



Kara

FOODSERVICE BAKERS

The Krumb

Fast Food

Facts and the Future

Five Year Outlook for Fast Food Restaurants

NOW

2023-2024

Consumers are looking for ways and means to save money in the current economic uncertainty.

Fast food restaurants are a sector which offers a variety of affordable options, such as meal deals and loyalty programmes.

Fast food is also seen as a treat to some consumers, with many willing to indulge in the sector for its price point - welcoming the 'lipstick effect.'

NEXT

2025-2026

Fast food will still remain popular and in growth due to the low-ticket price point it offers, it is great for those looking for a quick and affordable treat or for those on the move.

We may start to see some brands begin to premiumize their menu offerings to entice a more affluent consumer, or to show greater value for money.

This could potentially lead to a two-tiered market, with 'high-end' fast food brands catering to the wealthy and lower end brand struggling to compete.

FUTURE

2027-2028

The pandemic left a legacy of consumers working from home, which has provided greater opportunities for delivery.

But, the lasting consequences of the pandemic have given rise to a cost-of-living crisis. Many brands have introduced technology-based initiatives to both offer promotions and gain a deeper understanding of their consumers.

As a result, in the future, we expect to see many more targeted discounts and offers available to focused consumers.

1/3

About one third of fast food consumers choose value or low-cost options.





Where The Fast Food Market Is At

The fast food restaurant market continues to post strong growth. The value of the UK fast food restaurant market is expected to continue to grow in the coming years.

This is due to several factors, including the increasing demand for affordable and convenient food, the need for food on the move, the growing popularity of delivery and takeaway, and the increasing availability of healthy and sustainable options.

MARKET SIZE 2023

£36.3 bn

estimated value sales for UK fast food outlets and restaurants.

GROWTH IN 2023

+7.5%

estimated year on year increase in value sales.

LONG-TERM GROWTH

20.6%

forecasted growth over 2023-28.

Currently we are seeing younger consumers seeking new and exciting foods from fast food operators, with many like McDonald's offering limited time offers to keep this demographic captivated.

Older millennials are looking to trade up on menus, seeking premium alternatives. This highlights that some consumers are looking for added value – quality, functionality and durability – while others are in search of emotional connection through indulgence and exclusivity.

Overall, the UK fast food market is evolving to meet the needs of a diverse and discerning consumer base.

Fast food operators who can offer high-quality, sustainable and inclusive options are well-positioned to succeed in this market.

26% of older millennials are more likely to purchase premium fast food.



Fast Food Consumer Behaviours

32% of consumers (aged 16-44 years old) are interested in looking for new fast food options.

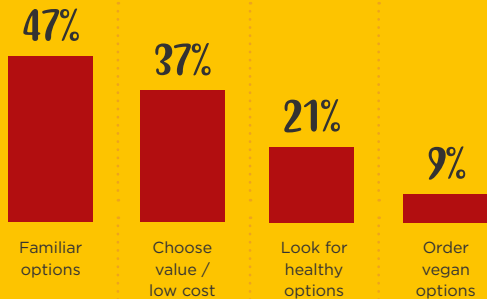
This trend is creating opportunities for fast food brands to diversify their menus and offerings.

36% of fast food consumers are using a fast food app.



This opens up the door for promotions for operators and discounts. These discounts also leave the door open for upselling, as customers may be tempted to upgrade their orders and pay the difference if they see something they like.

Behaviours towards fast food options.



About half of fast food consumers prefer familiar options, and this is especially true for over-65s (65%) who tend to be less risk averse.



47%
16-34s



39%
35-54s



15%
55+

Nearly half of fast food consumers aged 16-34 use fast food apps.

All About The Burgers

Types of Fast Food Outlets used in the last year, 2023.



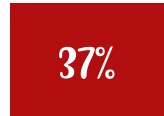
Burger Outlet



Fish & Chip Shop



Pizza Outlet



Chicken Shop

Burgers are the most popular type of fast food with **62%** of fast food customers have visited a burger outlet in the past year.

56% of fast food users are over the age of 45, with the majority stating that they like familiarity and consistency that fast food offers.

Pizza is most popular among the younger demographic with 56% of 16-44 using them in the past year, compared to 30% of over 45s.

A reasoning behind this decline is due to dietary restrictions in the older demographic, Kara offers vegan friendly doughballs which all meet the recommend government salt guidelines. If operators are looking to tap into gen x, Kara is your perfect kitchen partner.

44% of total consumers are most likely to purchase a chicken burger from a burger outlet.

With **86%** of 16-44 year olds most likely to rank chicken burgers on top of the pecking order!

Kara's latest launches of an all butter seeded brioche buns and vegan seeded bun are the ideal accompaniment to crispy chicken burgers - check out our website for more info.



Burger Preferences UK 'Very likely to purchase'.

44%

Crispy Chicken Burgers

31%

Build Your Own Burgers

28%

Pulled Meat Burgers

28%

Themed Burgers

Consumers are now interested in personalised experiences, with **31%** stating they are most likely to build their own burger. This is not only great for consumers as they can cater to their own dietary requirements, but it's also beneficial to the operator to help with menu upsells and price premiums.

28% of consumers prefer themed burgers, catered more towards generation z, themed burgers are ideal for consumers wanting to try something new and encourage fast food operators to promote seasonal menu changes, pairing perfectly with social media opportunities.

Fast Food Innovations

Trending burger flavours...

- Thai BBQ Flavours
- Amalfi-Coast Burgers
- Korean Burgers

21% of 16-34 year olds are drawn to fast food outlets with environmentally friendly initiatives.

23% of 16-24 year olds (vs 15% of total) are interested in those that offer items that cater to dietary restrictions.

Seeded Brioche Bun



All day everyday

1 in 4 customers are interested in eating breakfast from fast food vendors, as a result we are seeing more operators expanding their opening hours and their breakfast offerings to entice extra footfall.

Brands you wouldn't usually expect to dish up morning delights include fried chicken shop Popeyes, with the big breakfast roll, cajun hash browns, and Nutella-topped biscuits.



Top Tip

31% of those interested in fast food breakfast are full time office workers, we recommend offering breakfast meal deals and venturing into quicker travel solutions such as drive-throughs or delivery to catch those morning commuters.

Unique venues

34% of consumers are interested in fast food outlets which are situated in 'unusual venues.' We are seeing a number of fast food brands expanding beyond traditional high street and retail locations and in turn are opening in unexpected places.

Food to go operator Greggs extended its partnership with Primark for its Tasty by Greggs café and fried chicken new comer Slim Chickens has opened up hubs inside retail giant Sainsbury's and Haven holiday parks.



*Data collected for Lumina Intelligence and Mintel: Fast Food Restaurants, 2023.