



Insight by Zonal, Powered by CGA by NIQ

The value of hospitality: Exploring consumer insights and perceptions

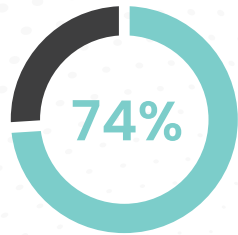
Why people still love restaurants,
pubs and bars and what makes
hospitality special; results from an
exclusive GO Technology survey



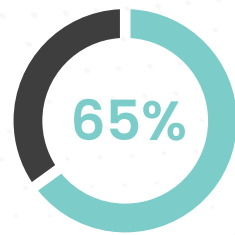
GO Technology Report, [March 2024](#)



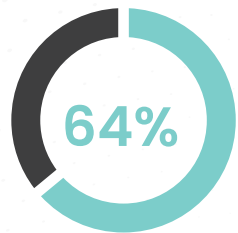
The value of hospitality: Key numbers



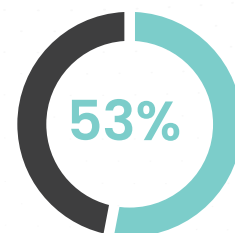
Think hospitality **needs and deserves support** from government



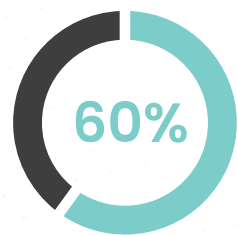
Of consumers agree that eating and drinking out is **as important in their social life as it was before the cost-of-living crisis**



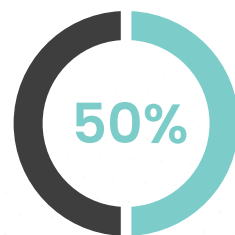
Think **hospitality plays an important role** in their local community



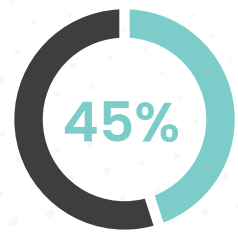
Say the **quality of food** is the most likely reason to return to a venue—the top factor



Want to **support the sector** in light of the cost-of-living crisis



Say **socialising with family and friends** is the main reason they go out rather than stay at home—the top factor



Of those aged 18 to 24 view hospitality as a **desirable career**

£30 An icon of a hand holding a card and a document.

The **difference in average monthly hospitality outlay between those who have increased their spending and those who have reduced it**



Why hospitality still matters: Five GO Technology insights

What makes hospitality special? This research reveals the factors behind the enduring appeal of eating and drinking out. Here are five of the biggest.

1. Hospitality is at the heart of social life

Eating and drinking out is an integral part of Britain's social life—and a squeeze on spending hasn't changed that. Two thirds (65%) of consumers agree that eating and drinking out is as important in their social life as it was before the cost-of-living crisis. This rises to 71% of those aged 65+, for whom pubs, bars and restaurants have been a lifelong source of socialising.

2. Consumers value venues

Lockdown-era research showed how many consumers wanted to help local hospitality businesses survive, and their solidarity continues. Three in five (60%) say they want to support the sector in light of the cost-of-living crisis. Those who go out weekly are 12 percentage points more likely to show support than those who visit less often.

3. The sector binds communities

Support for venues during COVID emphasised their value to the places they serve. Two in three (64%) consumers think the hospitality sector plays an important role in their local community—rising to 71% of consumers who visit weekly. The number is also higher among people in London (67%), where visit frequency also tends to be increased and the desire for community stronger.

4. Hospitality creates memories

Eating and drinking out is more than an everyday habit: it's where special times happen and memories are made. More than two in five (44%) consumers prefer to go out for special occasions like birthdays and anniversaries than stay at home, and a fifth (21%) are motivated by the chance to create new memories.

5. Visits provide social media currency

It's not just in the real world that people use hospitality for socialising. Venues can boost digital lives too—especially those of younger adults. One in seven (14%) of 18 to 24 year-olds are motivated to go out rather than stay in so they can share experiences on social media. This is a reminder of the importance of both technology and visual appeal in today's hospitality experience—to venues and visitors alike.



Going out beats staying in: The top ten factors

GO Technology research shows hospitality delivers special experiences that just can't be recreated at home. Social, special and treat occasions are three top reasons people go out for food and drink rather than staying in. But from destressing to trying different things to meeting new people, there are many more factors that draw people out.

1. To socialise with friends and family (50%)
2. To celebrate a special occasion (44%)
3. As a treat (41%)
4. To create new memories (21%)
4. To try new food or drink (21%)
6. To relax or let off steam (20%)
7. To have better food, drinks or experiences than at home (18%)
8. To support hospitality venues and sector (17%)
9. As part of an experience (eg music, comedy) (16%)
10. To meet new people (15%)

What makes hospitality special?

Hospitality earns its value day in, day out. A **GO Technology report in October 2023** showed how it is not one-off experiences or gimmicks that drive loyalty, but consistently good food, drink, service and value for money. This new research again emphasises the importance of delivering the fundamentals.

The trinity of food, service and value top the list of factors that motivate people to return to a venue. Elements like atmosphere and range matter too, but not much as the basic elements of eating and drinking out. And with fewer people motivated by rewards schemes, it's obvious that loyalty has to be earned rather than bought.

In a competitive market where costs are still rising and consumer confidence remains fragile, it's vital for operators to master these core deliverables. Of course, this is easier said than done — but investing in teams and the technology that is needed to smooth workflows and increase efficiencies, is a quick way to achieve it.

It's also important to remember that different consumers have different priorities. Older guests and infrequent visitors are much more likely to be motivated to return by the quality of food and service, while younger adults and regular users have a broader range of factors and a greater emphasis on visual aspects and Instagrammability. The more consumers visit and spend, the greater the number of peripheral factors that influence loyalty.



After visiting a pub, bar or restaurant, what would most likely motivate you to return?



1. **Quality of food (53%)**
2. **Good service (50%)**
3. **Good value for money (48%)**
4. **Good atmosphere (46%)**
5. **Good menu / selection of food (43%)**
6. **Friendly / knowledgeable staff (31%)**
7. **Quality of drinks (31%)**
8. **A good range of drinks (23%)**
9. **A loyalty / reward scheme (16%)**
10. **If a venue looked aesthetically good (14%)**

Who's spending more?

While all consumers matter in hospitality, at many venues the large majority of sales come from a relatively small core of guests. This cohort has been insulated from the cost-of-living crisis and continues to spend freely. But who exactly are they?

GO Technology research highlights the importance of younger, urban and already-affluent consumers. More than a third (**35%**) of those who have increased their spending are aged 18 to 34 — a much higher proportion than is the case among those spending less (**27%**). Those spending more are eight percentage points more likely to be living in cities. And people who have increased their spending have an average monthly outlay on hospitality of £117 — £30 more than the £87 average of those spending less. In short: the more you eat and drink out, the more likely you are to increase or protect your spend on it.

COVID and costs dent hospitality's confidence

Hospitality is a vital part of the UK's economy, but CGA by NIQ's research shows many businesses remain fragile after the twin challenges of COVID-19 and the cost-of-living crisis.

The Business Confidence Survey by CGA by NIQ indicates **41%** of leaders currently feel confident about the hospitality market over the next 12 months — a quarter-on-quarter drop of eight percentage points. One in 11 (**9%**) leaders responding to the survey believe their business is at risk of failure in 2024 — four percentage points more than three months ago.

Rampant inflation in many key inputs has put venues under severe pressure. The last edition of the Hospitality Market Monitor from CGA by NIQ and AlixPartners revealed net closures of 3,000 licensed premises over 2023 alone. While consumers' demand for hospitality remains high, many more businesses are likely to remain vulnerable for some time to come.

Building careers as well as memories

Yet another case for hospitality's value is made by its provision of rewarding careers. But despite the efforts of employers and cross-industry campaigns, it is still too often seen as a stop-gap place to work. Only a third (**31%**) of consumers responding to the GO Technology survey agree that a long-term career in hospitality is a desirable choice for themselves, a family member or friend.

These perception problems contribute to ongoing problems with recruitment and retention. CGA by NIQ's latest Business Confidence Survey shows average vacancy rates of 10% at leading hospitality businesses. The figure has remained stubbornly high in recent years, and with a high churn rate — an average of 20% of staff leaving a business within the last three months — shortages are likely to continue for some time.

There are signs that attitudes may be changing, as nearly half (**45%**) of those aged 18 to 24 view hospitality as a desirable career. The same proportion (**45%**) of all consumers in London also agree — perhaps because they are exposed to hospitality at its most vibrant and diverse. But vacancies in the sector remain high, and too many staff still leave for other industries. While the government has taken some steps to tackle the issue, notably via apprenticeships, there is much more to be done.





The view from CGA

“This research is a timely reminder of hospitality’s special place in people’s hearts. Eating and drinking out isn’t just a nice-to-have but an essential part of life, even – or perhaps especially – during a cost-of-living crisis. Spending may have been muted for some people in recent years, but as inflation hopefully eases and they start to feel more cash in their pockets, we can be optimistic that it will pick up as 2024 goes on.

It’s also encouraging to see how people’s affection for hospitality translates into support. They recognise the value of restaurants, pubs and bars in their communities and as employers, and they want to see them thrive. Along with hospitality’s own campaigns, it makes a compelling case for government support as the Budget nears.”

Karl Chessell, business unit director – hospitality operators and food, EMEA, CGA by NIQ



The view from Zonal

“Hospitality plays an invaluable role in people’s lives – from socialising with friends to celebrating special moments. But in a competitive and cash-strapped market, brand loyalty is precarious and operators can’t afford to rest on their laurels. Consistently delivering on the fundamentals of hospitality –like high-quality, good-value food and drink and excellent service– is key to retaining a loyal customer base and in turn, driving profit.

Achieving this is no easy task however, technology can play a helping hand. Operators would benefit from investing in solutions which help increase efficiencies and alleviate staff pressures, so they can focus on delivering the exceptional service customers expect.”

Tim Chapman, Chief Commercial Officer, Zonal



The view from UKHospitality

“We can clearly see from this new research the support and affection people have for hospitality and that they recognise the vital role venues play at the heart of their communities and high streets.

“We have proven time and time again that with the right support in place, even when times are at their toughest, we have the creativity and commitment to invest in local areas, create jobs and drive growth right across the country.

“So our message to Government, backed by three-quarters of the public, is to support hospitality or risk more businesses having to close their doors.”

Kate Nicholls, Chief Executive, UKHospitality



About the report

This report is based on figures from Zonal and CGA’s exclusive GO Technology survey of 5,000 nationally representative British consumers in January 2024.

For more information about the research, please contact info@zonal.co.uk