & squeak from the Daloon Simply Meat Free range



bun to be eaten on the move. Here, Tony advocates the range of quality quick and pre-cooked sausages and bacon that can deliver an advantage. Significantly improved and with a growing number of Quality Assured, Red Tractor and award-winning versions on offer, they are convenient (they can be cooked in a microwave) and offer excellent profit potential.

Bacon and sausages with reduced fat or salt content are a good idea for health-conscious customers, and a growing number of consumers are demanding meat-free options at breakfast-time too.

Retail statistics, which tend to mirror trends in foodservice sector, show that the vegetarian food market has grown in value by +6.6% as a result of increased spend. This is part of a longer term trend that has seen the value of the vegetarian food market grow from £333million in 1996 to £786.5million in 2011 (Mintel), showing that a lot more vegetarian food is being eaten throughout the country.

Comments Simon Cliff, general sales manager – foodservice, Daloon, which recently launched a Simply Meat Free range, including sausages and bubble & squeak: *“The vegetarian and meat reducer market is showing significant growth in the UK and is set to continue. Combined with the change in eating habits resulting in major growth in the out of home breakfast market, our products are an ideal choice for caterers looking to offer alternative breakfast menu options.”*

## Brew time

**47% of coffee consumed out of home is in the morning, so it's vital to get your offer right.**

Says Lynn Little, standard ingredients CBU lead at Nestlé Professional: *“No breakfast is complete without a coffee. In fact, 49% of coffee is consumed at work before 11am so breakfast time is by far the biggest coffee sales opportunity for operators. Let's face it, we all have high expectations for our first coffee of the day – a great breakfast could be ruined by a bad coffee!”*

Lynn recommends promoting a range of coffees to ensure there's something for everyone – Nestlé recently added Nescafé Azura, an instant barista-style coffee, to its range – and make sure you have plenty of marketing aids.

*“Point of sale is important,” she continues. “Think about swing signs promoting Latte and Espresso as a great start to the day, for example. People buy trusted brands, therefore make sure that any brand logos, like Nescafé, are visible.”*

Tea and coffee also present the perfect opportunity to upsell, says John Sutcliffe. *“When it comes to breakfast, the importance and profitability of your hot drinks offering shouldn't be underestimated. Hot drinks are a great way of getting customers to trade up to that breakfast bap or pastry and when you consider the profit margins involved, your tea and coffee offering should be considered just as carefully.”*

The economic climate means that now, more than ever, people are looking for value

for money when eating out, especially with disposable incomes under increasing pressure – £7 less a week versus two years ago – as a result the high street has never been a more competitive arena for the breakfast pound.

## Indulge in innovation

**As well as looking for value for money, many consumers are looking for something slightly different from the usual breakfast offers or what they can eat at home.**

Delifrance's recently launched award-winning Crois'sandwich is a combination of croissant and bread – and is perfect to make rolls with bacon for a typically English breakfast or served with smoked salmon for a more indulgent eat.

For the more health-conscious consumer, try the brand's Muesli Break, which is a crispy pastry roll generously filled with classic breakfast ingredients – creamy yoghurt, juicy sultanas, nuts, dried fruits and crunchy cereals.

## Morning fuel

**Research reveals that 46% of people skip breakfast and caterers can make the most of this opportunity by stocking products such as breakfast bars, such as Belvita Breakfast and Nutrigrain, to target grab-and-go customers.**

Since its launch, Belvita Breakfast has seen huge success, celebrating over £57million year-on-year sales in November 2013, and holds the number one spot in Healthy Biscuits and number four in Total Biscuits (The Nielsen Company, Total Coverage MAT to w/e 02.11.13).

Research shows over 82% of caterers agree that there is a growing demand for healthier on-the-go products, while 53% believe that breakfast snack consumption is increasing, and 41% already offer biscuits as an option for breakfast.

Susan Nash, trade communications manager for Mondelēz International, says: *“We believe the breakfast market has been waiting for a product that is designed to fit in with changing lifestyles. According to our research, more than a third of consumers will skip breakfast at some point during the week, with most of these citing lack of time as the reason. There is also a high incidence of food consumption with hot beverages, with 60% of caterers agreeing that when buying a hot drink, the majority of customers will also buy a snack.”*

## Displaying your range

**Mondelēz International has launched a versatile biscuits display unit for their Belvita and Oreo lines, designed specifically for the away from home market.**

Susan Nash adds: *“Whether your customers want energy for the whole morning or an afternoon treat, a biscuit can be delicious at any time of day. By displaying packs in an attractive unit, operators can help to encourage customers to pick up their favourite biscuit when they need it most and to drive incremental sales.”*



**...and caterers can make the most of this opportunity by stocking products such as breakfast bars...**



**...many consumers are looking for something slightly different from the usual breakfast offers...**

## Your one-stop shop

**Known as the best own brand in foodservice, Country Range has an extensive range of products to cover all your breakfast needs:**

**Fruits (canned)** – prunes in syrup, grapefruit segments (in juice/syrup)

**Cereals** – oat flakes, muesli, clear honey, dried fruits

**Juices** – Orange, Apple, Grapefruit, Tomato, Cranberry, Pineapple

**Portions** – jam portions, butter portions, sugar sachets/sticks, tea sachets, coffee sticks

**'Full English'** – sausages, baked beans, hash browns, tinned tomatoes, sliced bread

**Hot Drinks** – premium blend tea bags, filter coffee, instant coffee granules, hot chocolate drink