*“People are now open to **new ideas** and value is coming from what you’re offering, rather than just the price. Operators now need much more than price, they need a **story behind the food** and a **quality product**.”*

- **What’s happening in the Irish Foodservice market?**
- **Where are the potential product opportunities?**
- **What are consumers doing?**
- **What are the implications for suppliers?**

Channel Insights Methodology

Trade interview programme + National Associations Oxford Economics secondary data + Commissioned consumer survey = Channel Insights 2013

"...to provide a hard base of intelligence to assist operators and suppliers in both their operation and strategic development by extending their knowledge base and providing insights into recent trends and future drivers within the market".

2013 Irish Foodservice Market Overview

- **Period of decline is over**
- **€1.85bn at operator buying prices**
- **Average compound growth rate of 0.8% per annum to 2018**

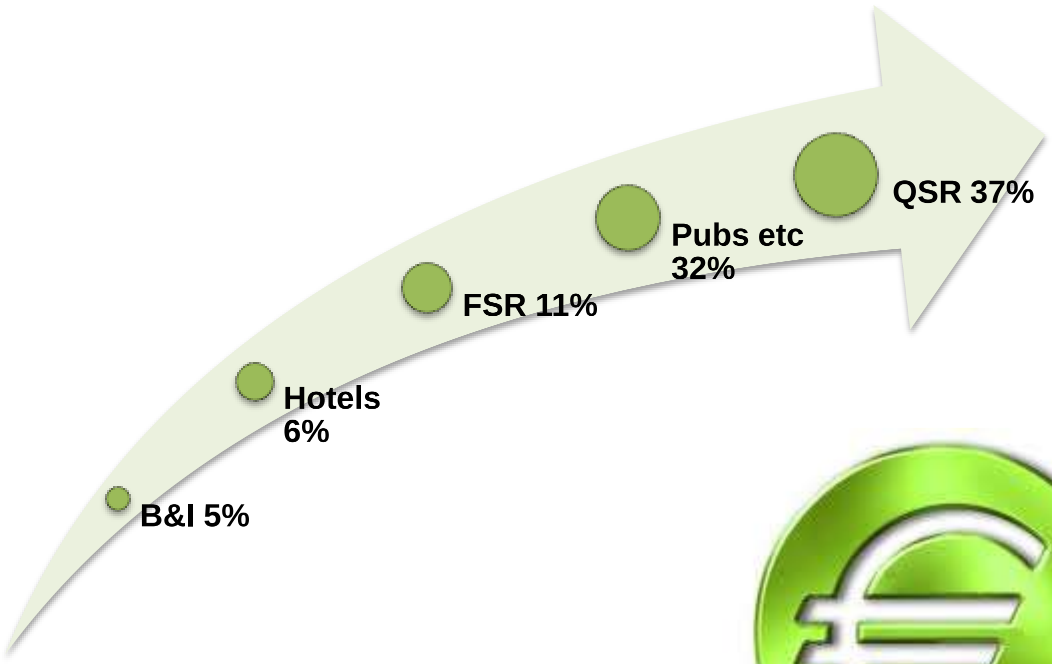
Positive Sentiment

Hospitality sector raises a glass to keeping 9pc rate

**October 2013:
Tourism sentiment at highest level since boom**

Dublin Airport Authority (DAA) welcomes Ryanair's statement that it intends to grow its passenger traffic at Irish airports in 2014.

5 largest channels by value 2013



2013
6.07bn

Foodservice Developments 2012 - 2013

Quick Service Restaurants	€2.25bn ↑ 4.2%
Full Service Restaurants	€674m ↑ 2.3%
Hotels	€385m ↑ 3%
Business & Industry	€284m ↑ 0.4%

Foodservice Developments 2012 - 2013

Pubs, Cafes, Coffee Shops	€1.9bn ⇩ -2.5%
Health	€226m ⇩ -1.7%

Product Categories in growth

crackbird
Addictive Chicken

Product Categories in decline

Trends by resilient foodservice channels

Convenience	Hand-held hot & cold offerings	Daytime Treats
• Quick Service Restaurants	• On-the-go • Leisure • Travel	• Coffee Shops • Business & Industry

Trends by resilient foodservice channels

Informality & Meal Deals	Excitement & Innovation	Nutritionally Balanced Foods
• Casual Dining	• Full service restaurants • Hotels	• Education • Defence Forces

Consumer Survey

3 key areas of focus:

✓ Frequency

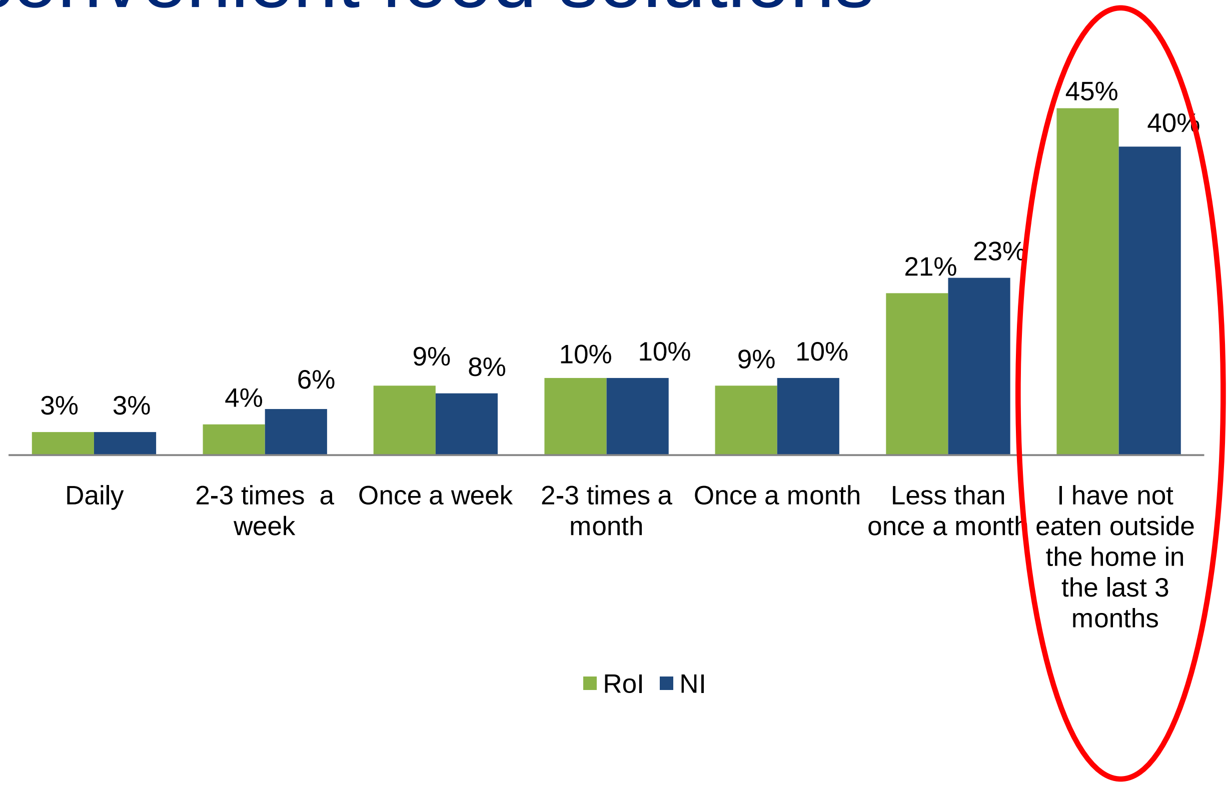
✓ Spend

✓ Motivating factors by foodservice channels.

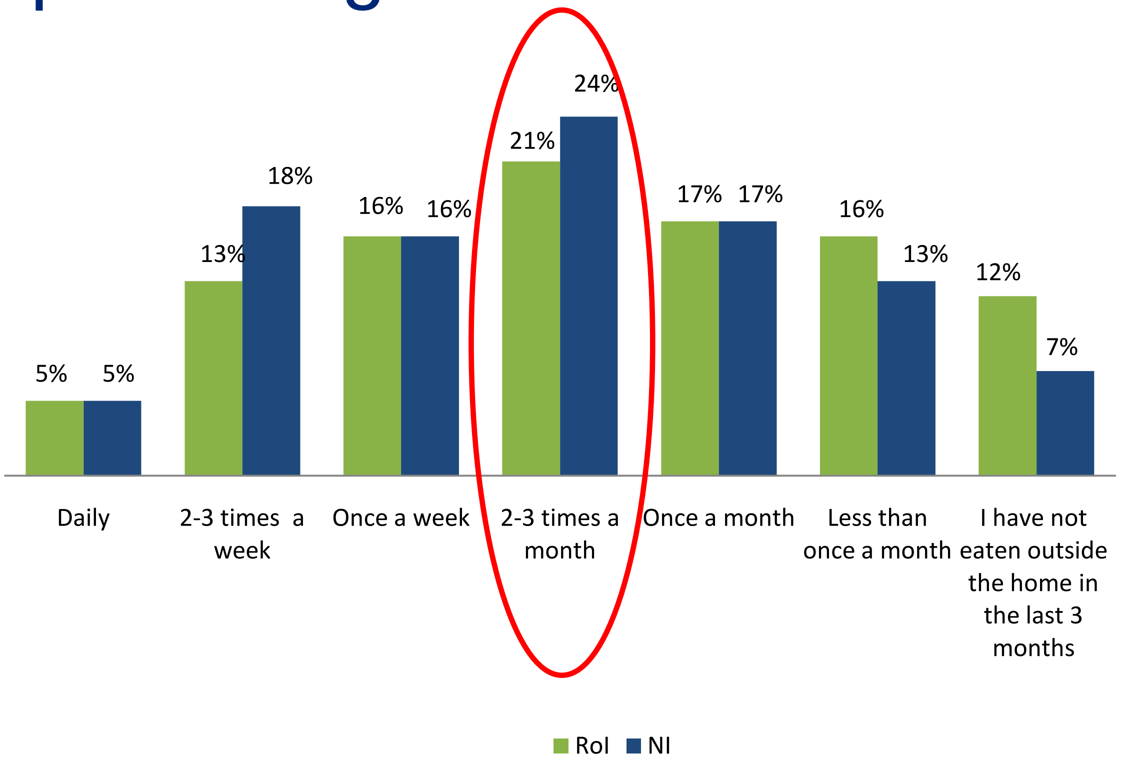
September 2013

1,010 RoI and **412 NI** consumers aged 18+.

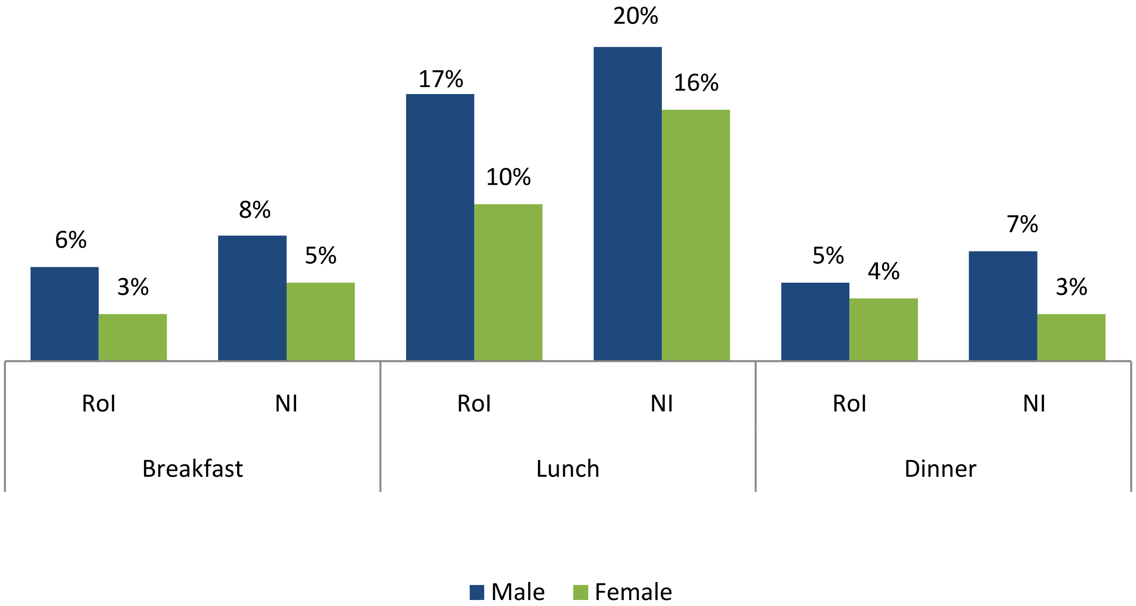
Breakfast offers potential to deliver convenient food solutions



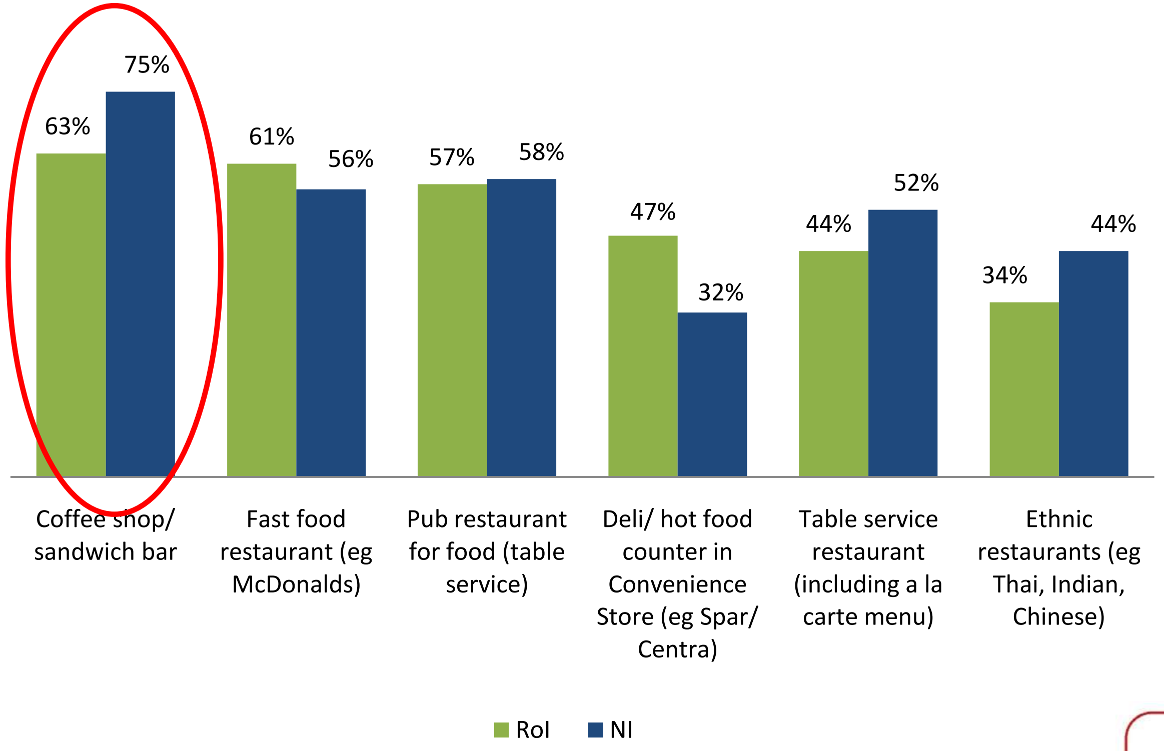
Lunch spend has suffered as consumers opt to bring their own lunch



Men most engaged with eating outside the home



Coffee Shops and Sandwich Bars top spot due to lower average spend per visit



Cautious Consumer Spending

RoI

- One third of RoI consumers maintained or decreased their out of home spend.

NI

- Over 40% of NI consumers are maintaining their eating out of home food spend.

Key Motivating Factors: Snapshot

2018
6.32bn

The Customer Chain

Suppliers → Wholesale Distributors → Operators → **Consumers**

- QSR; Casual Dining; Coffee Shops and Hotels are driving a market revival in Commercial Channels.
- B&I channel is set to grow, but will be dependent on overall economic growth.
- Government spend will remain tight.
- Stay in-touch with each element of the customer chain – it will help build relationships and ultimately deliver increased sales.
- Consumers are looking for value; simplicity; fun; authenticity and healthy options.

60m

“...**delicious food** at **affordable prices**...warm and genuine **services**, **informal** environment where everyone feels welcome..giving guests an **amazing experience**...”