NielsenIQ

2025

Year in Review

Hospitality Operators and Food Team
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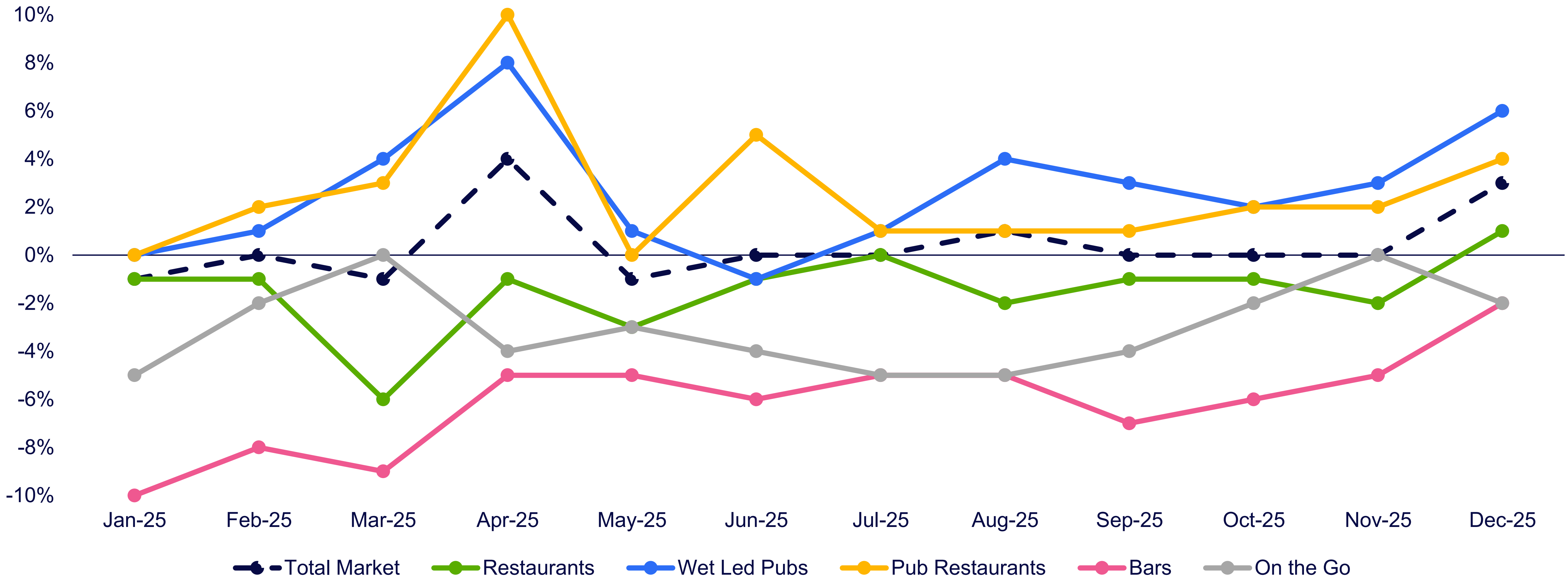
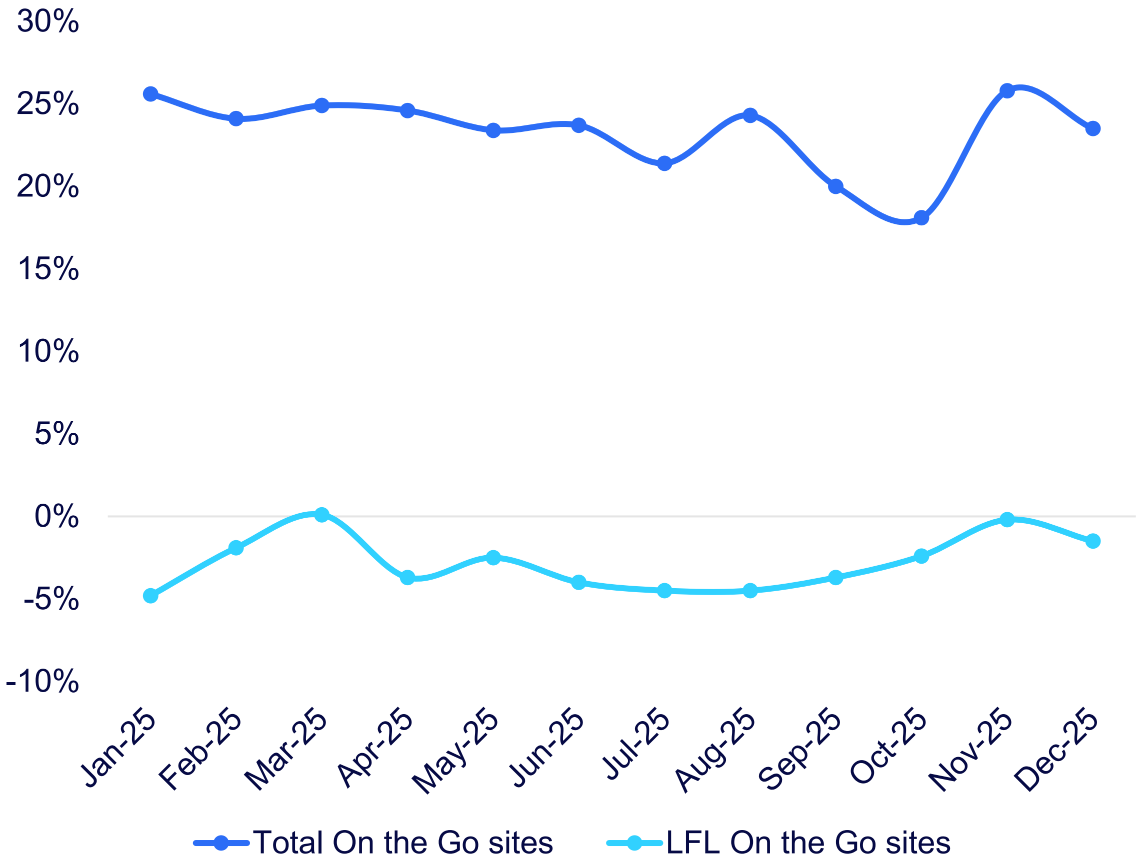
Aside from some skew in trading around Easter, and some welcome festive growth, the 2025 managed market has been consistently flat. Pubs were the winners, while bars - albeit with some easing - struggled

Hospitality Business Tracker, Year-on-Year sales growth, Like-for-Like sites



NIQ RSM Hospitality Business Tracker

The On the Go segment has been uniquely characterised by the rapid rollout of chains new to the UK, fuelling strong total site growth



NIQ RSM Hospitality Business Tracker

NIQ

To a lesser degree, this trend carries across segments, with total sites in the market still achieving real terms growth above CPI in 2025, while like-for-like sites ended the year in sub-inflationary growth

3.4%

CPI

throughout 2025

4.0%

Total Sites

2025 vs 2024 revenues

1.6%

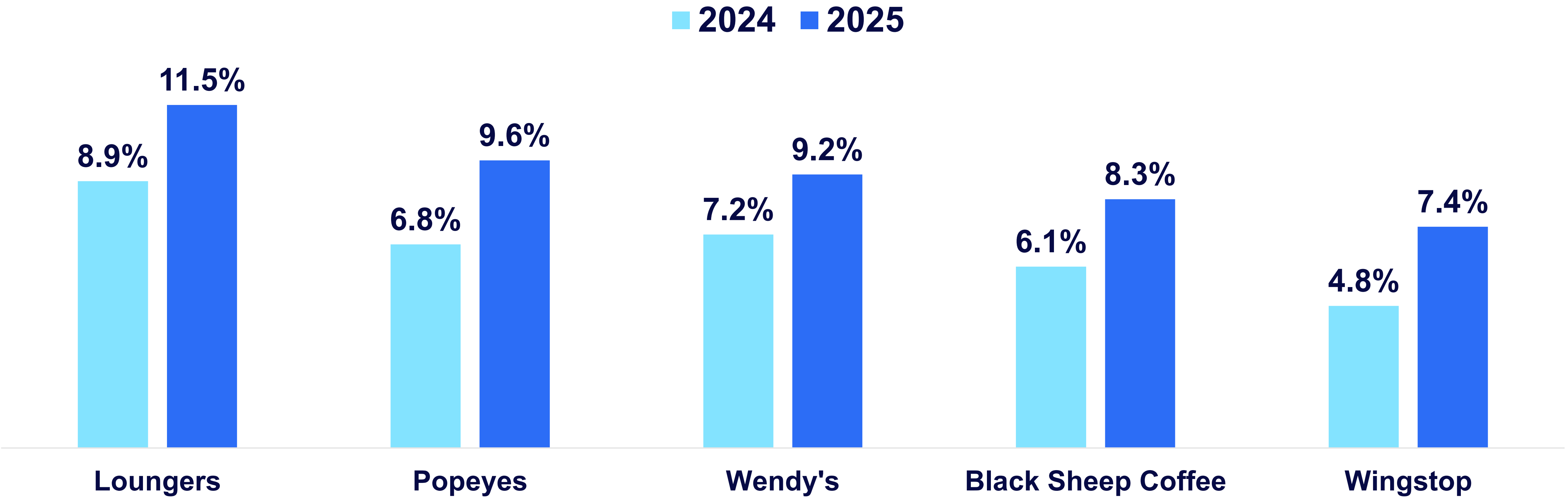
Like-for-Like Sites

2025 vs 2024 revenues

NIQ RSM Hospitality Business Tracker, and ONS

Brands of convenience have been the penetration champions of 2025 too, with American fast-food leading the charge. Loungers' continued site rollout and all-day appeal is also driving effective audience growth

% of GB consumers visiting the brand in a 6-month period



NIQ BrandTrack, All surveys in year

At the end of 2025, there were

98,914

licensed sites in Great Britain.

Over the past year,

- 206

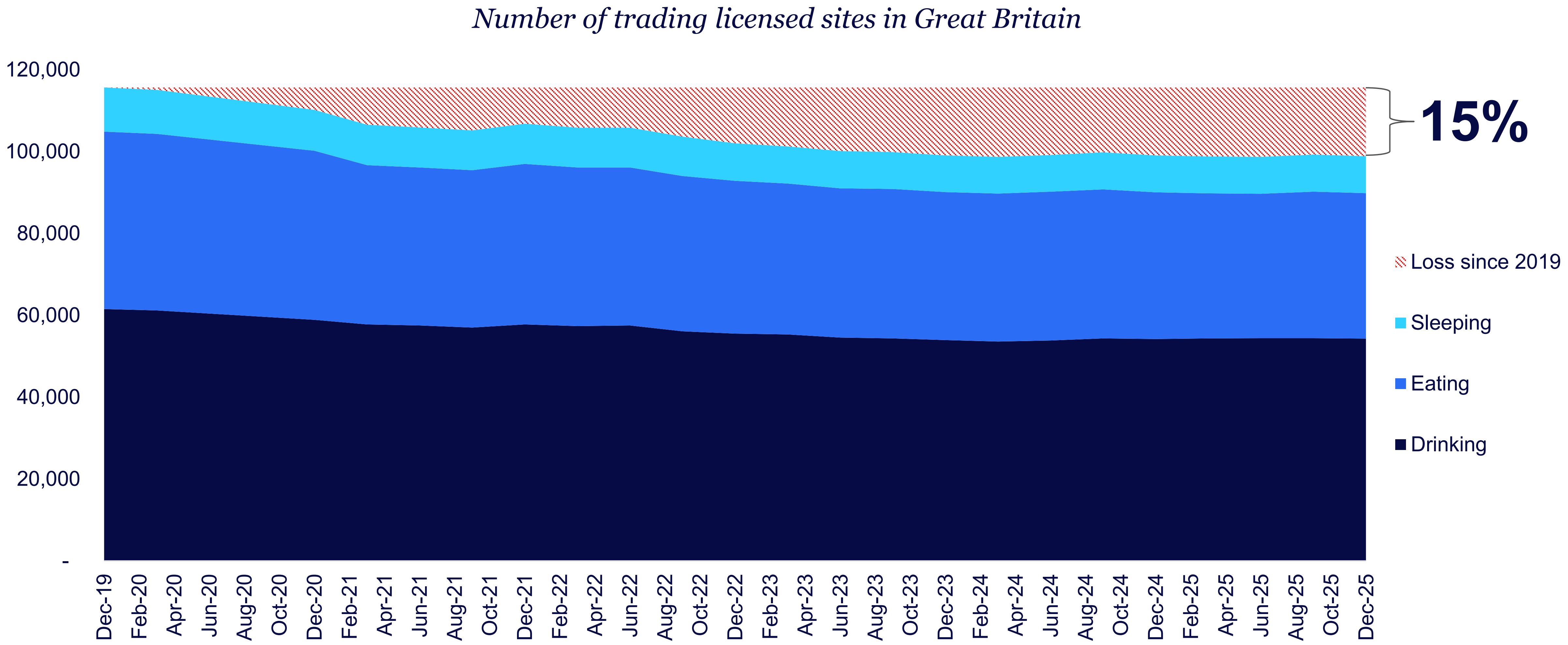
net sites have been lost, seeing the market decline by

- 0.2%

The expansion of managed sites can be seen in the Hospitality Market Monitor. Independents have also stemmed losses in 2025, but sharp losses among L&T sites continue, as underperforming sites are shuttered, and overperforming sites are taken under managed operation

Tenure	YoY % change
All	**-0.2%**
Managed	**+0.7%**
Independent	**+0.1%**
Leased and Tenanted	**-2.4%**

Over the long term, the harsh closure rate since the beginning of the pandemic has now bottomed out, and at the topline the market has stabilised, 15% smaller than it was in 2019



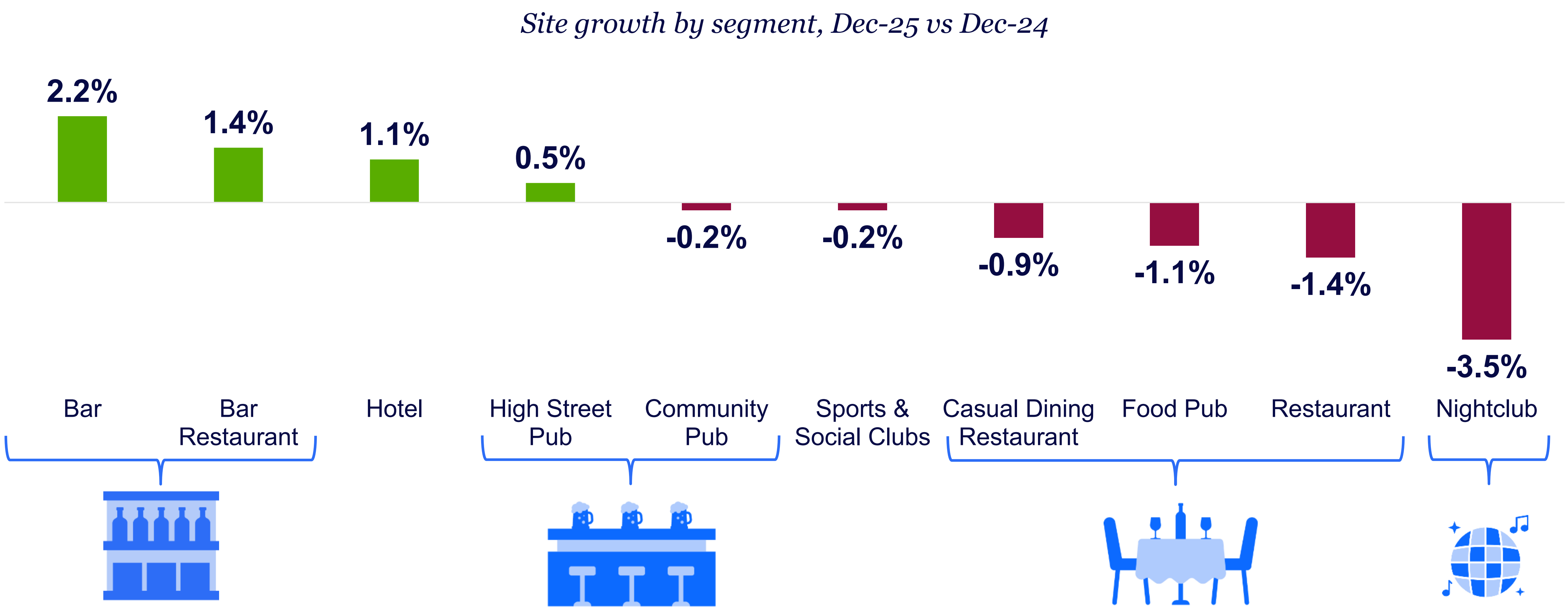
But beneath the surface, over 9% of the market is still in flux. Despite the continued closures, it is encouraging to see new openings redressing the balance, and a clear sign of appetite to invest

Site movement, Dec-25 vs Dec-24

4,865	94,225	4,659
Sites closed	**Sites steady**	**Sites opened**

NIQ RSM Hospitality Business Tracker, and ONS

2025 has seen wet-led site numbers outperforming food-led, except for nightclubs whose closure rates remain an anomaly



While the Hospitality Business Tracker has shown managed bar groups struggling over the past year, independents have stepped into the space

Site movement, Dec-25 vs Dec-24

Bars

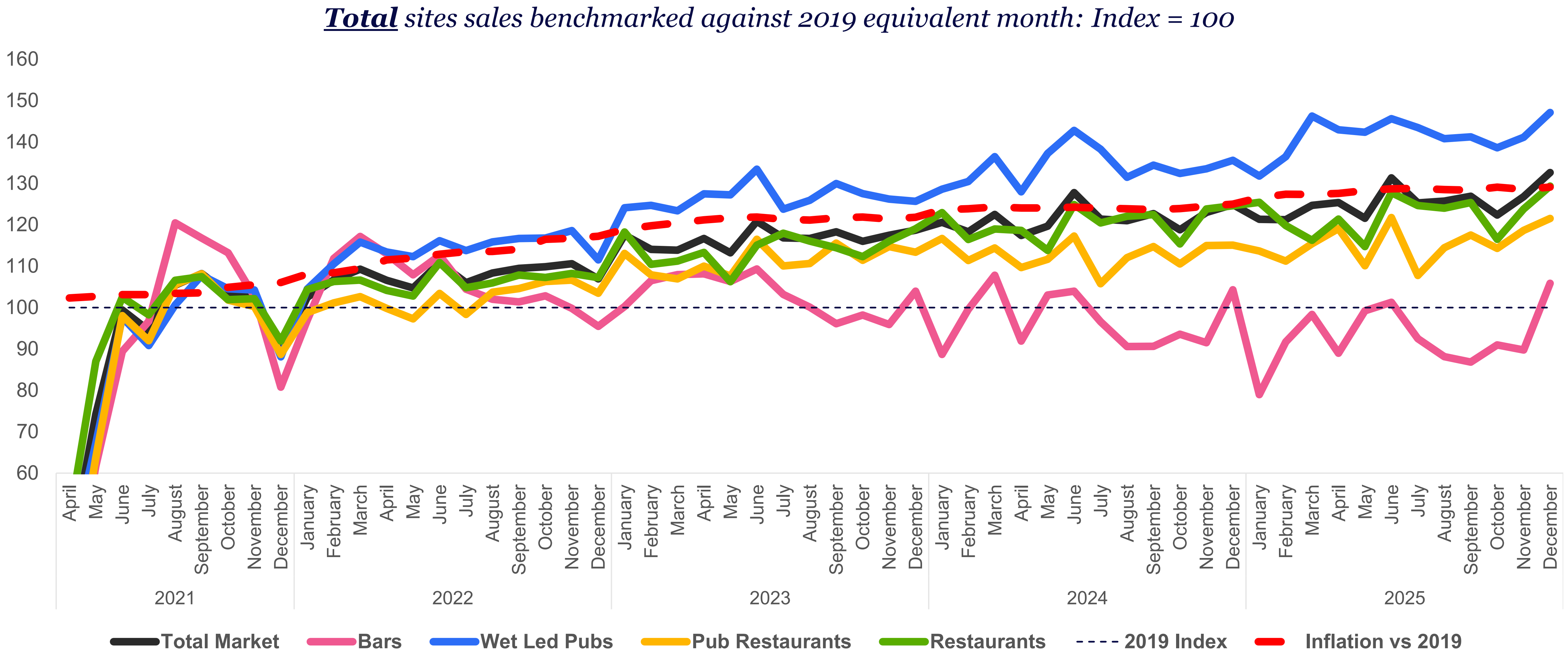
Independent	+3.0%
Managed	+1.3%

Bar performance is aided by the growing preference for an earlier evening: the early evening slot has now overtaken late evening as prime trading hours

Average rate of sale by daypart

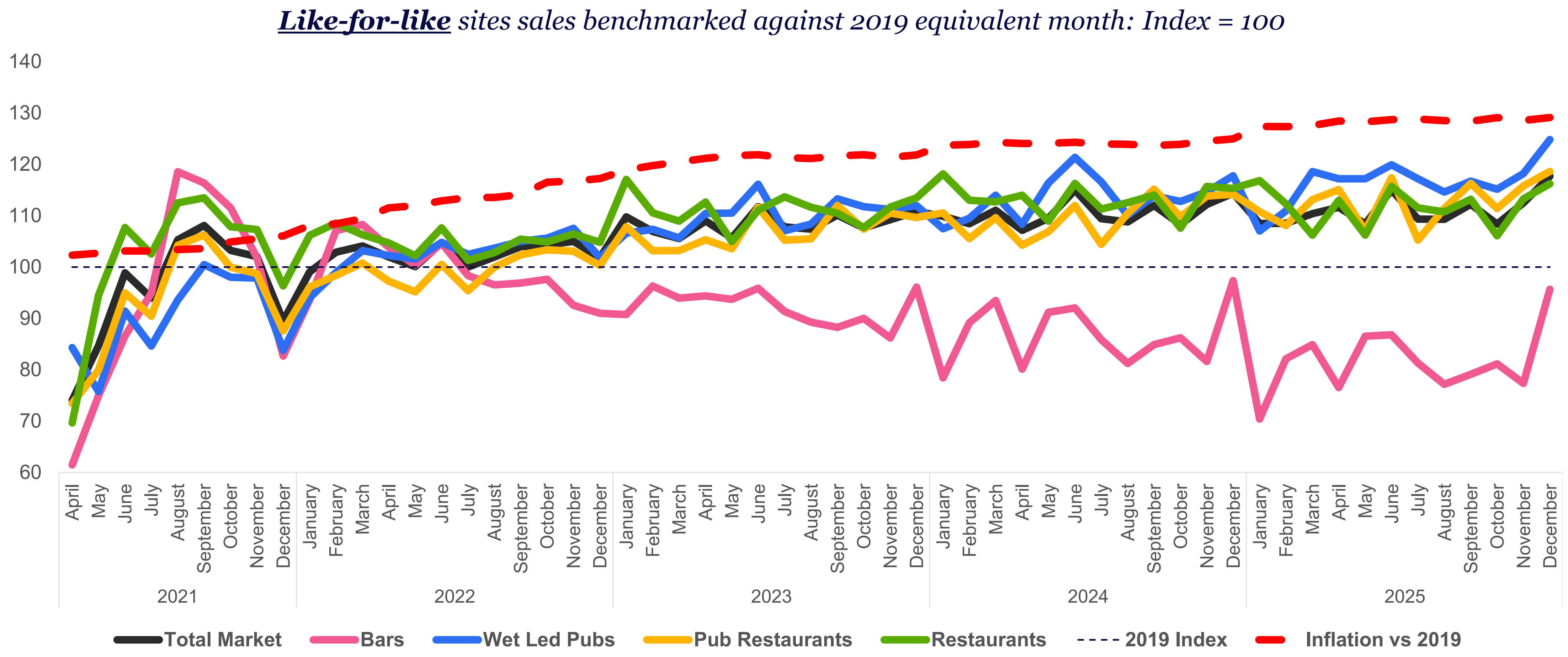
NIQ Trading Index Hourly – 26 Weeks ending 04/10/2025

At a total level, the market only slightly trails estimates of compounding inflation versus the same month in 2019, but there has been significant divergence between segments



NIQ RSM Hospitality Business Tracker

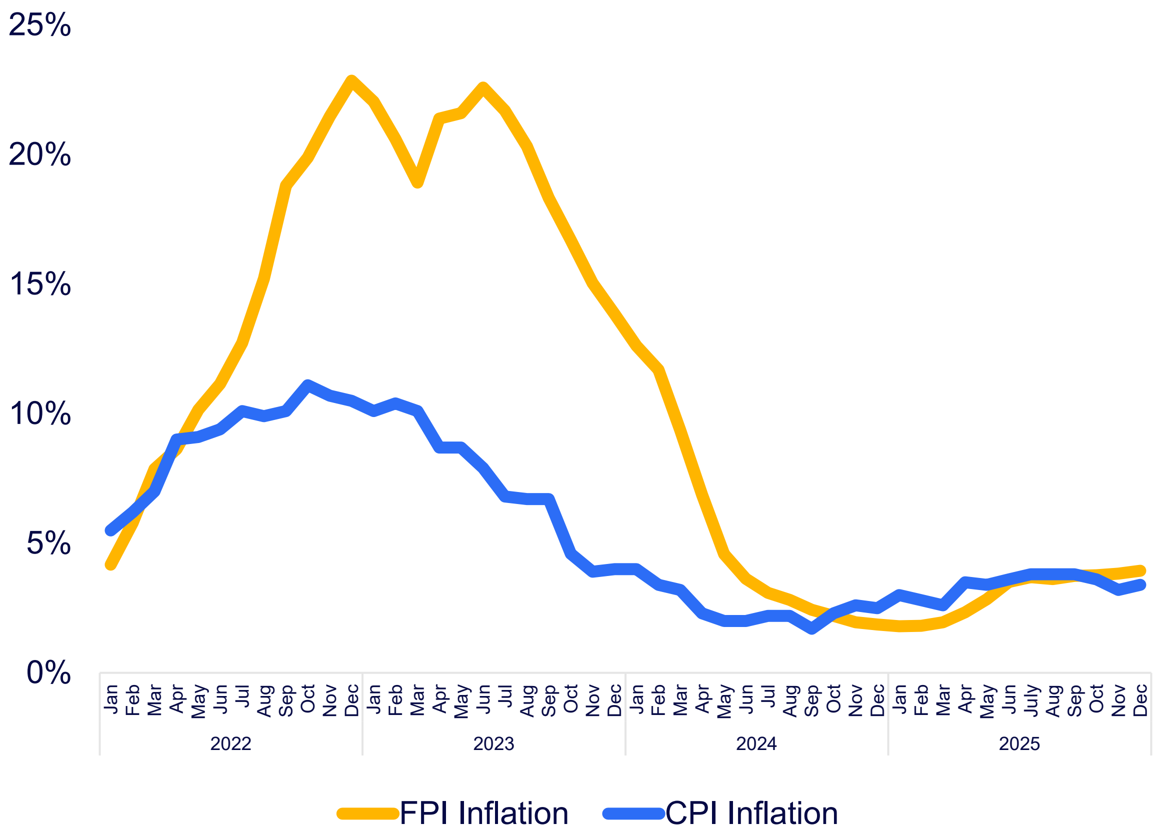
Among like-for-like sites, no segments have kept pace with inflation, and performance between segments is more comparable, showing Wet-Led Pubs have best benefitted from estate rationalisation

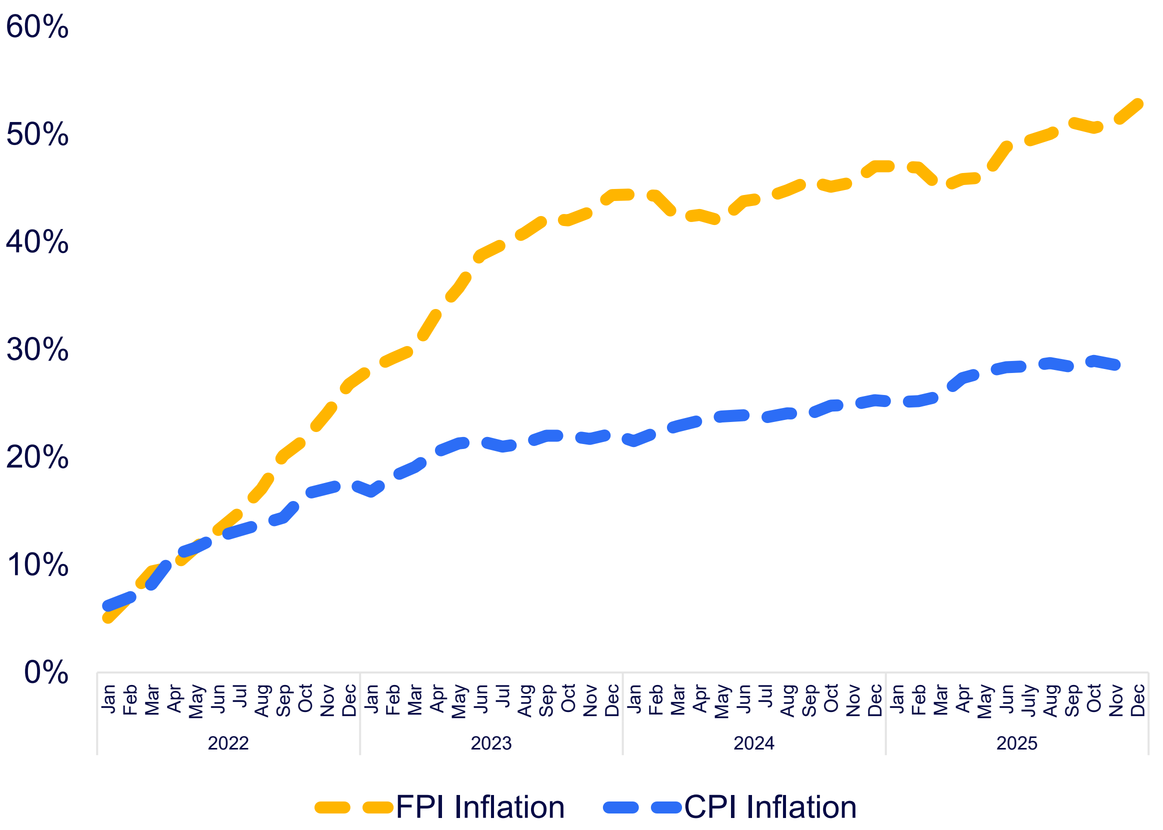


NIQ RSM Hospitality Business Tracker

Food-led venues are overly exposed to food price inflation. The end of 2024 brought some respite in purchasing costs, but the rate has since risen above CPI again, at 3.9% in Dec-25

NIQ and Prestige Foodservice Price Index

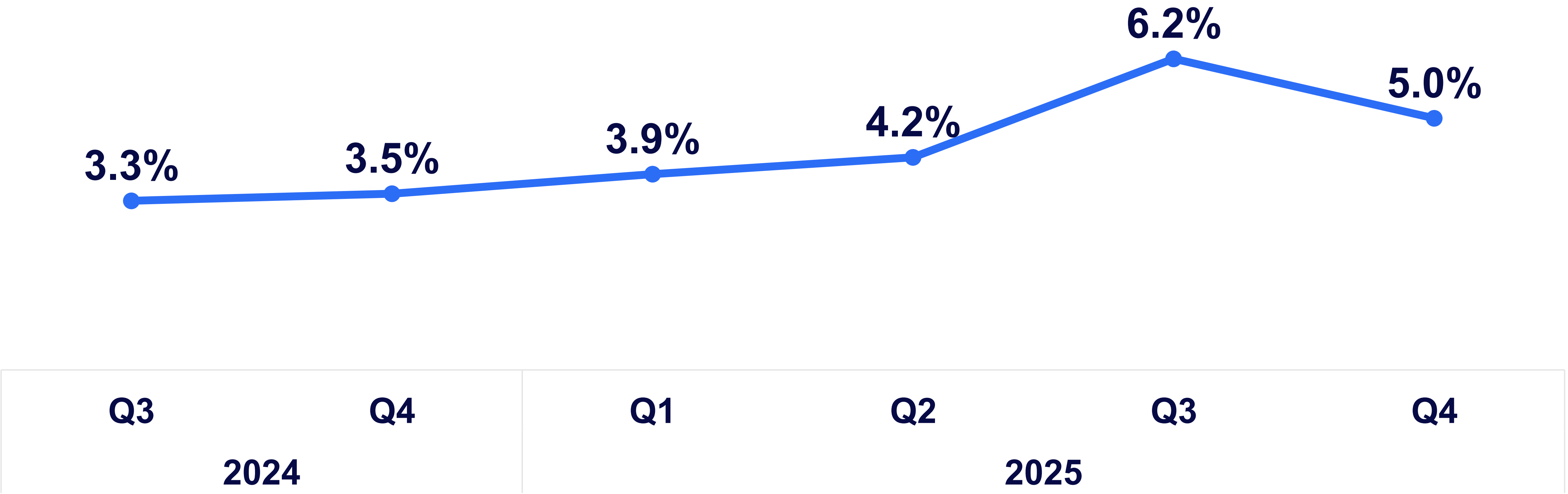




NIQ and Prestige Foodservice Price Index

With options to cut costs limited, operators have passed on new operating costs at an increased rate in the second half of the year, as seen in the Drinks Price Monitor basket price

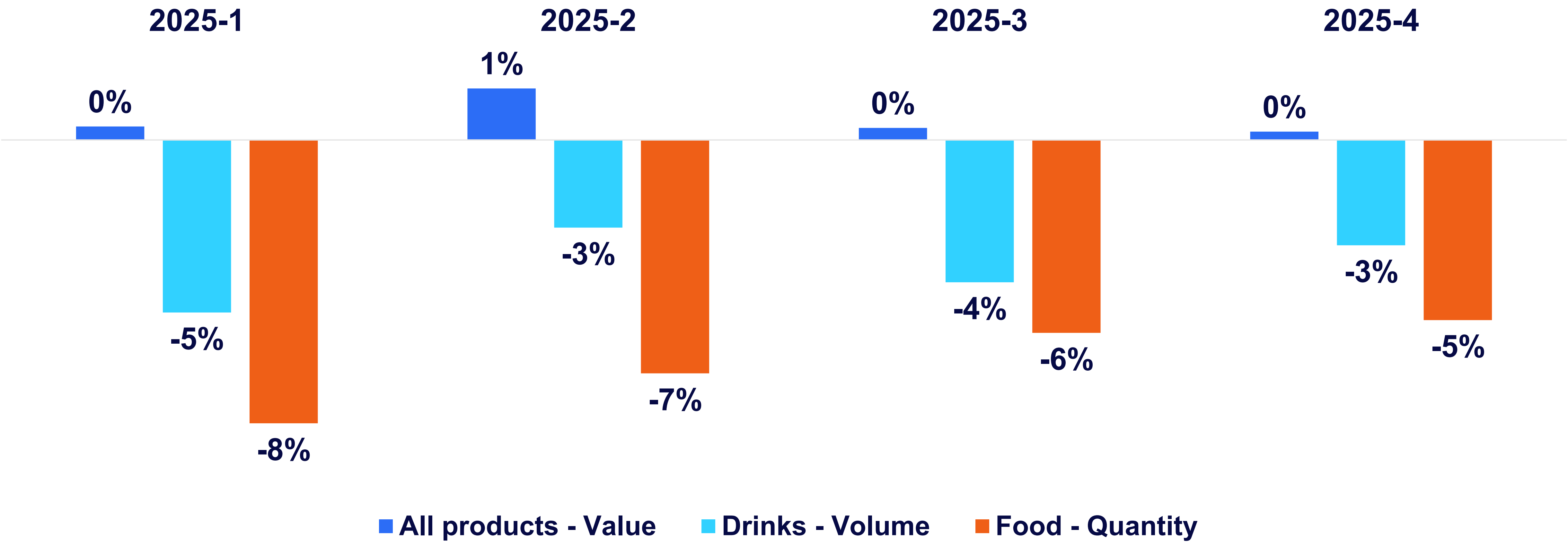
Drinks Price Monitor: year-on-year drinks basket price growth



NIQ Drinks Price Monitor

Increased consumer prices are helping to maintain trading levels, even as drinks volumes see YoY decline, and food quantities sharper (but easing) cutbacks

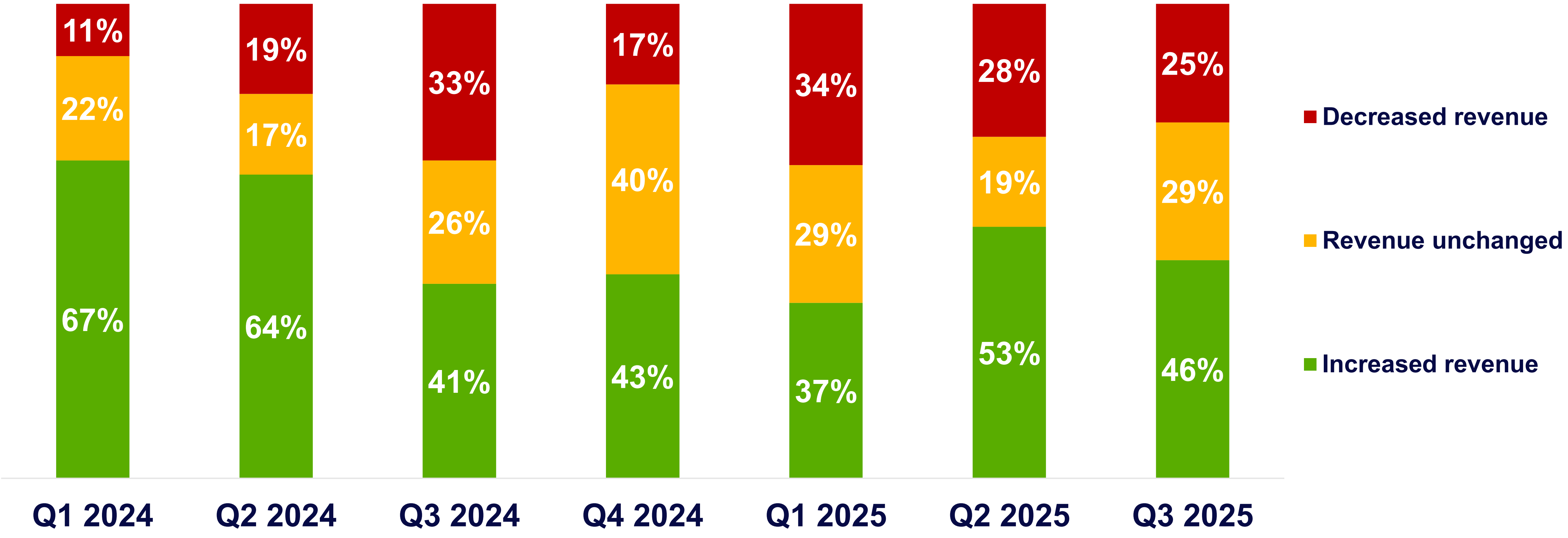
Trading Index: Year-on-year, rate of sales growth



NIQ Trading Index

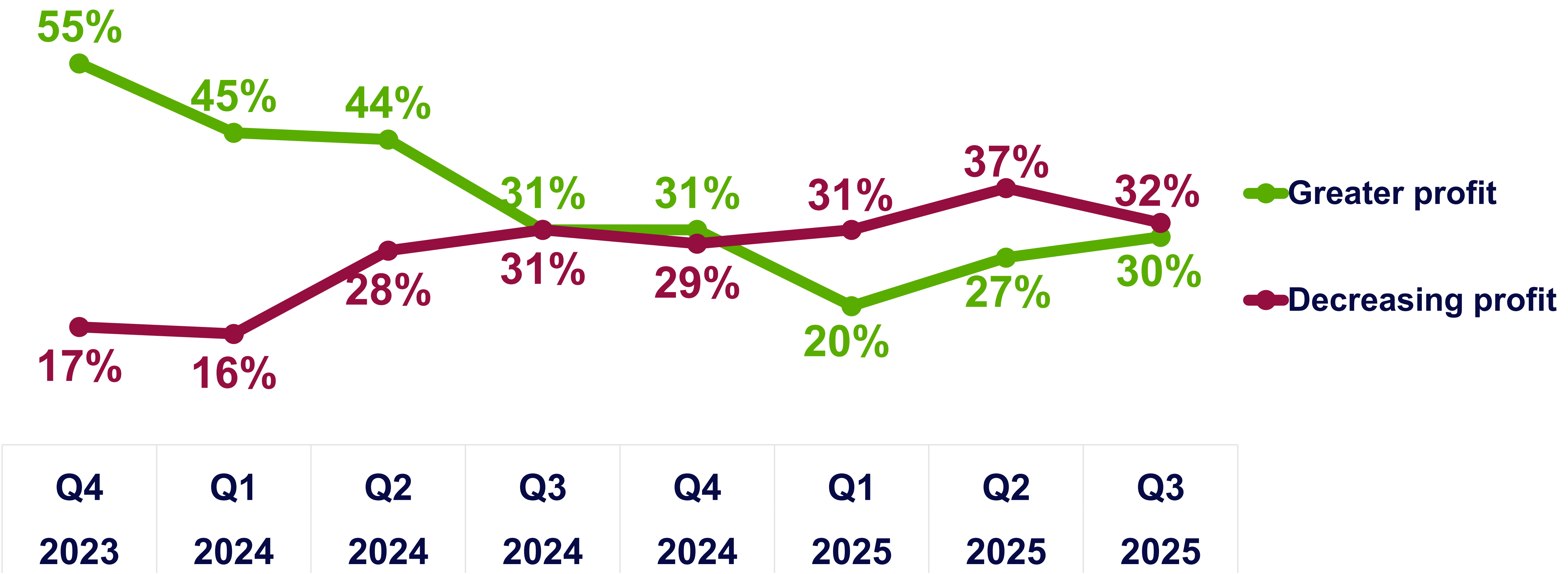
Accordingly, most business leaders (of groups 5+ sites in size) report their revenues holding firm or in growth, but around a quarter are at risk

How does your revenue in the quarter compare to the same time last year?



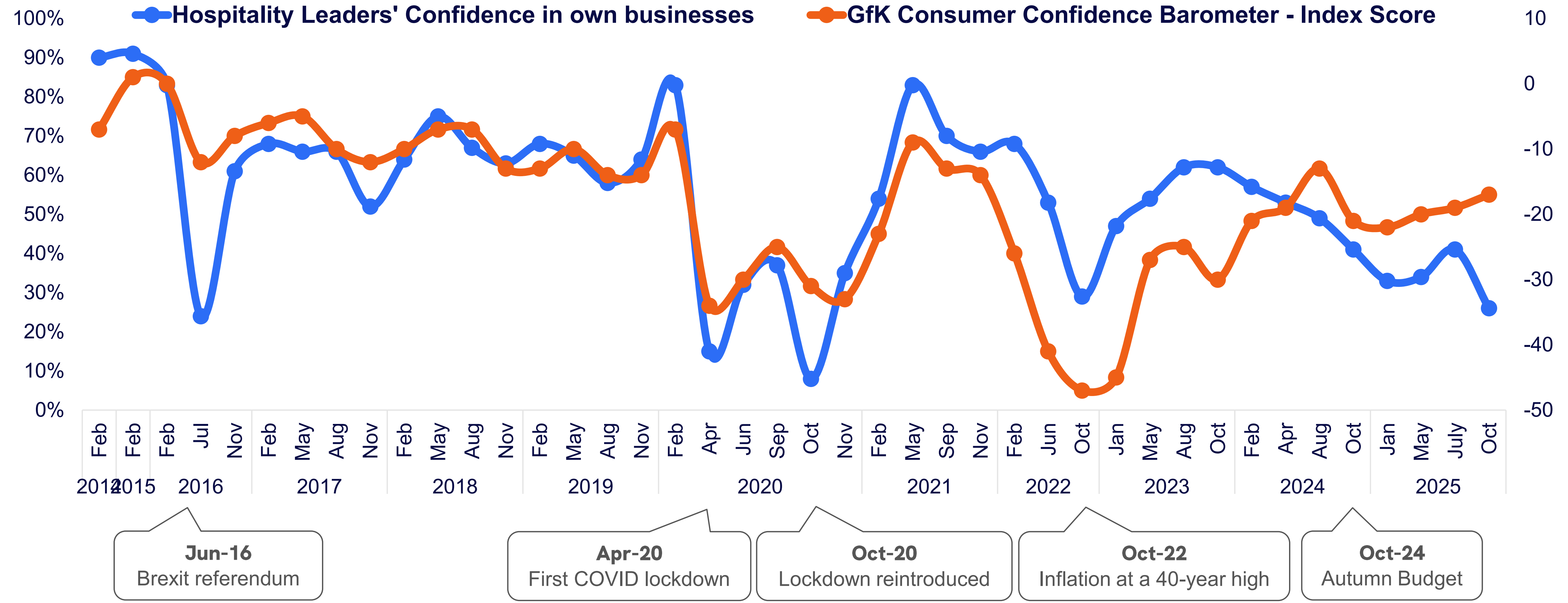
But the strain on profits in recent years has manifested in 2025 with more leaders reporting profit decline than growth, the pressure most notably accelerating after April's changes to staffing costs

*How would you describe your business's **PROFIT** performance over the quarter, compared to the same time last year?*



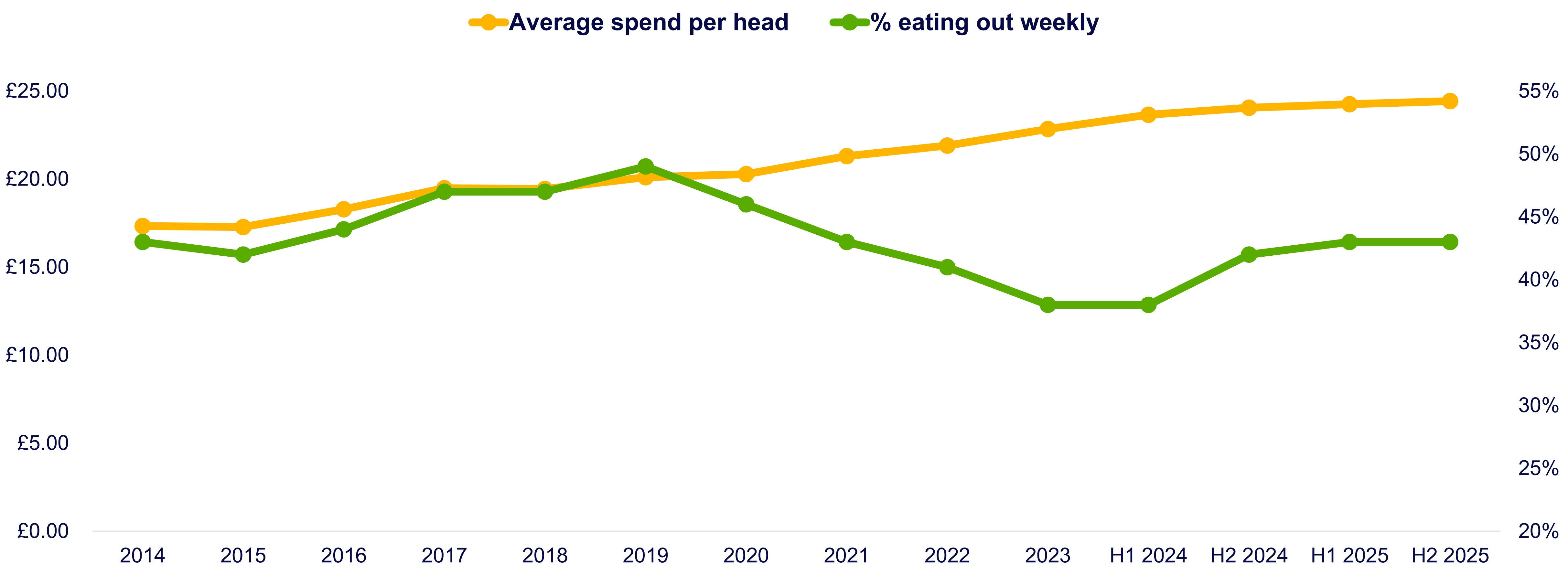
NIQ Business Confidence

These financial pressures have led to a continued decline in Business Leader confidence, even while consumer confidence has been on a slow revival in 2025



NIQ Business Confidence and GfK Consumer Confidence Barometer

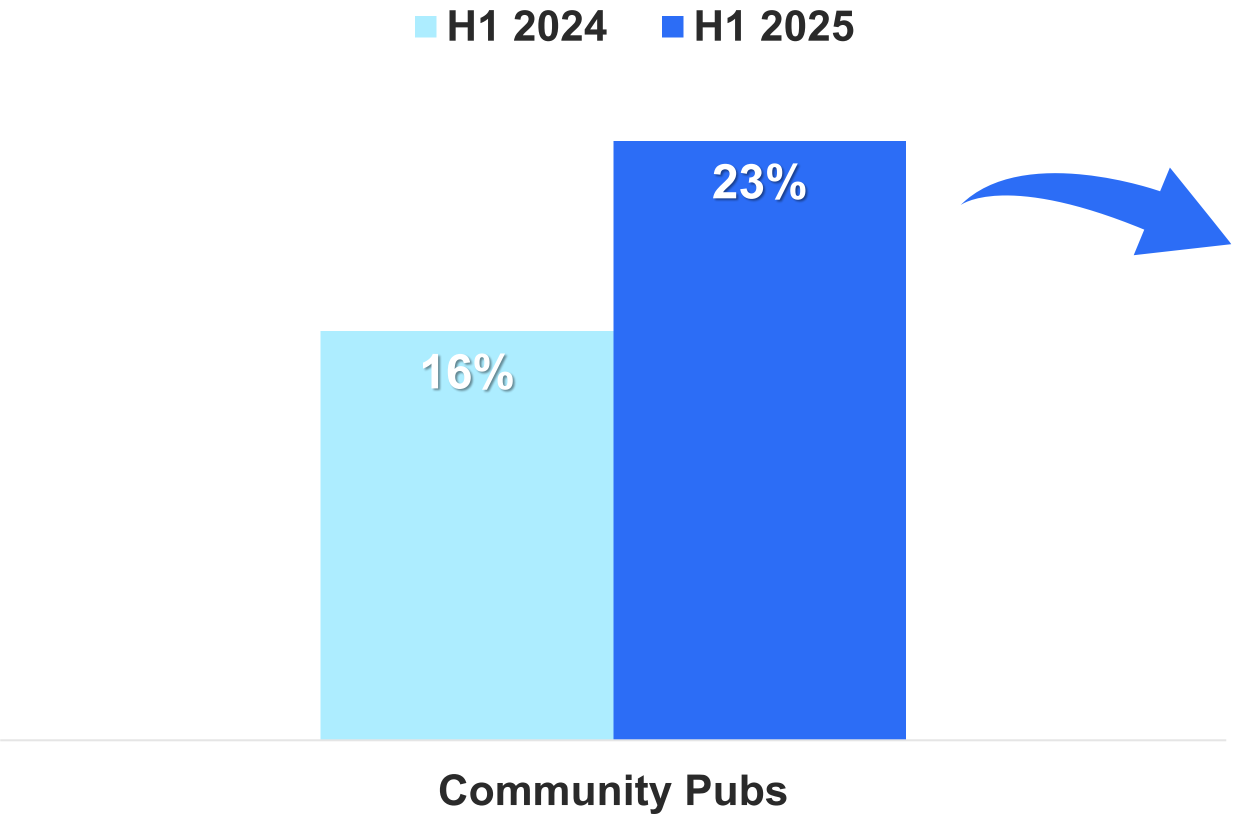
Consumers report spend per head continuing to rise alongside increasing prices, but dining visit frequencies have increased and held steady through 2025



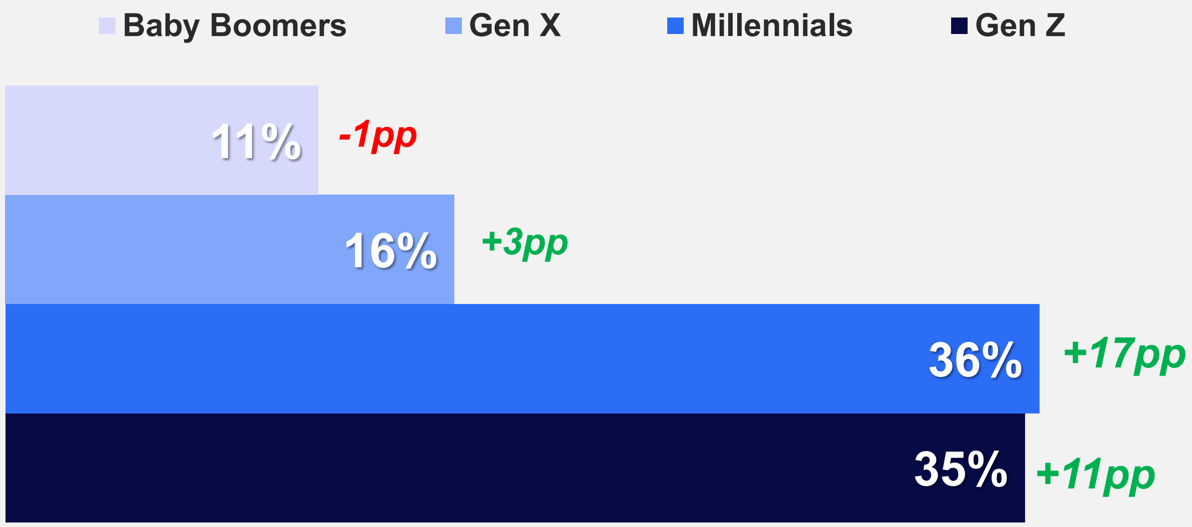
NIQ, BrandTrack survey
Frequency: "How often, if at all, have you eaten out during the past 6 months?"
Spend per head: "When visiting [BRANDS] how much did you spend per head on food and drink combined?"

Community pubs have seen a sharp uptick in regular usage, led by younger cohorts. Shifting dayparts and expansion of events in pubs is proving an alternative to pubs and clubs

*% of consumers visiting Community Pubs **at least weekly***



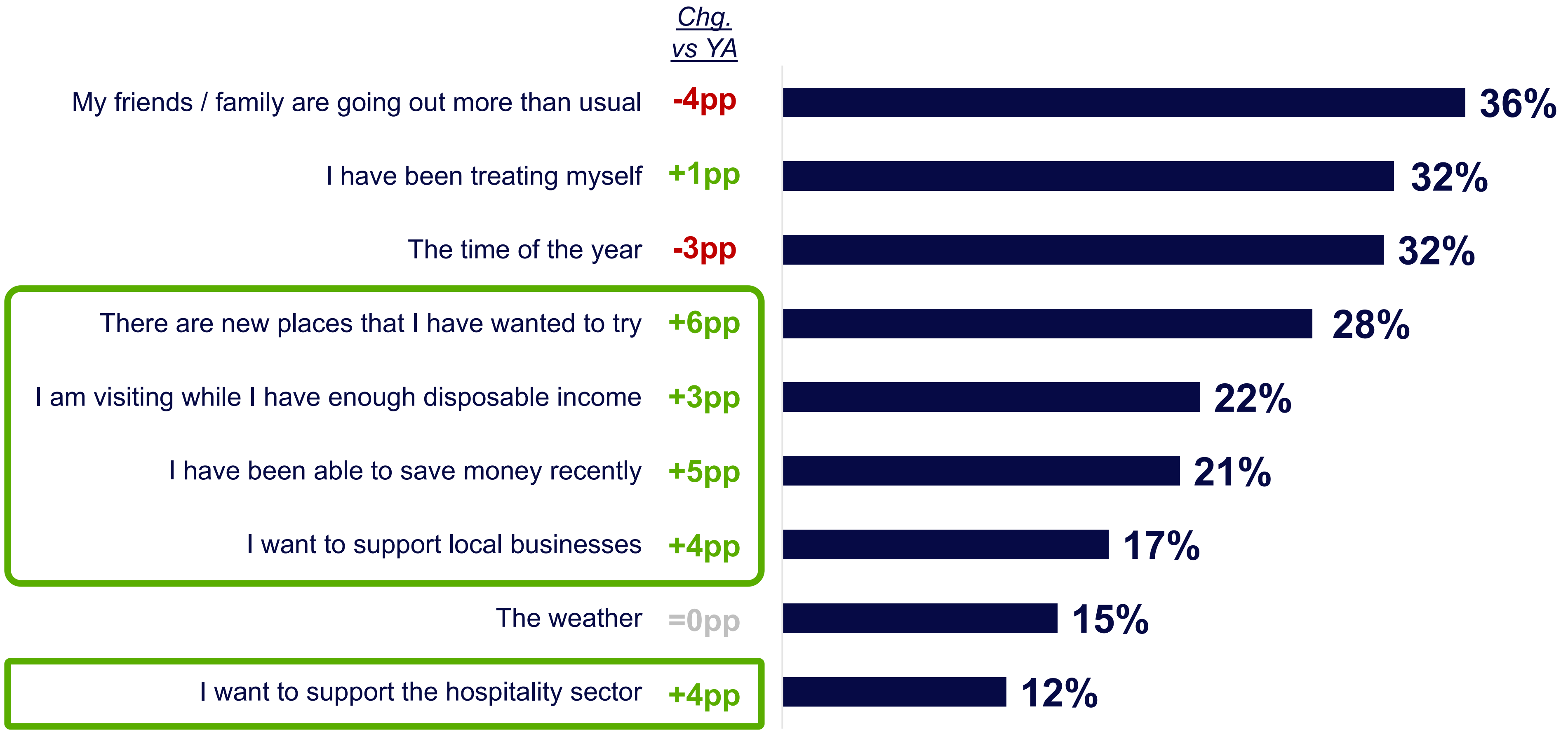
Split by generation, with YoY change



NIQ PubTrack H1 2025 & H1 2024

NIQ's November Pulse survey showed a strong consumer desire to experience new market offers, and support the local economy while it is financially viable, demonstrating the enduring appeal

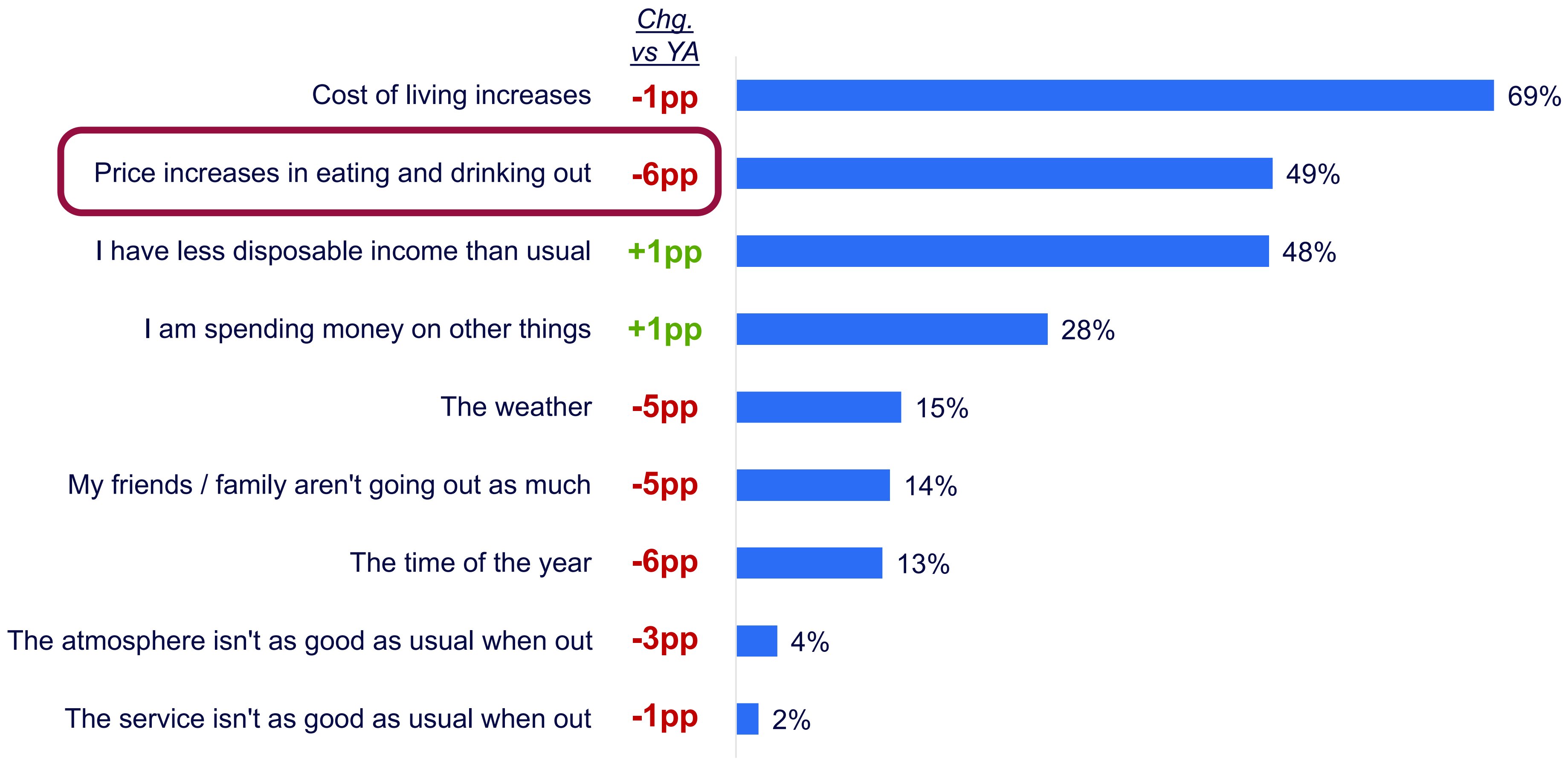
You have said that you are currently going out more frequently than usual, why is this?



Source: NIQ Consumer Pulse, November 2025. Sample: 167 - 753

While still a widespread barrier to frequency, consumers are also feeling an easing in the costs passed on to them, fostering some green shoots of positivity for the year ahead

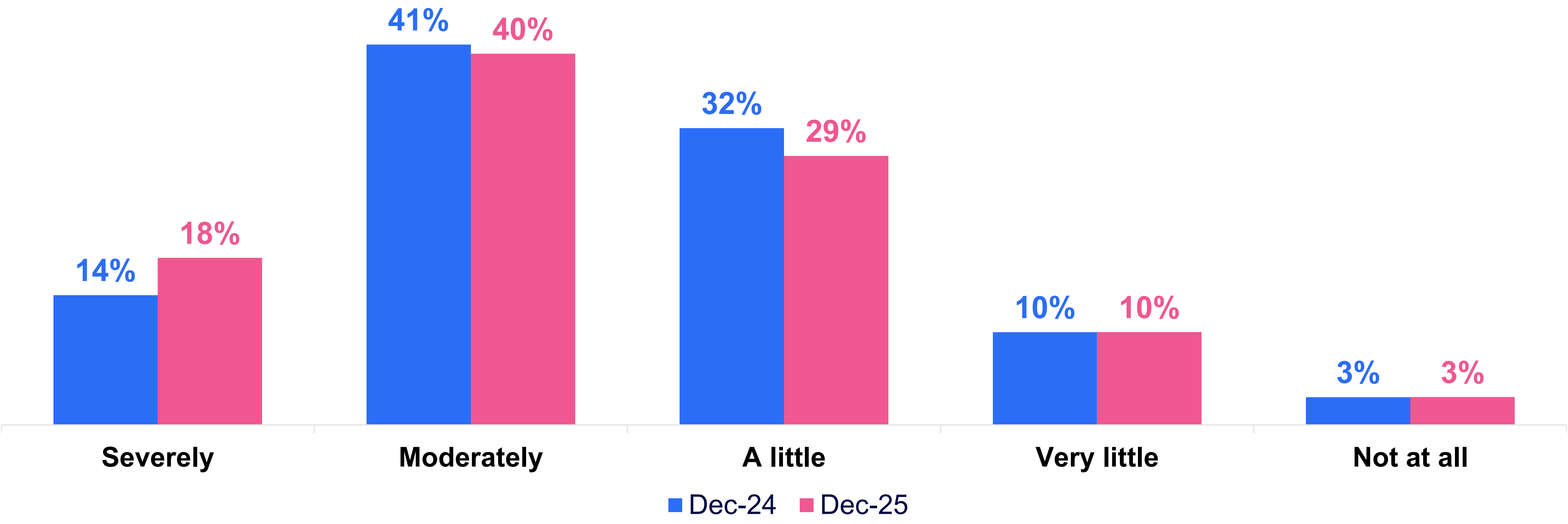
You have said that you are currently going out less frequently than usual, why is this?



Source: NIQ Consumer Pulse, November 2025. Sample: 293 - 753

But the cost-of-living crisis is a strong narrative to overcome, and the perception proving difficult to shake, even as consumers find ways to return to the market

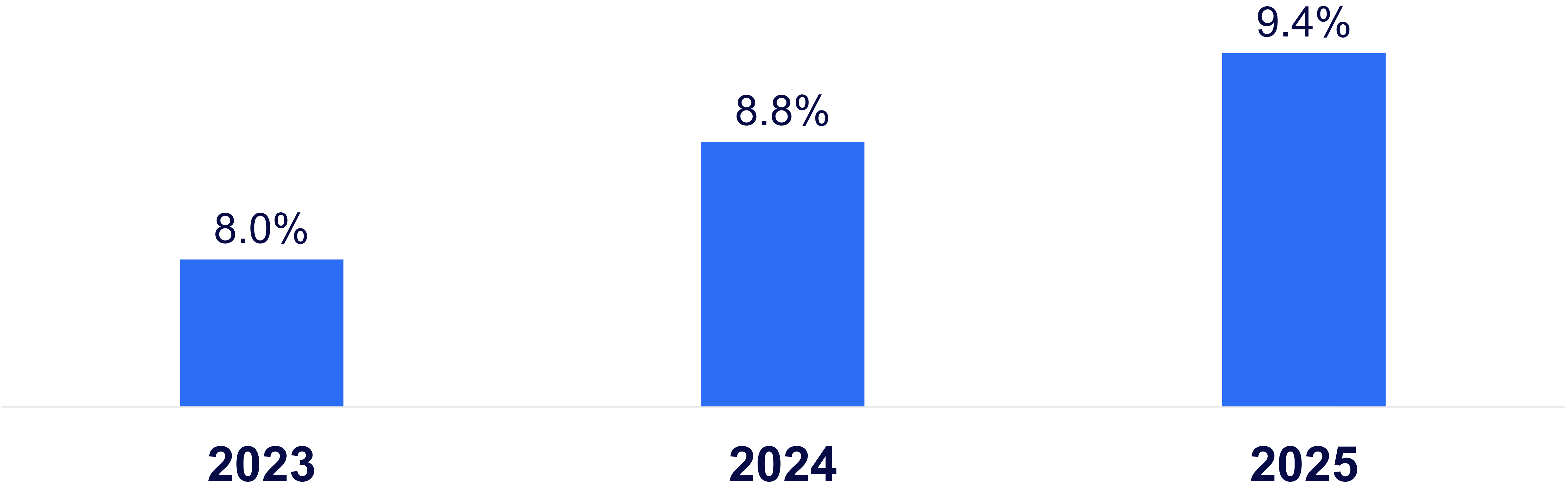
How much is the cost-of-living crisis impacting you at the moment?



NIQ Cost of Living Pulse

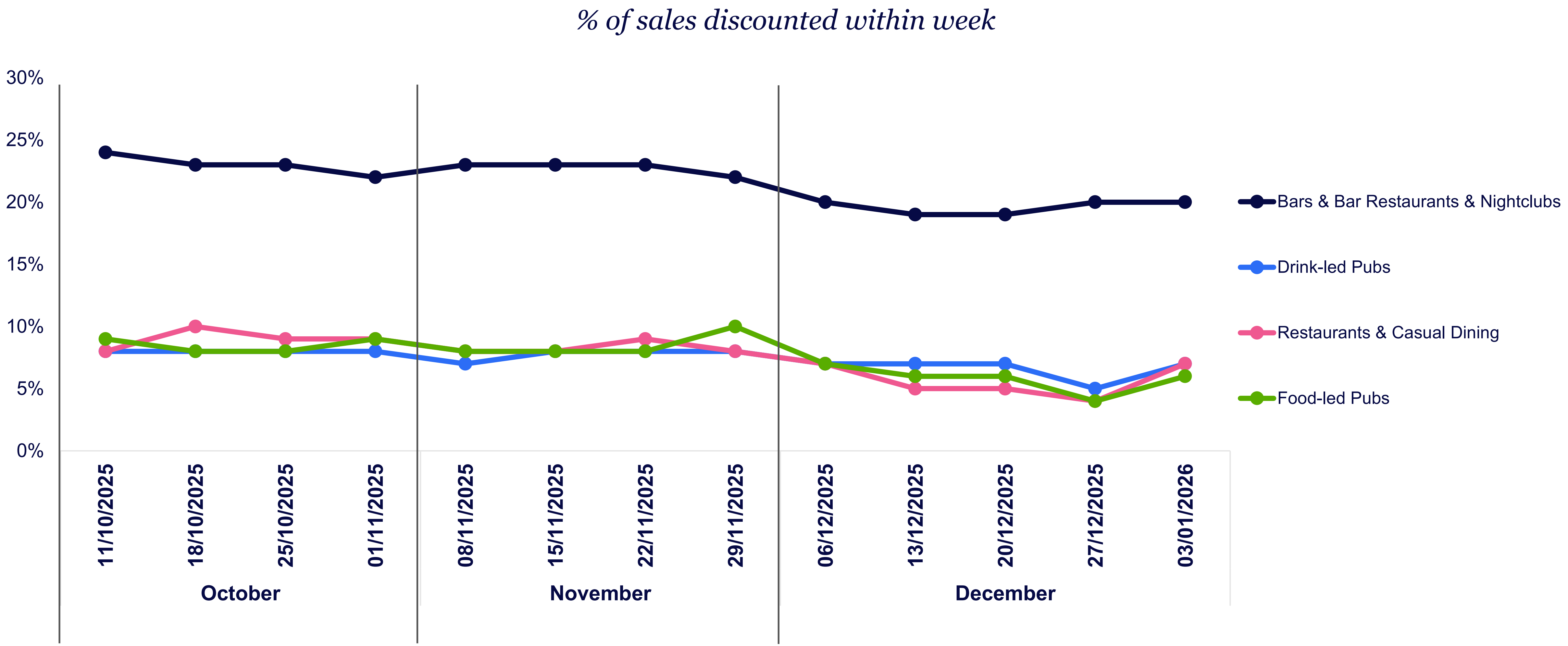
In a bid to overcome consumers' economic anxieties, discounts and promotions are creeping back into mainstream operator offers

Trading Index: Share of sale value discounted in year



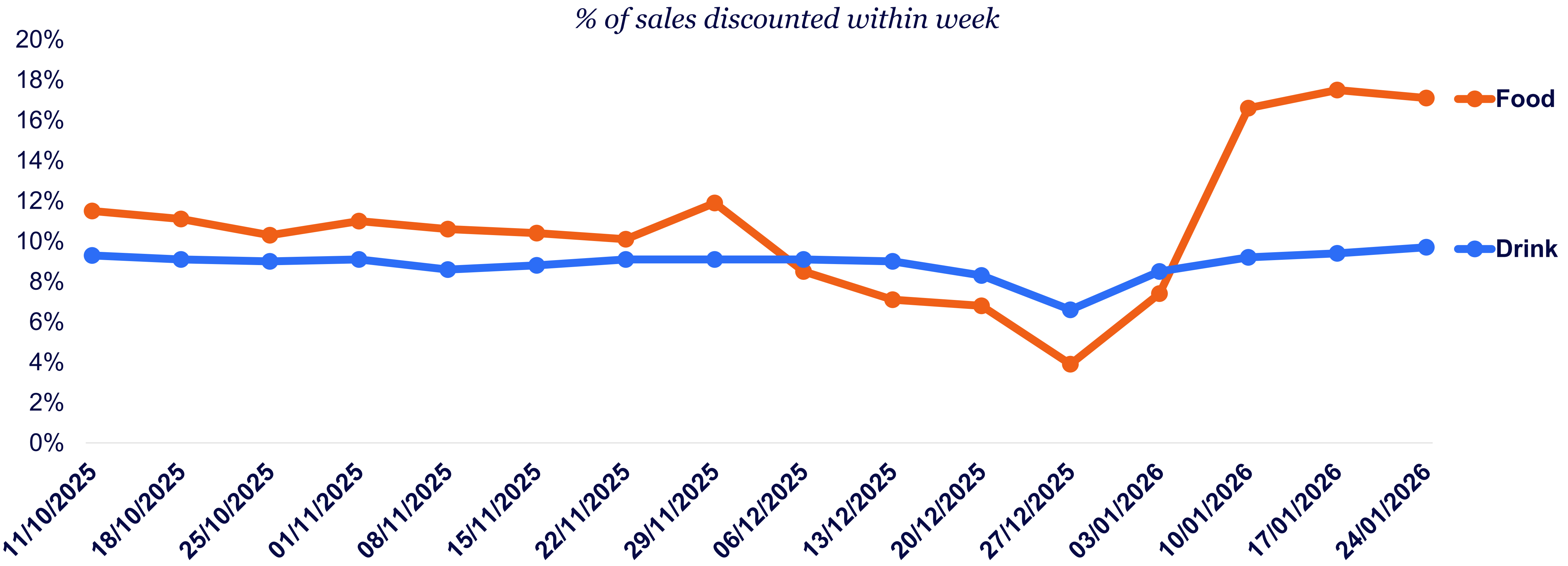
NIQ Trading Index

The festive period saw a decreased level of discounting, but the proportion among higher tempo venues remains greater



Trading Index, Life-for-Like sites, week ending Saturday

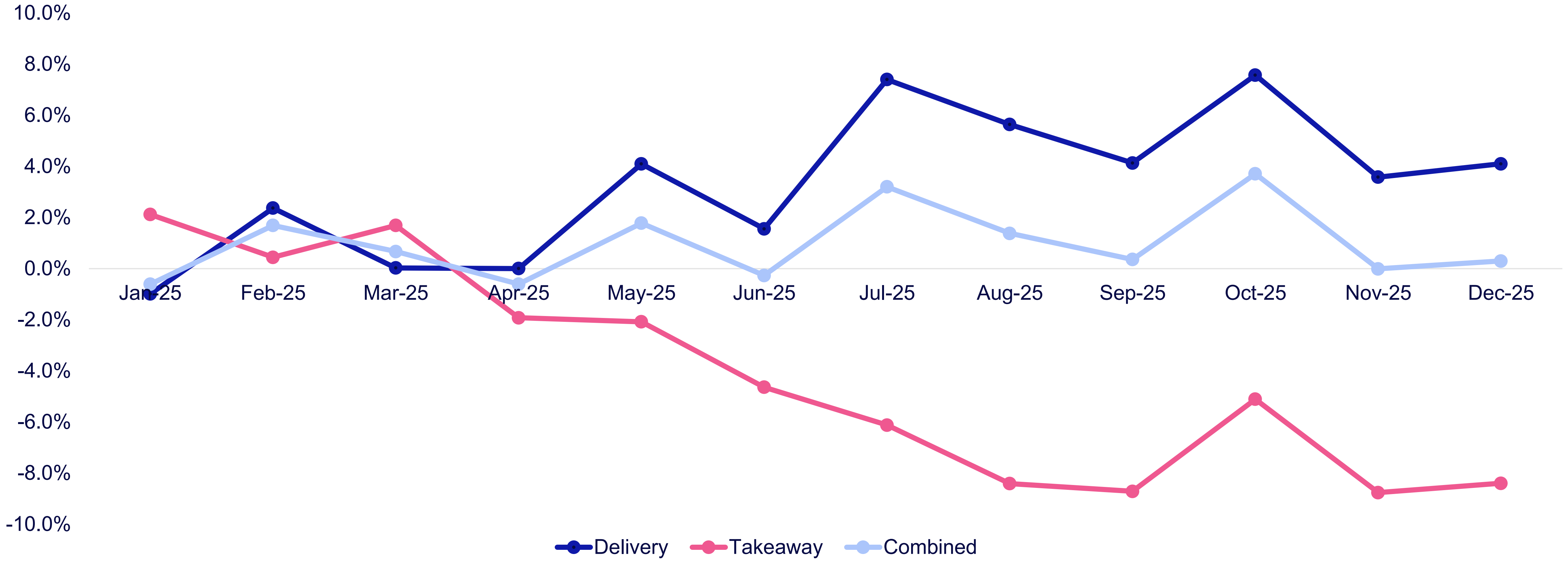
After this reduced reliance on discounting during the festive period, promotions have become far more prominent in January 2026, particularly across food



NIQ Trading Index

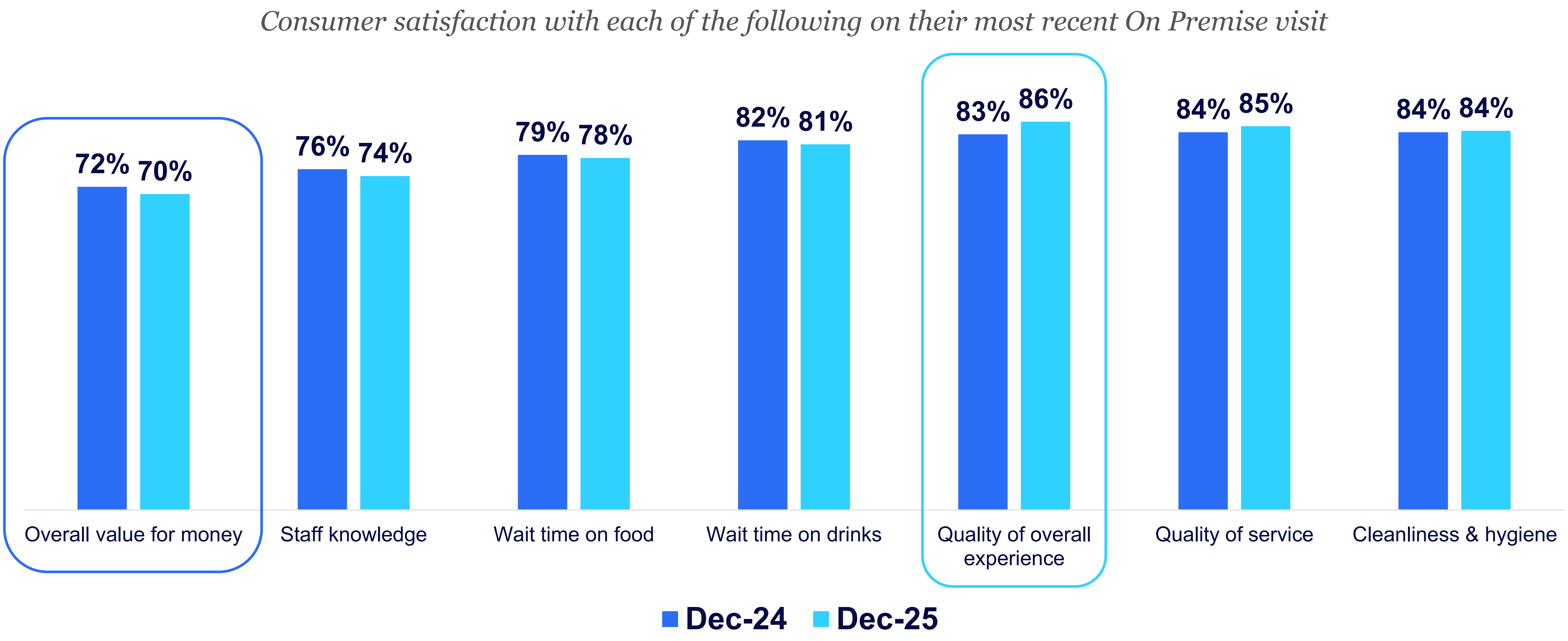
While takeaway sales growth has significantly declined over the year, gains in the more significant delivery channel have kept the market in growth in H2

Year-on-year, like-for-like sales growth across Hospitality at Home channels



NIQ Hospitality at Home Tracker

Despite pressures felt by operators in 2025, consumer perceptions of overall quality have slightly grown. But VFM perceptions have dropped a couple of points



NIQ Consumer Pulse

Casual Dining brands occupy most of the top spots for consumer satisfaction in 2025, but good value for money can be found across the entire spectrum of offers

*% of customers **strongly satisfied** with their visit*		
Cocktail Bar	Mr Fogg's	**51%**
Casual Dining	Mowgli	**49%**
Casual Dining	Burger and Lobster	**48%**
Casual Dining	Rudy's Pizza Napoletana	**48%**
Casual Dining	Pizza Pilgrims	**47%**
Pub Restaurant	Brewhouse & Kitchen	**47%**
Bar	Blues Kitchen	**47%**
Pub Restaurant	Hickory's Smokehouse	**47%**
Pub Restaurant	Metropolitan Pub Company	**46%**
Late Night Bar	Tonight Josephine	**46%**

*% of customers who strongly agree the visit was **good value for money***		
Late Night Bar	Tonight Josephine	**51%**
Cocktail Bar	Mr Fogg's	**50%**
Casual Dining	Rudy's Pizza Napoletana	**48%**
Casual Dining	Pizza Pilgrims	**48%**
Bar	Blues Kitchen	**44%**
Pub Restaurant	Metropolitan Pub Company	**43%**
Casual Dining	Mowgli	**41%**
Pub	JD Wetherspoon	**41%**
Cocktail Bar	The Cocktail Club	**41%**
Cocktail Bar	Manahatta	**41%**

NIQ BrandTrack, August and October 2025

The Spring Statement and Autumn Budget

National Insurance Contributions

National Insurance Contributions underwent significant change in April-2025:

- Employer NICs rose from 13.8% to 15%.
- The annual threshold at which businesses started paying NICs on an employee's salary were lowered from £9,100 to £5,000.
- Employment allowance for businesses with National Insurance Contributions lower than £100,000 per year (roughly equivalent to 40 staff) increased from £5,000 to £10,500 per year.

Business Rates

From April 2026, permanent reforms will be made to Business Rates bills:

- **40% Business Rates Relief**, currently capped at £110,000 per business, will end.

- A new **Retail, Hospitality and Leisure multiplier** will be introduced, set 5p below the standard business rate. A discount of up to 20p was previously considered. There are three possible multipliers that could apply to RHL properties:
  - Standard RHL properties at 5p below basic rates
  - Small RHL properties at a further discount below the basic rate
  - Larger RHL properties over £500,000 do not qualify for any RHL rates, and multipliers will be set above the basic rate

- **Property rateable values** - currently set to 2021 values and therefore widely suppressed during the pandemic - will be rebased to much higher 2024 values. Many operators report these increases will outweigh any benefit from reduced multipliers.

- **Transitional relief** will be made available, limiting year-on-year increases in rateable values, but by April 2029 all increases will be in full effect.

CHANGES ARE ONGOING:

- Pubs and music venues will receive a further 15% discount on their business rates bills from April 2026. Bills will then also be frozen in real terms for a further two years

NIQ

Business Rates

Currently:

[Property rateable values × Multiplier] − Pandemic relief = **Total bill**

From April 2026:

[HIGHER property rateable values × LOWER RHL multiplier] − Transitional relief and additional support for pubs and music venues = **Total bill**

Minimum Wages

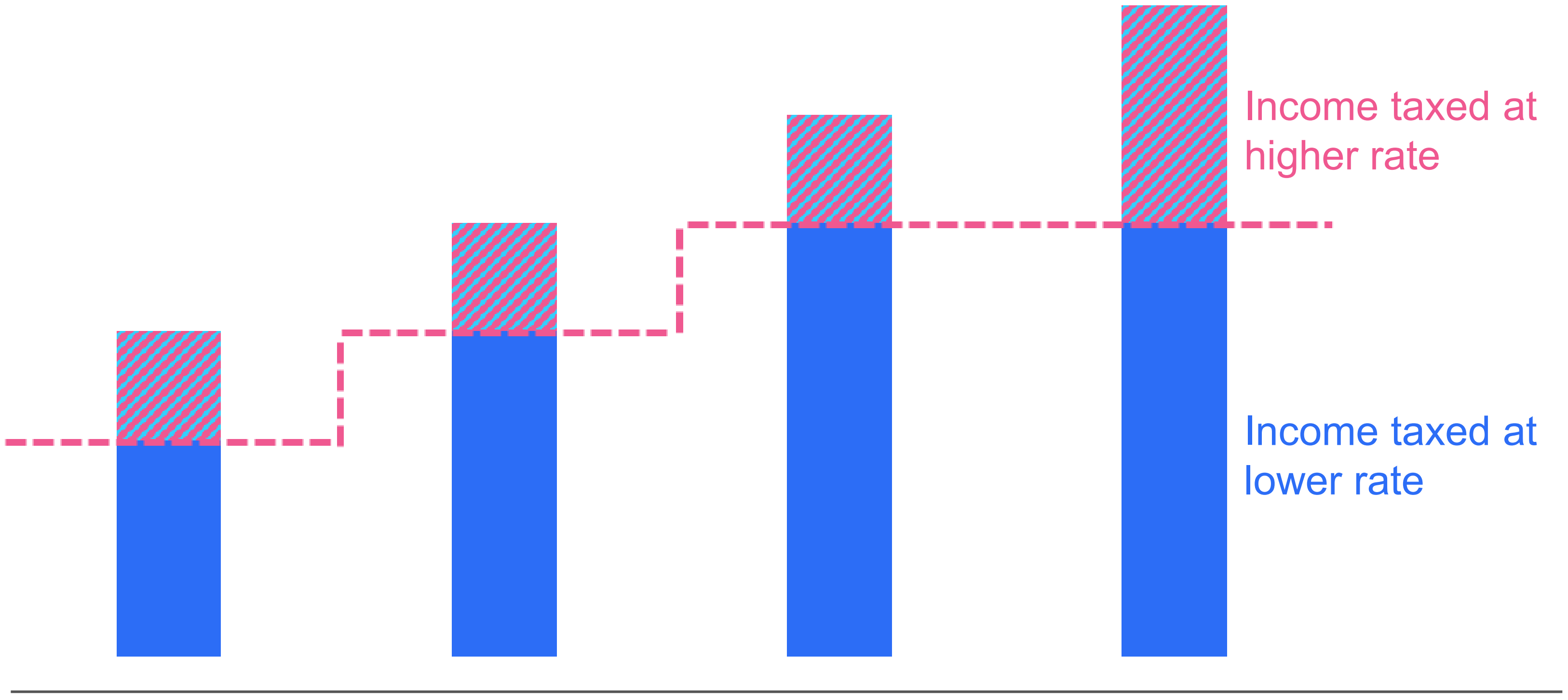
- National Minimum Wages and the National Living Wage for those over 21 are set to rise in April 2026.
- As a significant youth employer, increases to the NMW / NLW will disproportionately impact the wage costs of hospitality employers.
- Hospitality is a high priority for discretionary spend, when consumer finances permit. A significant increase to consumer earnings may ease cost of living fears, with the industry benefitting more than others from increased consumer spend.

Minimum wage and increase from previous wage

	16-17 years	18-20 years	21+ years
Wage from April 2026	£8.00 **(+6%)**	£10.85 **(+8.5%)**	£12.71 **(+4.1%)**
Wage from April 2025	£7.55 **(+18.0%)**	£10.00 **(+16.3%)**	£12.21 **(+6.7%)**

Threshold Freezes

- Income and NIC thresholds have been frozen until April 2031, continuing the existing freeze beyond 2028.
- With incomes continuing to increase, freezes in tax thresholds result in fiscal drag, and a greater proportion of income falling into higher rate tax bands.



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Hospitality Zones

- Licensing laws will be relaxed in new ‘hospitality zones’, making it easier to convert empty properties, acquire licenses for alfresco or late-night trade, and protect music venues from noise complaints.
- Relaxed licensing laws have been proposed for the 2026 World Cup, should a home nation reach a late stage in the competition.

NIQ

What’s coming in 2026?
NIQ FastTrack

NIQ

CGA
Powered by NIQ

FastTrack is a consumer research tool providing insight into the branded GB QSR market. It will measure the out-of-home habits of nationally representative consumers amongst GB's most influential On-the-Go operators. It will track perceptions and behaviours across the fast-casual landscape with the added benefit of segmenting consumers who have dined-in vs those who ordered takeaway/delivery.

What is FastTrack?

A bi-annual survey of 3,500 consumers, nationally representative of those that eat and drink out of home in Great Britain

Examining the perceptions, attitudes and behaviours of consumers in relation to Great Britain's leading QSR brands

FastTrack respondents will be asked which On-the-go operators they are aware of. Of those they are aware of, they will be asked which they would consider visiting and which have visited in the last 6 months, both in-venue and for a takeaway/delivery.

Of those brands they have visited, a far wider range of questions are asked about the brand; from drivers to visit, to occasions, brand descriptions and more

FastTrack's capabilities

FastTrack helps you understand the evolving relationship between consumers and OTG brands.

Tracks key metrics of your brand and benchmarks them against OTG competitors.

Provides in-depth analysis of your consumers and potential consumers.

Offers insights into who your consumers are, including their lifestyle and habits.

Helps identify the best ways to engage with your target audience.

What makes FastTrack different?

All data collected in FastTrack is proprietary to NIQ, meaning survey data on competitors can be used freely when benchmarking

The survey outputs are also held in full by NIQ, so consumer groups can be created as desired, by demographics, attitudes, visit behaviours and more, allowing bespoke investigation and targeting

The consumer samples are unbiased, as respondents are not fully aware of the questions they will be asked throughout the survey. This captures a more accurate view of consumer opinion, and the data is not skewed towards only those who have the strongest opinions and feedback

Every Deepdive is agreed with the client, ensuring outputs are tailored to current needs, and are presented back in person in a guided format, containing relevant wider market context from NIQ.
Q&As, follow-ups and feedback are welcome anytime as part of your subscription's annual support.

For more information

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