

Consumer Trends: Catering Trends

CHICAGO (PRNewswire) — Recent research on consumers' use of restaurants and retailers for social catering found three-year compound annual growth rates projected at 5 percent or better for several market segments. But fast-casual restaurants are poised to outperform all other players, with projected growth at 12 percent, followed by quick-service sandwich restaurants (8 percent) and club stores (7 percent). As a group, restaurants are now capturing four times the revenue of retailers for these occasions, \$19.3 billion versus \$4.0 billion.

"Improvements in food quality, especially at fast-casual and fast-food chains, appear to be a significant factor in restaurants' recent gains with catering consumers," says Melissa Wilson, Principal and director of the Parties Off Premise (POP) study. Wilson explains that limited- and full-service restaurants hold the strongest shares of this market (36 and 34 percent, respectively) and appear to be taking share from independent caterers and retail foodservice operators.

Other interesting findings:

At \$27.5 billion, the size of the consumer catering opportunity is significantly larger than similar opportunities with business-to-business users (corporate/pharmaceutical representatives), estimated at \$15.8 billion.

Twenty percent of surveyed consumers would now consider fast-food restaurants as a source for at-home catered occasions, compared to just 7 percent in 2009. In contrast, warehouse clubs have slipped 7 percentage points in shoppers' minds, from 26 percent in 2009 to 19 percent.

Social catering occasions can provide a consistent stream of business from core customers. While seasonal peaks are evident for specific occasions, the majority of users average more than two of these purchases each month.

With improvements in the economy, some at-home occasions have reverted back to on-premise dining. Still, Wilson says the future looks bright for many segments of the business, pointing out that 36 percent of surveyed consumers expect to entertain at home more often over the next year, while only 5 percent say they will scale back.

In addition to detailing current market size and growth forecasts for catering segments, the new Parties Off Premise study provides extensive insights regarding daypart, occasion and product usage, including specific brands, factors influencing sourcing selection, comparative findings from the 2009 study and much more.

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