

**BORD BIA**  
IRISH FOOD BOARD

# Irish Foodservice Market & Consumer Insights

# 2022



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# Section 1

## Introduction

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# 2022

## Releasing Pent-Up Demand

- Following a massive decline in 2020 driven by Covid-19 restrictions, the foodservice industry in Ireland has been on the rebound. Last year, the foodservice industry on the island of Ireland grew by 14.1%, and in 2022 the revised figure (as will be discussed throughout this report) increased 61%, to a value of € 8.2 billion across both the Republic of Ireland and Northern Ireland.
- This growth is a result of a significant release in pent-up demand as Covid-19 restrictions have all but been removed throughout Ireland. In many ways, this growth has nearly returned the industry to the value that it was pre-pandemic, although sizable headwinds have appeared in 2022 that will have significant impact on future growth. These challenges include ongoing food, wage, energy and other inflation, margin compression and the ongoing conflict in Ukraine, all of which indicate that economic growth is likely to significantly slow throughout the next several months and into 2023.
- Over the course of the past three years, Bord Bia has been at the forefront of providing ongoing, relevant insights to the foodservice industry to help suppliers, distributors and operators make fact-based decisions and navigate uncertainty and disruption. It has provided ongoing research and thought

leadership through a variety of white papers, seminars and webinars. For this end-of-year 2022 research, Bord Bia has again partnered with Technomic on industry insights and forecasts.

- Building on its industry forecasts issued as part of a White Paper in June 2022, Bord Bia and Technomic have revisited the situation across all foodservice sectors and have updated and revised the performance for the industry in 2022, as well as expectations for 2023.
- Note that while these figures are shown as full-year 2022 results, they presume to forecast the last two months of the year, and there remains some variability in recent weeks, particularly as higher energy bills are starting to be felt by consumers and operators alike.
- This report also explores and updates the expectations regarding likely growth rates for 2023.

# The Voice of the Consumer

- As was provided last year, this year's Insights report also includes additional feedback from the Irish consumer. This element of the research was conducted by Opinions, a full-service market research agency, in conjunction with Bord Bia.
- The group conducted a quantitative survey amongst a nationally representative sample of n=1,000 adults in Republic of Ireland (ROI). This was then boosted with n=315 adults in Northern Ireland (NI). A total sample of n=1,315 adults was achieved. The error margin for this data is estimated at +/- 3%.
- Fieldwork was conducted from 13th – 23rd September 2022.
- Due to substantial changes in the Irish foodservice operating environment over the past 12 months (as a result of Covid-19 restrictions), the questionnaire has substantially changed for each wave and is therefore difficult to make direct comparisons.
- Findings included in this report represent an abridged version of a more detailed deck. A copy of the full Consumer Insights research is available on request from Bord Bia.

OPINIONS

# Process of Developing Growth Forecasts

- Forecasting in today’s volatile environment can be challenging, given the energy situation, ongoing inflation, consumer return to work and a host of other issues that impact how the consumer engages with the foodservice industry. Forecasting in this environment remains particularly challenging.
- There are still a number of assumptions that are inherent in these forecasts, therefore the figures shown throughout this report should be considered in light of the uncertainties that exist.
- There are also somewhat different assumptions for ROI and Northern Ireland, although the general direction is similar for both jurisdictions. The biggest difference noted between the two was the lack of a government in Northern Ireland and the currency challenges of Sterling.
- The assumptions used to generate these scenarios are shown in the following summary table. Assumptions relate to economic performance, tourism, the return to work, and other economic activities.

2022-23 Consideration Factor		
Consideration Factor	Expectations built into model	Variables that can impact
Economic performance	<ul style="list-style-type: none"> <li>• Slowing economic growth, per European Commission and IMF projections (the EC still projects 5% growth in 2023 for the Republic of Ireland after 5.3% in 2022 and 13.5% in 2021).</li> <li>• Continued low unemployment levels through 2022 and tight labour markets.</li> <li>• VAT increase for ROI foodservice planned for 1<sup>st</sup> quarter 2023, returning to 13.5% from the current 9% level.</li> <li>• Higher than average inflation levels carrying into 2023, with anticipated moderation of pricing beginning somewhere around 2Q2023.</li> </ul>	<ul style="list-style-type: none"> <li>• Speed of economic growth (i.e., quicker or slower than forecasted).</li> <li>• Labour issues and availability throughout foodservice, including a stronger or weaker return of foreign workers to the island of Ireland.</li> <li>• Interest rates and inflation, spurred by global issues, that remain higher than anticipated.</li> <li>• Ongoing supply chain issues.</li> <li>• Situation in Ukraine remains a destabilising economic challenge.</li> </ul>
Tourism	<ul style="list-style-type: none"> <li>• Strong return of tourism, particularly from North American visitors.</li> <li>• Weaker demand from British tourism as economic challenges and currency issues impact visits.</li> <li>• Increasing airline capacity.</li> </ul>	<ul style="list-style-type: none"> <li>• Currency exchange rates that fluctuate can make Ireland more or less attractive to visitors from different parts of the world.</li> <li>• A worsening of the situation in Ukraine could have a negative impact on tourism.</li> </ul>
Return to Work	<ul style="list-style-type: none"> <li>• Continued resumption of return to white collar office activities, although expectations are that overall office attendance will not rise above 75% of pre-pandemic levels, as hybrid work remains in effect for many workplaces.</li> </ul>	<ul style="list-style-type: none"> <li>• Slower or faster return to work, particularly at large employers that can have a disproportionate impact on sectors like business dining.</li> </ul>
Other economic activities	<ul style="list-style-type: none"> <li>• Schools and universities open as normal.</li> <li>• No additional Covid-19 mitigation strategies put in place.</li> </ul>	<ul style="list-style-type: none"> <li>• This forecast assumes no additional Covid-19 mitigation or additional restrictions put in place.</li> </ul>

# Section 2

## Executive Summary

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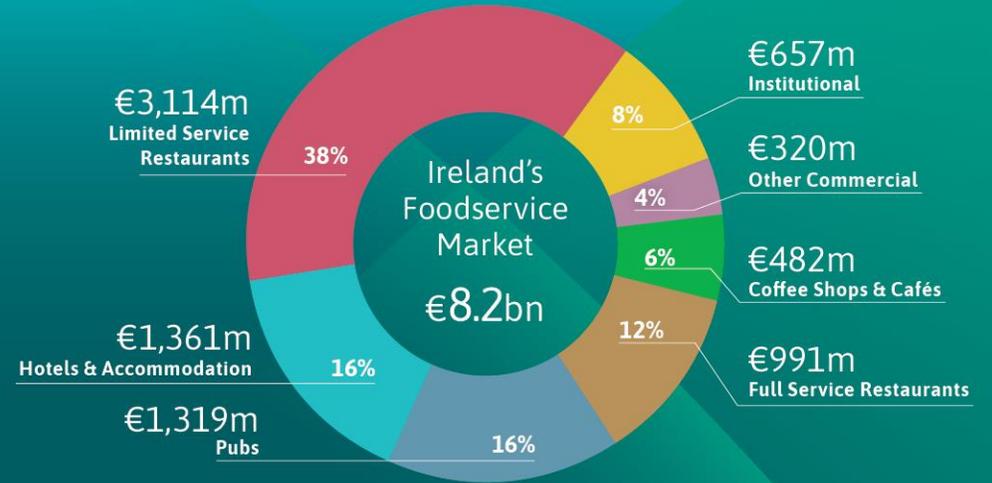


## What is Foodservice?

Foodservice or 'Out of Home' is the term used to describe all food and drink\* consumed and prepared out of home. It includes everything from restaurants, pubs, hotels and coffee shops to workplace, hospitals and education catering.

\*Please note these figures exclude alcohol beverages.

[bordbia.ie](http://bordbia.ie)



Source: 2022 Irish Foodservice Market & Consumer Insights Report

## 9 Critical Factors

shaping the Future of Foodservice in Ireland



Majority of spend is taking place in ROI  
€6.1bn or 74%



Balance in NI  
€2.1bn or 26%



The value split between Commercial and Institutional Channels is

92%:8%

2023  
PREDICTED GROWTH RATE:  
**11.6%**

from  
€8.2bn

to  
€9.2bn

# Summary of Total IOI Foodservice Industry

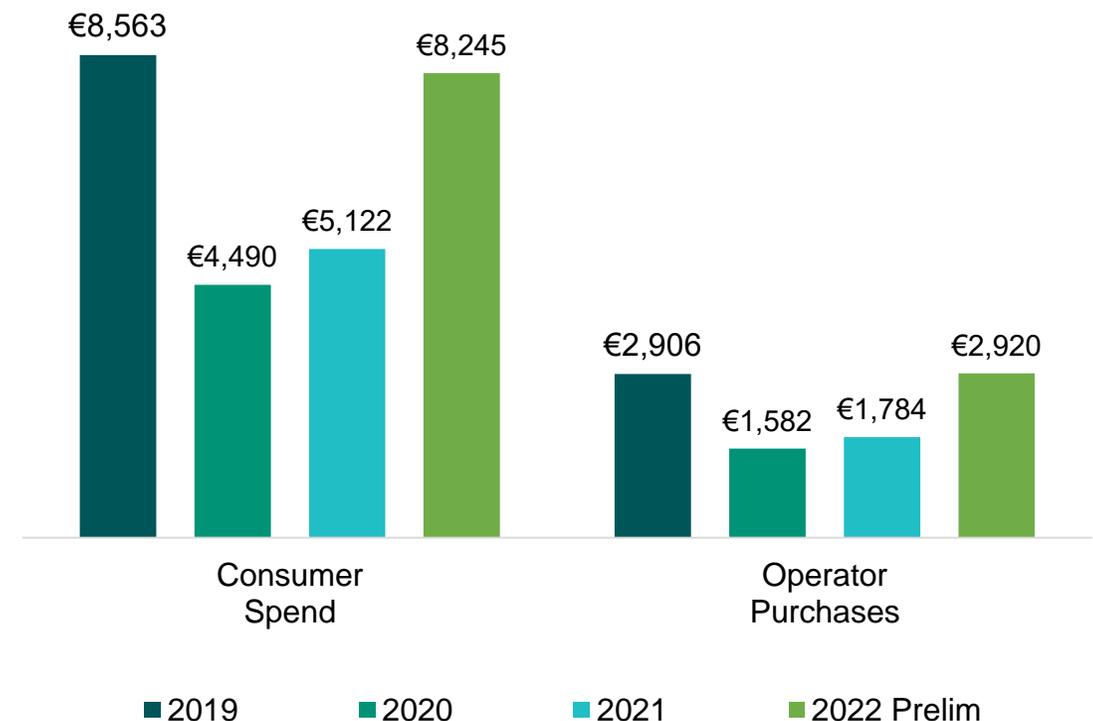
## Consumer and Operator Spend in 2022

- The value of the Irish foodservice industry for 2022 is estimated to be €8.245 billion in terms of consumer expenditure and €2.921 billion in terms of operator purchases. Note that while consumer spending is almost back to 2019 levels, operator purchases have exceeded 2019 levels.
- Figures shown include both the value of the Republic of Ireland and the converted value (from Sterling to Euro) of the Northern Ireland foodservice market. Importantly, figures in this report exclude alcohol sales.
- Note that when this report defines “consumer spending,” the term refers to actual consumer spending by diners within all foodservice channels.
- In non-commercial channels such as education or healthcare, a retail sales equivalent value is calculated

so that these channels can be directly compared to commercial restaurant sales.

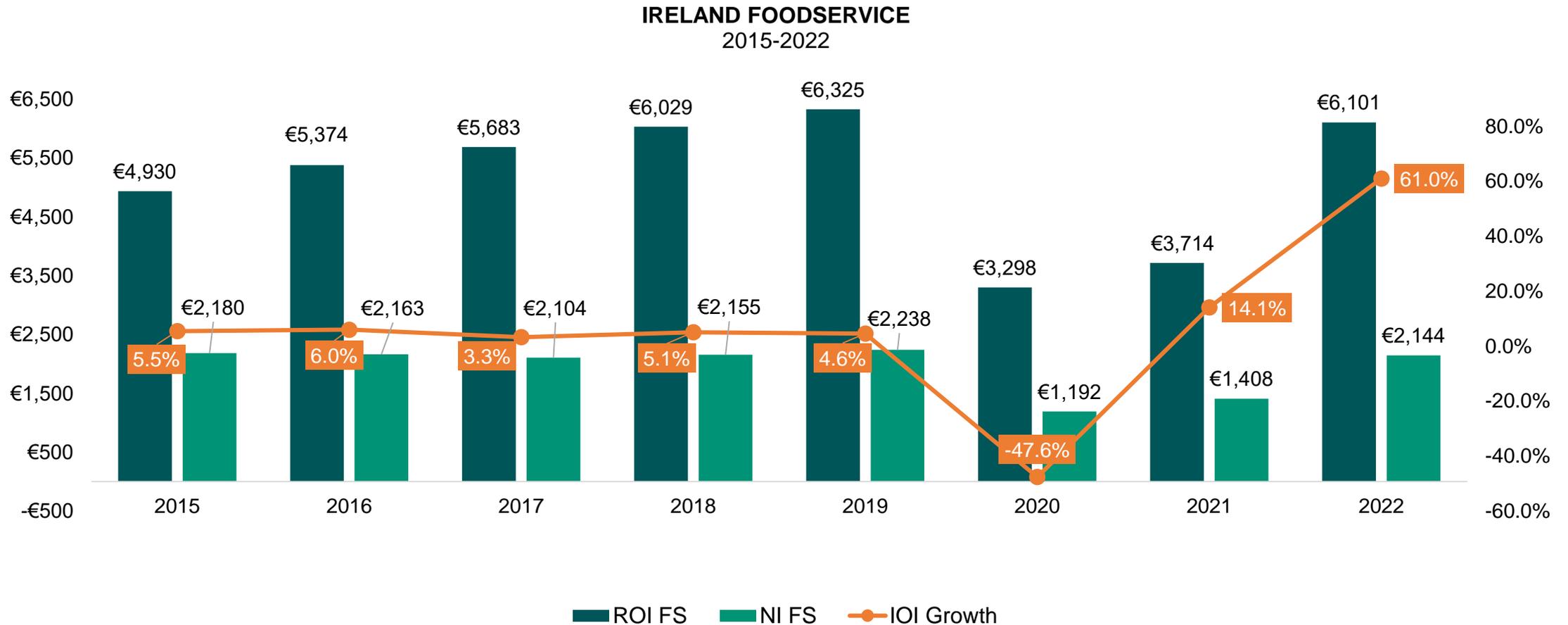
- Operator purchases represent the value of distributors’ sales to operators, including distributors’ margins. These purchase values are derived at the channel level by using food cost ratios, which vary by foodservice channel. As will be shown, operator purchases are also the value by which route-to-market estimates are drawn.
- On an overall basis, operator purchases represent circa 35% of the value of all consumer expenditures in the IOI foodservice industry (blended among all operator segments.) This is the highest percentage noted for this figure and reflects the significantly higher cost environment, as well as operators not fully passing on to their customers the price increases that they are receiving.

**FOODSERVICE INDUSTRY TOTAL IOI**  
(€ BILLION)



# Summary Timeseries of IOI Foodservice

## Industry Size and Growth, 2015-2022



Source: Bord Bia, Technomic  
 The values for Northern Ireland have been converted to Euro based on average conversion rates for each year  
 Note: Figures for previous years have in some instances been updated

# Summary of Sector Growth/Decline

## 2019 through 2022

The overall Irish foodservice industry has experienced remarkable growth in 2022. While 2021 saw only limited growth as significant restrictions remained in place, 2022 (particularly after March) saw an unprecedented unleashing of pent-up consumer demand.

Given the slow start to the year, the overall Recovery Index for 2022 remains slightly below 100 for many segments, but strong growth in the Spring and into the Summer has propelled the industry to near full recovery, and the 2022 Index stands at 96.

Important to note, while much of this recovery and growth has been driven by a return of the consumer to foodservice, higher inflation is another notable factor to consider.

While official inflation rates show foodservice inflation to be hovering around 5%, most industry participants note that prices on

menus are up approximately 10-15% or even more. Whatever the true figure, consumers are paying significantly more for meals than they were in prior years, and this has been a factor in the value growth of the industry.

- Commercial foodservice is expected to see 62% growth, with every major sector showing strong growth. Some of the Limited Service sectors did not drop as sharply in 2020 and 2021 and as a result the growth figures are somewhat more moderate.
- Institutional foodservice is also recovering; most sectors, with the exception of business feeders, have reached pre-pandemic revenue figures.

2022 Growth IOI	2019	2020	2021	2022	Index of 2022 Recovery (2019=100)
Limited Service	5.0%	-33.2%	16.0%	34.1%	104
Quick Service	4.8%	-33.7%	16.9%	34.6%	104
Fast Casual	5.6%	-47.7%	15.5%	63.9%	99
Food To Go	5.8%	-25.2%	12.2%	23.8%	109
Full Service	4.7%	-56.0%	22.2%	77.1%	95
Pubs	2.0%	-64.6%	2.7%	156.3%	93
Coffee Shops/Cafes	5.8%	-32.0%	20.2%	22.2%	89
Hotels & Accommodations	6.1%	-57.3%	13.5%	83.2%	100
Other Commercial	6.3%	-69.3%	40.1%	125.1%	97
<b>Total Commercial</b>	<b>4.7%</b>	<b>-48.1%</b>	<b>15.6%</b>	<b>62.3%</b>	<b>97</b>
Business & Industry	4.5%	-62.6%	-17.7%	121.1%	68
Education	2.5%	-9.9%	2.0%	8.4%	100
Healthcare	3.2%	-57.8%	26.3%	84.3%	100
All Other	3.1%	-4.2%	4.8%	3.8%	104
<b>Total Institutional</b>	<b>3.5%</b>	<b>-41.7%</b>	<b>0.3%</b>	<b>47.2%</b>	<b>86</b>
<b>Total Foodservice</b>	<b>4.6%</b>	<b>-47.6%</b>	<b>14.1%</b>	<b>61.0%</b>	<b>96</b>

# Summary of Recovery Indices By Quarter

## 2019 through 2022

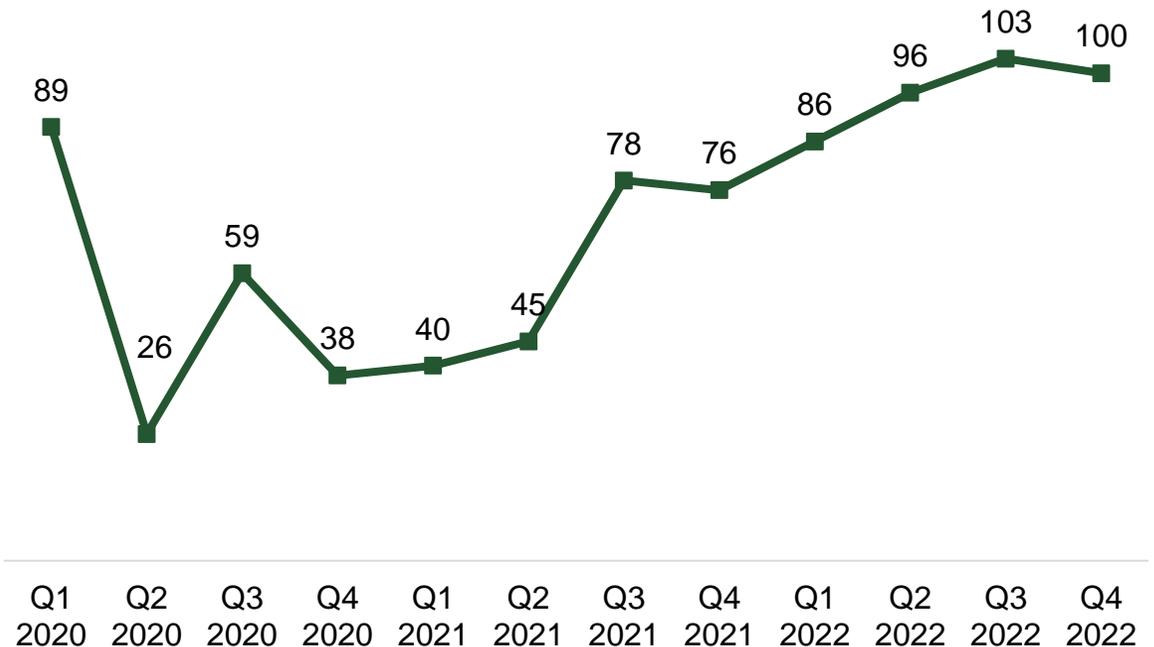
The index shown on the previous page for each sector indicates the full year's revenue compared to pre-pandemic. However, the industry is also seeing significant differences quarter by quarter.

Coming into 2022, the industry remained well below 2019 value levels, with the fourth quarter of 2021 finishing at an index of 76, meaning the industry was still off pre-pandemic value by 24%.

There was a slow start to 2022, but by the 2nd quarter the industry was almost back to 100% and in fact exceeded 2019 levels in the 3rd quarter. For the 4th quarter of 2022, the expectation is for a slide back in October and November, although the Christmas holiday season is expected to be strong and the total index for the quarter will remain at 100.

The chart shows the trend line of the Recovery Index by quarter, starting in 2020 and going all the way through the projections for the 4th quarter of 2022 for the entire island of Ireland. Additional detail by sector can be found later in this report.

**QUARTERLY TURNOVER—IOI 2020-2022**  
INDEXED TO SAME PERIOD IN 2019



# Summary of Outlook for 2023

In looking ahead to 2023, projections are perhaps just as challenging as they were at the heights of the pandemic. Significant economic headwinds remain in place, including higher inflation, rising interest rates (that are intended to dampen consumer spending and curb inflation), global uncertainty – particularly around Ukraine, currency fluctuations, supply chain issues (including Brexit, which remains an ongoing challenge to manage), and rising energy prices which are likely to create huge consumer and industry retrenchment.

Still, expectations are generally positive, although most expect that growth will return to some levels closer to pre-pandemic “normality.” A slowdown in consumer visits is expected, and as a result much of the growth in value in 2023 is expected to be driven by the higher menu prices and inflation; most observers agree that the pent-up demand that was unleashed in 2022 is largely spent.

Certain sectors are expected to accelerate well past pre-pandemic turnover levels, including most Limited Service sectors, coffee shops, and some Institutional feeding that was less impacted by the pandemic. The biggest sector waiting on recovery is Business & Industry, as longer term return to work trends remain soft.

2023 Growth Forecast IOI	2023 ROI Forecasted Growth	2023 NI Forecasted Growth (in Euros)	2023 Total IOI Forecasted Growth*	Index of Recovery (2019=100)
Limited Service	9.2%	9.1%	9.2%	113
Quick Service	10.2%	9.4%	10.0%	115
Fast Casual	9.4%	8.5%	9.2%	108
Food To Go	5.0%	7.4%	5.4%	109
Full Service	14.2%	14.8%	14.4%	109
Pubs	10.3%	15.2%	11.6%	104
Coffee Shops/Cafes	9.2%	7.6%	8.8%	109
Hotels & Accommodations	16.6%	17.9%	16.9%	104
Other Commercial	11.8%	12.5%	12.0%	108
<b>Total Commercial</b>	<b>11.4%</b>	<b>12.6%</b>	<b>11.7%</b>	<b>109</b>
Business & Industry	14.8%	20.5%	16.3%	79
Education	6.5%	4.8%	5.8%	106
Healthcare	10.8%	5.5%	8.7%	107
All Other	3.7%	3.2%	3.6%	108
<b>Total Institutional</b>	<b>10.2%</b>	<b>9.2%</b>	<b>9.9%</b>	<b>95</b>
<b>Total Foodservice</b>	<b>11.4%</b>	<b>12.3%</b>	<b>11.6%</b>	<b>108</b>

Source: Bord Bia, Technomic

\*Based on industry figures calculated in Euros, including currency conversion

Note: Figures for previous years have in some instances been updated

# Current Forecasts Vs. Previous Iterations

## Industry Health Has Rebounded Faster Than Anticipated

Bord Bia and Technomic have been issuing forecast updates twice a year since the onset of the Covid-19 crisis in 2020. The table to the right shows how these forecast figures have changed over time for both the Republic of Ireland and for Northern Ireland.

For 2022, it can be seen that there has been a general improvement in the overall growth outlook and projection since the first forecast was made in June 2022. At that time, the forecast called for 59% growth and a Recovery Index of 91.7 for the industry; stronger performance and higher inflation now show growth five points higher and a recovery index closer to 97 in the Republic of Ireland. A similar dynamic is in play for Northern Ireland for the calendar year 2022.

For 2023, both ROI and NI show slightly slower growth; much of the ramp up seen in 2022 has moved some anticipated growth from 2023 back into this current year. Slower growth and higher inflation is expected for both markets next year. Given these dynamics, the Recovery Index is slightly higher for 2023 than originally forecast in June 2023.

### REPUBLIC OF IRELAND

Calendar Year	June 2021 Forecast	June 2021 Recovery Index	November 2021 Forecast	November 2021 Recovery Index	June 2022 Forecast	June 2022 Recovery Index	Current Forecast	Current Recovery Index
2023	NA	NA	NA	NA	12.4%	107.0	11.4%	107.4
2022	59.4%	91.7	57.1%	92.7	62.2%	95.2	64.3%	96.5
2021	10.3%	57.5	13.2%	59.0	12.6%	58.7	12.6%	58.7
2020	-47.9%	52.1	-47.9%	52.1	-47.9%	52.1	-47.9%	52.1

### NORTHERN IRELAND \*

Calendar Year	June 2021 Forecast	June 2021 Recovery Index	November 2021 Forecast	November 2021 Recovery Index	June 2022 Forecast	June 2022 Recovery Index	Current Forecast	Current Recovery Index
2023	NA	NA	NA	NA	13.9%	103.5	12.3%	103.7
2022	46.5%	87.5	41.8%	87.8	47.2%	90.9	49.6%	92.4
2021	11.7%	59.7	15.8%	61.9	15.4%	61.7	15.4%	61.7
2020	-46.5%	53.5	-46.5%	53.5	-46.5%	53.5	-46.5%	53.5

\* Growth and indices are based on value in Sterling, not a converted value to Euro  
Source: Bord Bia, Technomic

# Overall Summary

## Recovery Well Underway, But Challenges Looming

With the strong performance seen both in the Republic and in the North, an optimism has returned to the industry, but there are also significant challenges facing the industry as it enters the winter months. Certainly, for many companies, the boom seen in 2022 has been a welcome return to growth, but most acknowledge that this unleashed pent-up demand won't carry into 2023, and many challenges await the industry as that demand tapers off. Many of these are issues that the industry has been grappling with even as recovery has occurred rapidly, but are more acute and create multiple obstacles to successfully running a business.

**1. Energy**—simply put, the cost of energy is the biggest issue facing the industry today. There is some relief in response to the recent energy support commitments announced by the Government, but many operators will still feel a significant pinch. Many are also worried about the impact of energy costs on households and believe this could cause pullback in discretionary spend from consumers during the winter months.

**2. Continued inflation**—beyond energy, broader inflation continues to bite every company in foodservice as global commodity costs remain at historically high levels. These costs are generally

being passed straight on to the foodservice operator, and menu prices have been rising as a result (although most believe that the full amount of all types of cost increases are not reflected in menu prices, and operators are generally taking lower margins as a result). Few see any signs of abatement and believe inflation will be a significant headwind into 2023 and beyond.

**3. Ongoing labour issues**—labour challenges are not new; the industry has been plagued by culinary staff shortages for many years. However, while these shortages remain, low unemployment means that many other types of roles – unskilled front of house staff, servers, stewards, and so forth – are now also finding limited supply. Within other parts of the industry, distributors are still challenged with warehouse pickers, drivers and other support staff; suppliers are still working to fill production roles. In some instances, suppliers are offering housing, particularly to foreign workers, and wage rates have increased dramatically to lure new applicants and retain existing workforce.

**4. VAT increase looming in 2023** - as outlined in the September budget, the current plan is for the ROI hospitality VAT to rise from 9% (which was lowered during the heights of the pandemic) back to 13.5% beginning in March 2023. This will be

hitting even as inflationary pressures remain acute, and there is concern that this will dampen consumer demand.

**5. Supply chain disruption**—companies in Ireland have been dealing with supply chain challenges for years – Brexit was approved by UK voters in 2016. The sudden increase in demand following removal of Covid-19 restrictions and resulting imbalance in supply, coupled with other issues, have meant continuity of supply remains one of the top issues faced. Still, it appears that most companies have learned to deal with supply issues – menus are more flexible, alternative suppliers have been located, and warehouse stocks have increased.

Importantly, all of these issues have been occurring even as the industry has achieved double-digit growth and recovery and have not side-tracked the industry boom; the worry is that these issues are not going away and will be harder to address as consumer demand plateaus and huge growth figures are no longer being recorded.

# Summary of Commercial Channels

## Overarching Trends and Findings

The issues described on the previous page are industry-wide concerns. For Commercial Channels, there are a number of additional trends that have been noted for 2022; many of these are ongoing, but are notable for their impact on today's commercial operator:

**1. A return to traditional service models** —while there was some concern over the past several years that the industry would be permanently impacted by Covid-19 related initiatives, the industry is operating largely as it was pre-pandemic. This includes a full return to traditional service models; measures such as QR codes and plexiglass separators are largely gone, and restaurants, pubs and hotels are working to emphasise the “hospitality” that the Irish foodservice industry has come to be known for.

**2. Off-premise fallback**—with industry recovery strong, much of the off-premise business that was developed in 2020 and 2021 has been de-emphasised to some degree. Delivery and takeaway haven't declined in value, but as a share of total business are down, and there is concern that cost pressures will continue to make delivery in

particularly less attractive to consumers. Growth here was always expected to decelerate as the industry re-opened, but the labour and inflation challenges have had a bigger than expected impact on consumer usage.

**3. Menu engineering** —higher prices have been passed on to consumers, but operators are also looking to re-engineer the menu to bring lower cost/higher value items on board. In 2022 the trend of rationalising slower moving items also continued as operators attempted to maximise the profitability from the items offered.

**4. Limited NPD**—with the challenges facing the industry, most operators have put limited focus on innovation, and the industry notes that few suppliers have been particularly active here. Most operations are doing more with fewer items and the innovation tends to be around new or unique ways to control costs.

**5. Margin management** — while much of the margin management is around the menu, operators are doing other things to stabilise margins. This includes a reduction in operating hours, particularly

during periods where labour costs exceed revenue.

**6. Training and retention enhancement** —a key issue in the hunt for labour is to create a better workplace and to retain skilled workers. Wages have naturally increased as a primary way to appeal to workers, but increasingly employers are looking at potentially providing accommodation, sponsoring foreign workers, more flexibility in hours and scheduling, additional food vouchers, and a host of other ways to make the industry attractive to workers again.

**7. Return of the sustainability mindset** — Sustainability has returned to the fore for many operators; however, in today's environment much of this is driven by a desire to save on costs (energy, food waste, etc.) as much as environmental concerns. Packaging also remains one of the most visible areas reflecting the commitment to sustainability, with compostable cups gaining and a re-introduction of schemes such as keep-cups.

# Summary of Institutional Channels

## Overarching Trends and Findings

Many of the key trends discussed in the Commercial Channels have been identified in the Institutional sectors also. However, there are a number of additional specific trends occurring in the Institutional sectors, including:

**1. Food as an incentive**—Particularly in business feeders, employers are working to provide incentives for workers to return. Free or reduced cost food has become a perk to draw workers back, and many workplaces are subsidising food for their workers at much higher rates than they were pre-pandemic.

**2. Return of events**—somewhat related, as workplace activities resume, there are an increasing number of corporate events – corporate meetings, group luncheons, etc. – that are helping drive business beyond just daily feeding. Contract caterers note a marked increase in these types of events to draw workers back to the office.

**3. Blue collar surge**—even as white collar offices have been sluggish to return, “blue collar” workplaces (including distribution depots, production facilities and other logistics hubs) have

been booming. These areas have been supporting much of the growth that has occurred in the Business & Industry sector.

**4. Central kitchens and delivery**—Labour remains particularly challenging, and a number of operators have moved part of their production to a more central facility. This allows more flexibility for the individual sites based on employee attendance for the day, and also helps remove the need for skilled culinary staff at some of the smaller workplace sites.

**5. Look to diversify business**—larger contract caterers are looking to determine if there are opportunities to diversify outside of the traditional institutional foodservice arena in order to generate incremental new growth. This may include more facilities management or activities in other foodservice sectors that are viewed as stronger growth potentials.

**6. Tenders being pushed and contracts extended**—despite many workplaces still in a state of flux, many contract caterers report that their sales activity has been very busy as employers

begin to issue tenders on their foodservice business. Still, while the activity is strong, many clients are pushing out decisions, often renewing contracts on an annual basis for the short term. New contracts are also more likely to be “cost-plus” to protect both the employer and the contract caterer.

**7. Technology investment**—technology remains a strong differentiator in certain Institutional sectors. Large international contract caterers are evaluating areas which have advanced in other parts of the world including unmanned retail (i.e. micro-markets). Many back-of-house investments are also working to simplify the daily responsibilities of onsite management.

**8. Career path definition**—many institutional players feel they offer better work/life balance to potential employees and are working to invest in the career paths of their most highly skilled workers.

# Summary of Consumer Research

## Overarching Trends and Findings

Based on the consumer research conducted, the following are key themes and overarching trends noted:

- 1. Consumer's are glad to be back out socialising again.** 8 in 10 (76%) have really enjoyed the social aspect of dining out, now that Covid restrictions have been lifted.
- 2. Costs are the primary challenge keeping consumers away from foodservice** As many as 9 in 10 (89%) say they are noticing the rising cost of eating out. And 9 in 10 (87%) agree that dining out has become too expensive to do on a regular basis.
- 3. With 8 in 10 consumers (77%) concerned about their finances, they are changing their out of home consumption to reduce costs.** Given these ongoing consumer concerns, takeaways have remained a popular choice. 4 in 10 (42%) are getting more takeaways as it offers a more affordable option.
- 4. Although cost poses a challenge to all consumers, it does not affect everyone to the same degree.** A three segment model identifying x3 distinct (and equally split) consumer cohorts offers a useful lens by which to view the market. The three segments identified are as follows:
  - **“Cost Constrained”**, are more likely to be C2DE females in the post family life stage, living in Northern Ireland. **Cost Constrained** consumers would like to be dining out of home but are held back by their finances and it looks as though this will continue to be the case for the next six months. They represent 3 in 10 (34%) of the population and are those consumers most likely to be feeling the pinch.
  - **“Re-emerging Socialisers”**, are more likely to be ABC1 adults, aged 45+ in the post family life stage. **Re-emerging Socialisers** are reconnecting with the out of home foodservice opportunity and are the least likely to pull back in the next 6 months. They represent 3 in 10 (32%) of the population and are seeking a more formal and indulgent dining experience.
  - **“Foodservice Champions”**, are more likely to be ABC1 adults aged under 45 in the pre and young family life stage, living in Dublin. **Foodservice Champions** have wilfully adopted the change in foodservice and are blending casual and formal dining in and out. They are embracing the full range of possibilities and operators should look to provide options that tap into their changing attitudes and behaviours. They represent 3 in 10 (33%) of the population and are blending dining in and home delivery.

# Critical Factors Facing Foodservice

## And Implications for the Industry

### Critical Issue Identified

#### Energy prices will be a key determinant

The biggest single issue noted by almost every industry participant has been the skyrocketing energy bills.

### Outlook For the Future

While government support has been welcome, it will not cover the full amount of energy increases. This will have a significant impact particularly through the winter and early spring.

Larger geopolitical issues impact energy prices, and it remains likely that energy prices will remain elevated.

### Implication for the Industry

Higher domestic energy bills are likely to suppress consumer demand during the winter.

More broadly, energy bills are impacting foodservice operators at a time that all costs are increasing.

#### Inflationary pressures driving growth.... and causing consumer pullback

From a topline basis, inflation has caused industry growth and valuation to recover quicker than anticipated, but also creates challenges for consumers.

While it appears most operators haven't seen much in the way of consumer pullback during the summer, there is concern that continued inflation throughout the economy will soften demand for foodservice.

Much of the pent-up demand that was seen throughout 2022 has been spent, and that demand for foodservice at "any price" will be much more limited in 2023.

Lower volume growth for 2023; value growth will be positive, but much lower.

Much of the growth in 2023 is expected to be inflation-driven, with only modest growth (if any) in consumer visits.

#### Labour shortages remain at historic highs

The industry has been grappling with labour shortages for years, mostly for skilled culinary positions. However, given the low levels of unemployment, filling any type of position remains one of the primary challenges facing operators.

Labour shortages are expected to persist into 2023. While economic growth will slow, there is not expected to be a widespread recession and the jobs situation in Ireland should remain strong.

Labour shortages have meant that many operators have not maximised their sales potential as they often have to close early or on certain days. Ongoing shortages will have implications on overall industry sales and on operators' ability to drive growth. Additional labour-saving initiatives and product will remain in high demand throughout next year and beyond.

# Critical Factors Facing Foodservice

## And Implications for the Industry

Critical Issue Identified	Outlook For the Future	Implication for the Industry
<p><b>Consumers ‘feeling the pinch’, but not all to the same degree</b></p> <p>Although cost poses a challenge to all consumers, it does not affect everyone to the same degree. Within the consumer research presented here, there are 3 distinct consumer cohorts by which to view the market.</p>	<p>Cost remains the biggest challenge for the sector – consumers will need to see value in dining out beyond just the menu price.</p> <p>Delivering a memorable consumer experience is still important to a cohort of diners.</p> <p>Take-aways have remained prevalent amongst younger consumers and operators should continue to focus on take-home and delivery models.</p>	<p><i>Cost Constrained</i> consumers will be looking for low cost options, meal deals or offers to entice them to eat out.</p> <p>Having great staff and a more premium dining experience will attract the <i>Re-emerging Socialisers</i> consumer group.</p> <p><i>Foodservice Champions</i> are embracing a blend of both dining in and home delivery.</p>
<p><b>Menu Tension: Simplification vs. Innovation</b></p> <p>With so much concern around cost, operators have mostly simplified their menus and there has been limited innovation in 2022.</p>	<p>Most industry observers note that new product work has been limited from suppliers. While NPD activity is expected to increase, it is likely to be constrained by continuing cost, labour and supply chain challenges.</p>	<p>There is a desire for new product development within the industry, but much of the innovation is around cost control. With consumers likely to pull back, there is a recognised need for new menu items to maintain consumer interest and (hopefully) drive visits.</p>
<p><b>Menu prices not keeping pace with inflation, margins are being compressed</b></p> <p>While operators have raised menu prices significantly, the ongoing rate of increase in all costs have meant additional margin compression.</p>	<p>With inflation likely to rage at a high level well into 2023, costs will continue to rise for most operators. This may moderate a bit toward the second half of the year, but overall inflation is expected to remain above historic levels.</p> <p>As a result, expect menu price increases to continue.</p>	<p>Consumer value perceptions on dining out will be impacted, and a value positioning by operators will become more critical.</p> <p>Declining profitability can also have a potential impact on additional closures, particularly for smaller, independent restaurants and pubs that can not afford significant cost increases and have limited ability to pass on menu price increases.</p>

# Critical Factors Facing Foodservice

## And Implications for the Industry

Critical Issue Identified	Outlook For the Future	Implication for the Industry
<p><b>Sustainability is back and growing</b></p> <p>Sustainability took a secondary position during much of 2021 and 2022, but more than ever this is being discussed (again) across all sectors of the industry.</p>	<p>The renewed interest in sustainability is also practical – most operators want to save money on energy, food waste and other costs.</p> <p>Consumer interest in environmentally friendly, sustainable products is higher, but there is concern about the willingness to pay, particularly if the economy softens again.</p>	<p>In the short term, sustainability initiatives must also have cost savings components.</p> <p>Longer term, most larger companies have sustainability goals around areas like carbon footprint and 'net zero'. There is recognition that even small changes implemented by larger players can have a substantial knock on effect.</p>
<p><b>Tourism and economic growth will be important factors in maintaining the health of the industry in 2023</b></p> <p>Ireland's foodservice industry is still heavily impacted by the success of tourism. The broader European and global economic situation will have an ongoing role in the level of success that tourism (and in turn foodservice) has in Ireland.</p>	<p>The global situation remains very much in flux. Most critically, the situation in the Ukraine is one that is likely to have ongoing impacts for the foreseeable future. Many large economies (like the USA) are likely to enter into a recession, if not already in one.</p> <p>Ireland's economy is likely to remain stronger than many of its neighbours.</p>	<p>These issues point to a much more subdued demand for foodservice in 2023. Overall plans and strategies should reflect this likely new reality in terms of both sales and volume growth.</p>
<p><b>New behaviours likely to remain the norm</b></p> <p>The industry has seen shifts in daypart and weekpart sales levels; for many operators, Thursday is the new Friday, and lunch and earlier dinners are often replacing evening or late-night occasions.</p>	<p>Much of this has been driven by shifts in hybrid work and labour shortages; most industry observers do not expect a full return to work in the short term, and labour will remain challenging.</p>	<p>The industry should work to create options and develop solutions for new and emerging dayparts. One area that may start to return is breakfast, which was decimated but is starting to return.</p>

# Industry Imperatives

## 1. Recognise what remains important, and what has shifted

While the industry has seen unprecedented growth, concerns are increasing for 2023. As consumers look for more “value,” the experience that is part of the foodservice occasion will increase in importance. Given that experience-based occasions still matter (and will only become more important), foodservice operators, and every business throughout the supply chain, must create unforgettable, premium occasions. This includes high quality, strong service and authentic, ingredients to help meet diner expectations

## 2. Help operators maximise customer spend, with options at both ends of the value chain

Even as the experience will continue to drive consumer visits, broader perceptions of value remain critical. Limited service operators have been very good at this, and it’s something the industry should continue to adapt: leverage both premiumisation and traditional elements of value (e.g., buy one schemes, vouchers, etc.) that served operators in previous challenging environments.

## 3. Ensure you have solutions for delivery and off-premise

While off-premise growth has slowed substantially, it still remains elevated relative to pre-pandemic levels and will likely stay at similar levels. The industry must continue to invest in solutions for takeaway and delivery, albeit not at the expense of on-site quality

## 4. Develop daypart solutions

Breakfast and dinner dominate as lunch and late night are getting squeezed, but finding items that can excite all day will be important. Operators should consider healthy starts that can lead consumers to indulge in cravings later in the day.

## 5. Innovate, innovate, innovate

Operators have been focused on cost containment and maximising what they have, but nearly everyone within the industry has noted that innovation and NPD efforts have gone stale. Operators will need to continue to focus and emphasise customer experience, and new menu items will help to draw consumers during economically challenging time.

## 6. Take relationships beyond transactional

For suppliers, innovating and creating closer relationships will continue to pay dividends, but it

needs to be an authentic and integral part of the approach. It will be important to tap into the fundamental DNA of foodservice accounts and lean into what they do best, then provide actionable recommendations that drive business and meet higher-level needs (e.g. food waste reduction).

## 7. Understand the margin situation

Operators’ biggest challenge will be maintaining margin within this current environment, and suppliers will need to use this understanding to create customer intimacy and closer relationships. Many operators still think in terms of percent margins, not actual (Euro) margins when evaluating profitability of products.

As a more competitive environment becomes prevalent, higher cost ingredients and components become vulnerable among operators who think this way. Suppliers will need to develop a thorough and formal messaging strategy to educate operators that actual value (Euro) margins are more advantageous than percentages. This will potentially require significant work one-on-one with less sophisticated operators to protect higher cost items on the menu.

# Section 3

## Detailed Size and Segmentation Data for the Irish Foodservice Industry

**BORD BIA**  
IRISH FOOD BOARD

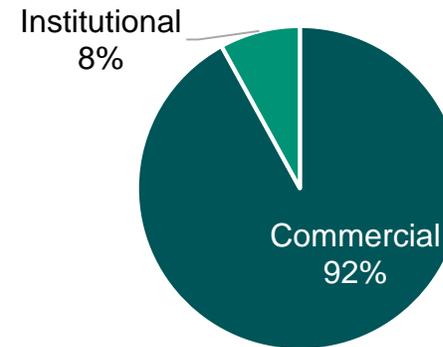


# Commercial and Institutional Channels

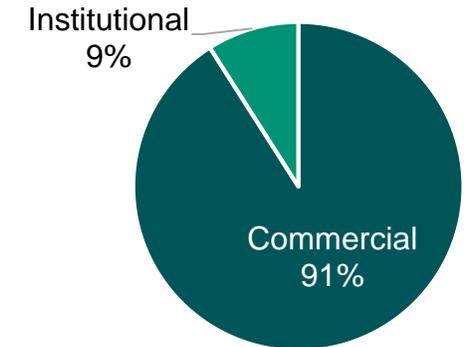
## Total Island of Ireland, 2022 vs. 2021

- Within the broader foodservice figures, this report looks at both Commercial and Institutional spending and purchases.
- As noted, the overall business has increased to €8.25 billion in consumer spending in 2022, up from €5.15 billion in 2021. Overall spending on food, non-alcohol beverage and other items (such as packaging) for foodservice increased to €2.92 billion in 2022 from €1.79 billion last year.
- *Commercial channels* include limited-service restaurants, full-service restaurants, pubs, coffee shops/cafes, hotels and other commercial foodservice establishments, such as cinemas, theme parks, tourist attractions, sport venues and clubs, spas, events catering, recreational activities and cruises. Overall commercial sales are seeing much stronger growth in 2022 than the Institutional sectors, continuing a trend noted in 2021.
- *Institutional channels* include business & industry locations, healthcare facilities, educational institutions and other institutional foodservice establishments, including government organisations, prisons and armed forces. These sectors are generally more stable; the area that has created the biggest gap vs. pre-pandemic levels has been the business & industry sector, which is still well below 2019 levels.
- In 2022, commercial channels accounted for 92% of the value of total consumer spending and 89% of the total value operator purchases. Both of these market shares are up one percentage point vs. last year, reflecting the stronger growth within the Commercial sectors.

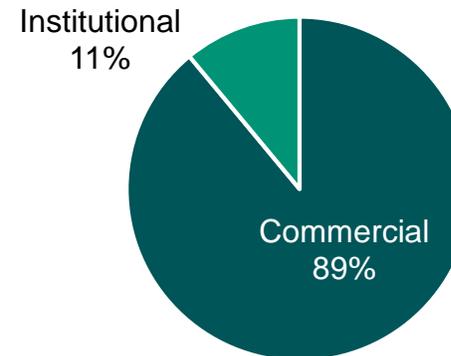
**TOTAL 2022 CONSUMER SPEND**  
€8.25B



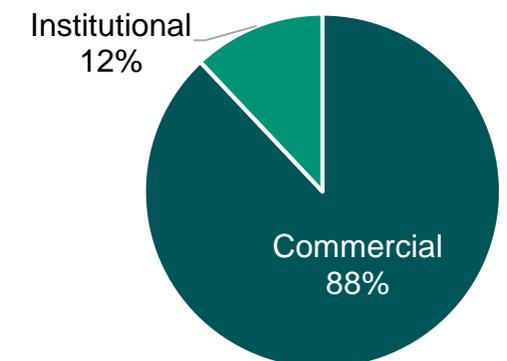
**TOTAL 2021 CONSUMER SPEND**  
€5.15B



**TOTAL 2022 OPERATOR PURCHASES**  
€2.92B



**TOTAL 2021 OPERATOR PURCHASES**  
€1.79B

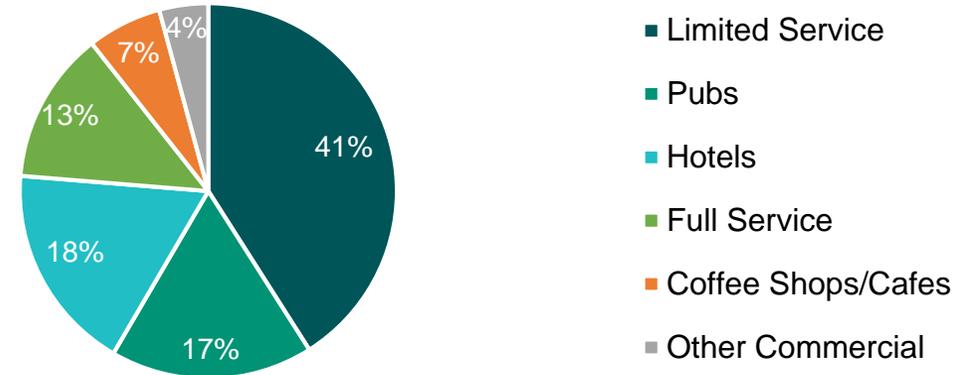


# Commercial Channels 2022 vs. 2021

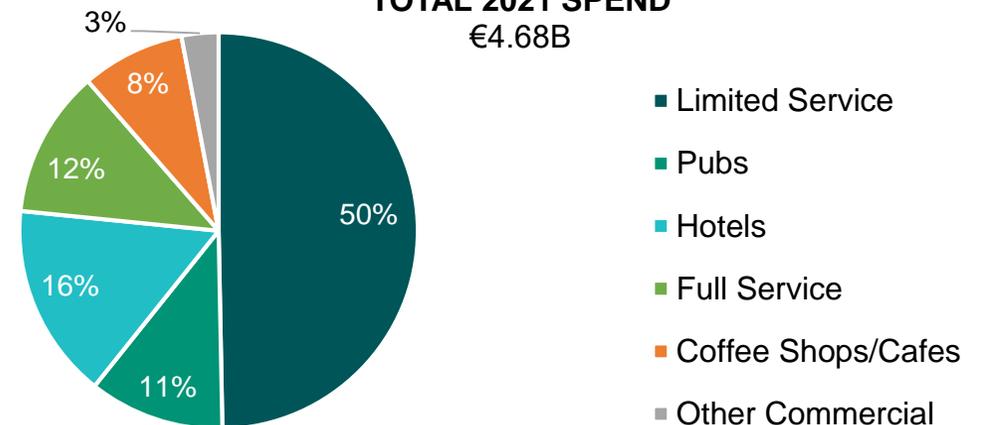
## Total island of Ireland

- As noted on the previous page, commercial channels within IOI represent the vast majority of the value spend within the Irish foodservice channel. In 2022, the Commercial sector continued to gain back much of the consumer spend that it had lost in 2020.
- In 2021, total Commercial foodservice was €4.68 billion in consumer spending for the entire island of Ireland; in 2022 this figure grew to €7.59 billion, or an increase of 62%. While this growth is particularly strong, it is still slightly below the total pre-pandemic (2019) commercial turnover of €7.8 billion. A number of sectors have reached full recovery, however, and it is expected that the entire Commercial channel will be well above 2019 levels by end 2023.
- Examining the Commercial channel in greater detail, in 2020 a significant shift occurred. Limited Service Restaurants had been the beneficiaries of much of the restrictions during 2020-21 and had controlled approximately 50% of consumer spending. In 2022, as other sectors saw significant recovery, these LSR operators lost share (note that they still grew in value terms, however) and fell to 41% of consumer spending in Commercial channels. Pubs have grown to 17% of Commercial spending value, hotels are up to 18% of spending value and full-service restaurants are up to 13% of Commercial spending.

**TOTAL 2022 SPEND**  
€7.59B



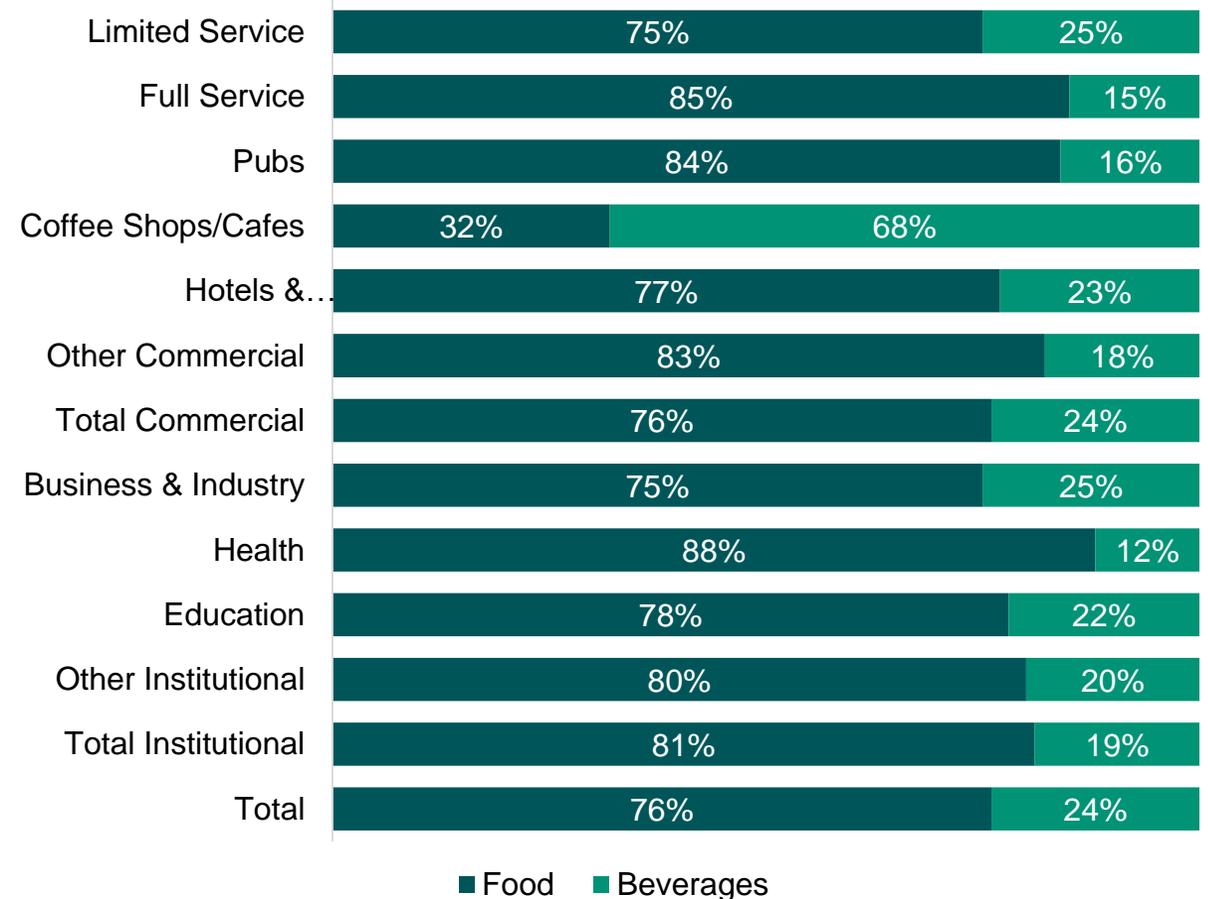
**TOTAL 2021 SPEND**  
€4.68B



# Food and Beverage Revenue Split in 2022

- As the industry has recovered and some sense of “normality” has returned, beverage sales have regained traction. During the height of restrictions, when takeaway and delivery were much more the norm, beverage attachment rates and sales suffered, and last year’s figures reflected a greater move toward food. In 2022, the return of dine-in has caused a shift back. Note that these figures have been developed to include only non-alcohol beverage.
- Continued inflationary pressures and higher costs overall continue to impact operator profitability. Higher labour costs, ongoing food cost increases and other increases (including surging energy costs) have caused overall operator margins to tighten.
- Although this report does not include the value of non-foods purchased (other than what is included in the food item), operators remain concerned about the longer-term profitability of the business.
- As in the past, the share of beverage revenue is higher in the Commercial channel, where coffee cafes and limited service (which includes takeaway and food-to-go) drive that beverage percentage higher.

SHARE OF TOTAL REVENUE 2022  
TOTAL IOI FOODSERVICE MARKET



# Route to Market 2022

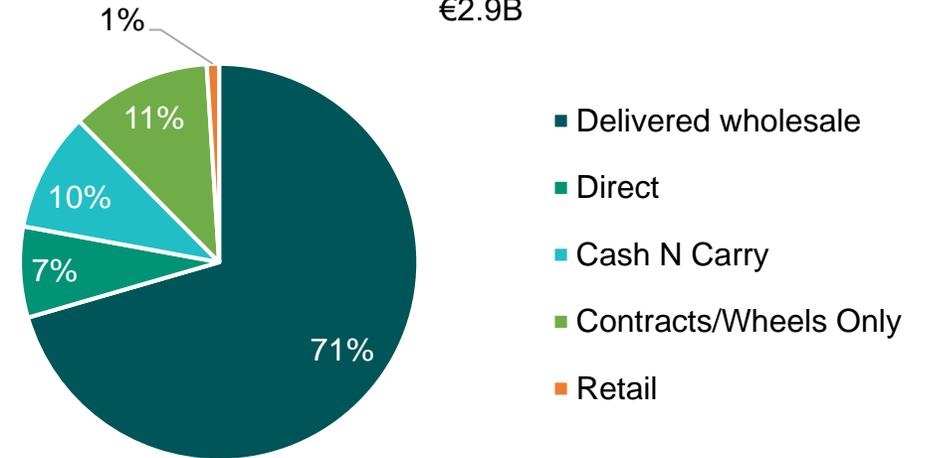
Operator purchases tend to grow at a slightly different rate than consumer spending, particularly since many operators have not fully passed on food cost increases that they've received from their suppliers. In 2022, operator purchases grew at a rate of 64% (or slightly higher than consumer spending); this figure can also be viewed as the aggregated size for route-to-market players in Ireland (operator purchases equals distributor sales).

- The most prevalent route to market in Irish foodservice remains **wholesale delivery**, which accounted for 71% of operator purchases in 2022 and saw relatively strong growth of 72%. This type of distribution gained share over the past year and is indexing above 2019 levels.
- The **Cash & Carry** segment represents approximately 10% of the total value of purchases delivered. Many of these companies have found operators

more willing to receive delivered product, and growth has trailed delivery. This area of business grew 20% YOY against 2020 levels and is also indexing above 2019 turnover levels.

- The **contract “wheels only”** reflects the conditions of not only large chains, but also contract caterers that tend to have a “cost plus” arrangement for distribution. This sector was up 87% in 2022, reflecting additional recovery in the operator segments served – but this route to market also remains below 2019 levels, indexing at 96, as some major chains and contract business has been softer than other parts of the business.
- Operators also occasionally source from **retail outlets** (i.e. purchase from a grocer or supermarket). This only accounts for a small share of the business and declined slightly as operators resumed sourcing from more traditional distribution types.

Total IOI F&B Purchases  
€2.9B



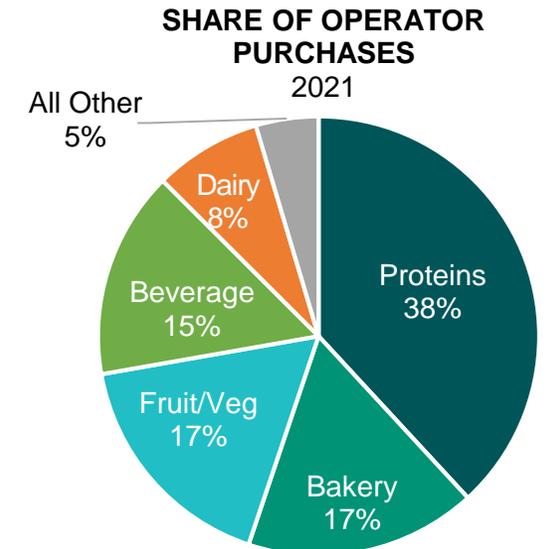
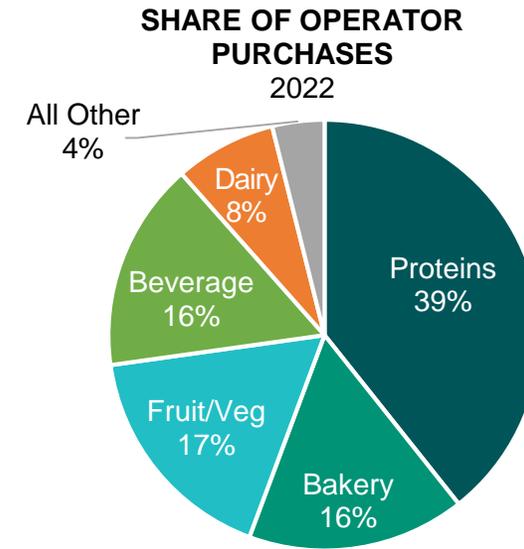
2022 Irish Foodservice Route To Market	2021-22 CAGR	Index to 2019
Delivered wholesale	72%	104
Direct	48%	79
Cash & Carry	20%	104
Contracts/Wheels Only	87%	96
Retail	17%	98
<b>Total</b>	<b>64%</b>	<b>101</b>

# Product Category Segmentation

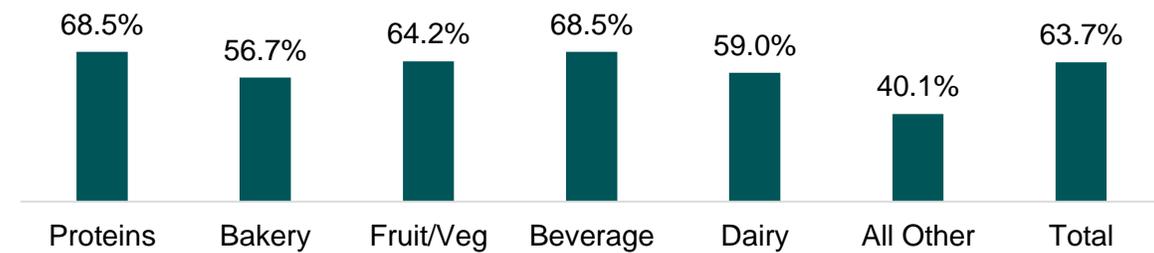
- Proteins remain the largest product category in terms of operator purchases, accounting for 39% of the total. The one point share increase indicates the growth seen in purchase levels – driven by the recovery, but also by higher commodity costs on nearly every type of protein. Operators have begun removing high cost items such as fillet steaks from the menu, given significant price increases.
- Bakery, fruit and vegetables, and beverages remain the next largest categories, with fruit/veg now accounting for a slightly higher share of purchases than bakery. This too is largely driven by inflationary issues.
- As noted on the previous page, operator purchases are calculated as growing at a slightly higher rate than the industry. While settling on a menu inflation rate has been difficult, it does appear that most operators have not passed on the full array of product cost increases to customers, either because of competitive

reasons or due to concerns about value perceptions. Supply chain issues remain a challenge and have also been a factor in driving higher costs.

- Note that “all other” figure includes packaging costs that are specifically included as a “cost of good” in the food or beverage item and includes single-use cups as well as wraps, bags, etc. This category would also include any other food item otherwise noted. The growth here is indicative of the continued need (albeit slowing) of takeaway packaging and single use products. As dine-in has returned, the need is less acute, although operators are also increasingly returning to higher cost compostable and recyclable cups.
- The figures shown here include both ROI purchases as well as food and non-alcohol beverage purchases made in Northern Ireland and converted to Euro.



**2021-22 CHANGE IN OPERATOR PURCHASES**

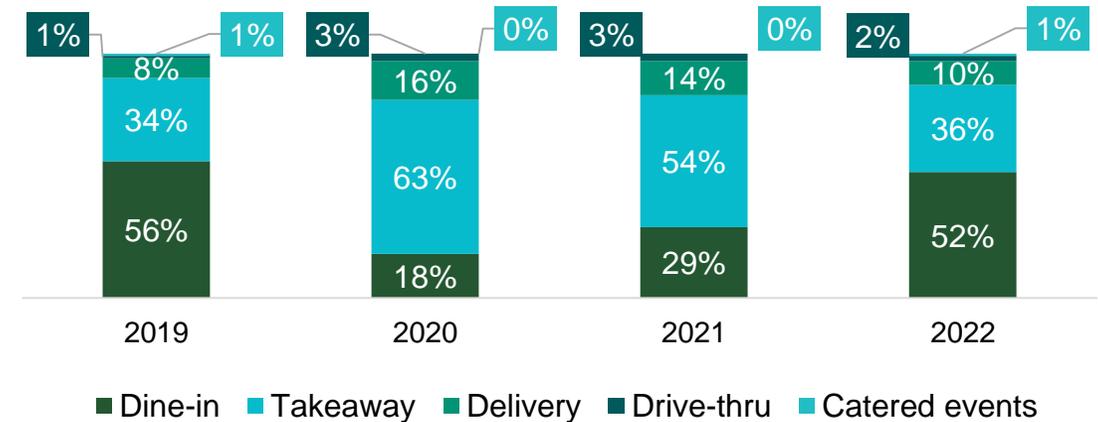


# Summary of On-Premise Trends

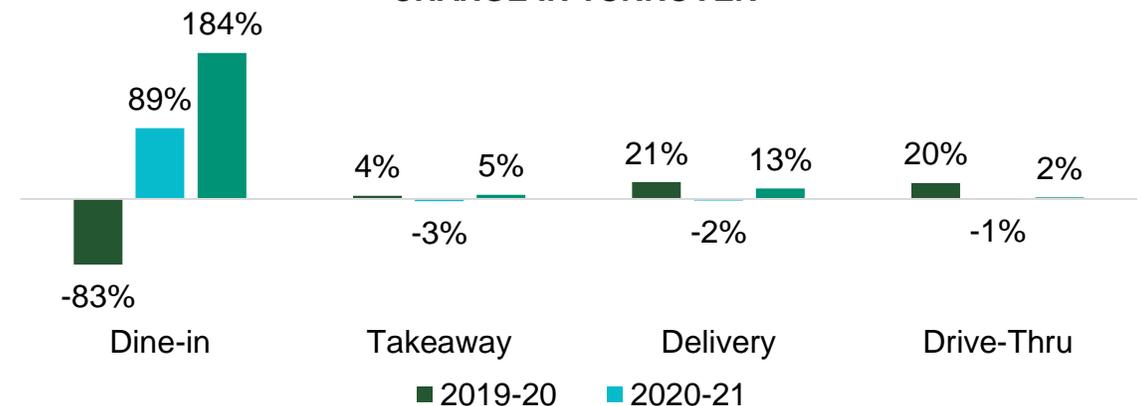
“Off-premise” is defined as any meal/occasion that is consumed outside of the dining room. In general, it consists of takeaway (including click-and-collect), delivery (both aggregators and self-delivery), drive-thrus and catered events (i.e., restaurants bringing meals to corporate events, etc.)

- While off-premise exploded during the height of restrictions (particularly in 2020, but also in 2021), over the course of 2021 and particularly through 2022 consumers have greatly returned to dining on-premise. This has driven triple-digit gains in the dine-in occasion in 2022.
- At the same time, growth in takeaway and delivery has decelerated greatly. Both declined slightly in 2021, coming off of a year (2020) when these were essentially the only way restaurants could serve customers. Both regained growth in 2022, and all elements of off-premise remain larger than they were pre-pandemic.
- In 2022, while delivery revenue levels have continued to grow, there is some concern about the future of delivery, particularly with higher fees, fuel prices and a consumer seeking value. Still, it is expected that delivery will hold most of the gains made over the past several years.
- Drive-thrus remain a very small but growing part of the Commercial foodservice space in Ireland. There are fewer opportunities to install drive-thrus, but where it makes sense (motorways, etc.), operators are adding these as options for their consumers.
- One area that has not developed as it has in other markets is the “ghost kitchen” (i.e. delivery kitchen) concept. This generally works in denser population areas, and there are only a few operators that have even trialed this.

SHARE ON- VS. OFF-PREMISE



CHANGE IN TURNOVER



# Irish Foodservice Market Snapshot 2022

## Total island of Ireland (IOI)

2022 Total Irish Foodservice Market	2022 Consumer Spending (€M)	2021 Consumer Spending (€M)	2022 Operator Purchases (€M)	2021 Operator Purchases (€M)	2021-221 CAGR (in €)
Limited Service (QSR, fast casual, food to go)	€ 3,114	€ 2,322	€ 1,092	€ 799	34.1%
Full Service	€ 991	€ 559	€ 344	€ 189	77.1%
Pubs	€ 1,319	€ 515	€ 446	€ 164	156.3%
Coffee Shops/Cafes	€ 482	€ 395	€ 134	€ 109	22.2%
Hotels & Accommodations	€ 1,361	€ 743	€ 461	€ 249	83.2%
Other Commercial	€ 320	€ 142	€ 112	€ 51	125.1%
<b>Total Commercial</b>	<b>€ 7,588</b>	<b>€ 4,675</b>	<b>€ 2,588</b>	<b>€ 1,561</b>	<b>62.3%</b>
Business & Industry	€ 223	€ 101	€ 113	€ 50	121.1%
Healthcare	€ 241	€ 222	€ 125	€ 115	8.4%
Education	€ 149	€ 81	€ 72	€ 38	84.3%
Other Institutional	€ 44	€ 43	€ 22	€ 20	3.8%
<b>Total Institutional</b>	<b>€ 657</b>	<b>€ 447</b>	<b>€ 332</b>	<b>€ 222</b>	<b>47.2%</b>
<b>Total IOI</b>	<b>€ 8,245</b>	<b>€ 5,122</b>	<b>€ 2,920</b>	<b>€ 1,784</b>	<b>61.0%</b>

Total Island of Ireland

Source: Bord Bia, Technomic

Note: Figures for previous years have in some instances been updated

# Irish Foodservice Market Snapshot 2022

## Republic of Ireland

2022 ROI Foodservice Market	2022 Consumer Spending (€M)	2021 Consumer Spending (€M)	2022 Operator Purchases (€M)	2021 Operator Purchases (€M)	2021-221 CAGR (in €)
Limited Service (QSR, fast casual, food to go)	€ 2,355	€ 1,738	€ 829	€ 598	35.5%
Full Service	€ 693	€ 380	€ 241	€ 130	82.3%
Pubs	€ 979	€ 352	€ 332	€ 112	178.4%
Coffee Shops/Cafes	€ 360	€ 291	€ 101	€ 81	23.7%
Hotels & Accommodations	€ 1,024	€ 551	€ 348	€ 186	85.8%
Other Commercial	€ 251	€ 107	€ 88	€ 38	134.1%
<b>Total Commercial</b>	<b>€ 5,663</b>	<b>€ 3,420</b>	<b>€ 1,939</b>	<b>€ 1,146</b>	<b>65.6%</b>
Business & Industry	€ 163	€ 73	€ 83	€ 36	122.9%
Healthcare	€ 149	€ 138	€ 78	€ 72	8.2%
Education	€ 91	€ 50	€ 45	€ 23	82.1%
Other Institutional	€ 34	€ 33	€ 17	€ 15	3.2%
<b>Total Institutional</b>	<b>€ 437</b>	<b>€ 294</b>	<b>€ 222</b>	<b>€ 146</b>	<b>48.7%</b>
<b>Total Republic of Ireland</b>	<b>€ 6,101</b>	<b>€ 3,714</b>	<b>€ 2,161</b>	<b>€ 1,292</b>	<b>64.3%</b>

ROI only

Source: Bord Bia, Technomic

Note: Figures for previous years have in some instances been updated

# Irish Foodservice Market Snapshot 2022

## Northern Ireland

2022 NI Foodservice Market	2022 Consumer Spending (£M)	2022 Consumer Spending (€M)	2021 Consumer Spending (€M)	2022 Operator Purchases (€M)	2021 Operator Purchases (€M)	2021-22 CAGR (in Sterling)
Limited Service (QSR, fast casual, food to go)	£645	€ 759	€ 583	€ 263	€ 200	27.8%
Full Service	£253	€ 298	€ 179	€ 103	€ 58	63.1%
Pubs	£289	€ 340	€ 163	€ 113	€ 52	105.0%
Coffee Shops/Cafes	£104	€ 122	€ 103	€ 34	€ 28	16.0%
Hotels & Accommodations	£286	€ 337	€ 192	€ 113	€ 64	72.6%
Other Commercial	£59	€ 69	€ 35	€ 24	€ 13	94.2%
<b>Total Commercial</b>	<b>£1,635</b>	<b>€ 1,924</b>	<b>€ 1,256</b>	<b>€ 649</b>	<b>€ 415</b>	<b>50.6%</b>
Business & Industry	£51	€ 60	€ 28	€ 30	€ 14	112.5%
Healthcare	£78	€ 92	€ 84	€ 47	€ 43	7.0%
Education	£49	€ 58	€ 31	€ 28	€ 14	84.6%
Other Institutional	£8	€ 10	€ 9	€ 5	€ 4	4.1%
<b>Total Institutional</b>	<b>£187</b>	<b>€ 220</b>	<b>€ 152</b>	<b>€ 110</b>	<b>€ 76</b>	<b>41.8%</b>
<b>Total Northern Ireland</b>	<b>£1,822</b>	<b>€ 2,144</b>	<b>€ 1,408</b>	<b>€ 759</b>	<b>€ 491</b>	<b>49.6%</b>

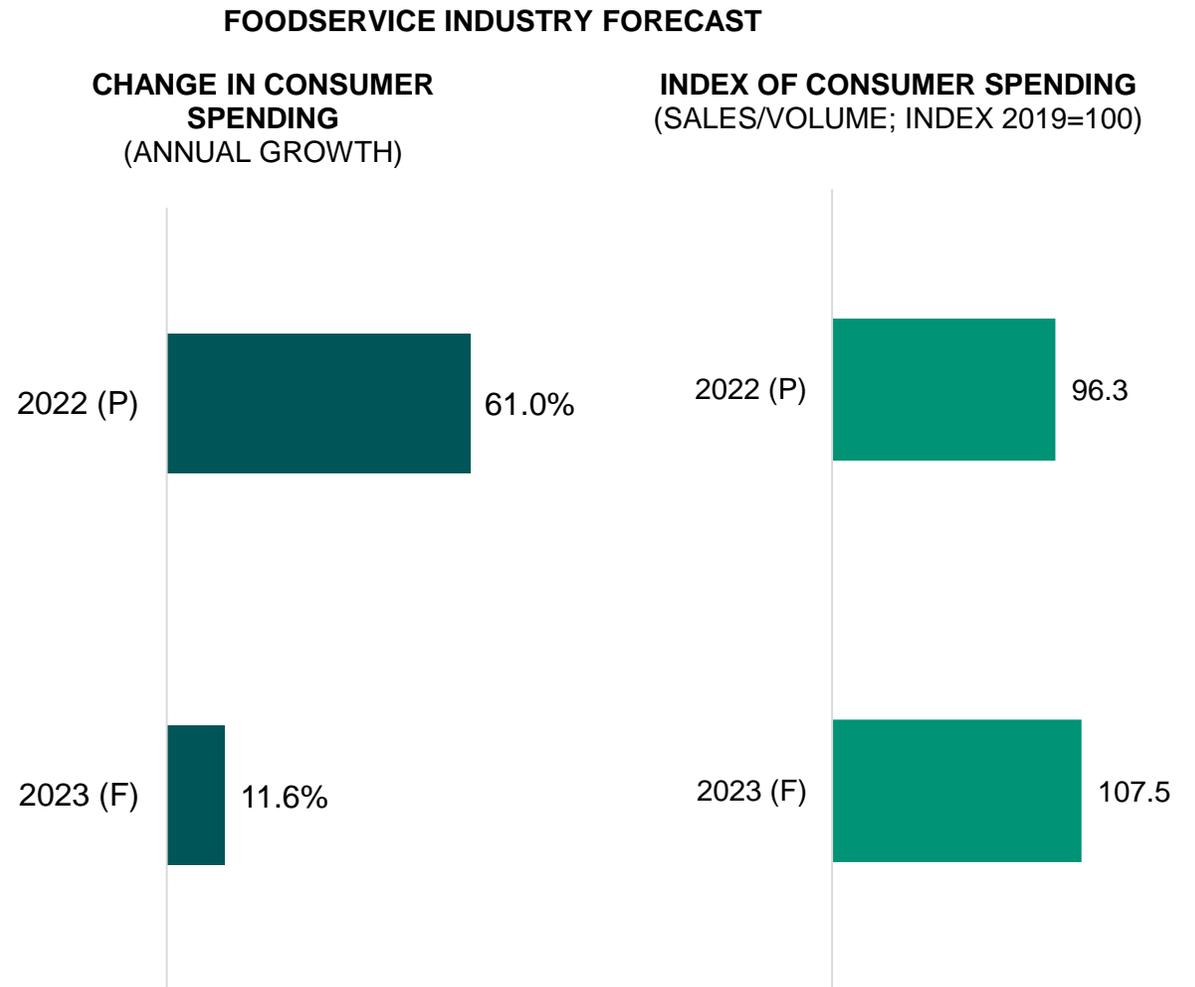
NI only

Source: Bord Bia, Technomic

Note: Figures for previous years have in some instances been updated

# Foodservice Industry Forecasts for 2023

- As noted, 2022 is expected to finish the year up 61.0% in value across the island of Ireland. Going forward, while there is great variability in the forecasts, the mid-point estimate is for the industry to increase by almost 12% in value in 2023.
- This forecast is driven largely by assumptions noted earlier in this report: inflation remains high (but starts to moderate in the second half of the year), economic growth slows (but no recession), energy remains an issue, the VAT increases in March 2023, and tourism continues to rebound, among others.
- Note that while this report does not attempt to forecast inflation, it is assumed that the majority of this 11.6% growth will be driven by higher prices passed on to the consumer.
- The total value of the industry in 2023 is expected to be €9.20 billion; this would achieve a Recovery Index of almost 108 (107.5).



# 2023 Foodservice Forecasts

- The figures to the right show a summary of the size of the industry in both the Republic of Ireland and Northern Ireland going back to 2019.
- Northern Ireland saw quicker recovery in 2021 as the UK government opened earlier (as shown by the Recovery Indices for each country), but the Republic saw stronger growth in 2022. Forecasts for both indicate a low-teen increase in 2023.
- Note, however, that these figures are shown in Euros; the performance of Northern Ireland in Sterling is expected to be slightly robust but is helped by currency conversions to Euros for 2022 and into 2023.

## FORECASTS FOR FOODSERVICE IN 2023

### REPUBLIC OF IRELAND

**2019 Turnover**  
€6.33B  
Index = 100.0

**2020 Turnover**  
€3.30 (-48%)  
Index = 52.1

**2021 Turnover**  
€3.71B (+13%)  
Index = 58.7

**2022 Turnover (P)**  
€6.10 B (+64%)  
Index = 96.5

**2023 Turnover (F)**  
€6.79B (+11%)  
Index = 107.4

### NORTHERN IRELAND

**2019 Turnover**  
€2.24B  
Index = 100.0

**2020 Turnover**  
€1.19B (-47%)  
Index = 53.3

**2021 Turnover**  
€1.41B (+18%)  
Index=62.9

**2022 Turnover (P)**  
€2.14B (+52%)  
Index = 95.8

**2023 Turnover (F)**  
€2.41B (+12%)  
Index=107.6



# Growth Outlook for 2023

## With Comparisons to 2019

2022 Growth Outlook	All island of Ireland		Republic of Ireland		Northern Ireland	
	(IOI) Growth	IOI Index of Recovery (2019=100)	Growth in Turnover	ROI Index of Recovery (2019=100)	Growth in Turnover (in Euro)	NI Index of Recovery (2019=100)
<b>Limited Service</b>	<b>9.2%</b>	<b>113.4</b>	<b>9.2%</b>	<b>113.5</b>	<b>9.1%</b>	<b>113.1</b>
Quick Service	10.0%	114.7	10.2%	115.1	9.4%	113.5
Fast Casual	9.2%	108.1	9.4%	108.5	8.5%	107.2
Food to Go	5.4%	109.4	5.0%	108.6	7.4%	113.9
<b>Full Service</b>	<b>14.4%</b>	<b>109.0</b>	<b>14.2%</b>	<b>108.9</b>	<b>14.8%</b>	<b>109.1</b>
<b>Pubs</b>	<b>11.6%</b>	<b>104.0</b>	<b>10.3%</b>	<b>104.1</b>	<b>15.2%</b>	<b>103.7</b>
<b>Coffee Shops/Cafes</b>	<b>8.8%</b>	<b>108.7</b>	<b>9.2%</b>	<b>108.7</b>	<b>7.6%</b>	<b>108.6</b>
<b>Hotels &amp; Accommodations</b>	<b>16.9%</b>	<b>103.9</b>	<b>16.6%</b>	<b>103.1</b>	<b>17.9%</b>	<b>106.1</b>
<b>Other Commercial</b>	<b>12.0%</b>	<b>108.4</b>	<b>11.8%</b>	<b>108.6</b>	<b>12.5%</b>	<b>107.8</b>
<b>All Commercial</b>	<b>11.7%</b>	<b>108.7</b>	<b>11.4%</b>	<b>108.6</b>	<b>12.6%</b>	<b>108.9</b>
<b>Business &amp; Industry</b>	<b>16.3%</b>	<b>79.1</b>	<b>14.8%</b>	<b>79.0</b>	<b>20.5%</b>	<b>79.4</b>
<b>Education</b>	<b>5.8%</b>	<b>105.5</b>	<b>6.5%</b>	<b>105.3</b>	<b>4.8%</b>	<b>105.8</b>
<b>Healthcare</b>	<b>8.7%</b>	<b>106.7</b>	<b>10.8%</b>	<b>106.1</b>	<b>5.5%</b>	<b>107.7</b>
<b>All Other</b>	<b>3.6%</b>	<b>107.9</b>	<b>3.7%</b>	<b>107.8</b>	<b>3.2%</b>	<b>108.1</b>
<b>All Institutional</b>	<b>9.9%</b>	<b>94.6</b>	<b>10.2%</b>	<b>93.6</b>	<b>9.2%</b>	<b>96.7</b>
<b>Total Foodservice</b>	<b>11.6%</b>	<b>107.5</b>	<b>11.4%</b>	<b>107.4</b>	<b>12.3%</b>	<b>107.6</b>

# Section 4

## Understanding the Irish Foodservice Consumer

**BORD BIA**  
IRISH FOOD BOARD



# Consumer Research

## Summary of Key Findings

**Consumer's are glad to be back out socialising again.** 8 in 10 (76%) have really enjoyed the social aspect of dining out, now that Covid restrictions have been lifted.

But as many as 9 in 10 (89%) say they are noticing the rising cost of eating out. And **9 in 10 (87%) agree that dining out has become too expensive to do on a regular basis.**

With **8 in 10 consumers (77%) concerned about their finances**, they are changing their out of home consumption to reduce costs.

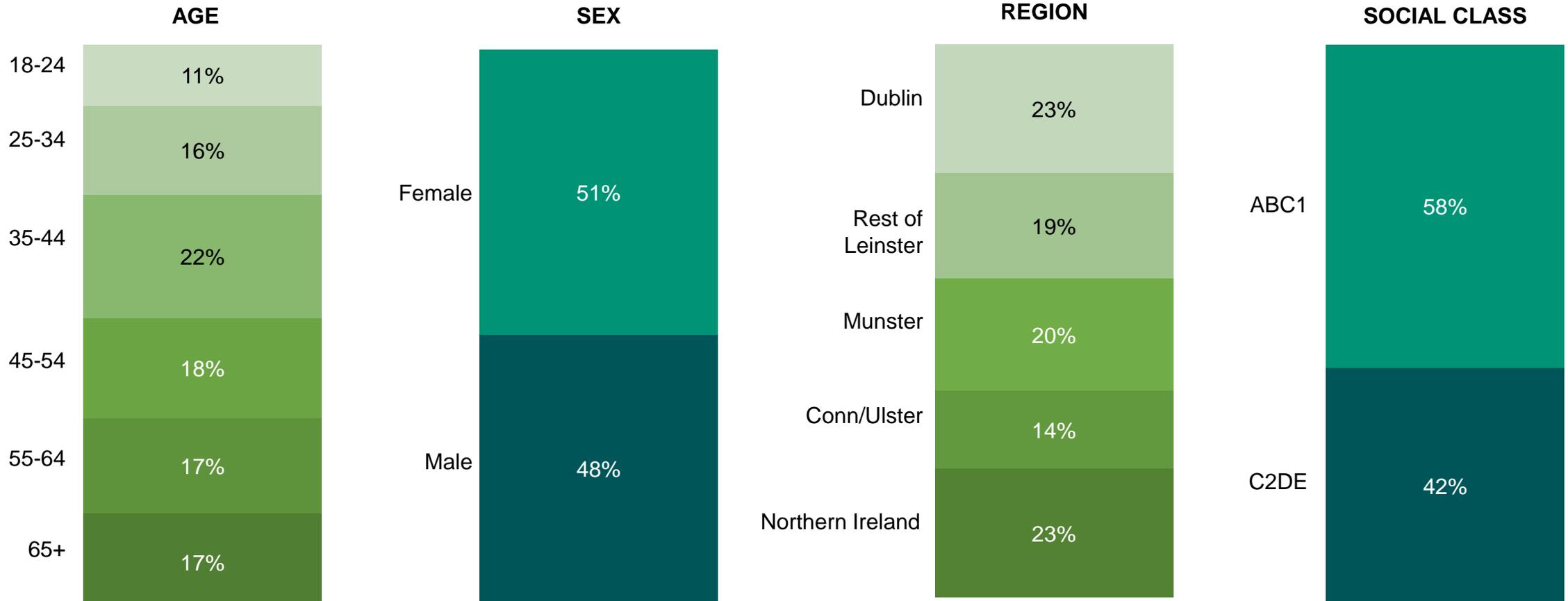
Given these ongoing consumer concerns, takeaways have remained a popular choice. **4 in 10 (42%) are getting more takeaways as it offers a more affordable option.**

Although cost poses a challenge to all consumers, it does not affect everyone to the same degree. A three segment model identifying x3 distinct (and equally split) consumer cohorts offers a useful lens by which to view the market

- **“Cost Constrained”**, are more likely to be C2DE females in the post family life stage, living in Northern Ireland. **Cost Constrained** consumers would like to be dining out of home, but are held back by their finances and it looks as though this will continue to be the case for the next six months. They represent 3 in 10 (34%) of the population and are those consumers most likely to be feeling the pinch.
- **“Re-emerging Socialisers”**, are more likely to be ABC1 adults, aged 45+ in the post family life stage. **Re-emerging Socialisers** are reconnecting with the out of home foodservice opportunity and are the least likely to pull back in the next 6 months. They represent 3 in 10 (32%) of the population and are seeking a more formal and indulgent dining experience.
- **“Foodservice Champions”**, are more likely to be ABC1 adults aged under 45 in the pre and young family life stage, living in

Dublin. **Foodservice Champions** have wilfully adopted the change in foodservice and are blending casual and formal dining in and out. They are embracing the full range of possibilities and operators should look to provide options that tap into their changing attitudes and behaviours. They represent 3 in 10 (33%) of the population and are blending dining in and home delivery.

# Consumer Sample



# Consumer Typologies



# Typologies

These attitudinal cohorts were identified using a factor-based approach using the attitudinal statements seen previously.

A **3 segment model as shown here was the optimal solution** both statistically and intuitively and these represent a potentially useful lens through which to view the market.



Re-emerging  
Socialisers  
**32%**

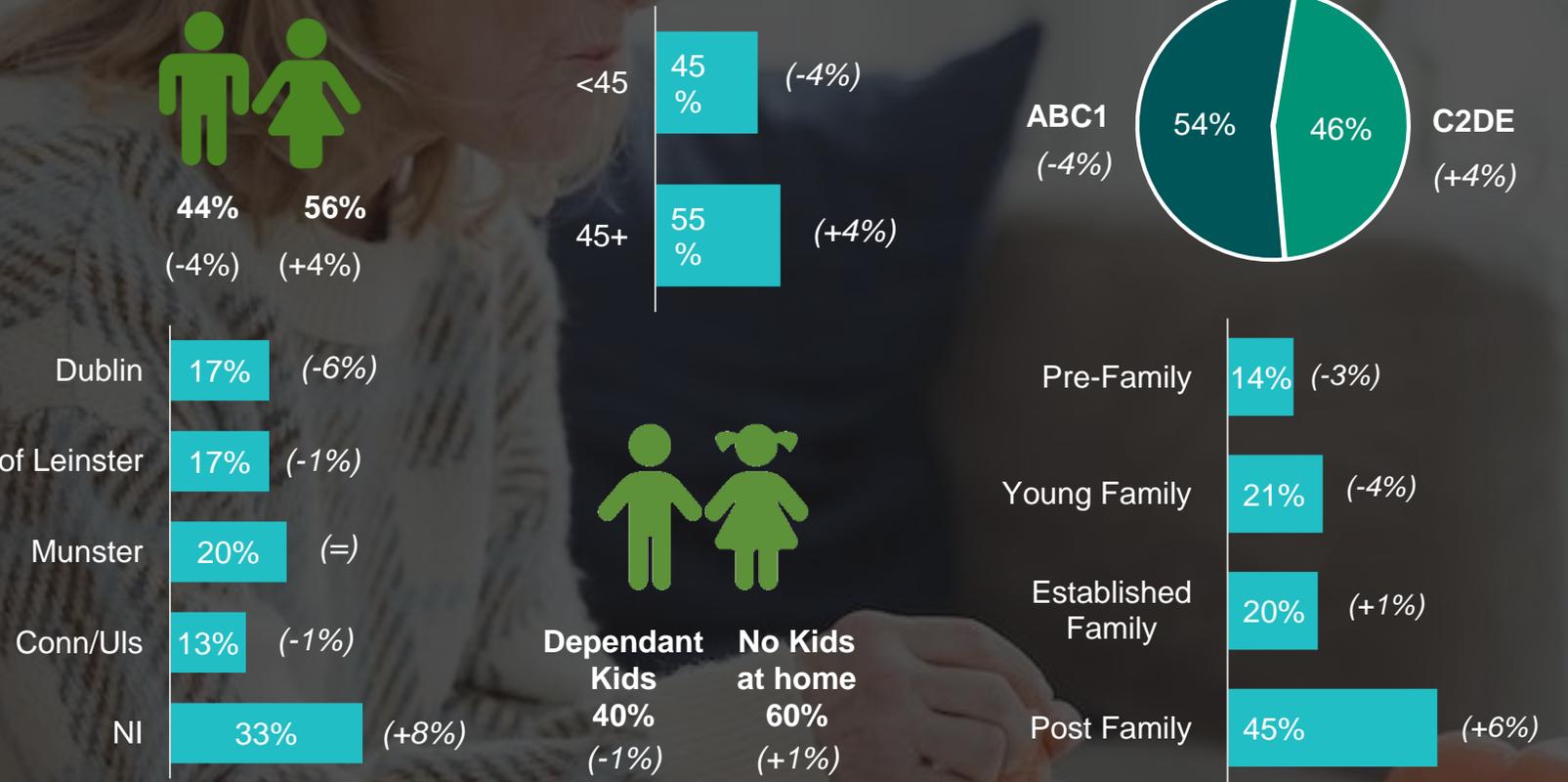
Cost  
Constrained  
**34%**

Foodservice  
Champions  
**33%**

# Cost Constrained (34%)

Who are they?

They are more likely to be C2DE females in the post family lifestage living in Northern Ireland

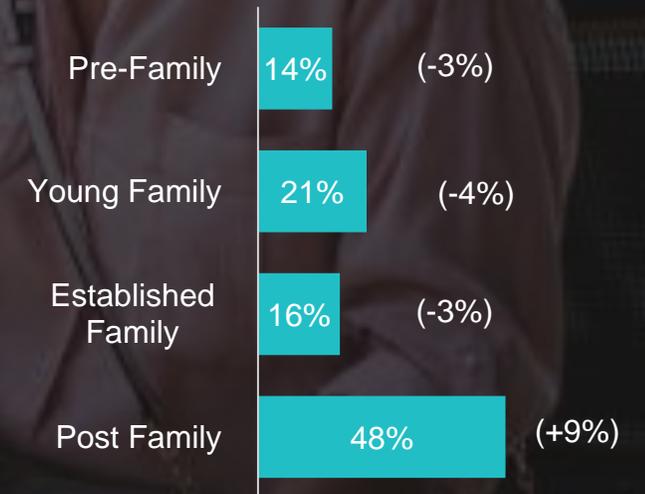
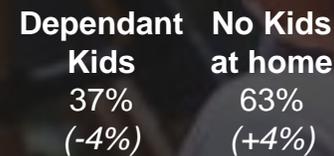
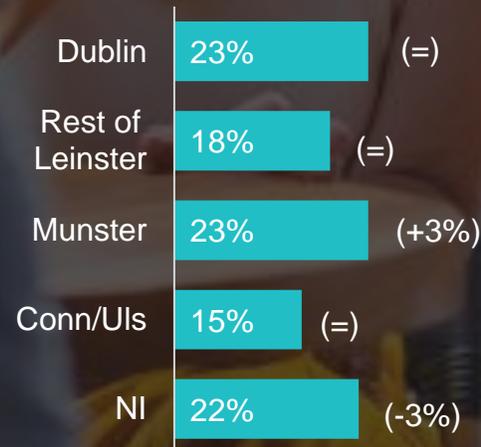
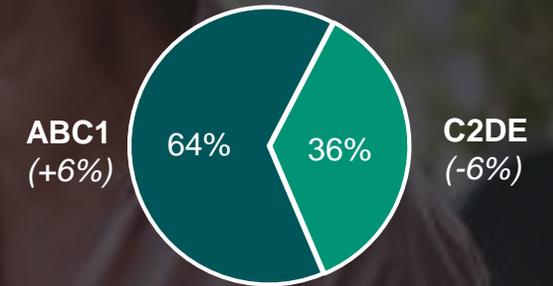
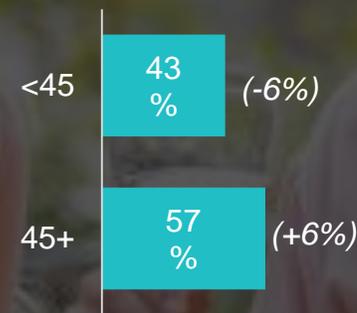


()=% diff vs total sample

# Re-emerging Socialisers (32%)

Who are they?

They are more likely to be ABC1 adults aged 45+ in the post family lifestage



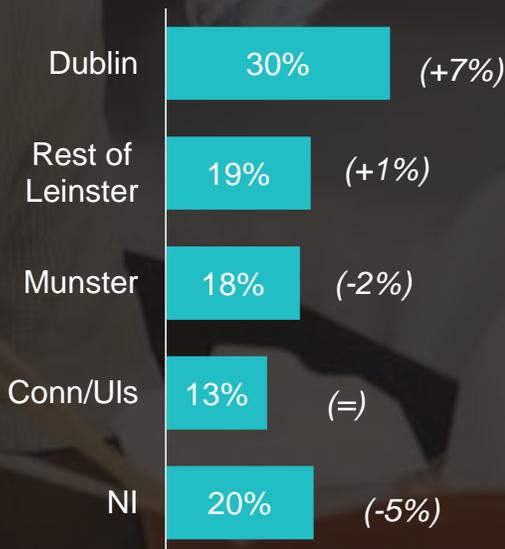
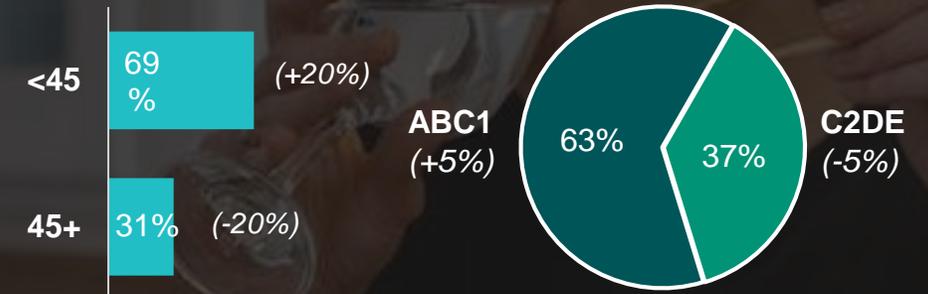
# Foodservice Champions (33%)

Who are they?

They are more likely to be ABC1 adults aged under 45 in the pre and young family lifestages living in Dublin

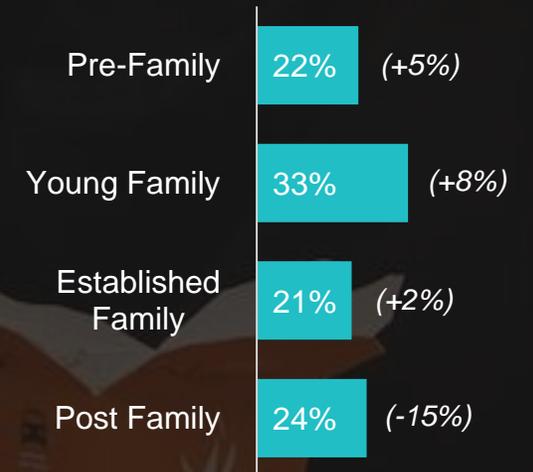


49% (+1%)      50% (-1%)



**Dependant Kids**  
46% (-13%)

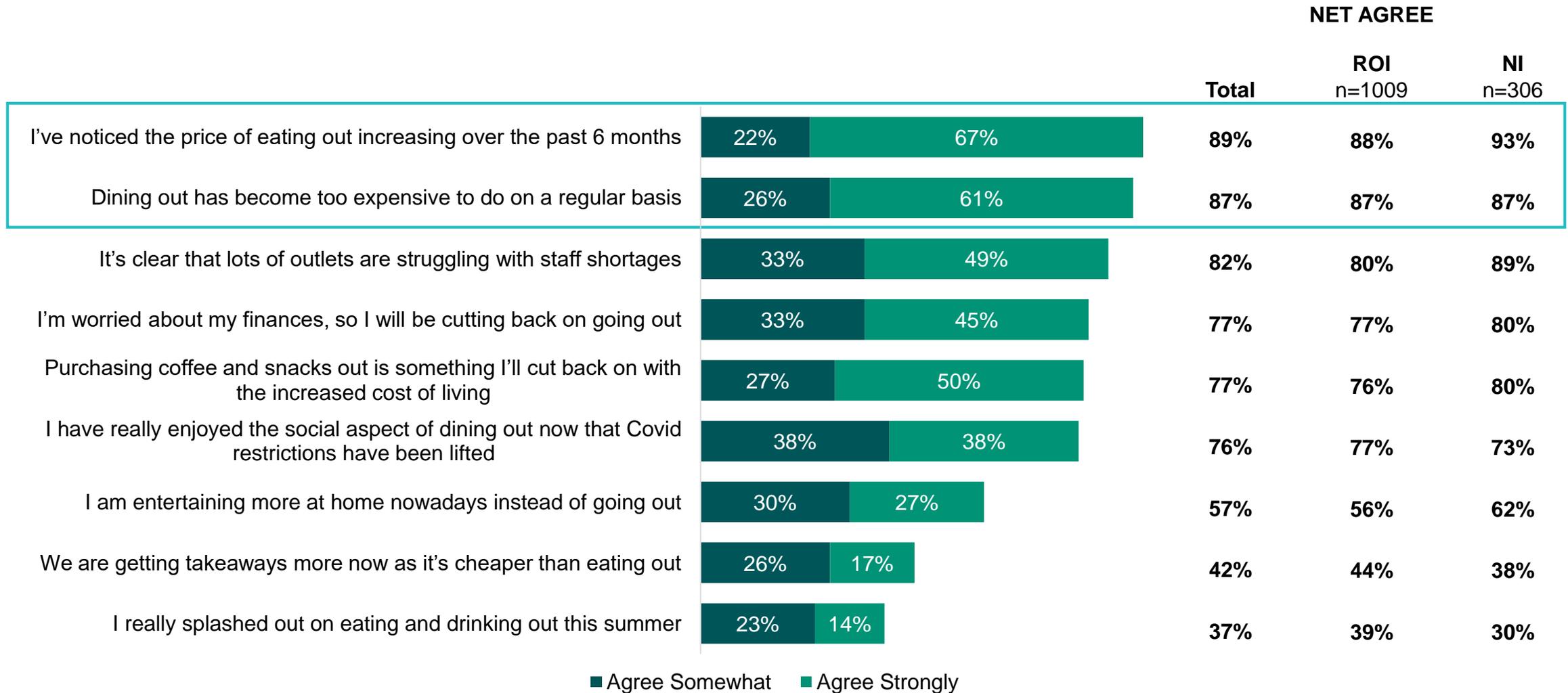
**No Kids at home**  
54% (+13%)



# Prevailing Consumer Attitudes



# Attitudes towards eating out

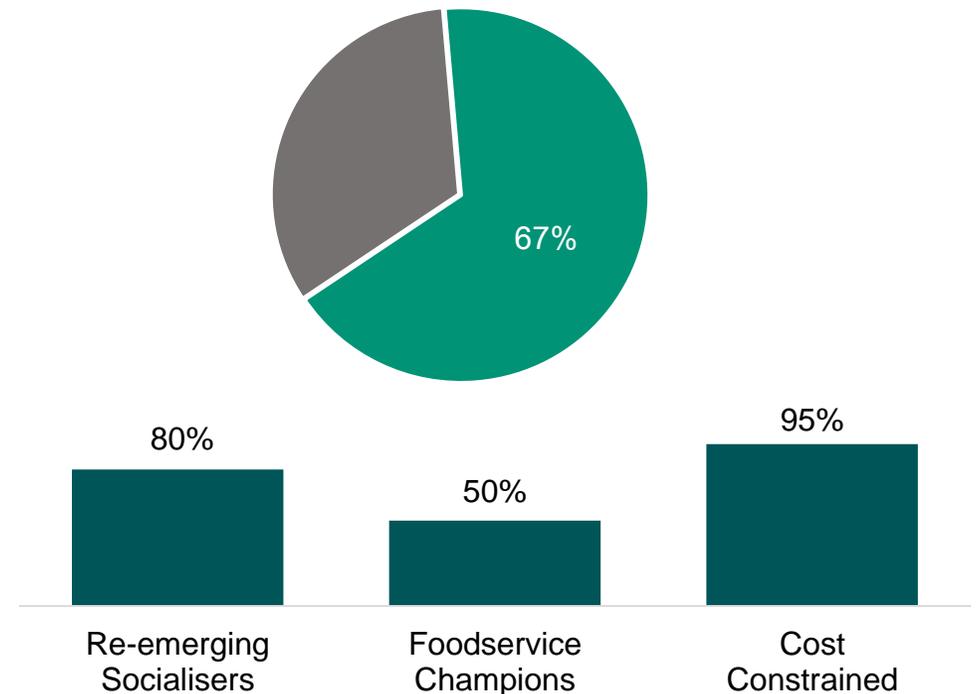
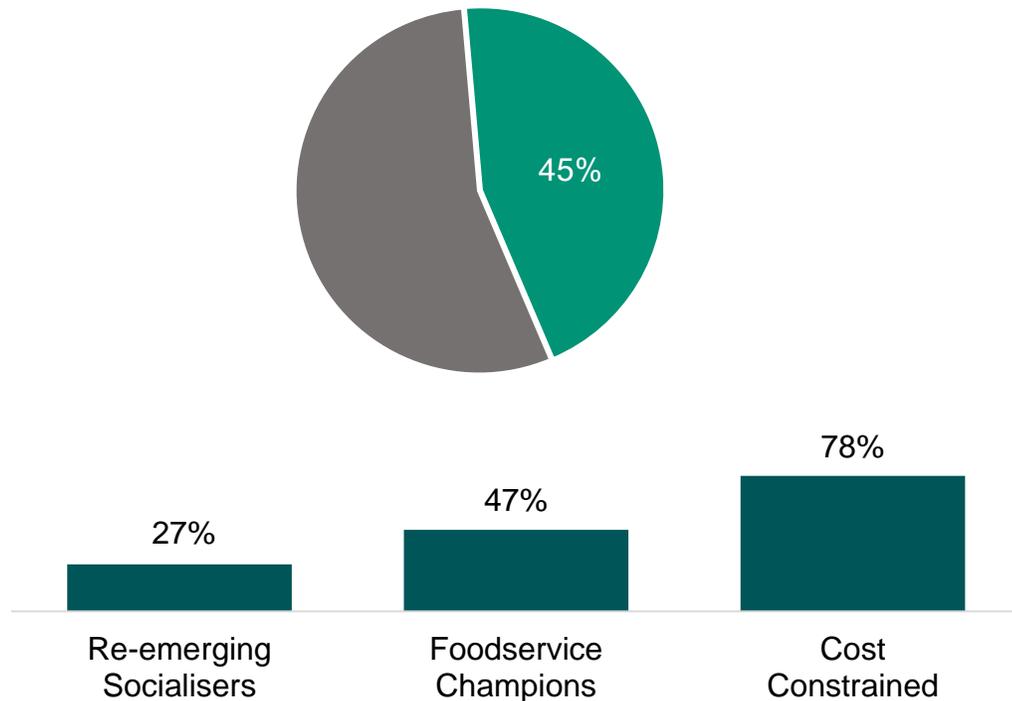


# Cost Constrained consumers are feeling the pinch the most

% STRONGLY AGREE

I'M WORRIED ABOUT MY FINANCES, SO I WILL BE CUTTING BACK ON GOING OUT

I'VE NOTICED THE PRICE OF EATING OUT INCREASING OVER THE PAST 6 MONTHS



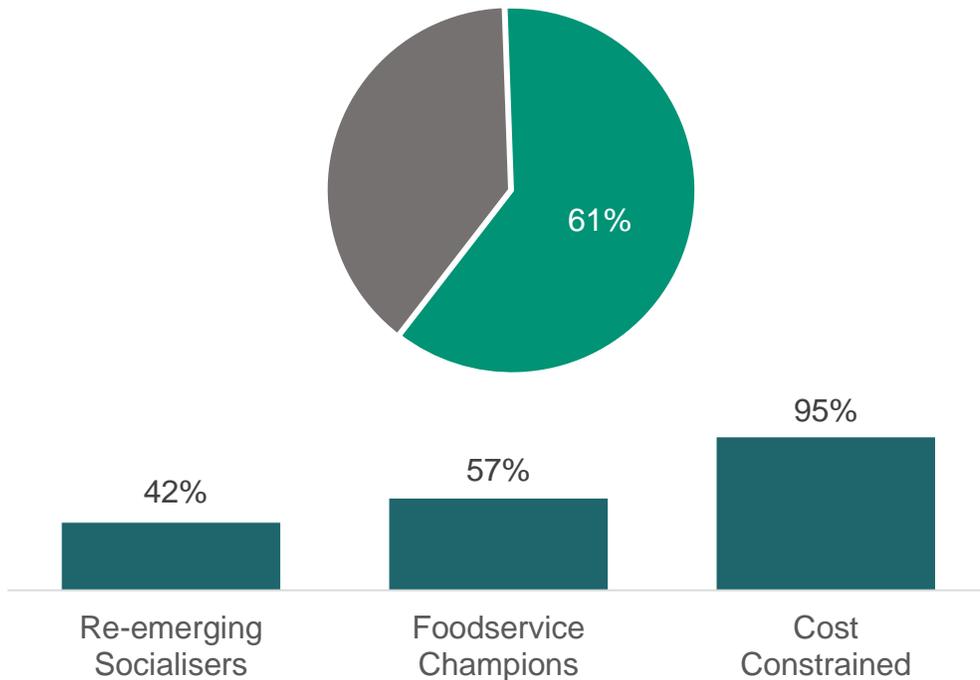
(Base: All adults aged 18+ in IOI n=1,315)

Q2. Here are some things that other people have said about eating out of home. To what extent do you disagree or agree with each of these statements?

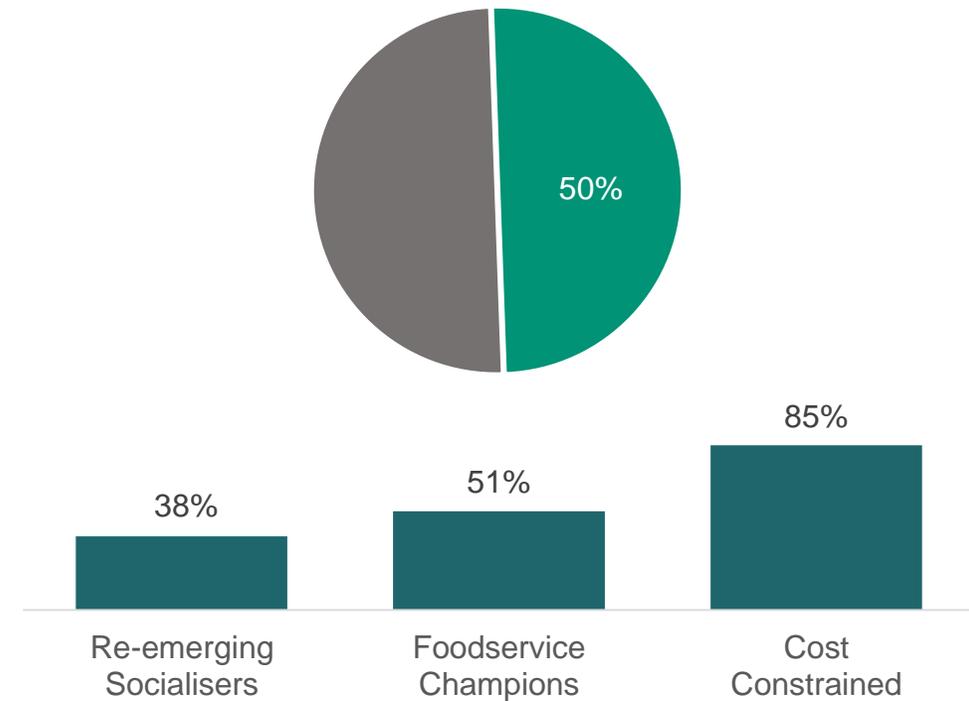
# And as a result are cutting back on their OOH consumption

% STRONGLY AGREE

DINING OUT HAS BECOME TOO EXPENSIVE TO DO ON A REGULAR BASIS



PURCHASING COFFEE AND SNACKS OUT IS SOMETHING I'LL CUT BACK ON WITH THE INCREASED COST OF LIVING

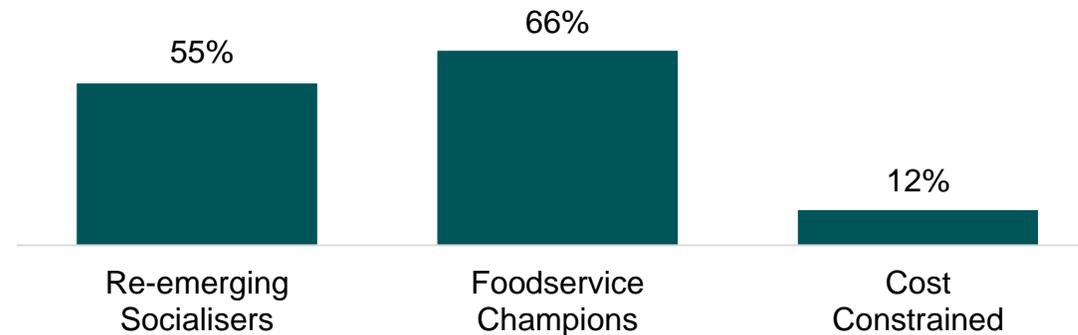
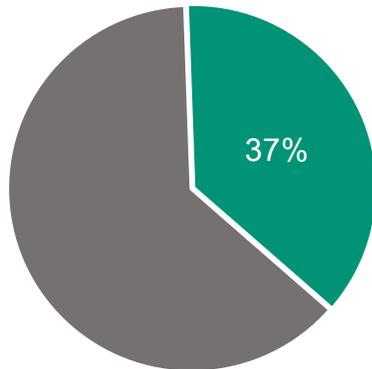


(Base: All adults aged 18+ in IOI n=1,315)

Q2. Here are some things that other people have said about eating out of home. To what extent do you disagree or agree with each of these statements?

# Both Re-emerging Socialisers and Foodservice Champions splashed out this summer

**% ANY AGREE**  
**I REALLY SPLASHED OUT ON EATING AND DRINKING OUT THIS SUMMER**

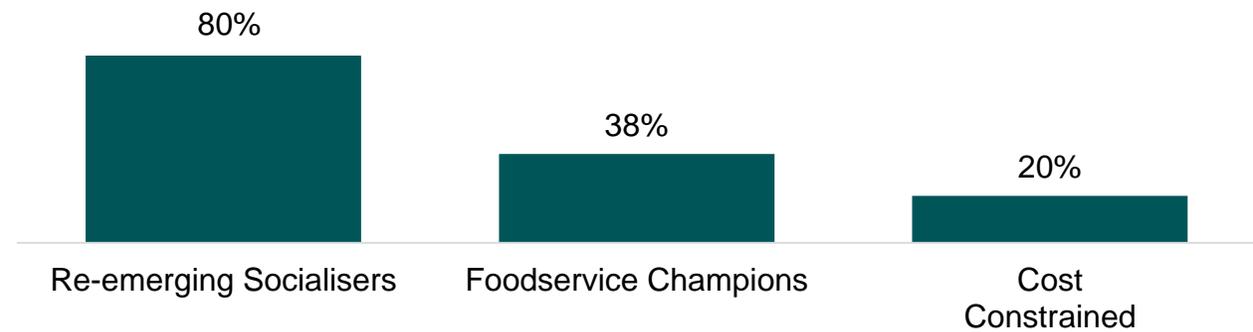
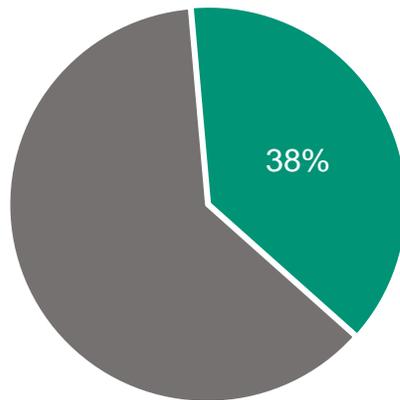


(Base: All adults aged 18+ in IOI n=1,315)

Q2. Here are some things that other people have said about eating out of home. To what extent do you disagree or agree with each of these statements?

# Re-emerging Socialisers are very glad to be back out

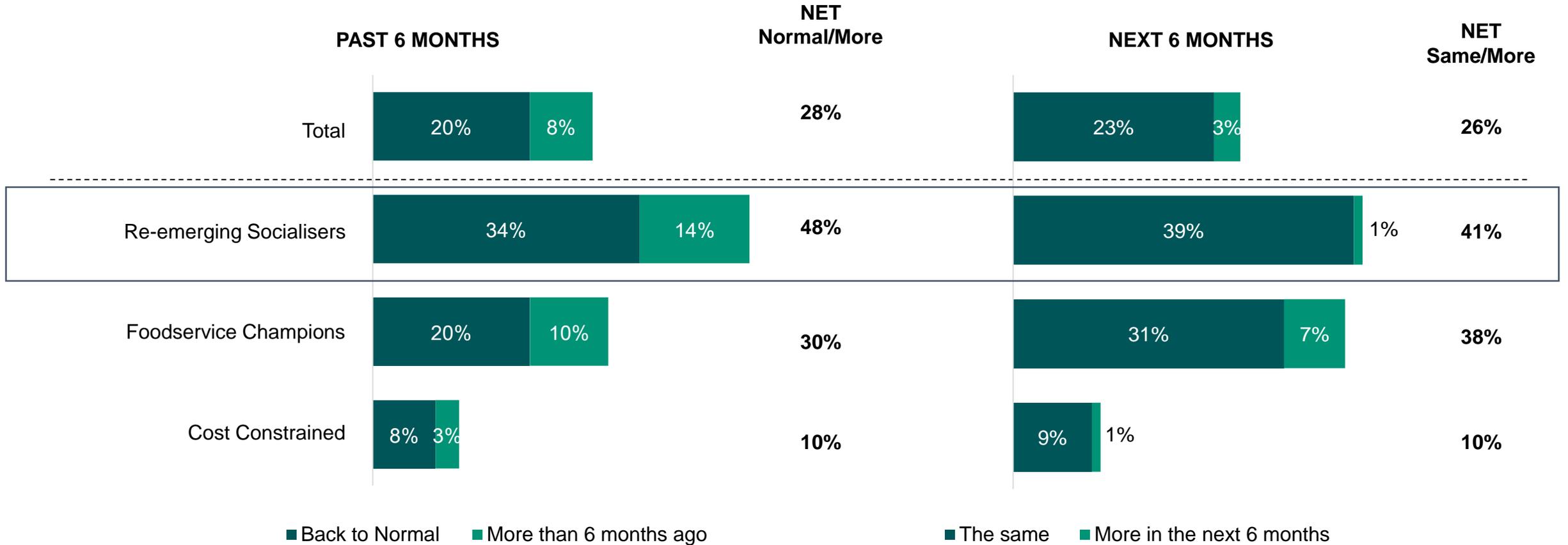
**% STRONGLY AGREE**  
I HAVE REALLY ENJOYED THE SOCIAL ASPECT OF DINING OUT NOW THAT COVID RESTRICTIONS HAVE BEEN LIFTED



(Base: All adults aged 18+ in IOI n=1,315)

Q2. Here are some things that other people have said about eating out of home. To what extent do you disagree or agree with each of these statements?

# And they plan to continue eating out as often in the future



(Base: All adults aged 18+ in IOI n=1,315)

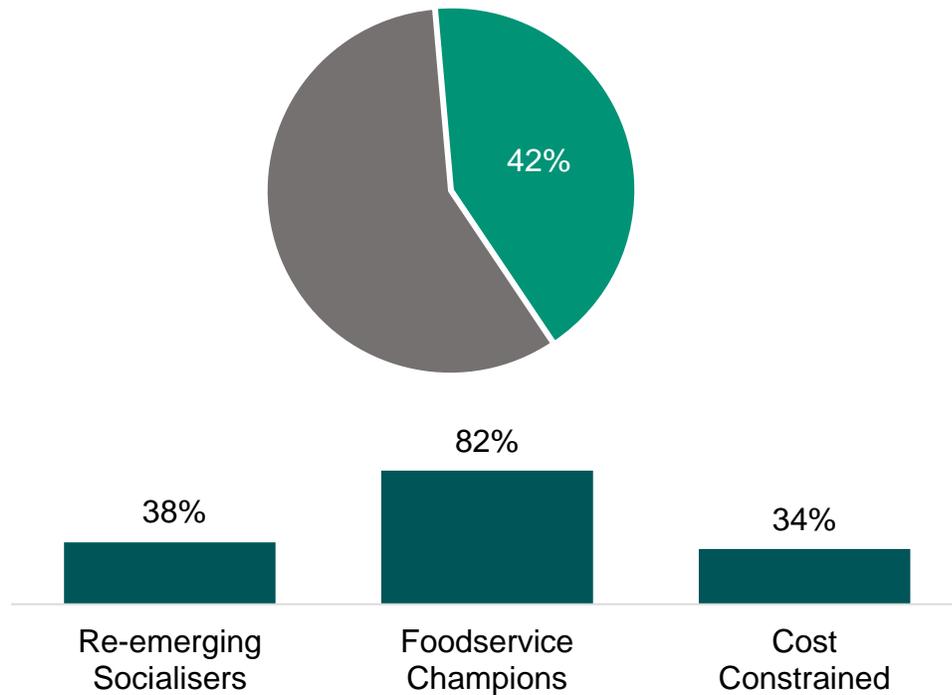
Q3a.Thinking back over the past 6 months, which of these options best describes your behaviour when it comes to eating out of home in cafes, restaurants, pubs, takeaways or similar outlets?

Q3b.Thinking ahead to the next 6 months, which of these options best describes your future behaviour when it comes to eating out of home in cafes, restaurants, pubs, takeaways or similar outlets?

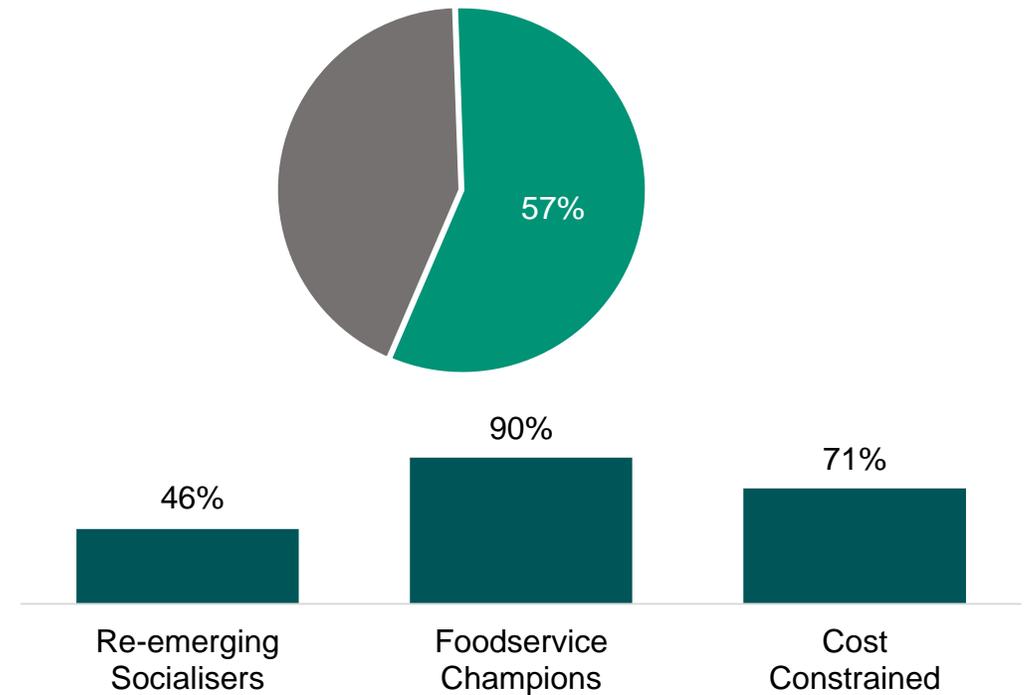
# Takeaways and entertaining at home are on the rise for Foodservice Champions

% ANY AGREE

WE ARE GETTING TAKEAWAYS MORE NOW AS IT'S CHEAPER THAN EATING OUT

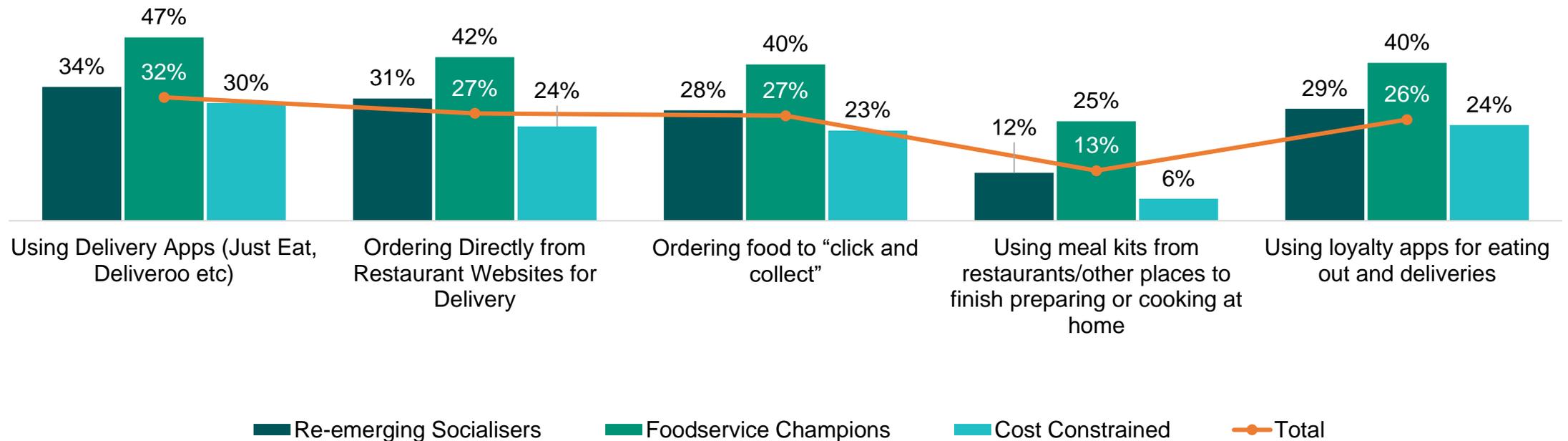


I AM ENTERTAINING MORE AT HOME NOWADAYS INSTEAD OF GOING OUT



# Coinciding with their regular use of a variety of delivery methods

% USING REGULARLY



(Base: All adults aged 18+ in IOI n=1,315)

Q6. Looking at these approaches to ordering and getting food from outlets to enjoy at home, which of these statements best describes your usage of each of these now that Covid restrictions have been lifted?

# Changing Priorities

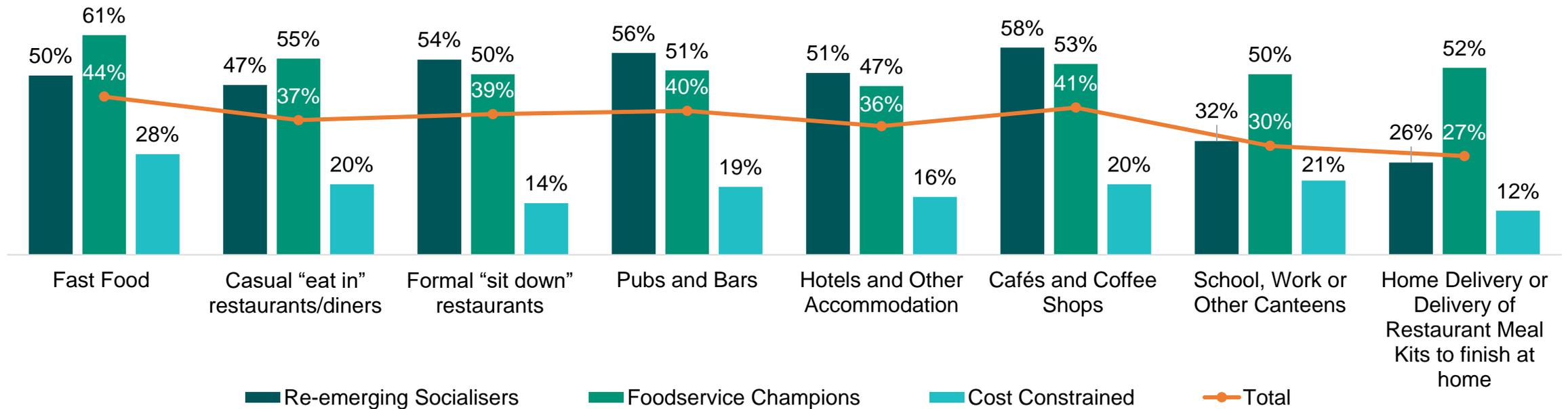


# Priorities when eating out



# Foodservice Champions will be looking for convenience and casual dining options, while Re-emerging Socialisers are sticking with formal, luxury experiences

% USING THE SAME/MORE IN NEXT 6 MONTHS



(Base: All adults aged 18+ in IOI n=1,315)

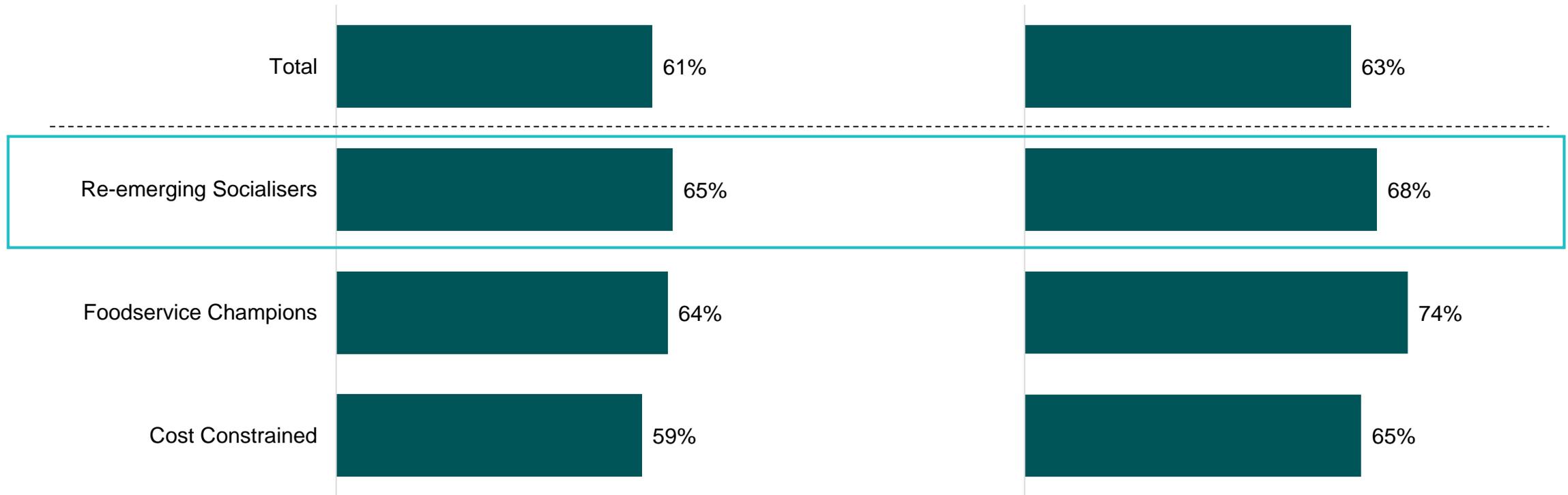
Q5. Thinking ahead to the next 6 months and these specific types of outlets, can you please choose whether you expect your frequency of usage to increase, decrease, or remain the same frequency of usage as the past 6 months?

# It's more about indulgence than health for all

% MORE LIKELY TO CHOOSE

THE FOOD IS HEALTHY

IT'S A REAL TREAT & INDULGENCE



(Base: All adults aged 18+ in IOI n=1,315)

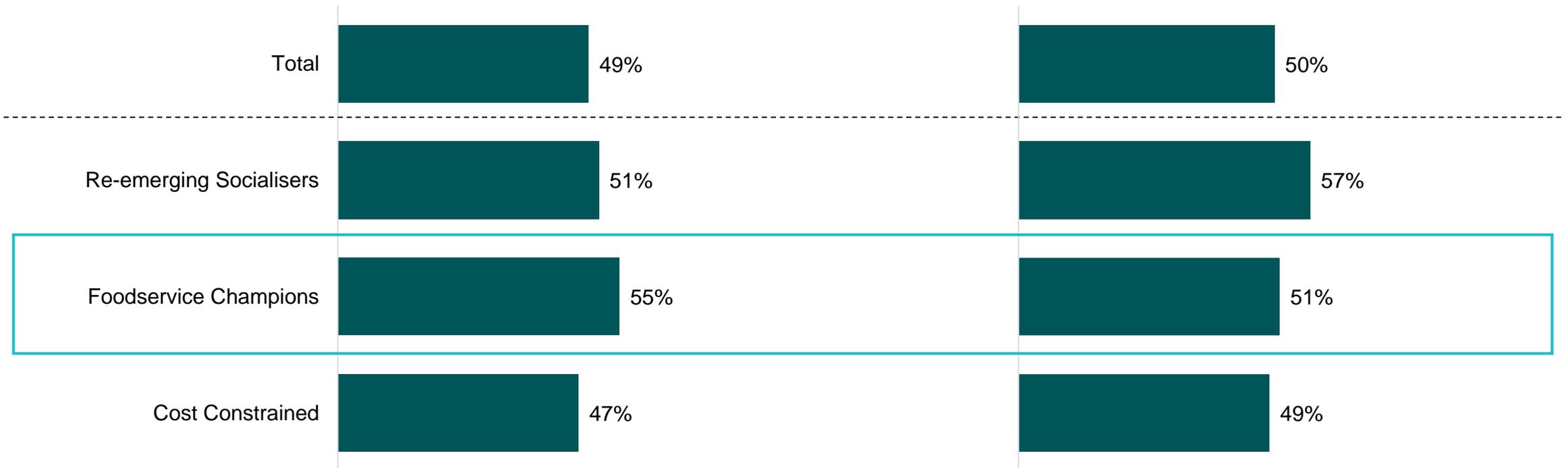
Q7. Many people have changed their priorities lately when it comes to eating out or getting takeaway. Have these items become more important or less important to you in influencing your choice of "out of home" food and drink or takeaway?

# Sustainability initiatives are more important to Foodservice Champions

% MORE LIKELY TO CHOOSE

PROVIDING SUSTAINABLE  
PACKAGING/MINIMISING THE USE OF PACKAGING

HAVE INITIATIVES TO REDUCE FOOD WASTE

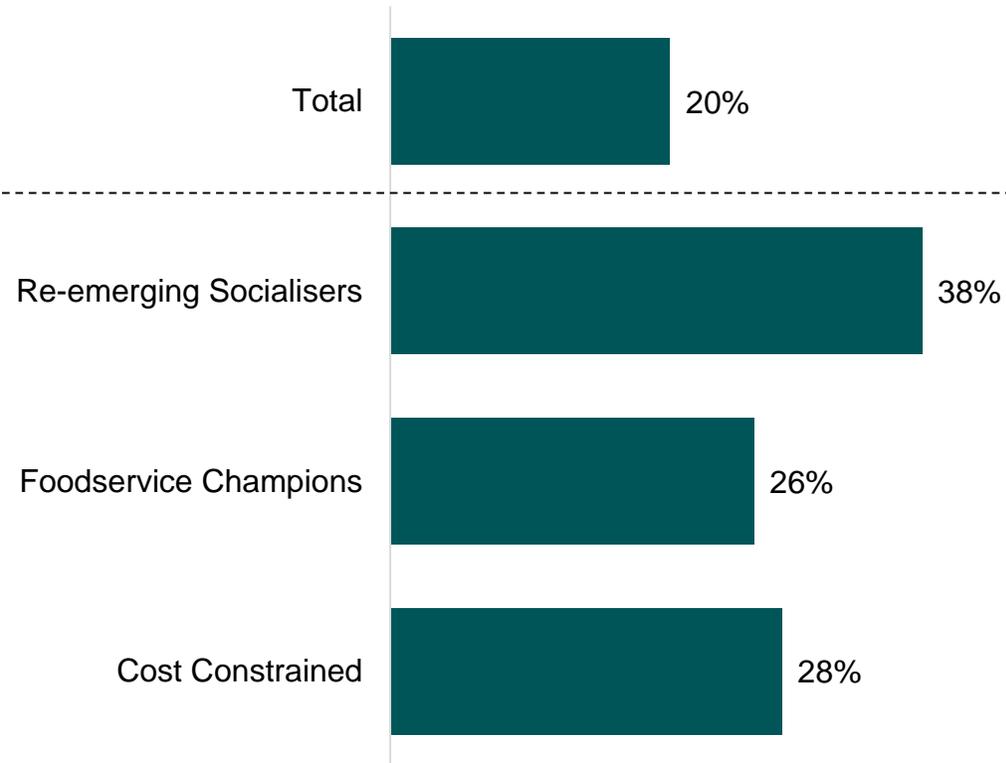


(Base: All adults aged 18+ in IOI n=1,315)

Q7. Many people have changed their priorities lately when it comes to eating out or getting takeaway. Have these items become more important or less important to you in influencing your choice of "out of home" food and drink or takeaway?

# As is having vegan/vegetarian options

**% MORE LIKELY TO CHOOSE  
THAT THERE ARE VEGAN/VEGETARIAN OPTIONS**

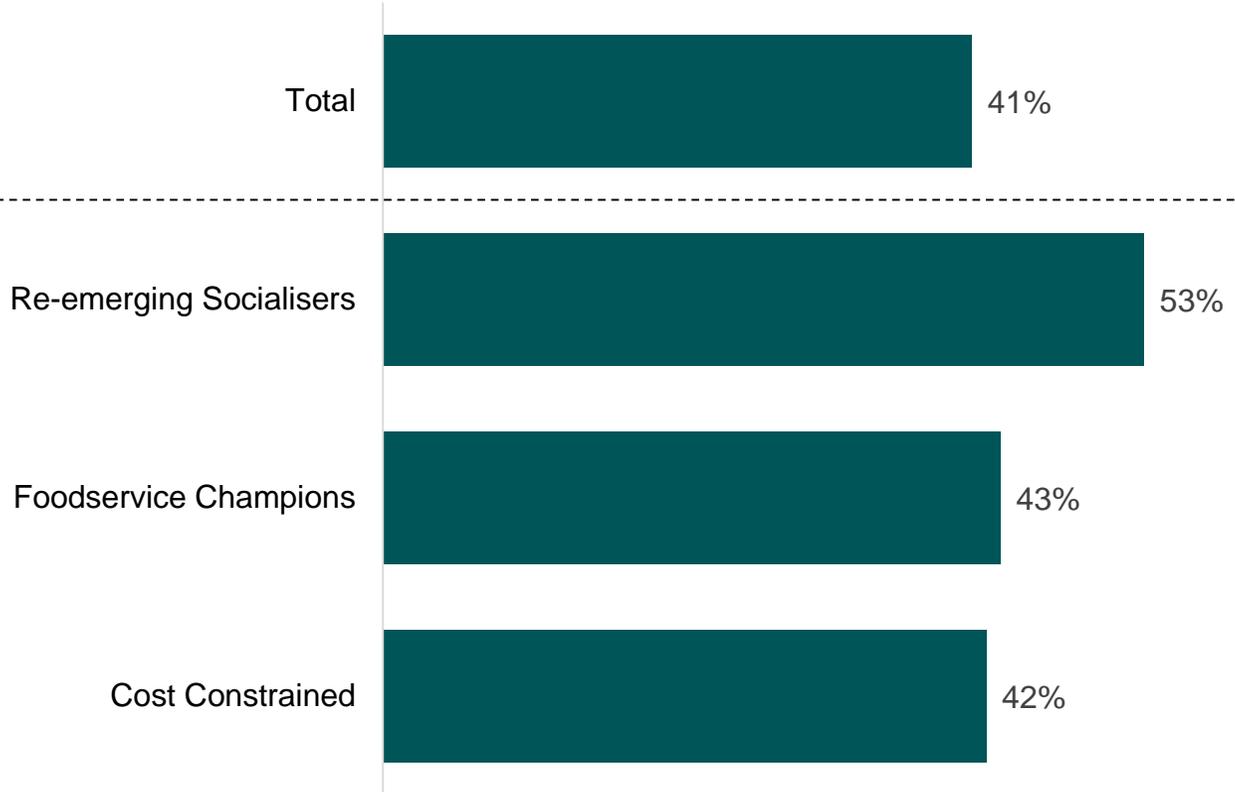


(Base: All adults aged 18+ in IOI n=1,315)

Q7. Many people have changed their priorities lately when it comes to eating out or getting takeaway. Have these items become more important or less important to you in influencing your choice of "out of home" food and drink or takeaway?

# And they are more likely to choose somewhere that's available via a delivery app

% MORE LIKELY TO CHOOSE AVAILABLE VIA A DELIVERY APP



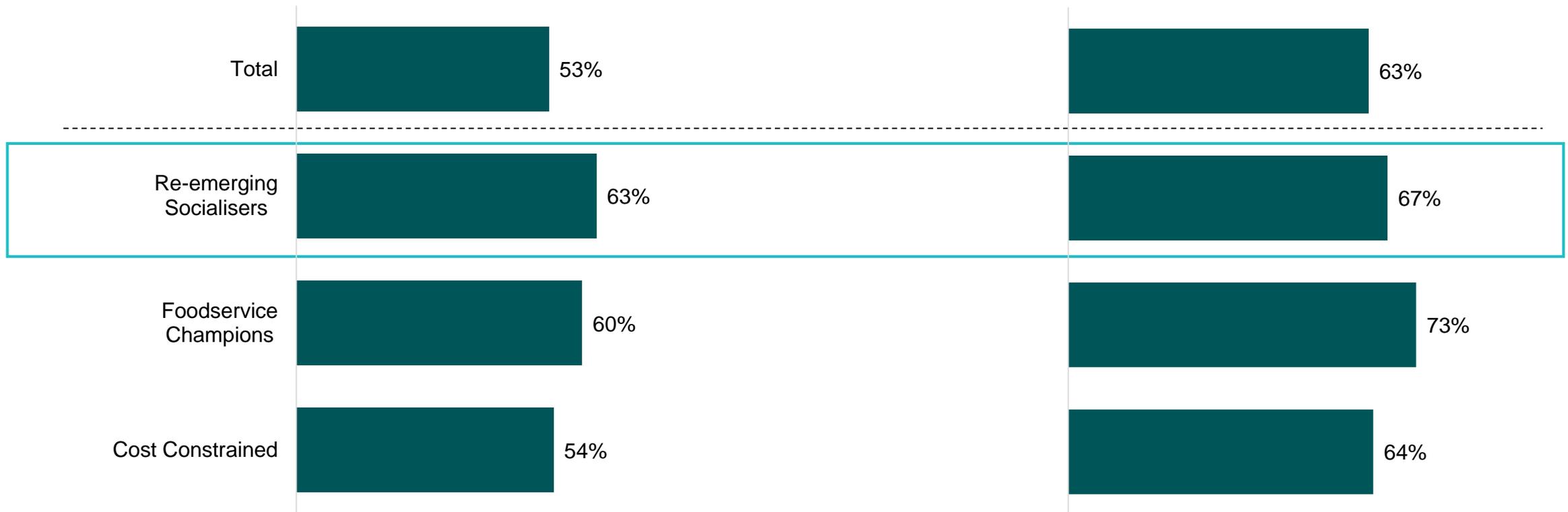
(Base: All adults aged 18+ in IOI n=1,315)  
Q7. Many people have changed their priorities lately when it comes to eating out or getting takeaway. Have these items become more important or less important to you in influencing your choice of "out of home" food and drink or takeaway?

# For Re-emerging Socialisers, the dining experience is a priority

% MORE LIKELY TO CHOOSE

A UNIQUE DINING EXPERIENCE

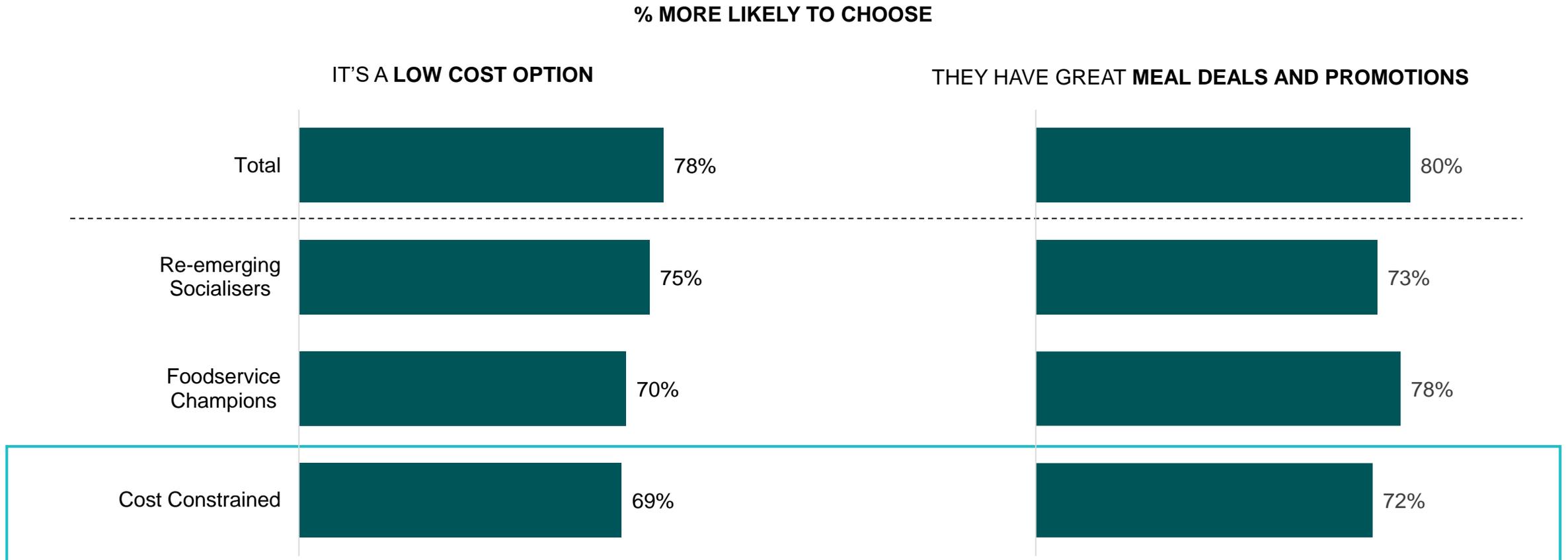
HAVE REALLY GREAT STAFF



(Base: All adults aged 18+ in IOI n=1,315)

Q7. Many people have changed their priorities lately when it comes to eating out or getting takeaway. Have these items become more important or less important to you in influencing your choice of "out of home" food and drink or takeaway?

# While Cost Constrained consumers are seeking value when dining out



(Base: All adults aged 18+ in Ireland – 1,315)

Q7. Many people have changed their priorities lately when it comes to eating out or getting takeaway. Have these items become more important or less important to you in influencing your choice of “out of home” food and drink or takeaway?

# Section 5

## Appendix with Additional Channel and Product Information

**BORD BIA**  
IRISH FOOD BOARD



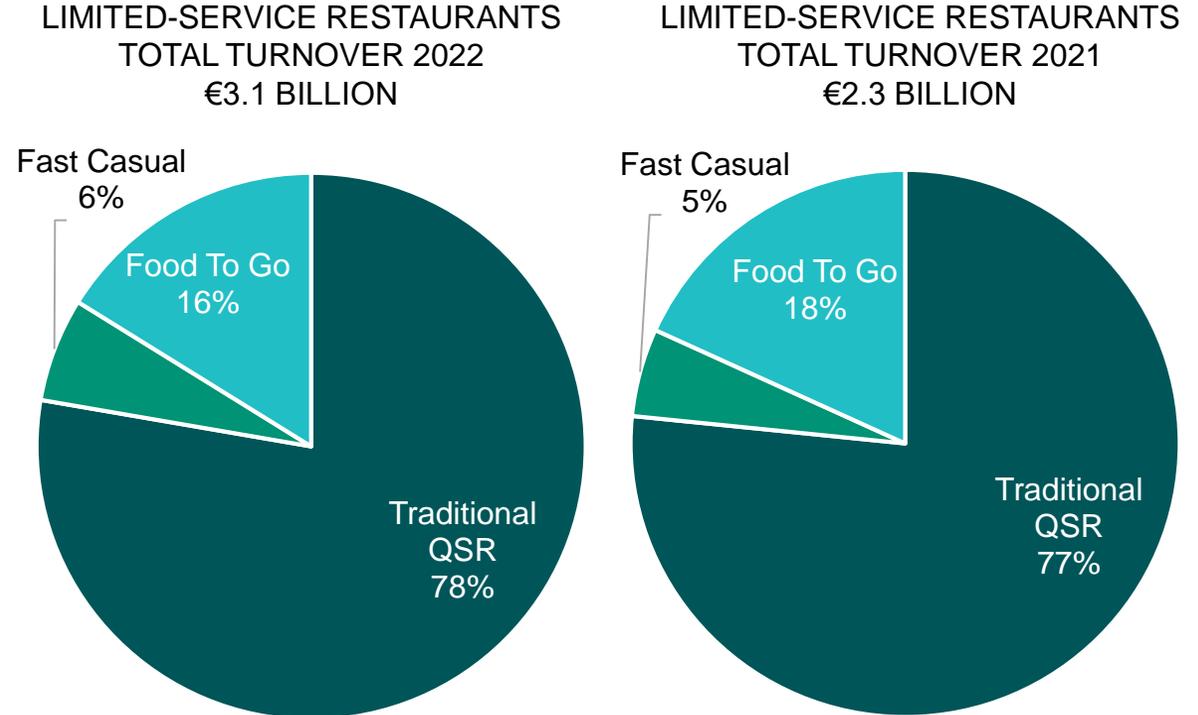
# Commercial Sector Insights



# Overview of Limited-Service Restaurants

- The limited-service restaurant segment incorporates a number of subsegments, including traditional quick-service restaurants (QSR), fast-casual restaurants and food to go (which encompasses convenience-driven items for takeaway in forecourt/convenience operators and other grab-and-go products found in retail operations).
- The total limited-service segment in 2022 is valued at €3.1 billion in consumer spending. This includes both spending in ROI and NI. This segment has grown by 34% in 2022, increasing by €792 million.
- Traditional quick-service restaurants (QSRs) account for 78% of total consumer spending, this increased slightly against 2022 as QSR continues to meet consumer needs for convenience.
- The food-to-go sector is now 16% of the Limited Service segment – down from 18% last year (although it too has grown.) Overall, this sector has been strong, particularly in motorways, but there are city centre locations that remain below 2019 turnover levels.
- Finally, fast casual has rebounded somewhat and accounts for 6% of the overall LSR segment.
- The following pages show more detail on trends within each of the subsegments of limited service, as well as the differences in revenue and purchases between the Republic of Ireland and Northern Ireland.

**2021-22 CHANGE: +34%**  
**REVENUE CHANGE: €792 MILLION**



# 2022 Review of Quick-Service Restaurants (QSRs)

## Segment Definition

- Traditional quick-service restaurants (QSRs) are limited service in nature and are primarily characterised by offering counter service and/or drive-thrus.
- These figures include both chain operators and independent operators (including chippers and other small fast-food operations).

## Key Trends

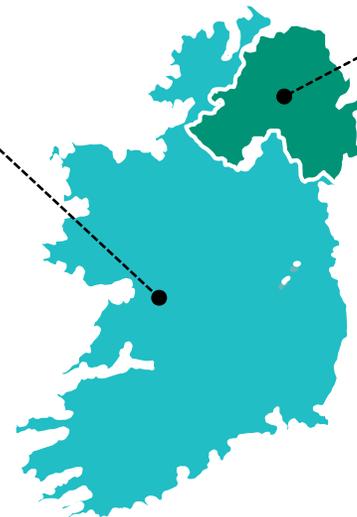
- Broadly speaking, the QSR sector has performed above industry average, given its orientation toward takeaway and delivery. These operators did not see the massive declines that other parts of the industry did, and as a result have been better positioned for recovery in 2022.
- Operators in residential and suburban areas remain more bullish than city centre operators, although all have seen strong lifts in 2022.
- Most operators that had a solid takeaway or delivery business report that they've largely maintained that even as dine-in has returned. Drive-thru remains a small part of the business, but some operators (particularly coffee and burger players) have had success here.
- QSRs should perform well in 2023, particularly if economic conditions become more challenging for consumers. Operators here are focused on value offerings (despite higher costs) and are engineering menus to address price sensitivity among their customers.

## Republic of Ireland

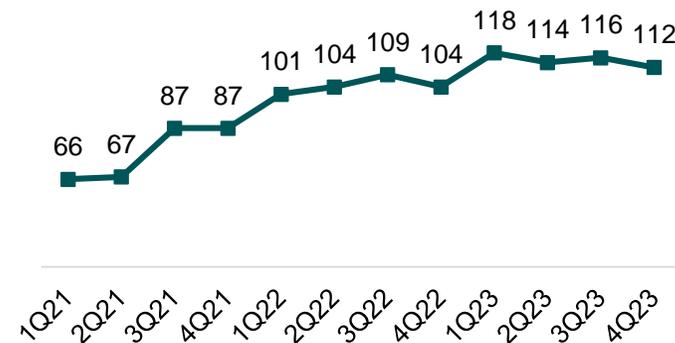
- €1.79B in turnover
- €630M in food and beverage purchases
- Growth of 35% in value in 2022
- Forecasted increase of 10% in value in 2023
- 2022 Index=105
- 2023 Index (F) =115

## Northern Ireland

- €631M in turnover
- €219M in food and beverage purchases
- Growth of 28% in value in 2022\*
- Forecasted increase in value of 9% for 2023\*
- 2022 Index=100 \*
- 2023 Index (F) =109 \*

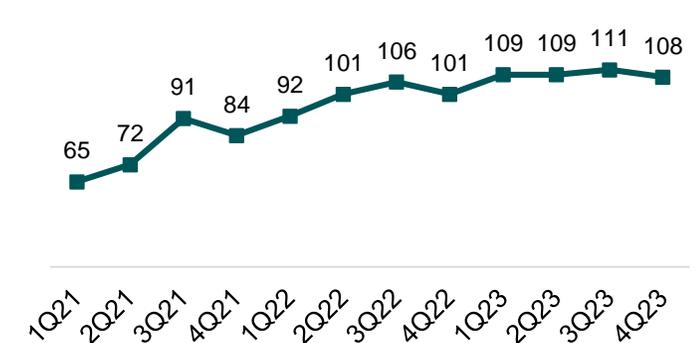


Index of Value to 2019: ROI Thru 2023



2022 Growth: +36%  
2023 Growth (F): +10%

INDEX OF VALUE TO 2019: NI THRU 2023



2022 Growth\*: +28%  
2023 Growth (F)\*: +9%

\* Growth and indices are based on value in Sterling, not a converted value to Euro  
Source: Bord Bia, Technomic

# 2022 Review of Fast-Casual Restaurant (FCRs)

## Segment Definition

- Fast casual restaurants (FCRs) are considered limited service, but are generally more upscale, investing more in the design and ambiance of the operation. It is a pay-first service system with limited or no tableside service.
- Food quality is generally perceived to be higher, and the price points tend to be €10 or higher per person (although this is a bit in flux, given the inflationary situation.)
- Similar to traditional QSRs, fast-casual restaurants are often systemised with limited, focused menus.

## Key Trends

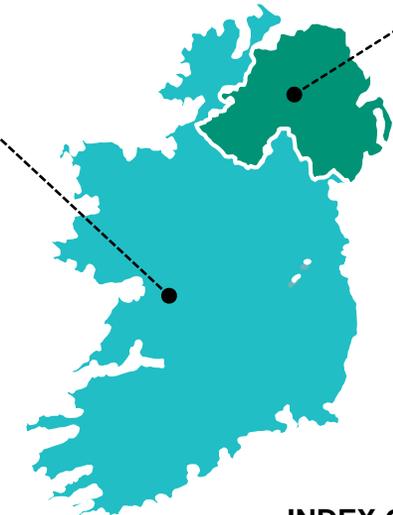
- Fast casual tends to have a city centre/high street focus in terms of locations, While many of these areas are seeing higher footfall than in 2021 (or 2020), there is still a gap relative to pre-pandemic levels.
- While growth has been strong, overall recovery remains just below pre-pandemic turnover levels (although this sector had a strong 2<sup>nd</sup> and 3<sup>rd</sup> quarter of 2022).
- While these operators continue to focus on off-premise/takeaway, the dine-in business has regained strength and has been a key driver for 2022 gains.

## Republic of Ireland

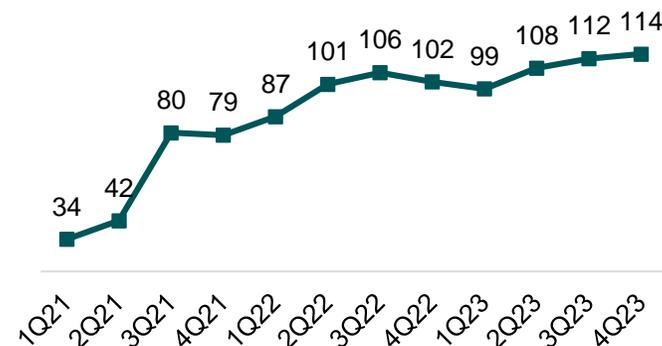
- €143M in turnover
- €52M in food and beverage purchases
- Growth of 70% in value in 2022
- Forecasted increase of 9% in value in 2023
- 2021 Index=99
- 2022 Index (F) =109

## Northern Ireland

- €48 in turnover
- €17 in food and beverage purchases
- Growth of 45% in value in 2022\*
- Forecasted increase in value of 9% for 2023\*
- 2022 Index=102\*
- 2023 Index (F) =110\*

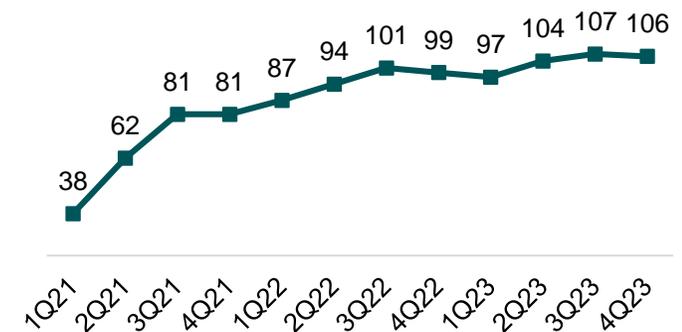


INDEX OF VALUE TO 2019: ROI THRU 2023



2022 Growth: +70%  
2023 Growth (F): +9%

INDEX OF VALUE TO 2019: NI THRU 2023



2022 Growth\*: +45%  
2023 Growth (F)\*: +9%

\*Growth and indices are based on value in Sterling, not a converted value to Euro  
Source: Bord Bia, Technomic

# 2022 Review of Food-To-Go (FTG)

## Segment Definition

The food-to-go (FTG) segment includes convenience stores, supermarket prepared foods and petrol stations with forecourt convenience stores.

## Key Trends

- While this sector has generally seen very strong performance and is ahead of 2019 levels, there remain some differences by location. There are still city centre locations that are not yet fully recovered, and certain other locations co-located with other retailers have either closed or are also seeing lower footfall.
- On the other hand, operations that exist along major thoroughfares and motorways have had strong success as Ireland returns to higher levels of commuting and travel. This is particularly true during the summer of 2022.
- With labour challenges remaining a key challenge, these operators tend to have cut back on the breadth of items on the menu and have often found that closing during slow times has helped maintain margin.
- Coffee and, increasingly, cold beverage programmes (particularly during the summer months) remain a strong area of performance.

## Republic of Ireland

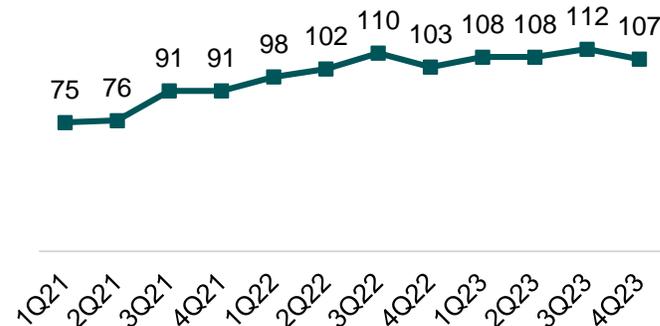
- €423M in turnover
- €147M in food and beverage purchases
- Growth of 25% in value in 2022
- Forecasted increase of 5% in value in 2023
- 2022 Index=103
- 2023 Index (F) =109

## Northern Ireland

- €80M in turnover
- €27M in food and beverage purchases
- Growth of 18% in value in 2022\*.
- Forecasted increase in value of 7% for 2022.
- 2021 Index=102\*
- 2022 Index (F) =110\*

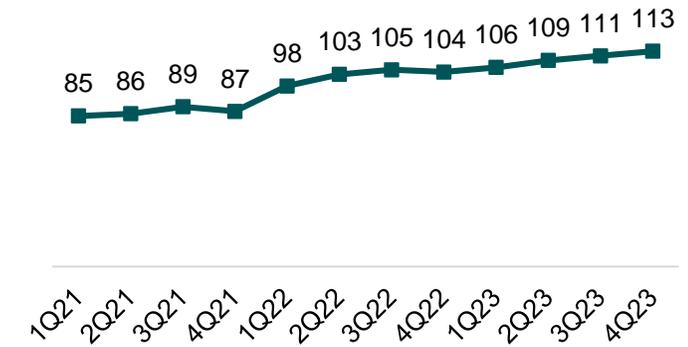


INDEX OF VALUE TO 2019: ROI THRU 2022



2022 Growth: +25%  
2023 Growth (F): +5%

INDEX OF VALUE TO 2019: NI THRU 2022



2022 Growth\*: +18%  
2023 Growth (F)\*: +7%

\*Growth and indices are based on value in Sterling, not a converted value to Euro  
Source: Bord Bia, Technomic

# 2022 Review of Full-Service Restaurants (FSRs)

## Segment Definition

- Full-service restaurants (FSRs) generally focus on serving lunch or dinner. Sub-channels include both casual dining and white-tablecloth restaurants.
- Menus offer a complete range of items often using fresh ingredients—starters, soups, main courses and desserts. Meals are often accompanied by a wine or beverage list.

## Key Trends

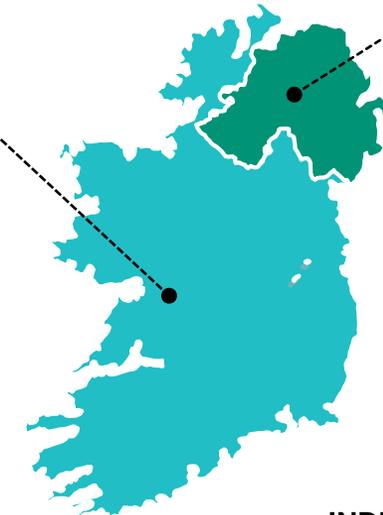
- While full-service restaurants bore the brunt of restrictions during 2020 and much of 2021, there has been a huge resurgence in sales, particularly in the spring and summer of 2022.
- Restaurants across both ROI and NI have witnessed a strong recovery and overall sales have in many instances far exceeded 2019 levels. As a sector, all FSRs have reached a Recovery Index of 95 in ROI and 92 in NI, but this is largely driven by earlier softness. Markets catering to tourism remain strong; city centre locations are still below 2019 levels, but are generally trading much better.
- There are strong expectations for growth throughout the remainder of the year; FSRs are expected to benefit from consumer pent-up demand for a “proper Christmas.” Sales are likely to slow during the first quarter of next year, however, as energy bills take a bite out of consumers’ ability to spend.
- Concerns remain around finding labour (notably not just culinary, but front of house staff as well) and energy will be a critical cost to monitor during the winter months.

## Republic of Ireland

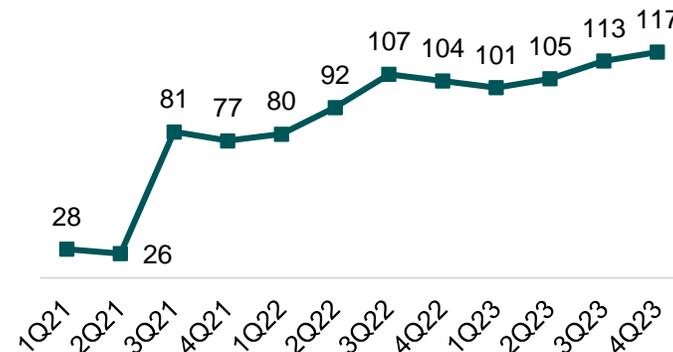
- €693M in turnover
- €241M in food and beverage purchases
- Growth of 82% in value in 2022
- Forecasted increase of 14% in value in 2023
- 2022 Index=95
- 2023 Index(F) =109

## Northern Ireland

- €298M in turnover
- €103M in food and beverage purchases
- Growth of 63% in value in 2022\*
- Forecasted increase in value of 15% for 2023\*
- 2022 Index=92\*
- 2023 Index (F) =105\*

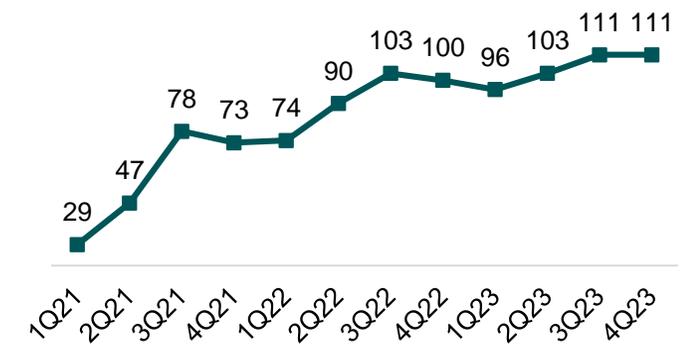


INDEX OF VALUE TO 2019  
ROI THRU 2023



2022 Growth: +82%  
2023 Growth (F): +14%

INDEX OF VALUE TO 2019  
NI THRU 2023



2022 Growth\*: +63%  
2023 Growth (F)\*: +15%

\*Growth and indices are based on value in Sterling, not a converted value to Euro  
Source: Bord Bia, Technomic

# 2022 Review of Pubs

## Segment Definition

- Licensed pubs includes drinking establishments that are outlets built specifically for (and largely dependent on) the sale of alcohol for on premise consumption.
- Pubs are characterised by a bar service and are often seen as social meeting places, rather than a place of pure consumption.

**Note that these figures are for food and non-alcohol beverages only.**

## Key Trends

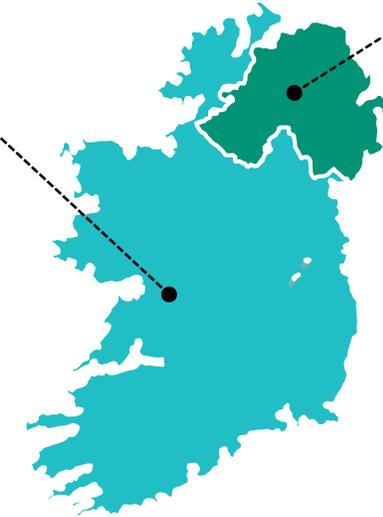
- Consumers have generally returned to pubs in significant fashion; the summer growth was extremely strong after a slow start to the year. Publicans note that both the Irish and visitors to Ireland expect the “pub experience” and business has been strong as this demand has returned.
- Energy bills have been elevated as **the** most important challenge to be addressed. Overall costs are creating viability issues, particularly for smaller operators. Opening hours are often being curtailed, particularly on slower days early in the week, to save on costs and energy.
- Sustainability initiatives are something publicans are talking more about; most of the importance stems from the need to reduce costs, and there is huge interest in energy savings.
- Publicans note an increasing price sensitivity on the part of consumers. Many are reluctant to pass on full cost increases; menu inflation as a result appears to be lower in pubs than in other sectors.

## Republic of Ireland

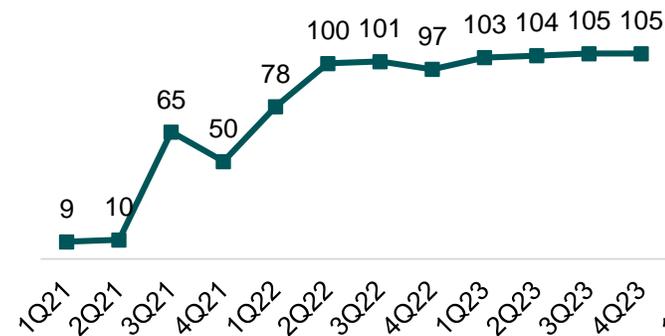
- €979M in turnover
- €332M in food and beverage purchases
- Growth of 156% in value in 2022
- Forecasted increase of 10% in value in 2023
- 2022 Index=94
- 2023 Index (F) =104

## Northern Ireland

- €340M in turnover
- €113M in food and beverage purchases
- Growth of 105% in value in 2022\*
- Forecasted increase in value of 15% for 2023\*
- 2022 Index=87
- 2023 Index (F) =100

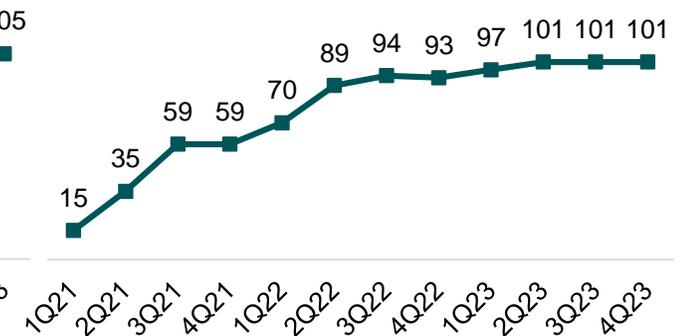


INDEX OF VALUE TO 2019  
ROI THRU 2023



**2022 Growth: +156%**  
**2023 Growth (F): +10%**

INDEX OF VALUE TO 2019  
NI THRU 2023



**2022 Growth: +105%**  
**2023 Growth (F): +15%**

\* Growth and indices are based on value in Sterling, not a converted value to Euro  
Source: Bord Bia, Technomic

# 2022 Review of Coffee Shops/Cafes

## Segment Definition

- Coffee shops and cafes are quick service restaurants without table service that emphasise coffee and other hot beverages. Typically, there is also a limited selection of cold and hot foods such as pastries, sandwiches and breakfast items on offer.
- Their distinguishing feature is that they allow customers to relax, work and socialise on their premises for long periods of time, without the pressure to leave promptly after eating.

## Key Trends

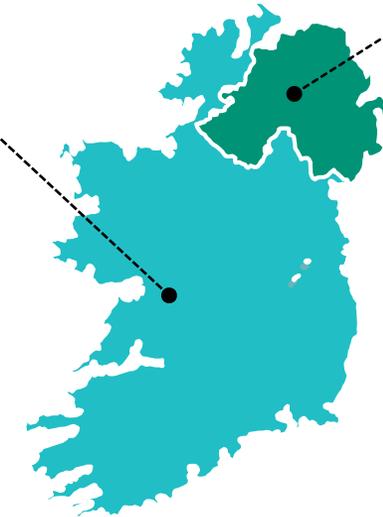
- Coffee shops have largely returned to serving customers inside the store; many of the delivery initiatives during Covid-19 have fallen away.
- Hot beverages remain a key driver, but during the summer months, in particular, cold beverage programmes also thrived. Some operators are focused on other products, such as ice cream.
- Staffing remains a key concern and has been impacting opening hours.
- Keep cups are returning; although still only account for a small percentage. There is industry concern about the “latte levy” that is due to be introduced in early 2023 and the corresponding cost increase.
- Summer was a strong season for operators in tourist-oriented areas; some city centre locations are seeing strong sales, but many of these remain below 2019 levels.
- Coffee shops offer an “affordable indulgence” and should perform relatively well in an uncertain economy next year.

## Republic of Ireland

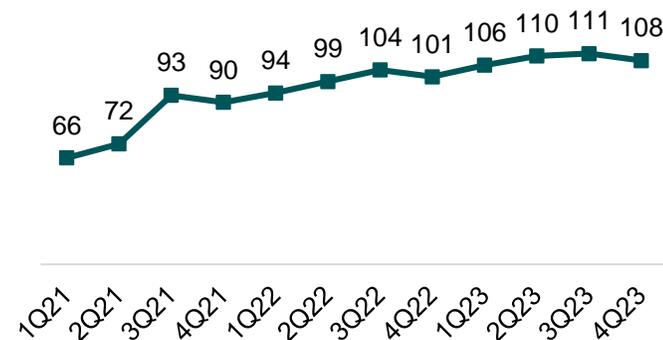
- €360M in turnover
- €101M in food and beverage purchases
- Growth of 24% in value in 2022
- Forecasted increase of 9% in value in 2023
- 2022 Index=100
- 2023 Index (F) =109

## Northern Ireland

- €122M in turnover
- €34M in food and beverage purchases
- Growth of 16% in value in 2022\*
- Forecasted increase in value of 8% for 2023\*
- 2022 Index=97\*
- 2023 Index (F) =105\*

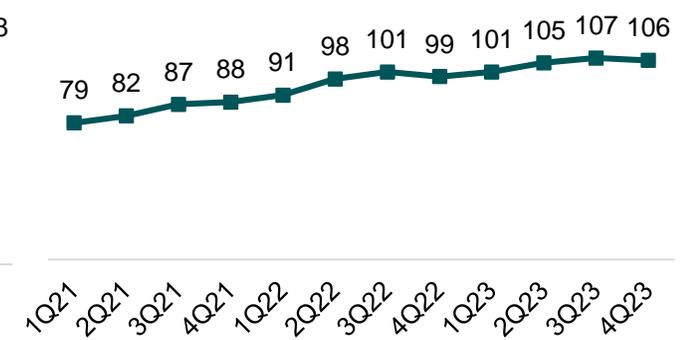


INDEX OF VALUE TO 2019  
ROI THRU 2023



2022 Growth: +24%  
2023 Growth (F): +9%

INDEX OF VALUE TO 2019  
NI THROUGH 2023



2022 Growth\*: +16%  
2022 Growth (F)\*: +8%

\* Growth and indices are based on value in Sterling, not a converted value to Euro  
Source: Bord Bia, Technomic

# 2022 Review of Hotels & Accommodations

## Segment Definition

- This sector is defined by food and beverage offerings in the hotels and accommodations channel. It includes breakfast programmes, in-room dining, banquets and events, and other prepared food and beverage offered throughout the property.
- Other accommodation forms such as guest houses are included, but only where they are large enough (10 rooms or more) and these are few in number. This excludes B&Bs as well.

## Key Trends

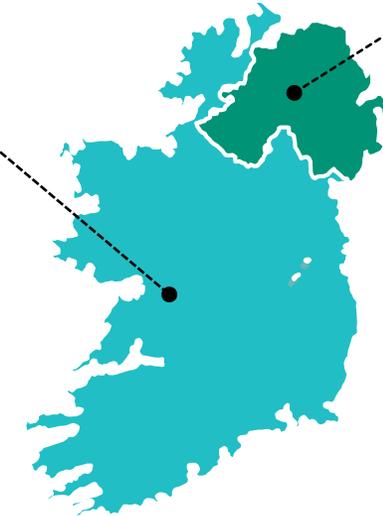
- Overall results have been very positive at hotels; average rates and occupancy have been strong throughout the summer. Leisure travel in particular has performed well; business travel has not been as robust, but is starting to regain strength – operators would like to see more of a balance between the two. Most anticipate a strong finish to 2022.
- For hotels offering weddings, the pent-up demand for these events has been significant, often seeing multiple weddings per week (even daily). For many operators this will likely wind down in 2023.
- City hotels still struggling to reach 2019 levels in terms of food sales. Operators are reportedly looking to adjust the offer and re-configure operations to maintain profitability.
- A number of rooms have been given over to Ukrainian and other refugees; which has taken some stock out of the system. While these guests have food requirements, it is on a contracted basis with the Government.
- Given the central importance of breakfast to hoteliers, this continues to be an area of focus.

## Republic of Ireland

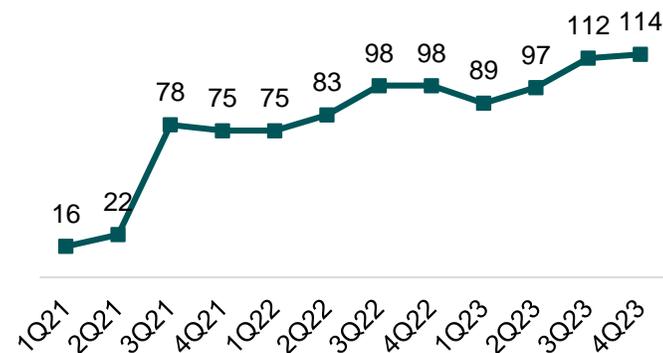
- €1.024B in turnover
- €348M in food and beverage purchases
- Growth of 86% in value in 2022
- Forecasted increase of 17% in value in 2023
- 2022 Index=89
- 2023 Index (F) =103

## Northern Ireland

- €337M in turnover
- €113M in food and beverage purchases
- Growth of 73% in value in 2022\*
- Forecasted increase in value of 18% for 2023\*
- 2022 Index=87\*
- 2023 Index (F) =102

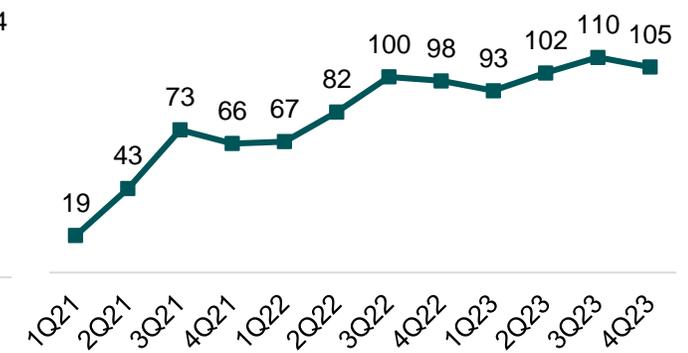


INDEX OF VALUE TO 2019  
ROI THRU 2023



2022 Growth: +86%  
2023 Growth (F): +17%

INDEX OF VALUE TO 2019  
NI THRU 2023



2022 Growth\*: +73%  
2023 Growth (F)\* +18%

\* Growth and indices are based on value in Sterling, not a converted value to Euro  
Source: Bord Bia, Technomic

# 2022 Review of Other Commercial Operations

## Segment Definition

- This channel is diverse and comprises cinemas, theme parks, golf courses, tourist attractions, sport venues and clubs, spas, event catering, recreational activities and cruises.
- The largest subchannel is represented by sporting events; the other key subsegment is the travel channel which includes on-board and terminus catering for flights, trains, ferries and buses.

## Key Trends

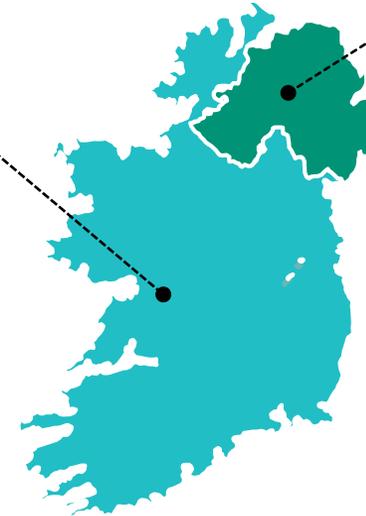
- Operators in this segment report a strong demand for events; particularly in larger cities where there has been a huge increase in attendance for sporting events, concerts and other recreation.
- The summer of 2022 continued to see strong Irish “staycation” activity, supported by strong international tourism figures – although the overall number of international visitors is still off in total vs. 2019 (per ITIC, tourism is still off 11% vs. 2019 figures.)
- In particular, North American tourists have been spending strongly, while UK tourists have fallen off somewhat as the Sterling has decreased in value.

### Republic of Ireland

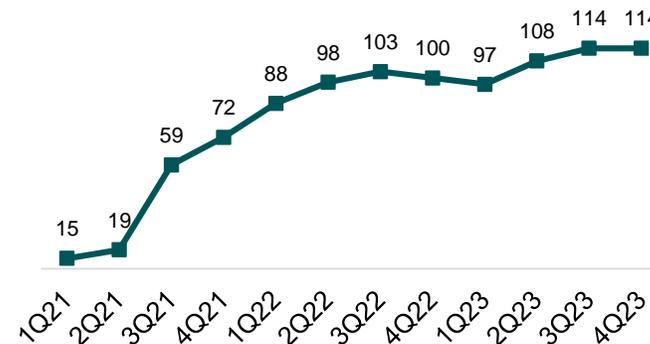
- €251M in turnover
- €88M in food and beverage purchases
- Growth of 134% in value in 2022
- Forecasted increase of 12% in value in 2023
- 2022 Index=97
- 2023 Index (F) =109

### Northern Ireland

- €69M in turnover
- €24M in food and beverage purchases
- Growth of 94% in value in 2022\*
- Forecasted increase in value of 13% for 2023\*
- 2022 Index=92\*
- 2023 Index (F) =104\*

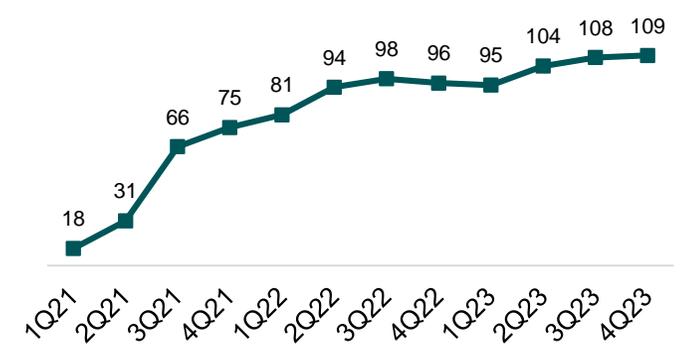


INDEX OF VALUE TO 2019  
ROI THRU 2023



2022 Growth: +134%  
2023 Growth (F): +12%

INDEX OF VALUE TO 2019  
NI THRU 2023



2022 Growth\*: +94%  
2023 Growth (F)\*: +13%

\* Growth and indices are based on value in Sterling, not a converted value to Euro  
Source: Bord Bia, Technomic

# Institutional Sector Insights



# Overview of Institutional Foodservice

The institutional side of the foodservice industry includes food offered as a service in businesses or institutions, where providing food is not the primary focus of the organisation.

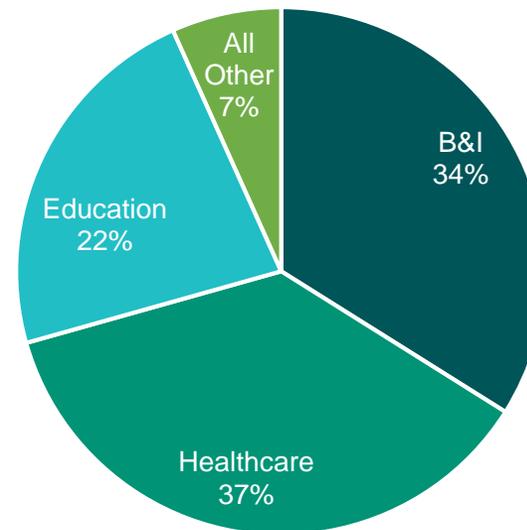
It includes food and beverage sold/offered in canteens and other parts of the institution and incorporates a number of subsegments, including traditional business and industry (B&I) – both blue collar and white collar – as well as healthcare, education and all other institutions (which encompasses mostly government-run facilities for defence and prisons).

The total institutional segment in 2022 is valued at €657 million in consumer spending. This includes both spending in ROI and NI, with spending in the North converted back to Euros.

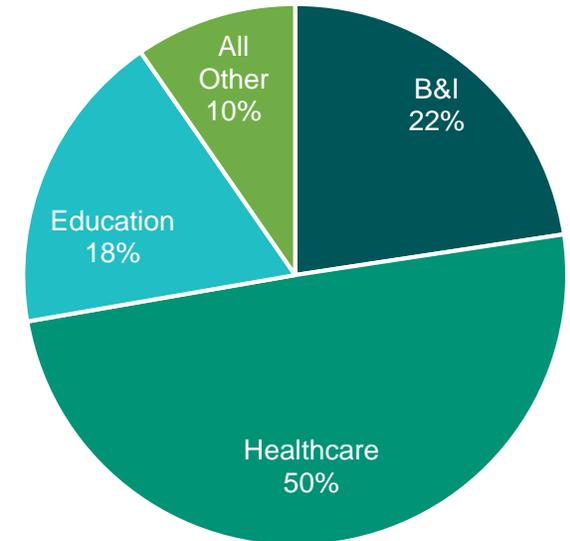
The value of this segment increased by 47% in 2022; this is due to certain segments seeing a return to some normality. Universities saw a return to students and business feeders, while still down relative to 2019, did see increases as companies started to bring workers back to the office.

**2021-22 CHANGE: +47.2%**  
**REVENUE CHANGE: €210 MILLION**

INSTITUTIONAL FOODSERVICE  
TOTAL TURNOVER 2022  
€657 MILLION



INSTITUTIONAL FOODSERVICE  
TOTAL TURNOVER 2021  
€447 MILLION



# 2022 Review of Business & Industry (B&I)

## Segment Definition

- Business and Industry is defined as catering to the workforce and includes food offered within offices, factories and remote sites.
- Menus are generally offered in three formats: fixed menus (mostly in factories), self-service menus offering choice (mainly in office catering units and canteens/cafeterias) and grab-and-go or vending operations offering predominantly beverages, adjacent to their place of work.

## Key Trends

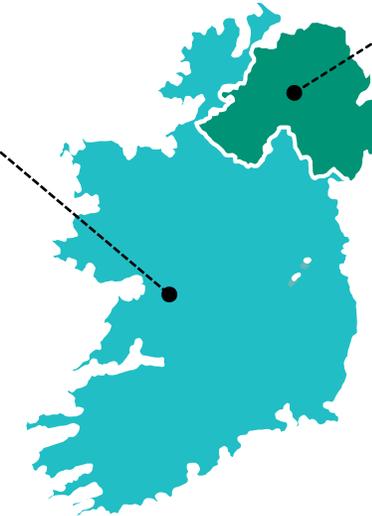
- Blue collar locations have been the driver for this segment, having remained open throughout the past several years. Increased activity and employment in these areas has meant ongoing growth.
- Within white collar locations, this is an area that is still well below 2019 levels. While some businesses have required staff to return, for most workers a hybrid option remains most likely. This means that most offices are seeing 60-80% of pre-pandemic attendance.
- Summer months are by nature relatively slow. Operators in this sector anticipate that Q3&Q4 brings some return. At the same time, most don't see an overall return to work being much above 75% in aggregate for the foreseeable future.
- Businesses have been very active in tendering new business as the workforce returns.
- Spending per head remains strong; in many cases businesses are offering an increased food subsidy to employees to incentivise a return to the office.
- Some operators continue to use central production kitchens to reduce the need for labour at certain accounts (particularly smaller offices that don't require as much on-site preparation).

## Republic of Ireland

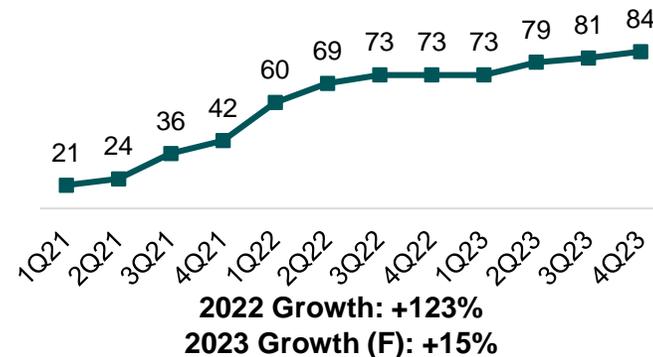
- €163M in turnover
- €83M in food and beverage purchases
- Growth of 123% in value in 2022
- Forecasted increase of 15% in value in 2023
- 2022 Index=69
- 2023 Index (F) =79

## Northern Ireland

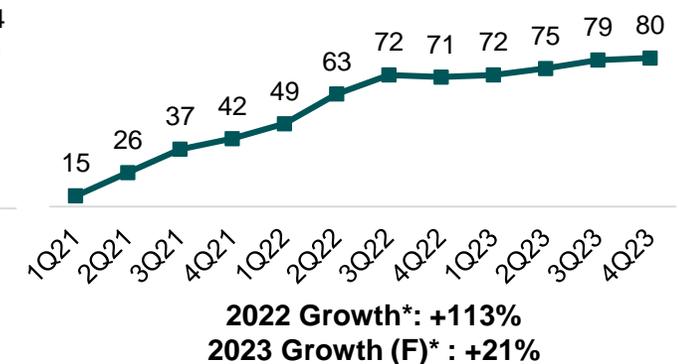
- €60M in turnover
- €30M in food and beverage purchases
- Growth of 113% in value in 2022\*
- Forecasted increase in value of 21% for 2023\*
- 2022 Index=64\*
- 2023 Index (F) =77\*



Index of Value to 2019  
ROI Thru 2023



Index of Value to 2019  
NI Thru 2023



\*Growth and indices are based on value in Sterling, not a converted value to Euro  
Source: Bord Bia, Technomic

# 2022 Review of Healthcare

## Segment Definition

- Hospitals are institutions that serve and feed patients undergoing medical care, their guests and the staff.
- This segment includes hospitals, rehab clinics and retirement homes. It is further subclassified into private or public hospitals which, depending on the rating, will offer different culinary experiences.
- Additionally, these operators typically offer customised menu alternatives for specific diets.

## Key Trends

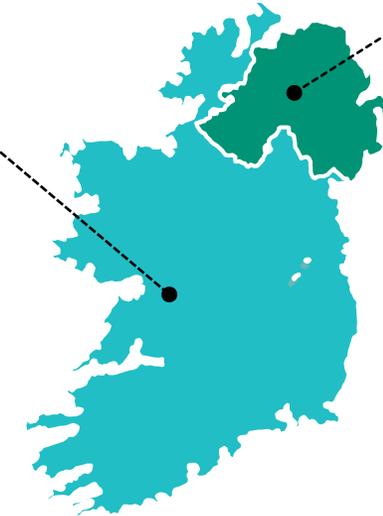
- Given that much of this is based on residential feeding (particularly in long-term care and senior living), healthcare has generally held up better than other institutional channels over the past two years. Operators describe this part of the business as “resilient.”
- Within hospitals, visitor canteens and other retail areas (coffee kiosks, etc.) were the areas mostly impacted during Covid-19 restrictions. Operators report that this part of the business has started to return from mid-2022.

## Republic of Ireland

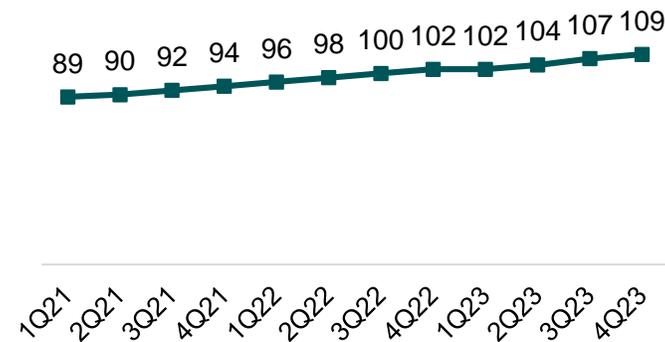
- €149M in turnover
- €78M in food and beverage purchases
- Growth of 8% in value in 2022
- Forecasted increase of 7% in value in 2023
- 2022 Index=99
- 2023 Index (F) =105

## Northern Ireland

- €92M in turnover
- €47M in food and beverage purchases
- Growth of 7% in value in 2022\*
- Forecasted increase in value of 5% for 2023\*
- 2022 Index=97\*
- 2023 Index (F) =102\*

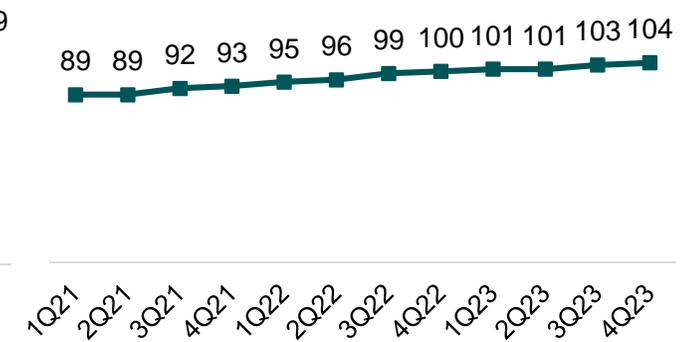


INDEX OF VALUE TO 2019  
ROI THRU 2023



2022 Growth: +8%  
2023 Growth (F): +7%

INDEX OF VALUE TO 2019  
NI THRU 2023



2022 Growth\*: +7%  
2023 Growth (F)\*: +5%

\* Growth and indices are based on value in Sterling, not a converted value to Euro  
Source: Bord Bia, Technomic

# 2022 Review of Education

## Segment Definition

- Primary schools, secondary schools and universities make up the three key operator segments of the Education sector.
- These operators are in the business of providing food and beverage services to students and faculty in their place of learning. Menus are generally offered in two main formats: fixed menus, or cafeteria/self-service, although a la carte operations are also included.
- The channel covers state, religious, and privately funded and owned institutions.

## Key Trends

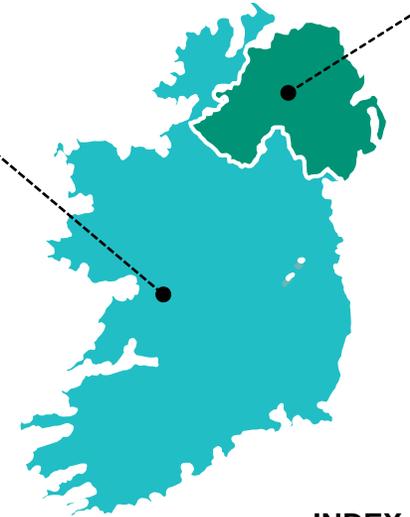
- For the majority of primary, second and third-level education the 2021-22 school year was “mostly normal” with some restrictions in place, but on-site feeding occurring. As of the Autumn of 2022 this sector is operating essentially in a pre-pandemic manner.
- Within university, the beginning of the 2022 calendar year saw most students back on campus, although the full contingent of international students still had not returned. Most campuses are again back to normal operations with the start of the 2022-23 academic year.
- Some university dining areas remain restricted more due to labour availability.
- Growth patterns are expected to revert back to normal; higher inflation will have an impact on the spending within education.

## Republic of Ireland

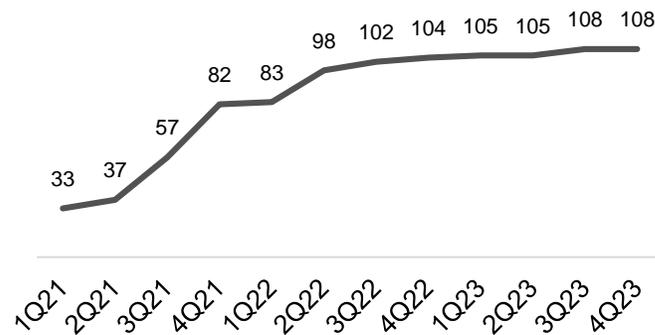
- €91M in turnover
- €45M in food and beverage purchases
- Growth of 82% in value in 2022
- Forecasted increase of 11% in value in 2023
- 2022 Index=96
- 2023 Index (F) =106

## Northern Ireland

- €58M in turnover
- €28M in food and beverage purchases
- Growth of 85% in value in 2022\*
- Forecasted increase in value of 6% for 2023\*
- 2022 Index=98\*
- 2023 Index (F) =104\*

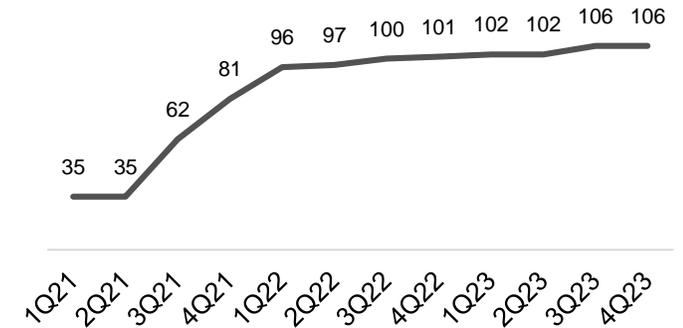


INDEX OF VALUE TO 2019  
ROI THRU 2023



2022 Growth: +82%  
2023 Growth (F): +11%

INDEX OF VALUE TO 2019  
NI THRU 2023



2022 Growth\*: +85%  
2023 Growth (F)\*: +6%

\* Growth and indices are based on value in Sterling, not a converted value to Euro  
Source: Bord Bia, Technomic

# 2022 Review of Other Institutional Operations

## Segment Definition

- This channel includes government organisations, notably prisons and armed forces (military messes, in-field canteens and soup kitchens).

## Key Trends

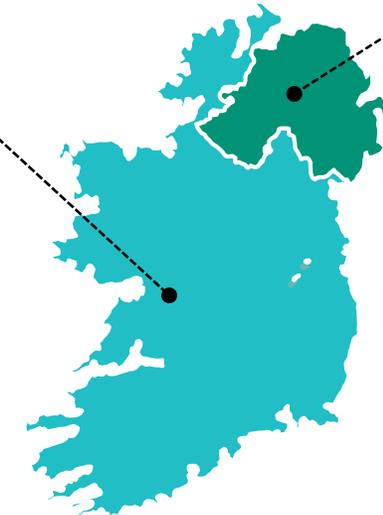
- These types of operations are largely immune from broader consumer trends.
- Most of this business remains largely unaffected by both the industry downturn and the subsequent recovery. As a result, overall volumes have remained fairly steady.
- Operators in these sectors tend to be extremely cost-oriented. Inflation is a key issue that is impacting overall purchasing behaviour and their ability to adequately fulfill their mandate for feeding their populations.
- Since there are not prices *per se* to pass on, any cost increase impacts the overall profitability of the operation.

## Republic of Ireland

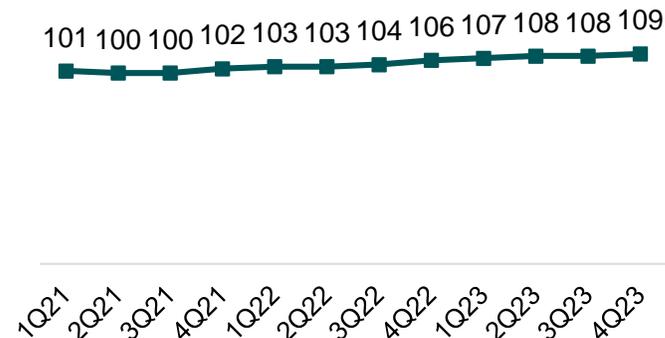
- €34M in turnover
- €17M in food and beverage purchases
- Growth of 3% in value in 2022
- Forecasted increase of 4% in value in 2023
- 2022 Index=104
- 2023 Index (F) =108

## Northern Ireland

- €10M in turnover
- €5M in food and beverage purchases
- Growth of 4% in value in 2022\*
- Forecasted increase in value of 3% for 2023\*
- 2022 Index=101\*
- 2023 Index (F) =104\*

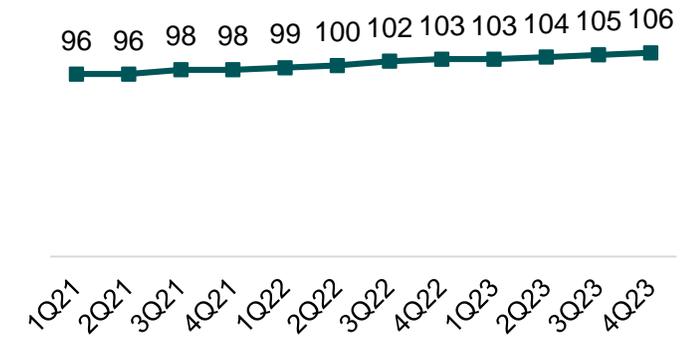


INDEX OF VALUE TO 2019  
ROI THRU 2023



2022 Growth: +3%  
2023 Growth (F): +4%

INDEX OF VALUE TO 2019  
NI THRU 2023



2022 Growth\*: +4%  
2023 Growth (F)\*: +3%

\* Growth and indices are based on value in Sterling, not a converted value to Euro  
Source: Bord Bia, Technomic

# Section 6

## Appendix with Additional Information

**BORD BIA**  
IRISH FOOD BOARD



# Glossary of Terms

Term	Definition
Business & Industry (B&I)	Includes foodservice operations within company and corporation locations, office complexes, plants, factories, etc. Note that this includes both white collar office locations as well as blue collar locations including logistics hubs, production facilities and factories, etc.
CAGR	Compound annual growth rate: The average sales increase over a specified number of years incorporating compound growth
Cash-and-Carry	A large outlet where foodservice operators and small retailers can come to purchase supplies
Commercial Foodservice	Channels where catering for profit is the prime objective
Consumer Spending	Consumer spending accounts for spending by diners within all foodservice channels
Contract	The direct supply of products to trade customers that buy centrally. Also known as “wheels only” in view of distributors that provide logistic support (delivery) but do not buy or sell
C-Store	Convenience store where hot food or food on the go is sold to eat and take away
Customer	The person to whom the supplier sells, usually the distributor or the operator, although the ultimate customer is the consumer
Delivered Wholesale	Supply of product to outlets via wholesaler delivery vans, often on a daily basis
Direct	Where operators buy from markets, producers or farmers direct rather than through intermediaries such as wholesalers
Fast-Casual Restaurant (FCR)	A subset of limited-service restaurants; menus may feature prepared to order items; menu items are typically made with fresh, high-quality ingredients; price point is between quick-service and full-service venues
Foodservice Channel	The acknowledged grouping of foodservice outlets by type (each of the main channels is defined separately)
Food To Go	Includes premade, ready-to-eat menu items sold through various retail channels and consumed off-premise
Forecourt Convenience	Convenience-store operations that are integrated with a fuel forecourt

# Glossary of Terms

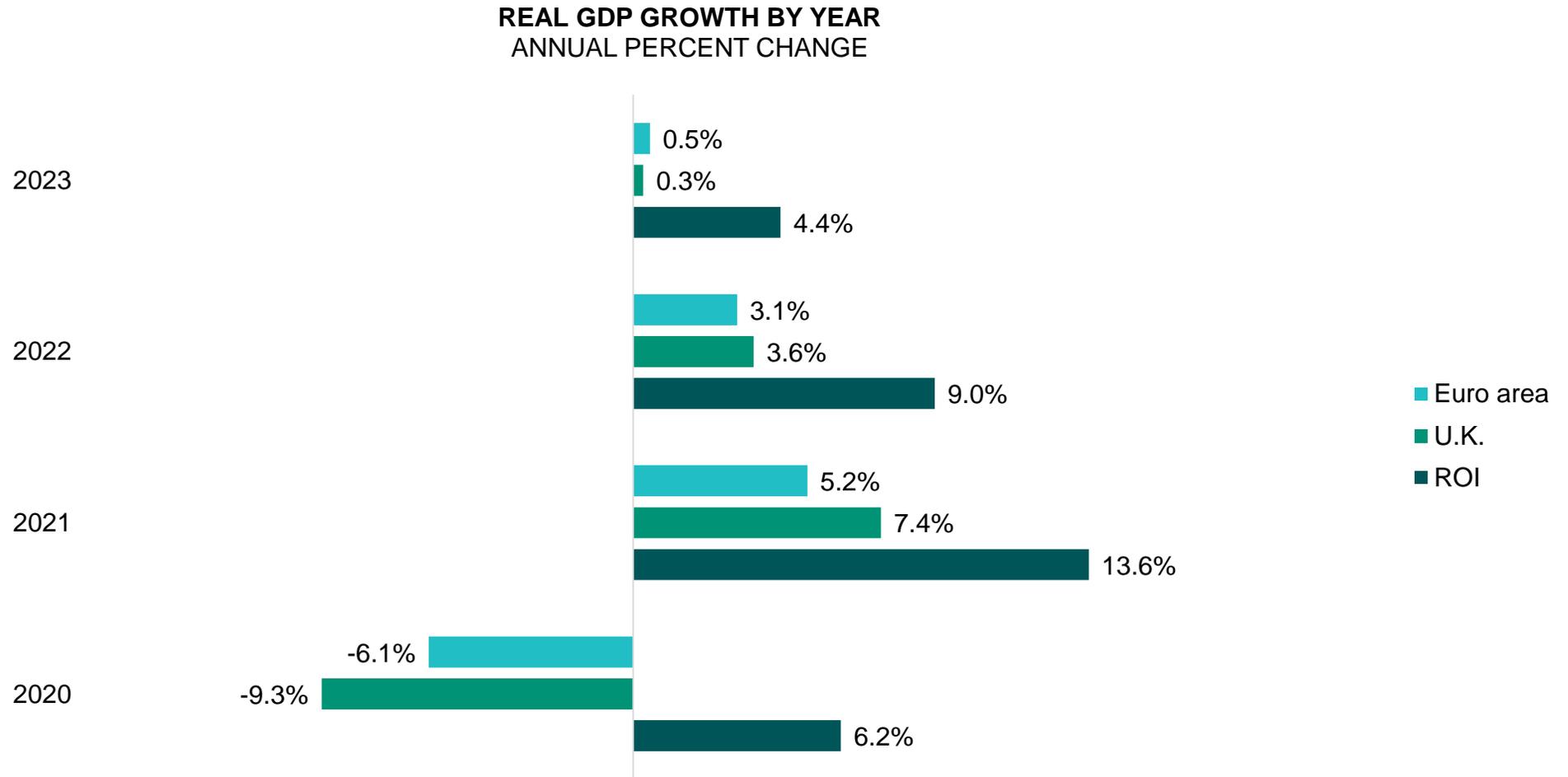
Term	Definition
Full-Service Restaurant (FSR)	Restaurants that offer table service and waiting staff
Hotel & Accommodations	Hotels and resorts that are primarily engaged in providing short-term lodging. Establishments may offer food and beverage services including restaurants, bars, conference services, catering services, banquet services, complimentary breakfast/snacks and room service
Institutional foodservice	Often known as cost catering, channels where catering is a service provided for free or with a subsidy
IOI	Island of Ireland
Limited-Service Restaurant (LSR)	Restaurants offering counter service where customers generally order or select items and pay before eating
Occasion	The meal reason for visiting a foodservice outlet, e.g. breakfast, lunch, dinner, coffee, snack etc. This can also be referred to as a “daypart”
Operator	The company or business running the foodservice outlet or chain of outlets
Operator Purchases	Operator purchases represent the value of distributors’ sales to operators, including distributors’ margins
Quick-Service Restaurants (QSR)	Also referred to as QSR, this channel is a subset of limited-service restaurants, often with value price orientation
Route to Market	How to get the product to the end consumer. Involves distribution and logistics
Traffic	The number of consumers visiting a foodservice outlet. Also known as footfall, it is a key operator metric
White-Tablecloth Restaurant	White-tablecloth restaurants, a subsegment of the full-service restaurant channel representing the more traditional and premium restaurant outlets

# Macroeconomic Factors

Term	Definition
Gross Domestic Product (GDP) and Gross National Product (GNP)	The monetary value of all the finished goods and services produced within a country's borders in a specific time period, though GDP is usually calculated on an annual basis. It includes all of private and public consumption, government outlays, investments and exports less imports that occur within a defined territory. GDP is commonly used as an indicator of the economic health of a country, as well as to gauge a country's standard of living
Unemployment Rates	Represents the share of the labour force that is employed. The employment rate is one of the economic indicators that economists examine to help understand the state of the economy
Consumer Price Index (CPI)—All Items	An index of the variation in prices paid by typical consumers for retail goods and other items
Consumer Price Index (CPI)—Food and Nonalcohol Beverages	An index of the variation in prices paid by typical consumers for food and nonalcohol beverages
Consumer Price Index (CPI)—Restaurants and Hotels	An index of the variation in prices paid by typical consumers for foodservice items purchased at restaurants and hotels
Overseas Arrivals to Ireland	Data on the number of visitors to ROI for 2019, 2020 and partial 2021. Tourism is a key metric that will have an outsized impact on Ireland's foodservice industry.

# Growth Rates of Gross Domestic Product

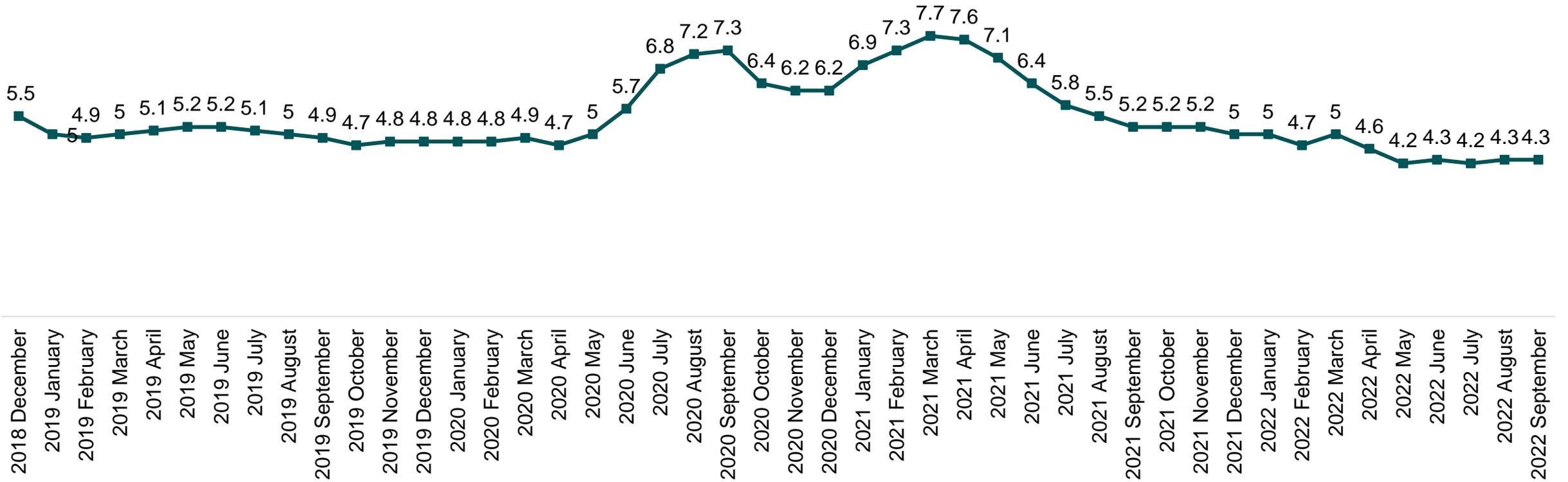
## ROI, UK and Eurozone Growth, 2020-2023



# ROI Unemployment Rate

## 2019 through 2022

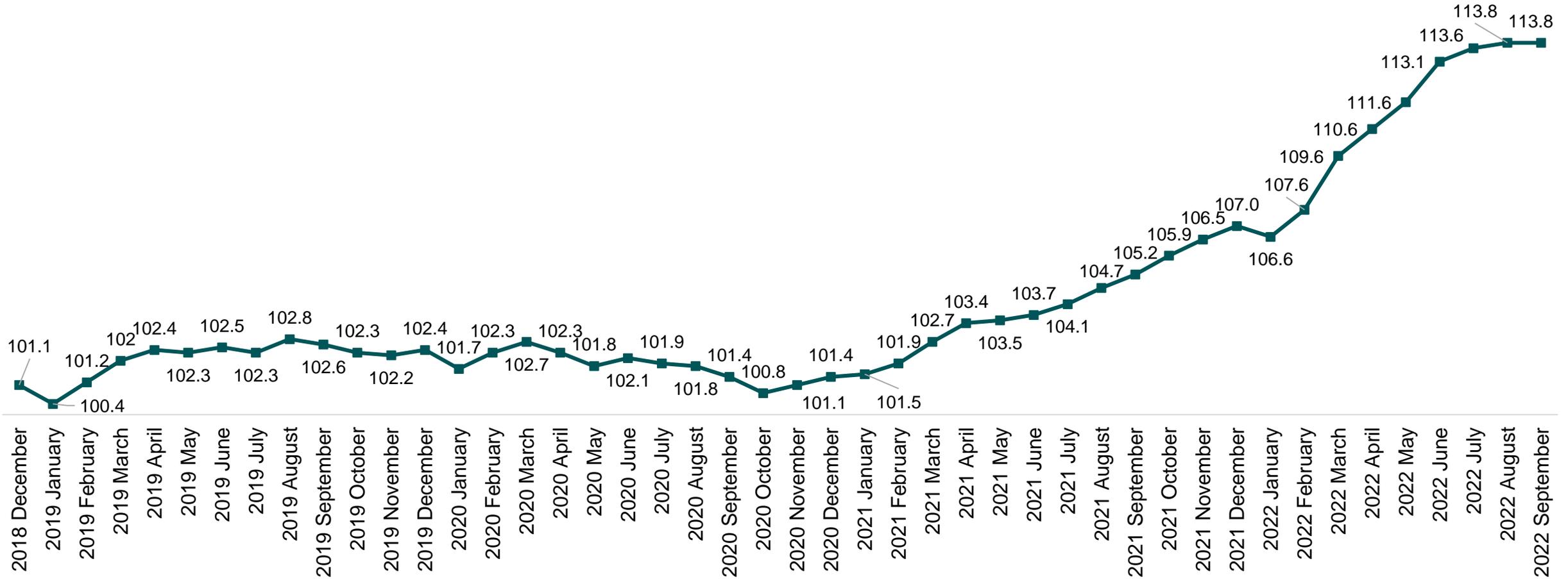
SEASONALLY ADJUSTED UNEMPLOYMENT RATE  
15-74 YEARS



# Consumer Price Index, ROI

All Items

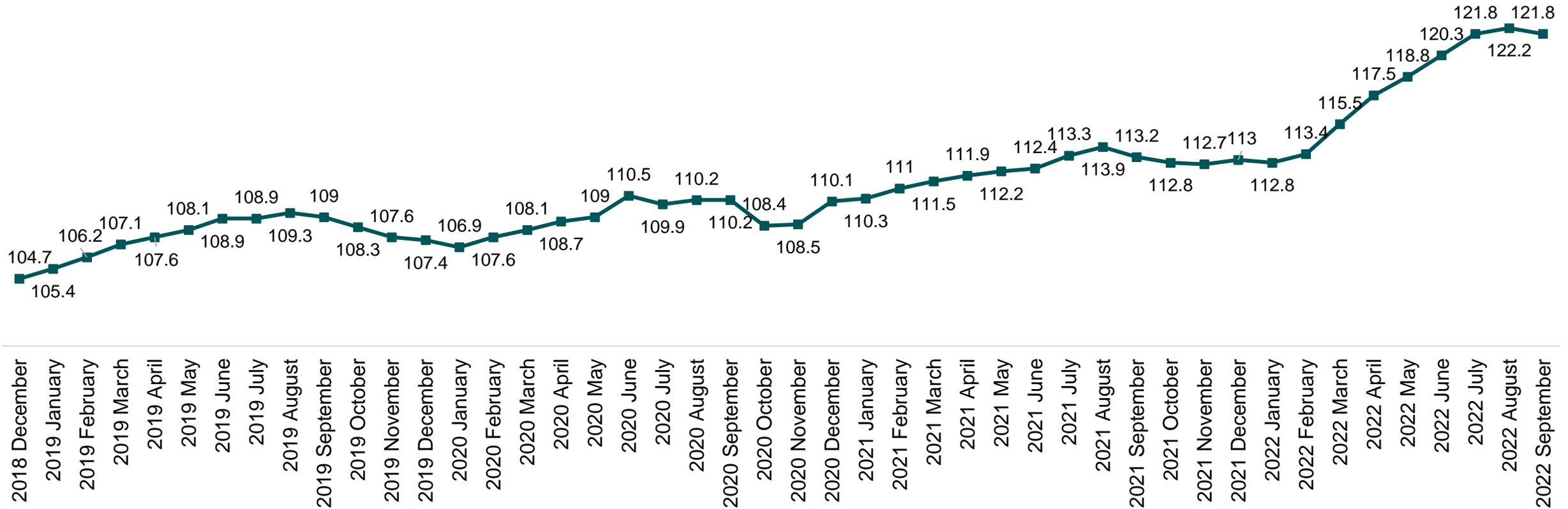
CONSUMER PRICE INDEX  
BASE DEC 2016=100.0



# Consumer Price Index

## Restaurants and Hotels—ROI

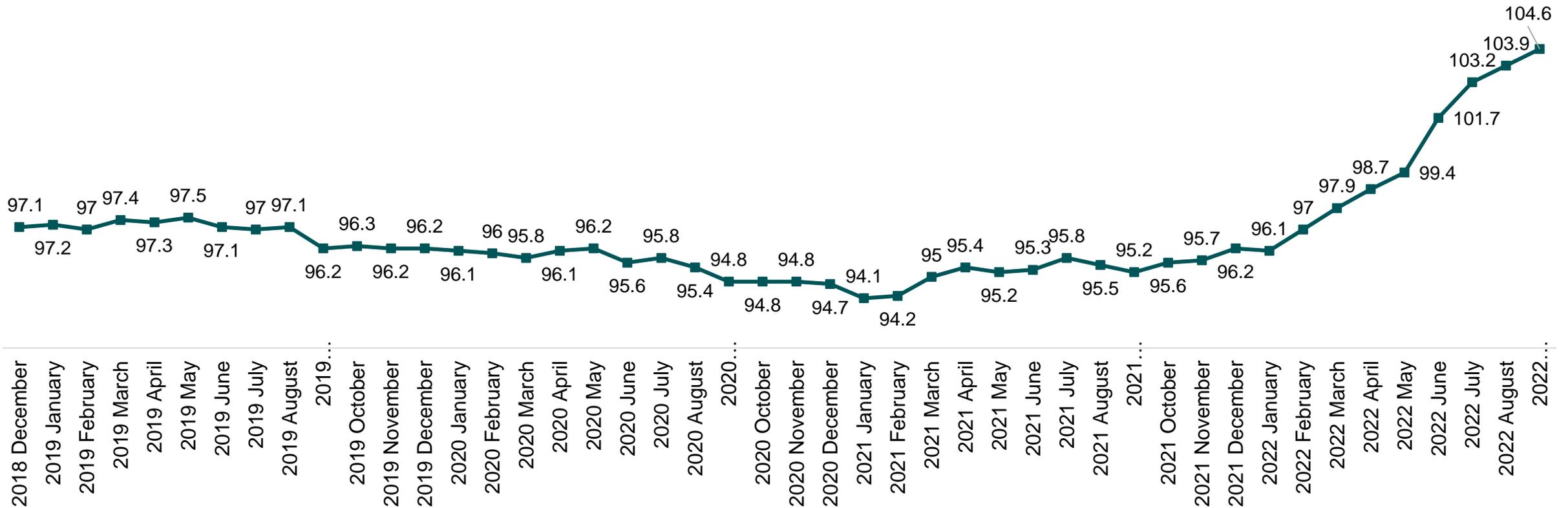
CONSUMER PRICE INDEX  
BASE DEC 2016=100.0



# Consumer Price Index, ROI

## Food and Nonalcohol Beverage

CONSUMER PRICE INDEX  
BASE DEC 2016=100.0



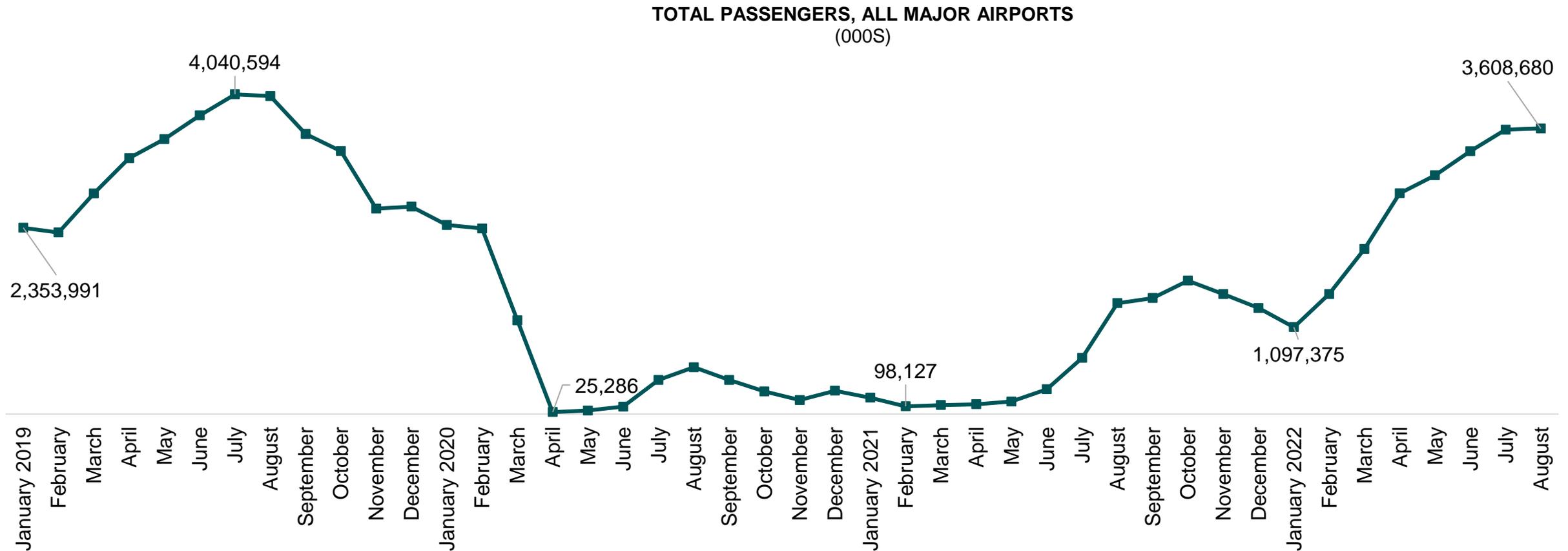
# Price Increases on Select Items, ROI

## One Year and Three Year Comparisons

Item	Cost as of Sept 2022	Cost As of Sept 2021	Cost as of Sept 2019	One Year Change	Three Year Change
Litre of diesel	€1.92	€1.45	€1.33	32.4%	44.7%
Litre of unleaded petrol	€1.80	€1.56	€1.43	15.1%	25.8%
Fresh salmon (per kg)	€23.79	€21.18	€21.61	12.3%	10.1%
Ham fillet (per kg)	€6.26	€5.59	€5.53	12.0%	13.1%
Striploin steak (per kg)	€21.61	€20.18	€20.58	7.1%	5.0%
Uncooked chicken medium (per kg)	€5.58	€4.67	€4.76	19.4%	17.2%
Butter per lb.	€3.365	€2.98	€3.01	22.5%	20.9%
Draught ale (pint)	€5.18	€5.00	€4.73	3.6%	9.7%

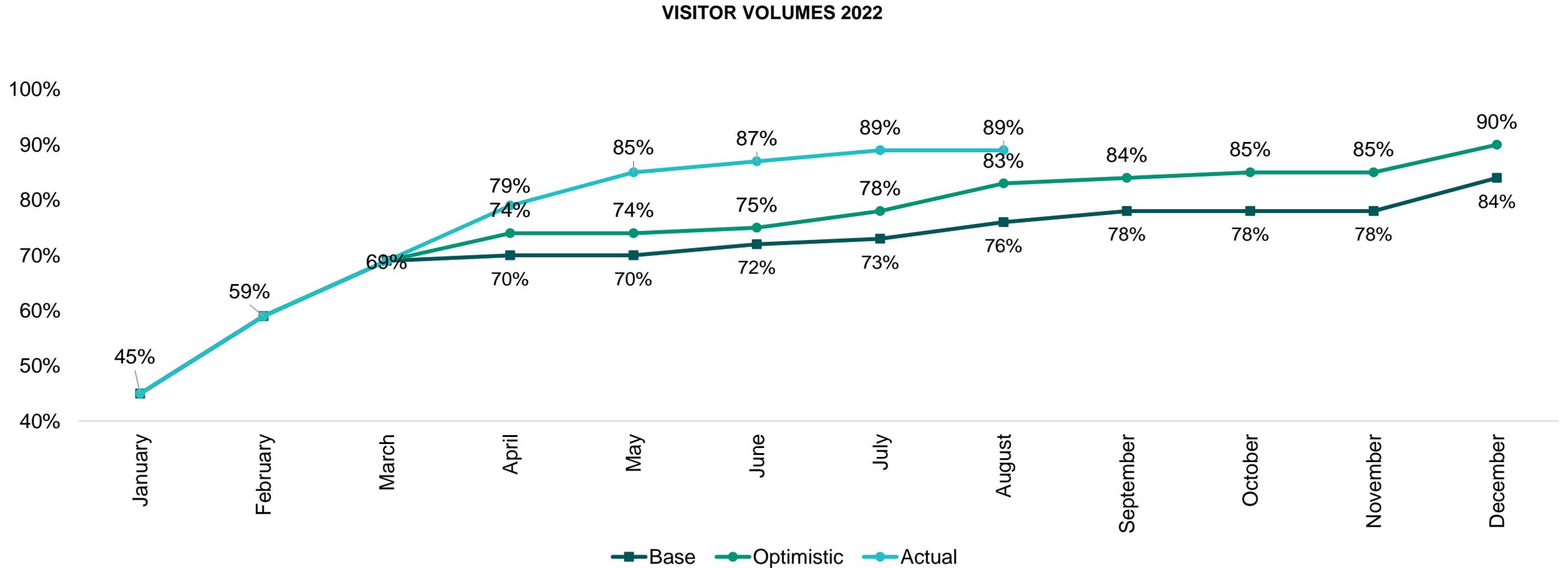
# Airline Passengers, All Major Airports

2019-2022



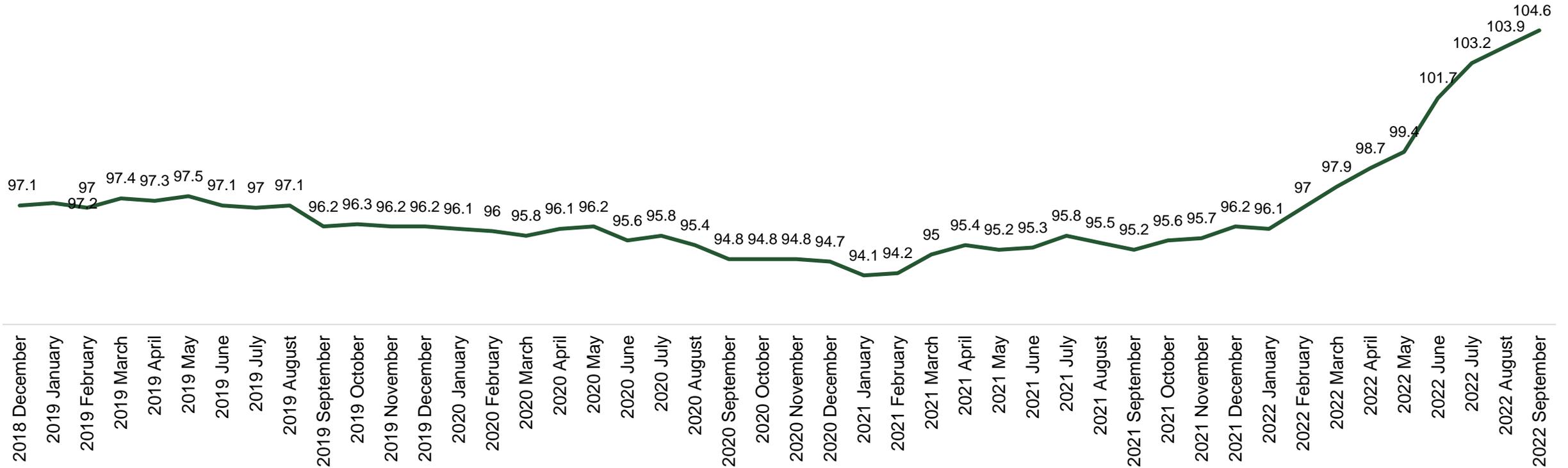
# Visitor Volumes To ROI

YTD compared to expected (vs. baseline 2019)



# Consumer Price Index, ROI Food and Nonalcohol Beverage

Consumer Price Index  
Base Dec 2016=100.0



Base: 100=December 2016  
Source: Central Statistics Office

# Section 7

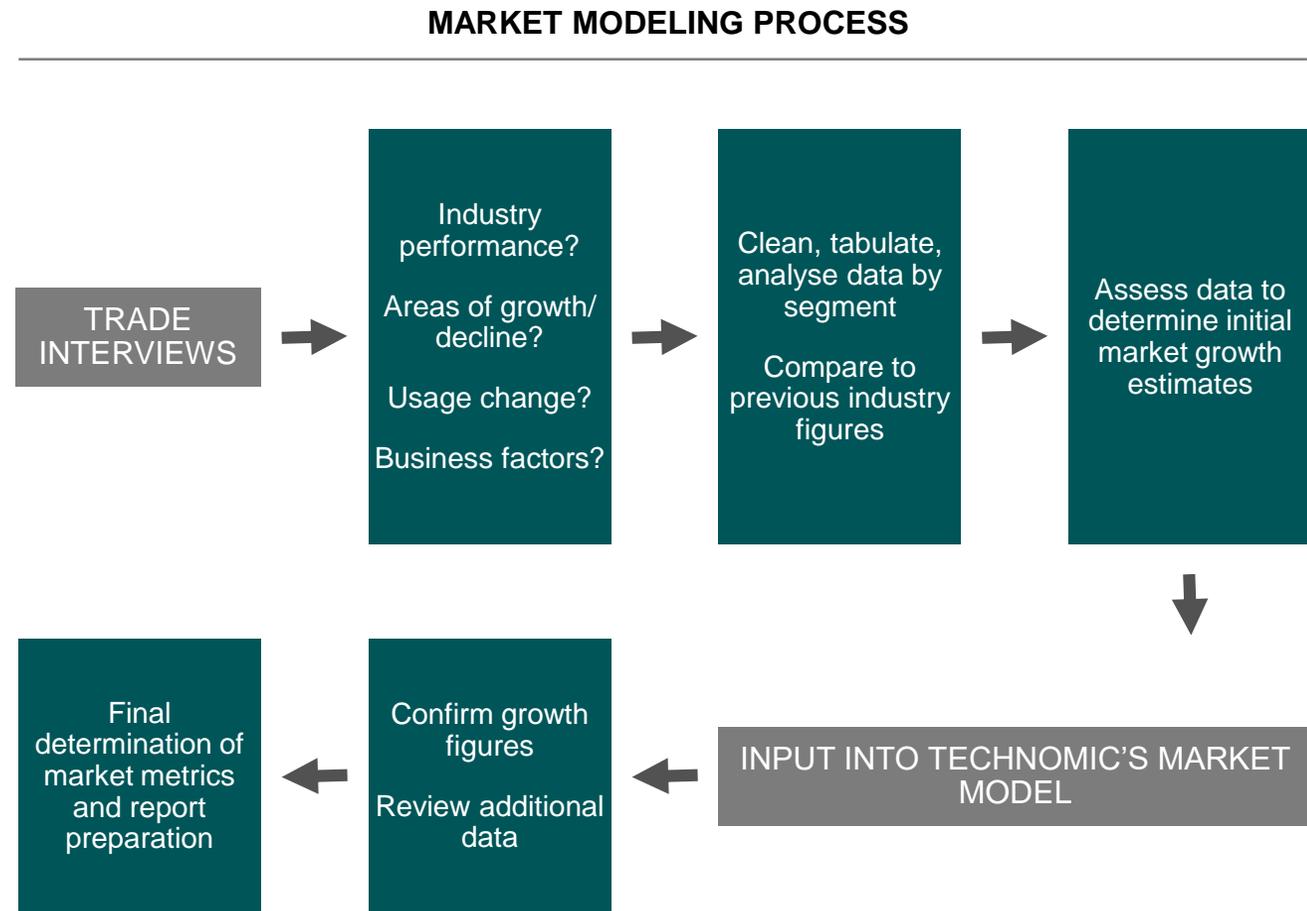
## Methodology

**BORD BIA**  
IRISH FOOD BOARD



# Market Modelling Approach and Methodology

- For 2022 and to project sales for 2023, Technomic's forecasting model is built on a month-by-month evaluation of the sales level for that month against the baseline 2019 monthly revenue numbers as well as against sales levels from the previous year.
- This creates an index of recovery, where reaching a level of 100 means that 2019 revenue levels have been achieved. Throughout this report, industry recovery is reported not only in nominal (i.e. value) growth figures, but also using an index comparing results to 2019.
- The modeling accounts for the varying levels of sales from month to month based on broader industry research conducted for this report. Seasonality is built into the modeling as well to account for variations in turnover from month to month.
- Various historical and forecast inputs are employed in the model and are drawn from industry inputs and prior research.
- Assumptions for each scenario have built-in regional differences and expectations.
- Using all of the above, Technomic experts and analysts evaluate the outputs of the model for reasonability and, if necessary, revise the modeling and weighting of different inputs based on unique macro circumstances
- The illustration to the right outlines key steps in Technomic's market sizing and forecasting process as it relates to the foodservice industry and specific segments in both the Republic of Ireland as well as Northern Ireland.



# About Technomic

- Technomic is uniquely qualified to conduct this assignment. Since 1966, Technomic has been assisting clients with interests in the global food and beverage industries to obtain a better understanding of the marketplace and potential opportunities.
- Technomic is considered to be the leading research and consulting firm specialising in the foodservice or out-of-home (OOH) industry and is active in numerous international OOH markets. Technomic's broad-based expertise and second-to-none knowledge of the OOH channels and categories, establishes us as an industry leader in this growing marketplace.
- As part of Winsight, Technomic is positioned as a leader in multiple facets of the global foodservice industry.
- Winsight provides customers and audiences access to the most credible source of industry market intelligence with top industry print and digital media assets, world class events and Technomic's channel-relevant strategic research and insights. Technomic's global monitoring includes ongoing coverage of 25 foodservice markets globally and is an integral part of Winsight's *Global Restaurant Leadership Conference* that takes place every Autumn.
- Beyond Technomic, Winsight provides global reach and insights through its media (including *Restaurant Business*, *CSP*, *Foodservice Director* and others) and events (including the Global Restaurant Leadership Conference, FARE, Outlook Leadership, FSTEC and others). Winsight also owns the National Restaurant Show that takes place every May in Chicago.



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