Restaurant Market Insights & Consumer Trends

Karl Chessell
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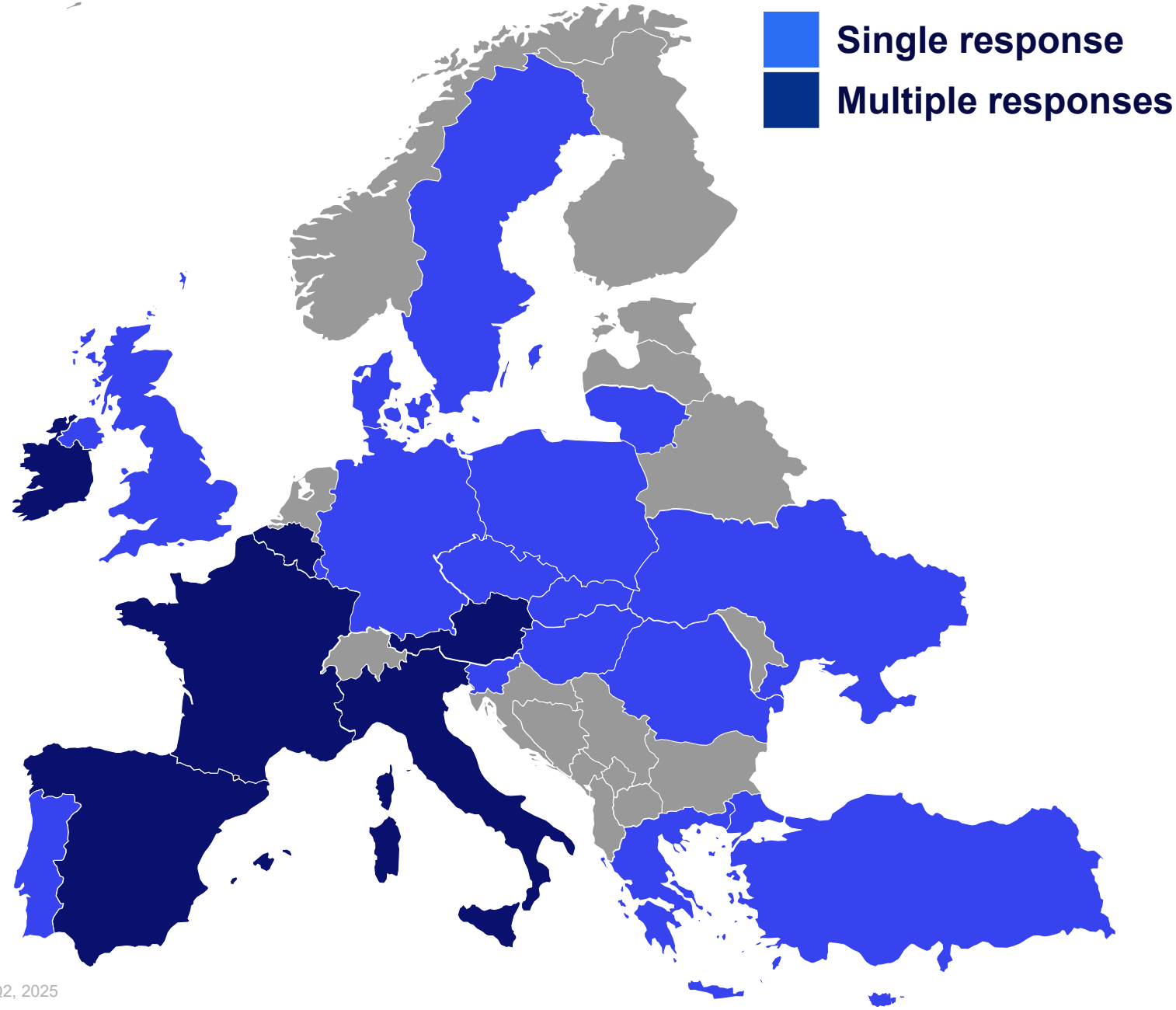
What HOTREC members told us about the current market

31
responses

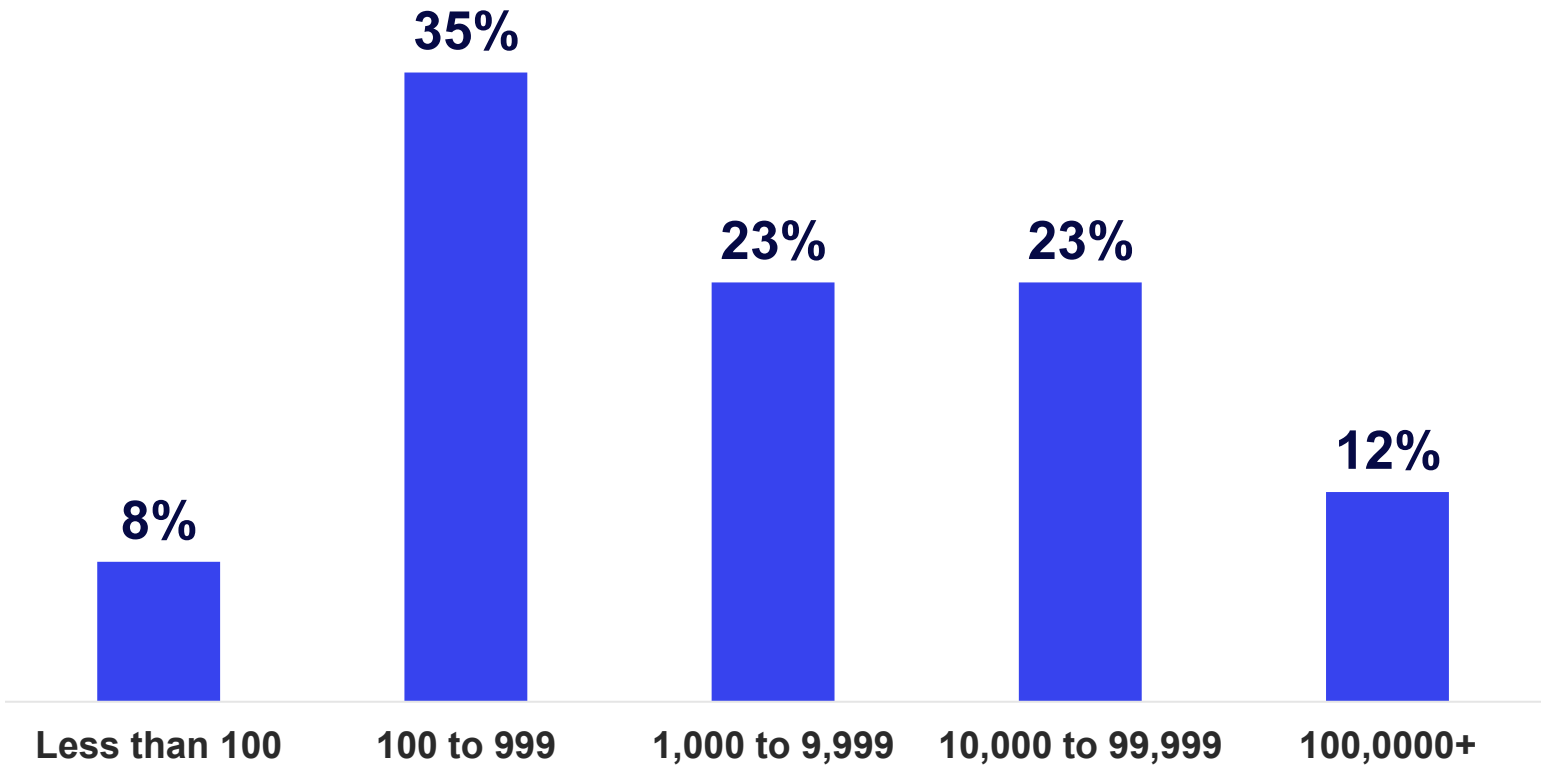
24
countries



HOTREC Q2, 2025

556,442
establishments

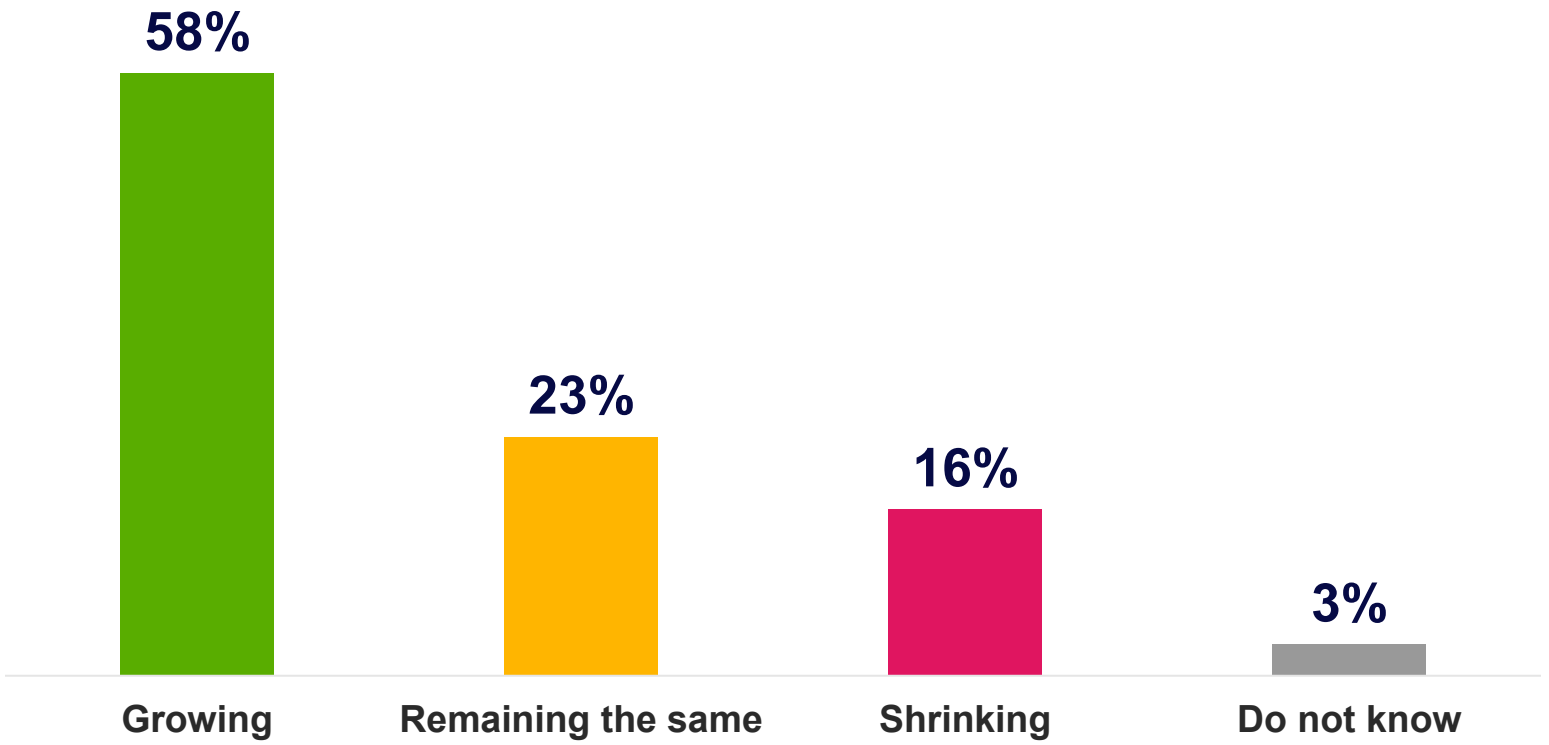
How many establishments does your association represent?



HOTREC Q2, 2025

556,442
establishments … and growing

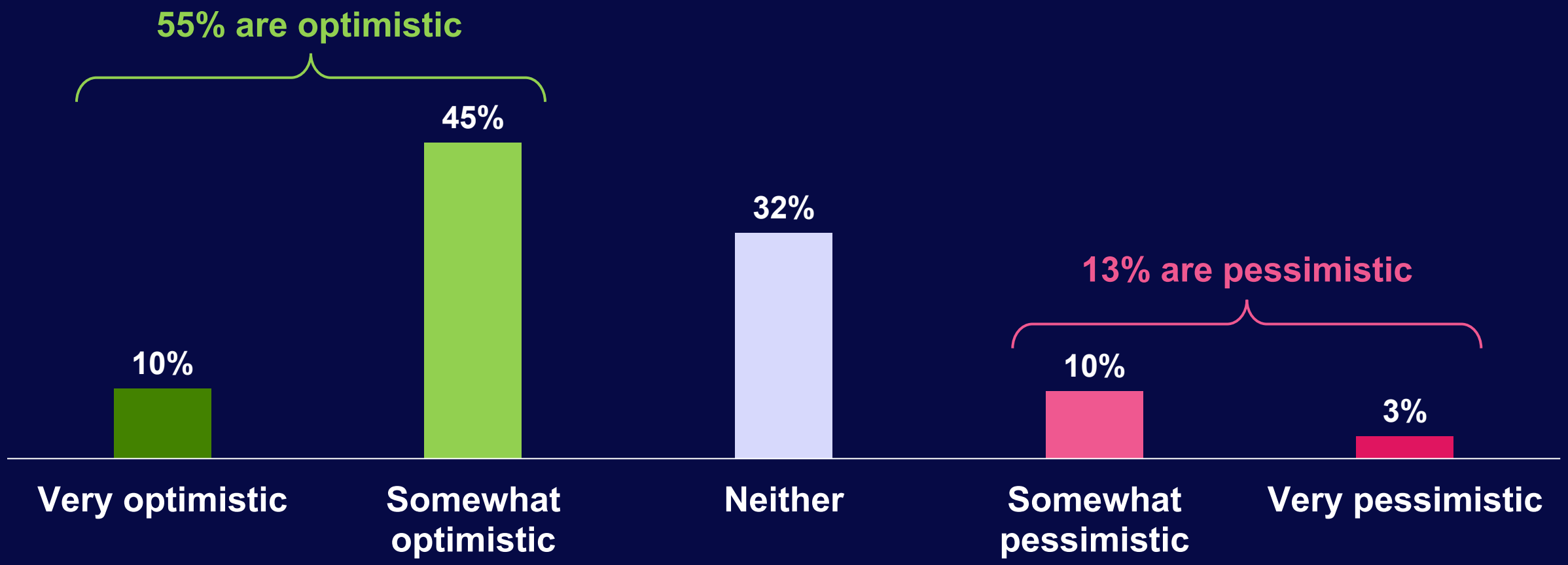
In the country that you represent, is the number of establishments growing, shrinking or remaining the same compared to last year?



HOTREC Q2, 2025

Over half of HOTREC members are optimistic for the prospects of their hospitality markets over the next year, though a minority have less confidence

How optimistic are you about the prospects for the hospitality industry as a whole over the next 12 months?



*You said you are **pessimistic** about the prospects of the hospitality industry in your country over the next 12 months. Why is that?*

"ECONOMIC INSTABILITY is a major driver of pessimism, with inflation, costs, consumer spend and scheduled tax rises all making the future uncertain"

"STAFF SHORTAGES continue to limit operational effectiveness, with vacancies increasingly difficult and costly to fill"

"POLITICAL TENSIONS are particularly damaging to tourism"

"THE GOVERNMENT is not making efforts to make the country appeal from a global tourism perspective and there is too much legislation/bureaucracy"

*You said you are **optimistic** about the prospects of the hospitality industry in your country over the next 12 months. Why is that?*

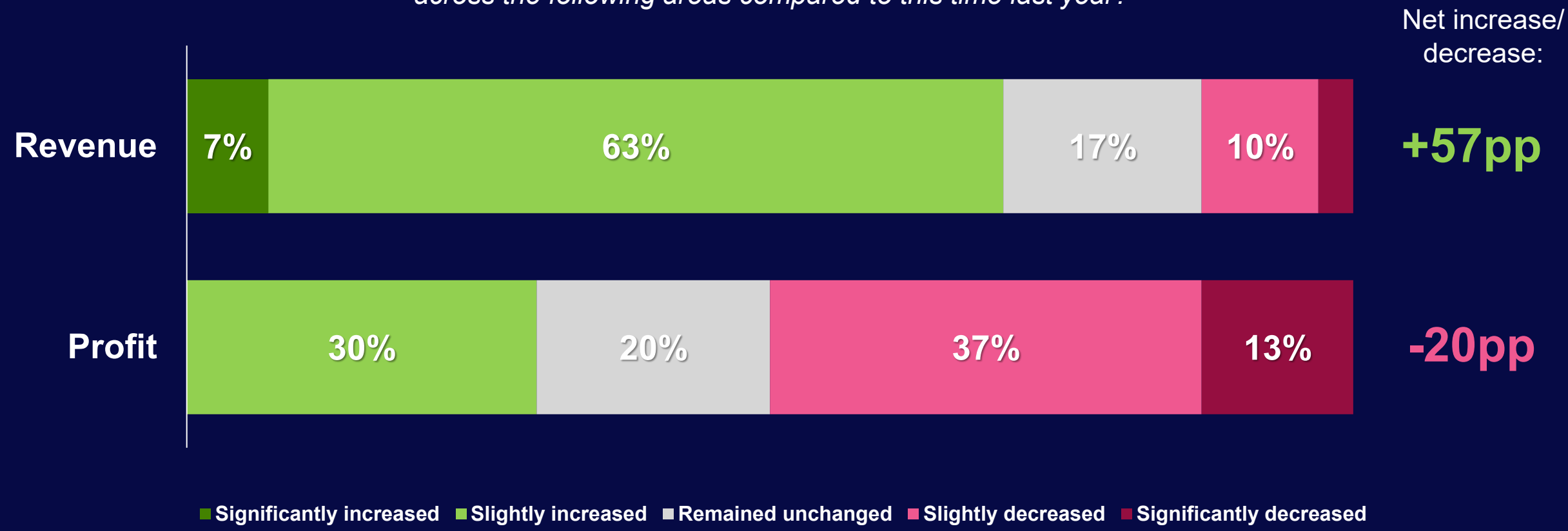
"POSITIVE TRENDS of increasing global tourism, occupancy rates, revenues and industry sales volumes provide hope for many"

"GOVERNMENT SUPPORT is a boon to some, with tax reliefs and alignment of marketing activities between public and private sectors providing a boost"

"TECH INVESTMENTS and AI developments are allowing business to operate with the necessary increased efficiency"

Most HOTREC members report revenues increasing within their markets, but in most cases, this does not translate into increasing profitability

Generally, how do your members report that their businesses are performing across the following areas compared to this time last year?



HOTREC Q2, 2025

83%

of costs, across all respondents and business areas, are **increasing**

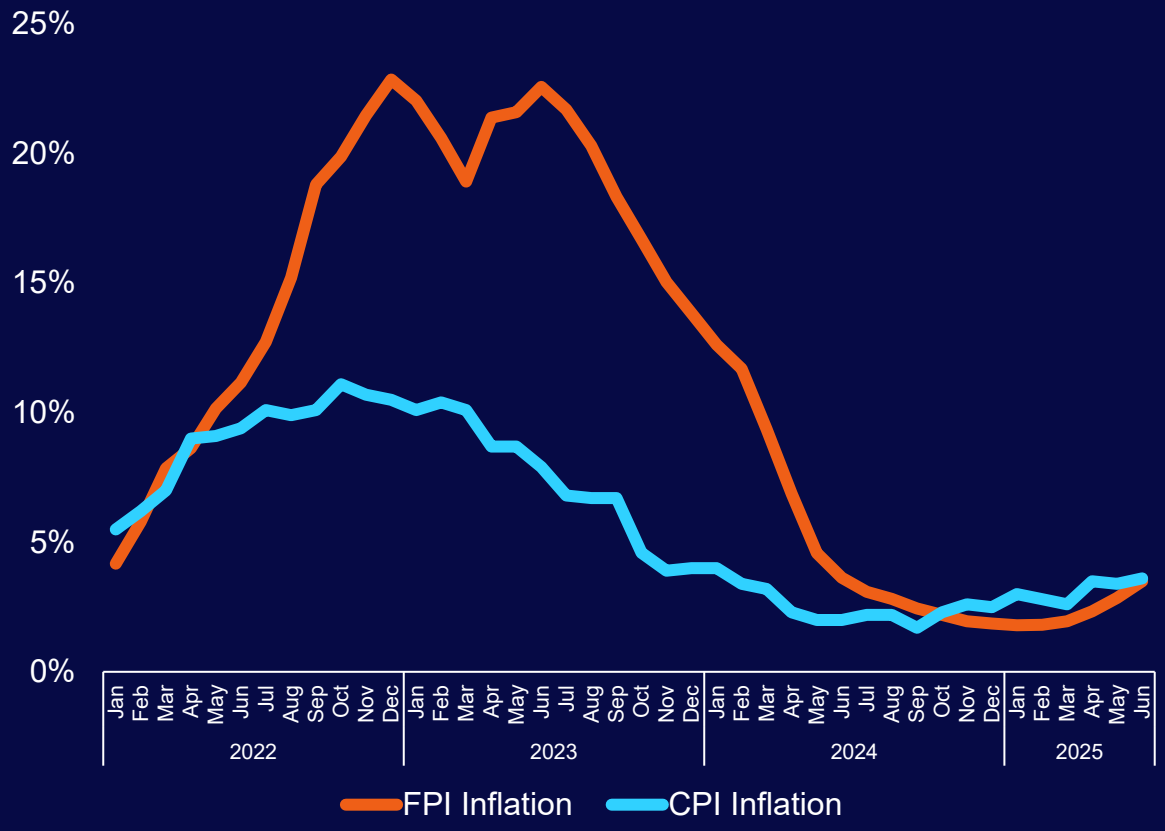
1%

of costs, across all respondents and business areas, are **decreasing**

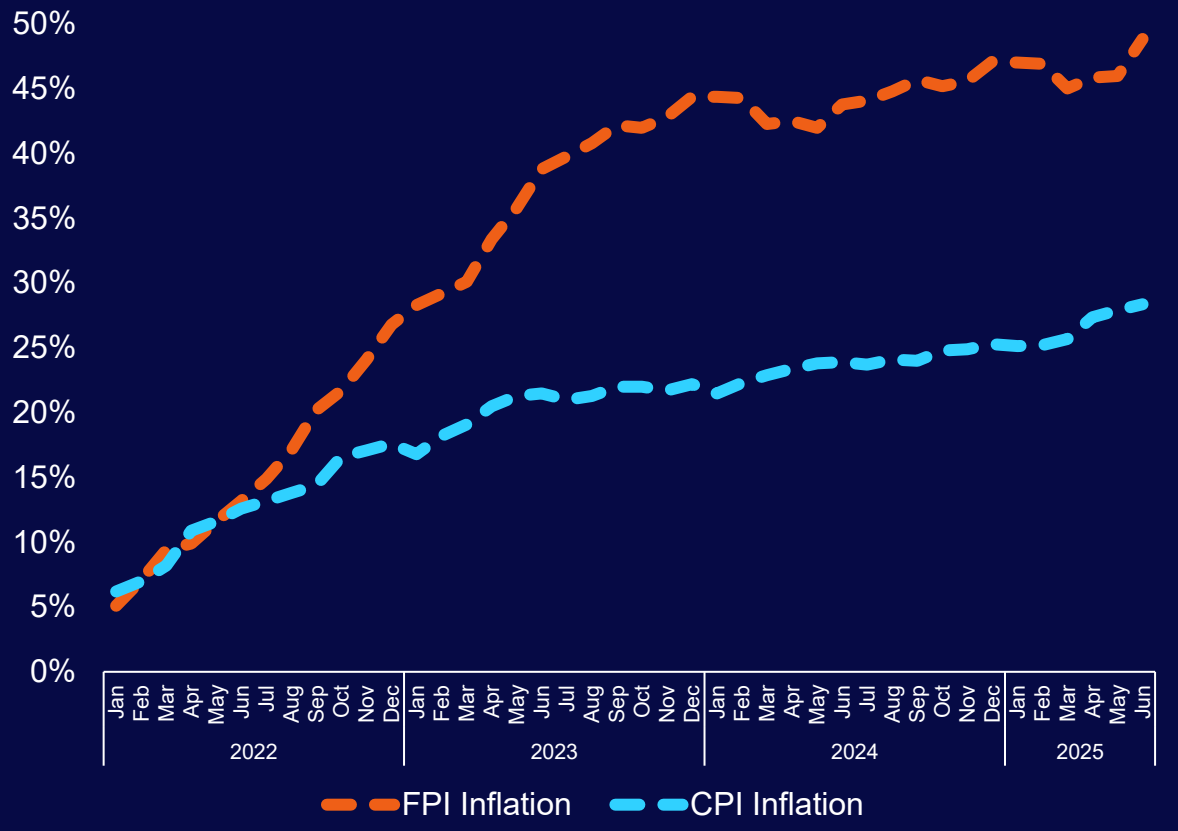
HOTREC Q2, 2025

After briefly stabilising, Food Price Indices are threatened by rising inflation once again, so is one to watch and the compound effects are still felt

Year-on-year inflation



Compounding inflation, indexed to Jan-2020



CGA and Prestige, Foodservice Price Index

*You have said that there have been rising costs in your market over the past year. What is **the impact of the rising costs** that your members report on?*

"**REDUCED PROFIT** is an immediate impact on business viability"

"**BUSINESS INSOLVENCIES** are a reality for many, damaging local economies and employment levels"

"**INVESTMENTS** are being frozen, reduced or cancelled"

"**EFFICIENCIES** across operations and staff are a necessity for growth, when margins are becoming slimmer"

"**CONSUMER FINANCES** are already stretched, and many feel they are unable to raise their prices any further"

*Thinking about the year ahead, what are your members' greatest aims and asks from their **local governments**?*

"**TAX REDUCTIONS,** notably on VAT, and other forms of financial relief are key demands to ensure short-term solvency"

"**EMPLOYMENT SUPPORT** by easing international recruiting and immigration processes would fill roles that domestic workers don't"

"**SIMPLIFIED BUREAUCRACY** and friendlier regulatory environments would free up finances and managerial capacity to focus on growth"

"**TOURISM PROMOTION** by national tourist boards and government initiatives would open up new consumer markets"

"**INFRASTUCTURE INVESTMENT** in transportation and facilities would support tourism and streamline the consumer journey"

Consumer Trends

Eating and drinking is a crucial part of consumers' lives

60%

I absolutely love eating/drinking out and would be lost without it	19%
I enjoy eating/drinking out and would feel disappointed if I could no longer do it	42%
I like eating/drinking out but could easily not do it	29%
I could very easily stop eating/drinking out and it would have no impact on my life	11%

NIQ CGA Powered by NIQ

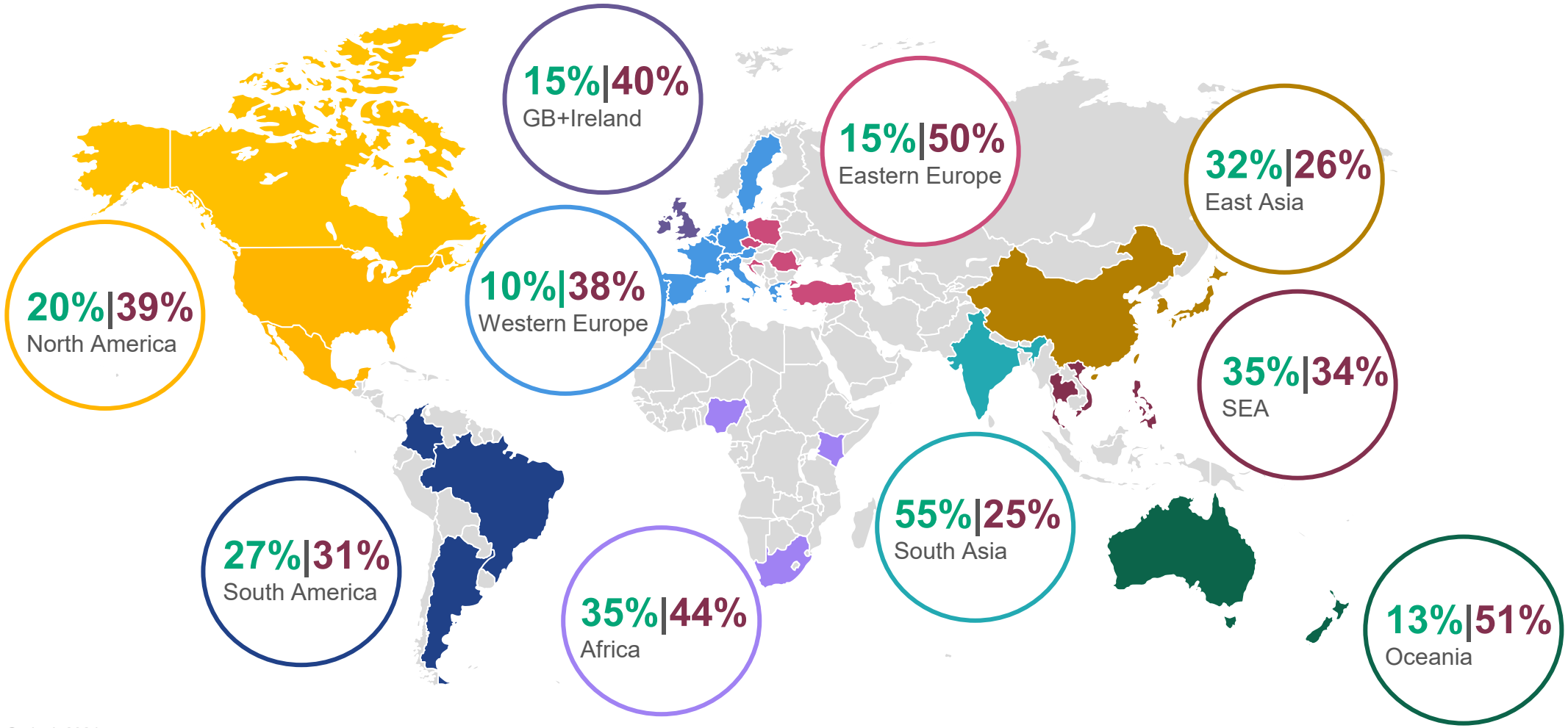
CGA By NIQ: Global REACH April 2024. Sample Size: 29,941

71%

of GB consumers say eating and drinking out is *the main way they socialise*

Consumer finances are polarised globally, but Europe sees some of the highest proportions of those feeling worse off, and lowest of those feeling better off

Financial situation around the world – **Better than last year** – **Worse than last year**



Source: NIQ Consumer Outlook 2024

Our surveys across Europe show that lower frequency is the impact of price increases

If the price of food and drinks in bars, restaurants and other similar venues did increase, would you do any of the following as a result?

Combined European REACH survey data Austria, Belgium. Croatia, Czechia, France, GB, Germany, Greece, Ireland (NI & ROI), Italy, Netherlands, Poland, Portugal, Romania, Spain, Sweden, Switzerland, Turkey, sample size: 13,531

Consumers are looking for innovative flavours and food experiences that are authentic

74%

of consumers *are happy to spend more at venues considered to be innovative*

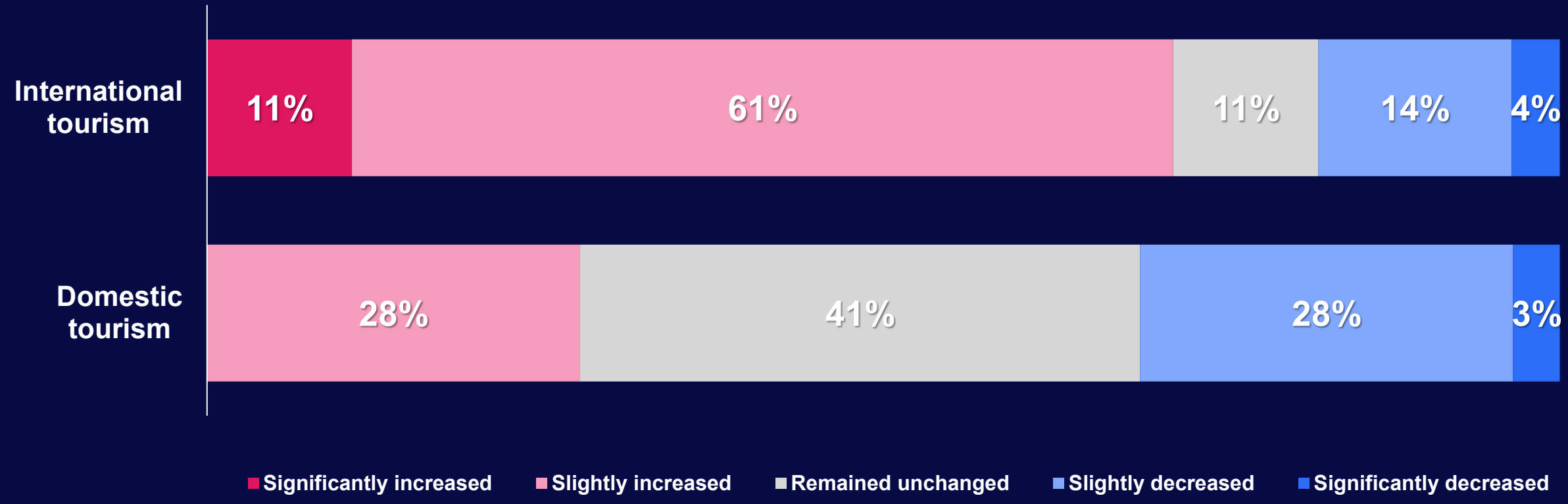
65%

of consumers *are happy to spend more at venues considered to be authentic*

CGA by NIQ, Food Insights Report 2025, Sample Size: 1149

Domestic tourism is somewhat polarised, but encouragingly over 7-in-10 HOTREC members are seeing international tourism growing on last year

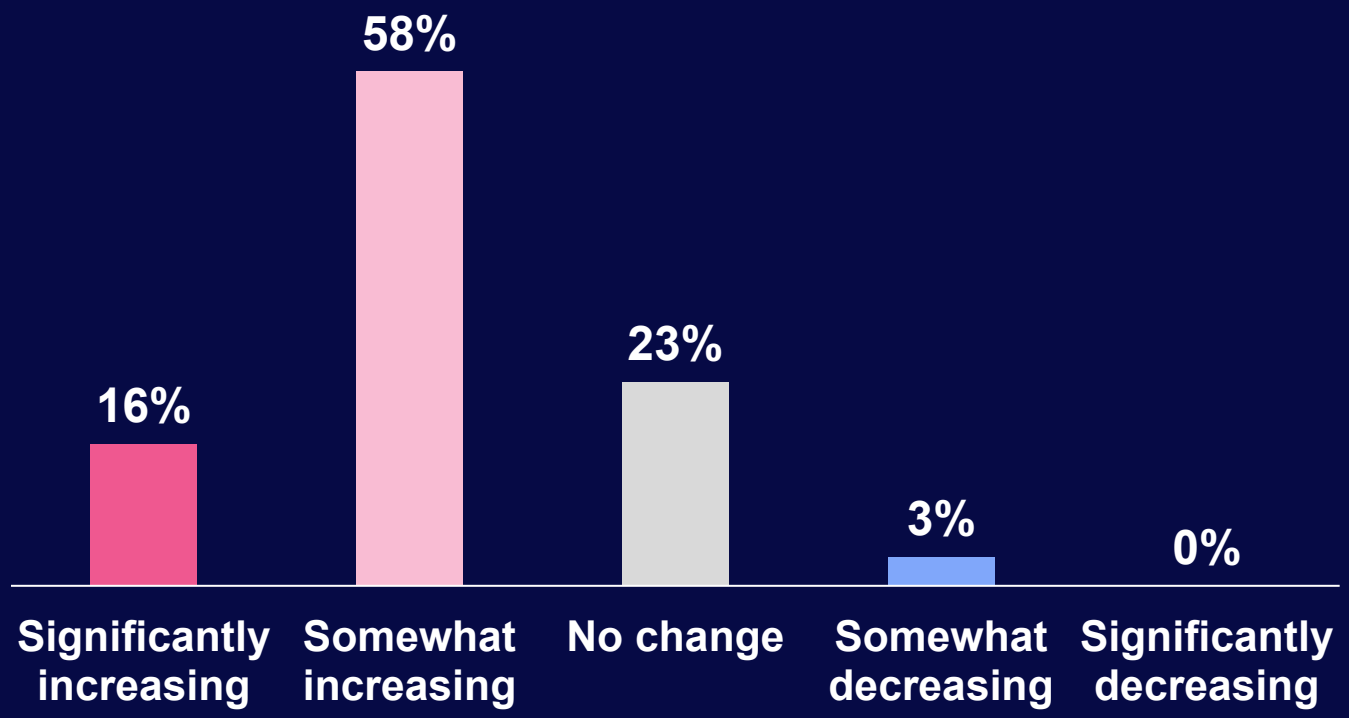
Generally, how do your members report that their businesses are performing across the following areas compared to this time last year?



HOTREC Q2, 2025

Culinary tourism is increasing in almost all markets, and drives revenue for restaurants, hotels and the wider economy

Is culinary tourism increasing or decreasing in popularity in your market compared to the past 2 years?

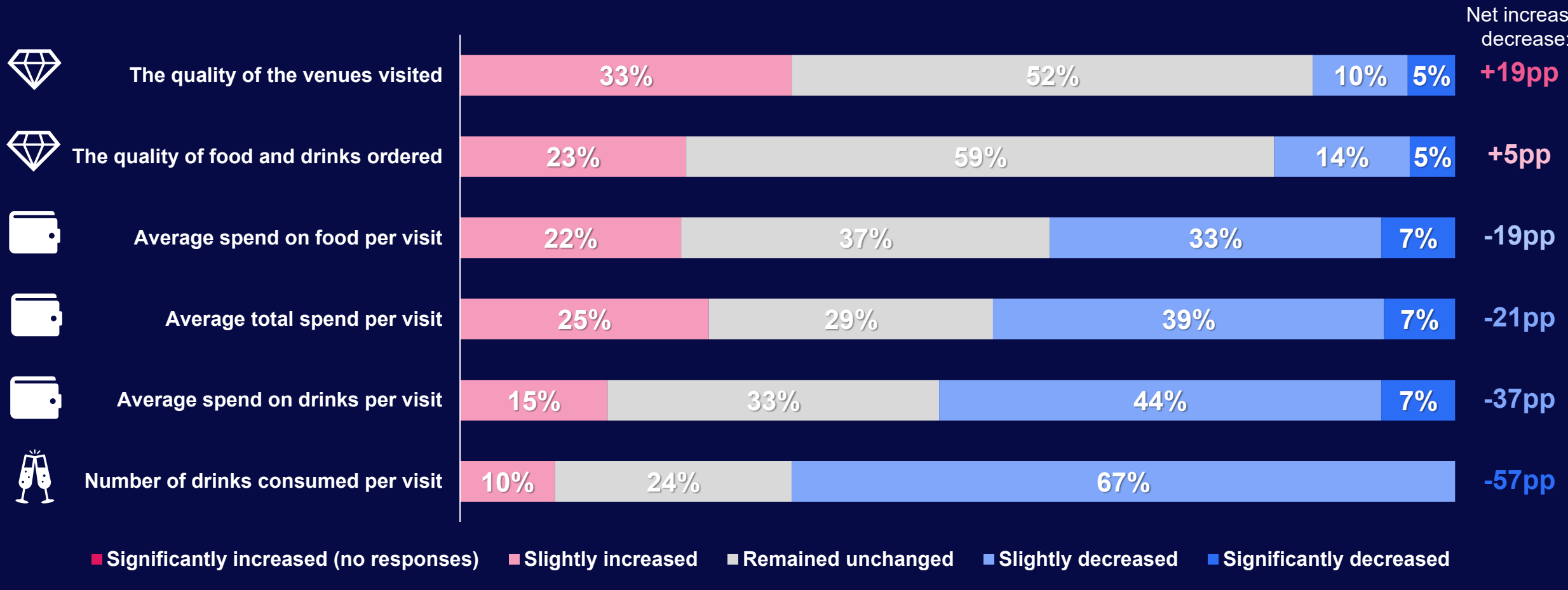


HOTREC Q2, 2025


“THE TOURIST BOARD is a key channel to promote culinary tourism”
“THE CAPITAL benefits from culinary tourism, but the countryside does not see any benefit”

Consumers are reported to be prioritising the quality of their visits in most markets, with sharp declines in drink order volumes contributing to broad declines in spend per visit

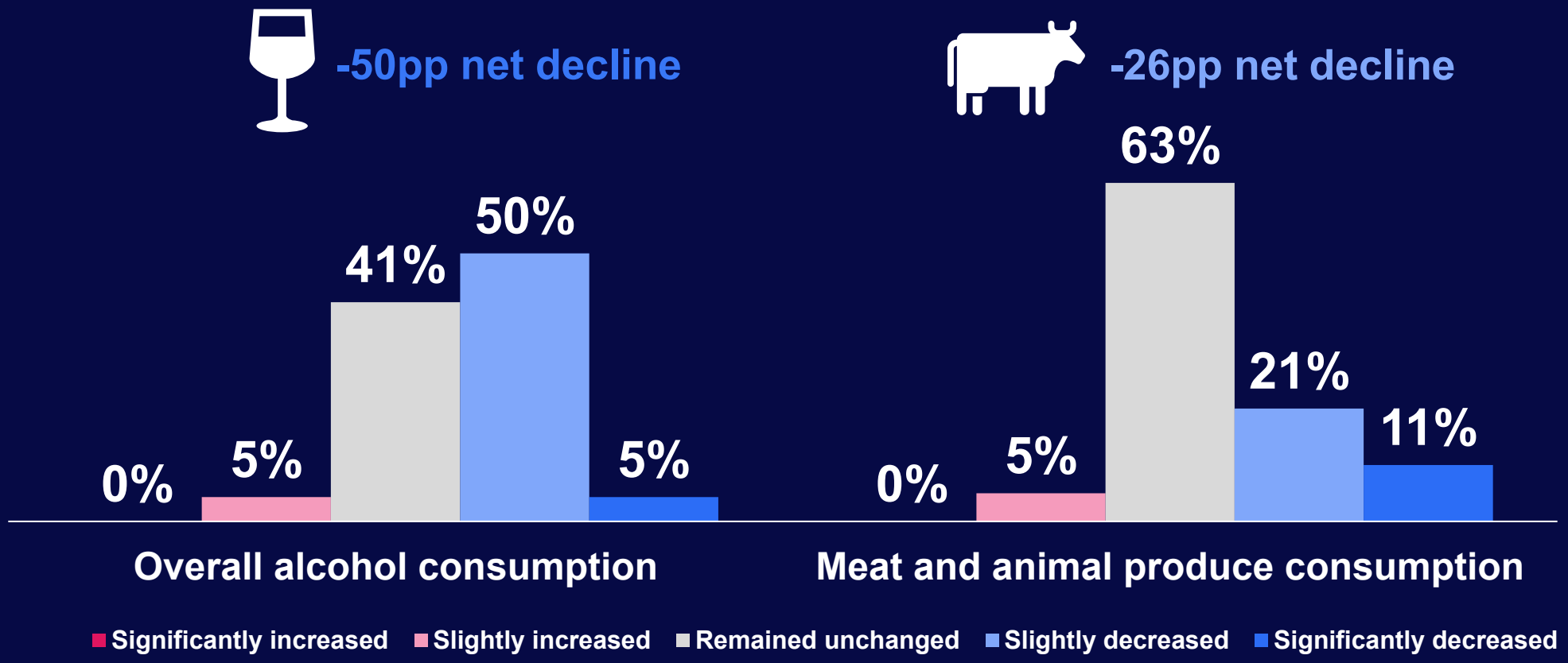
Generally, how do your members report that the following consumer behaviours have changed compared to last year?



HOTREC Survey

When considering social consumer changes, respondents note significant declines in overall alcohol consumption and a decline in animal product intake

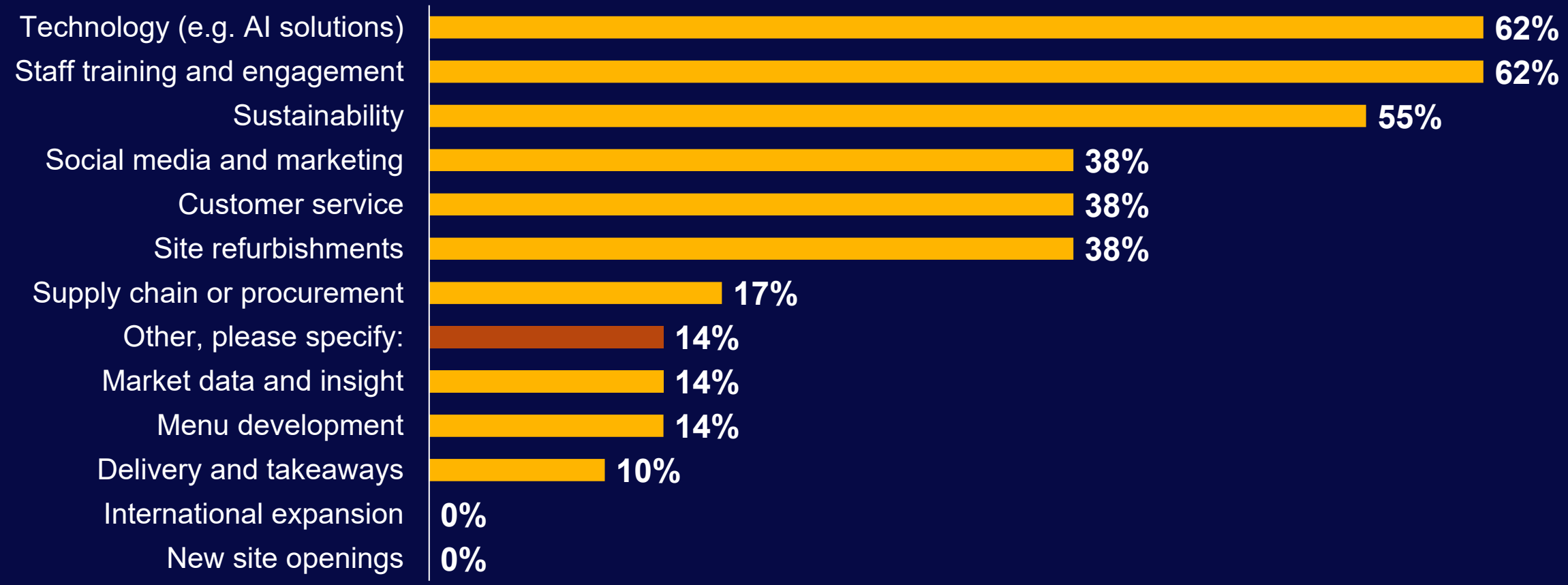
Generally, how do your members report that the following consumer behaviours have changed compared to last year?



HOTREC Q2, 2025

Staff and tech investment are priorities to alleviate immediate operational challenges, but long-term sustainability issues are high on the agenda too. Domestic and international expansion plans are not a focus, as members focus on navigating their current challenges

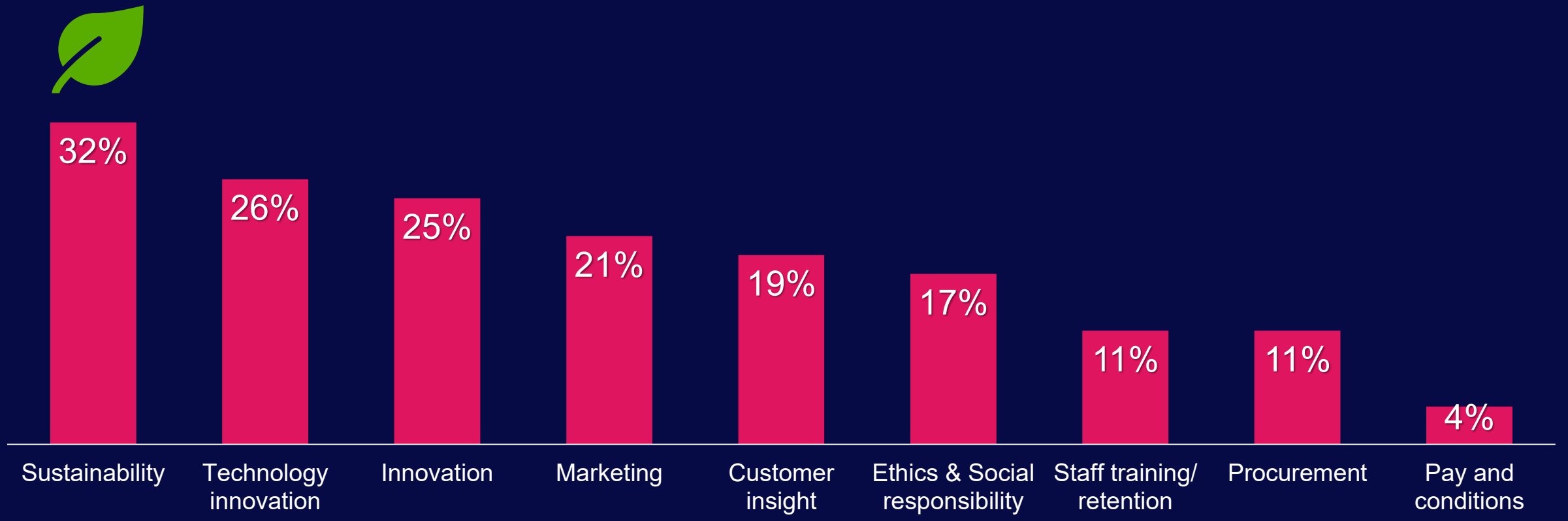
Thinking about the next 12 months, which of the following, if any, are investment priorities for your members?



HOTREC Q2, 2025

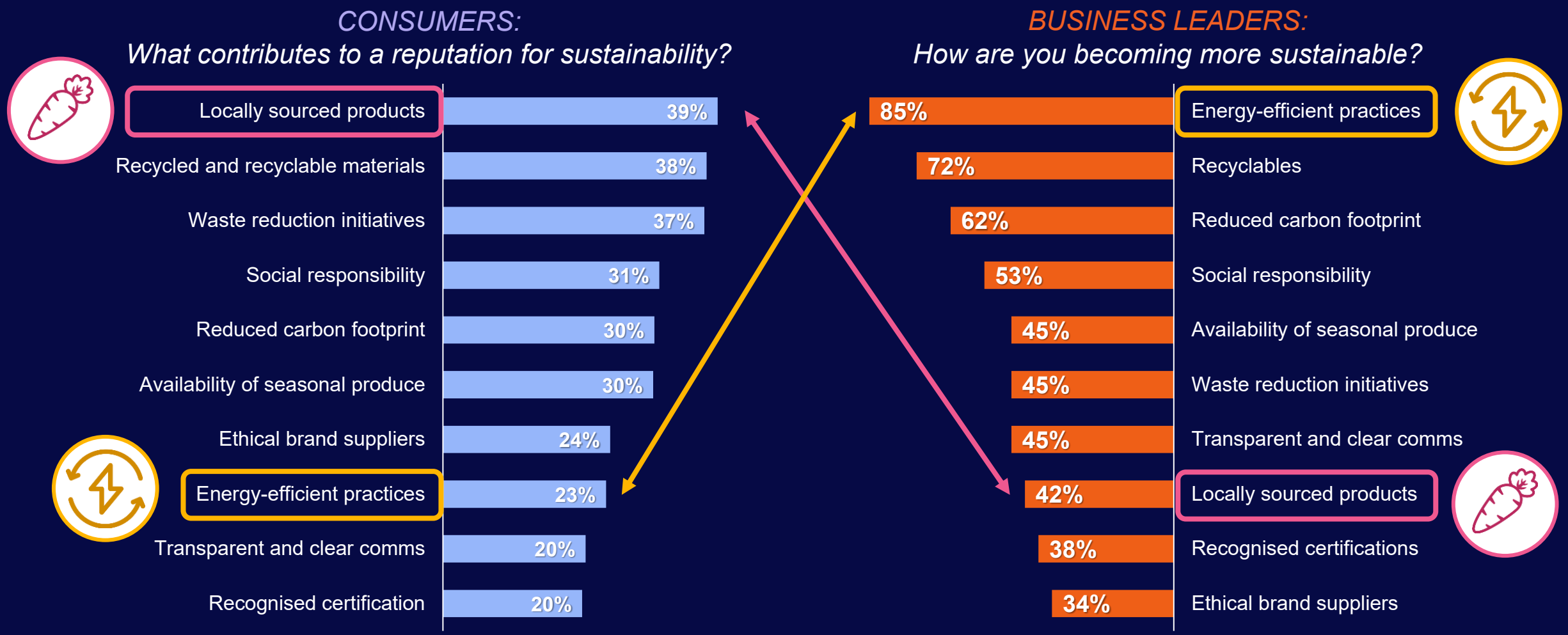
Operators in still feel behind the curve on sustainability

*% of Business Leaders that rate themselves as **'behind the market'** in the following disciplines*



CGA by NIQ, Business Leaders survey (operators managing 5+ sites)

There are disconnects between consumer sustainability desires and business actions



CGA by NIQ, Business Leaders survey (operators managing 5+ sites)

Restaurant Market Insights & Consumer Trends

- Many markets are seeing their sectors growing
- Despite the challenges, especially around costs, many members are optimistic
- Cost of living and price increases are impacting consumer frequency, but consumers want quality over quantity
- Hospitality is hugely important in bringing people together
- It is also a driver of international tourism which is growing for many markets. Culinary tourism offers a great opportunity to tap into the desire for experiences based around food and drink
- We are seeing a more mindful consumer, looking to moderate alcohol and meat consumption. They are also increasingly aware of their impact on the environment and what venues to match their values
- Operators feel they are behind on sustainable issues but want to continue to do more to meet consumer values

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