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For further information:

Sissel Rosengren
BIS Shrapnel
Tel: 02 9959-5924
A/h: 0432-332-233
Email: srosengren@bis.com.au

Roxanne Hughes
Watterson Marketing Communications
Tel: 02 9929-7533
A/h: 0419-623-519
Email: roxanne.hughes@watterson.com.au

Australians opting for fast food in times of economic uncertainty

While we won't stop eating out we will choose cheaper options

Eating out is now so deeply ingrained in Australian culture that even an economic crisis will not stop us dining outside the home, according to leading industry analyst, BIS Foodservice. What has changed, however, is how often we go out and where we go out, with consumers trading down their dining choices in these uncertain times.

BIS Foodservice's *Fast Food in Australia 2009* report found fast food chains around the world are presently experiencing little change in sales and will in fact see growth in 2009/10. This is in contrast to the total commercial food sector which, in Australia, is forecast to decline by 2.1 per cent over the same period.

The fast food market represents one of the largest segments within the commercial foodservice sector. At the beginning of 2009, there were close to 16,000 fast food outlets in Australia, serving 1.6 billion meals per year. This market represents 25 per cent of all commercial foodservice outlets and about 44 per cent of all meals served within the commercial sector are fast food.

BIS Foodservice's Unit Manager, Sissel Rosengren, says there are a number of reasons the fast food sector will do well through tougher economic times.

"Firstly, consuming from a fast food outlet, whether chain or independent, is a fairly inexpensive purchase," she says. "Secondly, children and adults still want to be entertained. Attending a football match or a museum with the family is an expensive day out, but a meal at the local fast food chain is a bit of a treat where there is entertainment and the meals represent value for money."

BIS Foodservice's report found there has been a steady increase in the number of fast food chain outlets over the past decade, at the expense of independent operators. Currently, Quick Serve Restaurants (QSRs) and snack food chain outlets serve 60 per cent of all fast food meals.

Fast food chains, particularly the suburban outlets, will experience greater growth than independent fast food outlets over the coming year. According to Rosengren, independent outlets are being affected by a downturn in lunch trade, due to many consumers trying to save money by bringing their lunch from home.

"This growth in chain outlets has been the trend over the past decade, irrespective of economic conditions," explains Rosengren. "But the current economic downturn will, if anything, broaden the gap between independent outlets and chains."

BIS Foodservice also looked into home delivery and drive-thru and found that home delivery is not hugely prominent in the Australian market but that drive-thru was quite popular among West Australian residents and consumers aged 25 to 49.

In Australia, there is currently significant public debate about obesity and healthy eating. Respondents to BIS Foodservice's survey identified the top health issues they consider when ordering fast food are lean meat (65 per cent), Heart Foundation Tick (60 per cent), and saturated (59 per cent) and unsaturated (57 per cent) fat levels.

BIS Foodservice points out that these concerns have remained the same for the past two to three years but also that the findings, to certain extent, might represent wishful thinking rather than true behaviour.

"Increases in obesity and related health concerns will naturally lead to greater demand for healthier products well into the future," says Rosengren. "Interestingly, consumers who purchase healthy options are more likely to be young with higher disposable incomes who don't perceive eating at a fast food outlet to be a treat."

BIS Foodservice's report found that the fast foods we are likely to be consuming into the future include more chicken, sushi and Asian foods.

"As trends toward healthy eating accelerate, chicken consumption is expected to grow as it is considered healthier than red meat," explains Rosengren. "The move to sushi and more Asian food is reflective of Australians' changing eating habits, openness to new cuisines and adventurous approach to foods and eating out."

Overall, Australians are becoming more sophisticated in their tastes and food choices, which is also evident in the fast food market. Rosengren says in that sense, the fast food market is maturing.

"There has been a decline in the consumption of traditional fast foods such as hot dogs, Chinese takeaway, pizza and ice cream, with hamburgers being the main exception in today's market," concludes Rosengren. "Consumers are increasingly preferring noodles, sushi and sandwiches."

About BIS Foodservice – A business unit of BIS Shrapnel

BIS Foodservice is a business unit of BIS Shrapnel, with more than 25 years experience in the foodservice industry. Our country coverage extends to more than 20 countries in the Asia Pacific region, the Middle East and Europe.

BIS Shrapnel is Australia's leading provider of industry research, analysis and forecasting services. BIS Shrapnel helps clients better understand the markets in which they operate, through reliable and detailed market data, analysis of developments and drivers and thoroughly researched forecasts.

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