

Great Britain Shows Strongest Traffic Gains in the Food Service Market

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Great Britain led the developed markets in food service traffic gains and the still young Russian food service market continued to increase consumer visits in the first quarter of 2014 compared to same period year ago, a report by The NPD Group has shown. Improved consumer confidence and mild weather helped Germany's food service sector - which has had several quarters of traffic declines - gain visits in the quarter, according to NPD's global food service market research.

An improved economic environment in the early months of the year encouraged a two per cent traffic increase in Great Britain. Visits to Russian food service outlets grew by six per cent as the newness of this market place continues to capture consumers' attention. Australia and China saw a modest gain of one per cent in traffic. Harsh weather kept food service customers away in Canada and the U.S., and Spain and Italy continued with steep visit declines in the first quarter as each of these countries struggle with economic challenges.

“In the year's first quarter, Germany's food service market benefited from an improving economy, increased income, moderate inflation, and strengthened purchasing power amongst German consumers,” said Jochen Pinsker, senior vice president, food service Europe, at NPD. “A look at the individual foodservice segments showed the strongest growth at on-site foodservice areas, like workplace and educational catering, which benefited from calendar effects, such as Easter and bank holidays.”

Food service chains, which have stayed buoyant since before the global economic crisis, were weak in a number of markets. Major chain traffic was flat in Canada, Japan, and the U.S. in the first quarter period compared to a year ago, and down in Spain and Italy. In every market tracked by NPD, chains are larger than they were in 2007, and independents are smaller than they were in 2007.

“While there is a persistent drumbeat of more positive economic news in most developed markets, it's hard to declare the industry has turned to a growth path,” said Bob O'Brien, NPD global senior vice president. “There continued to be a split between the more stable Northern European and the still shaky Southern European markets.”