



Market Report

A Snapshot of your Market Sector

Catering

This pack has been designed to provide information on setting up a business in the **Catering** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **January 2025**.

What do I need to know about the Catering market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ Industry is forecast to grow at a compound annual rate of **3.2%** over the next five years through **2029/30** to **£1.6billion**. With economic conditions continuing to improve, the rise in disposable income and business and consumer confidence, the demand for catering services will grow in the coming years. (IBISWorld, *Catering Services in the UK*, September 2024).
- ◆ Falling interest rates and easing of inflation will boost business confidence, aiding demand for food-service contracts in **2024-25**. Inflationary pressures have had an impact on operating costs and restricted spending. Contract caterers have balanced passing on cost increases while managing tight budgets set out by clients. This has been achieved by absorbing some of the impact of rising costs. (IBISWorld, *Food Service Contractors in the UK*, September 2024).
- ◆ The UK Foodservice market has shown resilience through the cost-of-living crisis, with **90%** of consumers engaged in dine-in experiences as of **October 2023**. The value of the total UK Foodservice market is forecast to grow by **27%** reaching around **£166.5billion in 2028**. An increase of **£131.5 Billion** compared to 2023. (Mintel, *Eating Out Review*) January 2024).
- ◆ Revenue is forecast to grow at a compound rate of **4.3%** over the five years through **2029-30** to reach **£13.7billion**. Due to hybrid working, many businesses establishing small-scale in-house catering operations rather than renewing catering contracts. Falling business expenditure is limiting the number of offices entering long-term contracts with catering providers. (IBISWorld, *Foodservice Contractors in the UK*. September 2024)
- ◆ The national organisation for this industry is [British Hospitality Association](#). Other industry bodies include the [Nationwide Caterers Association](#), [the Association for Catering Excellence](#) and [Public Sector Catering Alliance](#) (the umbrella organisation for meal providers working in schools, hospitals, care settings, universities, prisons and the military)



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Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **IBISWorld - Catering Services UK** (June 2024). Inflation and interest rates cuts will boost business and consumer confidence, encouraging spending on catering services through **2024-25**. As economic conditions improve, rises in disposable income and business and consumer confidence will drive demand for catering services. It is predicted that a rising number of new players will enter the market and will look to capitalize on growing health and eco-awareness.
- ◆ **Mintel – Foodservice UK** (July 2024). The growing trend of businesses seeking sustainable solutions for employees dining has driven contract catering participation five percentage points. **(11% in 2023 to 16% in 2024)**
- ◆ **Mintel – Travel Hub Foodservice UK** (July 2024). Consumers purchasing food or drink from a travel hub in the last 12 months have used a foodservice outlet **(93%)** compared to 36% using a retail outlet. While supermarkets and convenience stores offer ready to eat food and beverages, Mintel research indicates that pre-packaged food and drink is not as popular as hot fresh food and drink.

There are a number of online resources you may find helpful:

- ◆ [Food Standards Agency](#). The FSA produces a wide range of publications for the public and the food industry.
- ◆ News articles from [Hospitality and Catering News](#).
- ◆ [Department for Environment, Food & Rural Affairs, Food Statistics Pocketbook](#), last updated in **August 2024**. This document provides a summary of statistics covering the economic, social and environmental aspects of food in the UK.

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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#) ,[Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



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What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these websites, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) ["Find a Chartered Accountant"](#) tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk ["Licence Finder"](#) tool

Law Society of Scotland's ["Find a Solicitor"](#) tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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