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Analysis of the economic structure of the eating-out sector: The case of Spain

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ABSTRACT

The objective of this article is to analyse the structure of the Spanish eating-out sector from an economic point of view, and more specifically, from the supply perspective. This aspect has been studied less than the demand side, almost certainly due to the gaps which exist in available official statistics in Spain, and which have been filled basically with consumer surveys. For this reason, focus is also placed on the economic relevance of the sector and attention is drawn to the serious shortcomings regarding official statistics in this domain, in contrast to the priority that hotel industry statistics have traditionally received in Spain. Based on official statistics, a descriptive analysis was carried out, focused mainly, though not exclusively, on diverse structural aspects of the sector. Special emphasis was placed on issues such as business demography (for instance, number and types of enterprises, survival rates, size distribution, and age structure), market concentration and structure of costs. Among other conclusions, the analysis allowed us to conclude that: part of the sector is more concentrated than it may at first appear to be; the dual structure of the sector described by the literature in relation to other countries is also present in the Spanish case; and the impact of ICTs (Information and Communication Technologies) on the sector are, and will foreseeably continue to be, particularly relevant. The main conclusion of this study refers to the fact that consumers have gained prominence in their contribution to shaping the structure of the sector.

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1. Introduction

The object of this article is to describe and analyse the structure of the eating-out sector in Spain from an economic perspective. Focus is also placed on the important economic contribution of the sector to the Spanish economy and, despite this, the serious shortcomings regarding official statistics in this domain.

In the field of food, increasing variety of ingredients and meals is a major trend of the twentieth century in affluent societies (Warde & Martens, 2000). Spain is not an exception. Parallel to the vigorous economic growth that took place from the 1960s onwards, the diet of the Spanish population became increasingly diversified. A diet originally limited to cereals, pulses, tubers and little else, started to include fruits, vegetables and meat (Colino & Martínez, 2015). At the same time, eating out ceased to be something exceptional and, with the introduction of innovative forms of delivery and elaboration, the variety in terms of cuisine and styles increased. One of the results of this process is that many Spanish restaurants and chefs nowadays enjoy high international prestige.

There exists very little research into the eating-out sector from the standpoint of supply. The eating-out phenomenon has been dealt with more from the perspective of demand. At least this is the case in the field of academic research in Spain (see, for instance, Díaz-Méndez & García-Espejo, 2013; Díaz-Méndez & García-Espejo, 2014; Díaz-Mendez et al., 2005), where, since 2000, a research group has been focusing attention on the Sociology of Eating (www.unioviedo.es/socialimen/).

The economic dimension of the sector in Spain (including restaurants, cafeterias, bars, and institutional catering) is far from negligible. Production reached almost 106 billion euros in 2014, that is, more than 5% of total production in the Spanish economy as a whole (Figuerola et al., 2015), and more than 111.5 billion euros in 2015 [calculation based on data of the FEHR (Federación Española de Hostelería; Spanish Hospitality Federation), 2016]. In contrast to what was generally perceived to be the case, the first figures provided on the sector, some 30 years ago, showed that restaurants

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exceeded hotels in turnover and employment level (García & Pin, 2010; Guerra, 2009). Indeed, currently, around 85% of the main activity of the hospitality sector is represented by food and beverage service activities (FBSAs) provided at the above-mentioned establishments. Spain accounts for a 12.7% share of the EU-27 total value added of the FBSA sector, the fifth highest share [after France (19.4%), the United Kingdom (18.1%), Germany (14.2%) and Italy (13.1%)], and is one of the most relatively specialised EU Member States in this economic subsector (see http://ec.europa.eu/eurostat/statistics-explained/).

Moreover, at the beginning of 2016, there were more than 1,100,000 people working in the sector [please see the INE (National Statistics Institute; Spanish Statistical Office) website at www.ine.es and Ministerio de Empleo y Seguridad Social (Ministry of Employment and Social Security) at www.empleo.gob.es/index.htm]. This amounts to 6.4% of the workers in the Spanish economy, with an unusually high percentage of self-employed as opposed to salaried workers, these self-employed workers representing 9.8% of the total (Turespaña, 2016). It must be pointed out that this high percentage of self-employed workers provides the sector with a certain stability in the face of fluctuations in the market (Figuerola et al., 2014). According to forecasts made by PricewaterhouseCoopers in relation to the creation of employment in Spain between 2013 and 2033, the FBSA sector is identified as the one which will experience the highest employment increase in the mentioned period, estimated at 70% (PwC, 2013). Leadership of the sector in this domain has similarly been confirmed in other reports (see, for example, Adecco, 2016).

There exist important barriers to accessing statistical data regarding the eating-out sector in Spain and, when statistics are available, they are usually subject to certain limitations, such as excessive grouping together of data. There exists no specific database and consequently statistical data sources are diffuse. Basically, the official data are elaborated and/or provided by the INE and the MAGRAMA (Ministerio de Agricultura, Alimentación y Medio Ambiente; Ministry of Agriculture, Food and Environment); the former being more oriented towards studying the supply side, and the MAGRAMA towards the demand side. All in all, the economic importance of the sector is undeniable from many perspectives, in particular regarding the tourist sector, which represented 10.9% of the Spanish GDP in 2014 (please, see www.ine.es/jaxi/Datos.htm?path=/t35/p011/base_2010/serie/l0/&file=01001.px), when Spain received 65 million non-resident tourists. This figure increased further to over 68 million in 2015.

It is not easy to estimate the relevance of FBSAs on tourism as a whole: for instance, the activity of cafeterias integrated in hotels is generally added to data regarding accommodation, and many surveys either ignore non-resident tourism or do not distinguish between tourists and non-tourists. It is estimated that non-resident visitors in Spain spend around 14% of their total budget in restaurants (Instituto de Turismo de España, 2012). This figure is underestimated, firstly because it refers exclusively to restaurants and also because of the increase in the importance of tourism packages in recent years. According to present figures (May 2016), around 23% of the expenditure of non-resident visitors to Spain is currently channelled through packages (see www.ine.es/daco/daco42/egatur/egatur0516.pdf), hiding the amounts allocated specifically to meals eaten in restaurants. In turn, the tourist-related part of the production of the FBSAs had reached around 27–29% (of which 13 percentage points corresponded exclusively to non-resident tourism) in recent years, according to data from the INE (see www.ine.es/dynt3/inebase/index.htm?type=pcaxis&path=/t35/p011/2009/&file=pcaxis). One of the aspects with which non-resident tourists are most satisfied when they visit Spain is gastronomy, obtaining, 8.3 points out of 10 compared to 7.7 points on average in 2009 (the highest score, together with that for accommodation) (Instituto de Estudios Turísticos, 2010).

The upward trend of the sector in Spain is linked not only to the importance of tourism, but also to socioeconomic changes and new social behaviours that have appeared since the 1960s. According to data from the MAGRAMA, eating-out expenditure represents one third of total food expenditure, or a higher proportion if national accounts data are used.

Some of the basic features of the Spanish eating-out sector that have been most frequently mentioned in the literature are its heterogeneous and dynamic nature, its seasonal character, its low level of human capital, the small size of its enterprises and the importance of the submerged economy (Bardón et al., 2007; Figuerola et al., 2015; García & Pin, 2010; Guerra, 2009; Martín Cerdeño, 2003, 2004, 2009).

The importance of the FBSAs is underlined by the fact that, since the 1960s, the sector has been growing faster than the Spanish economy as a whole (Guerra, 2009). Nevertheless, the impact of the economic crisis has been particularly notable in Spain, as compared to other neighbouring countries such as France, Germany, Italy and the United Kingdom (according to data of NPD-CREST and the K-Index in MAGRAMA, 2012).

In order to put the evolution of the sector before and after the economic crisis into context, reference can be made to González and Urtasun (2015), from the Bank of Spain Studies Service, where the evolution of consumption is analysed in real terms in two periods, 1996–2007 and 2008–2013, according to product type. The authors confirm that perishable non-essential goods have a greater elasticity of intertemporal substitution, growing by 3.6% in the period of boom and falling by 2.9% during the crisis. For restaurants and cafés, figures of 2.7% and −3.1% respectively were obtained.

Finally, after successive falls in the eating-out spending of Spanish households during the period of the economic crisis, in 2015 the inter-annual variation begins to be slightly positive (1.2%) (MAGRAMA, 2016; based on data of NPD-CREST). The expenditure trend continues to be positive in 2016, due to the increase in the number of visits (above all, in quick-service restaurants) and, to a lesser extent, to an increase in the expenditure per customer. This trend could be interpreted as a reflection of the context of economic recovery, including a reduction in unemployment. (www.npdgroup.es/wps/portal/npd/es/noticias/ultimos-informes/).

The remainder of this article proceeds as follows: section 2 refers to some conceptual and methodological issues; section 3 consists of a descriptive analysis of the economic structure of the sector, and the last section comprises the discussion and conclusions.

2. Conceptual and other methodological issues

The first difficulty when studying the eating-out sector from an economic perspective is to define the boundaries of the sector. If eating out, in the sense of meals eaten outside the home, is considered from a physical point of view, three modes of provision can be distinguished: commercial retail establishments, institutional catering and the communal mode, the first two belonging to the public sphere and the third to the private sphere (Warde & Martens, 2000) (see Table 1). Given the non-commercial character of the communal mode of provision, it is not included in the eating-out sector when studied from an economic point of view, as is the case here. For that reason, the food outlets referred to in this article are commercial retail establishments and institutional catering. The terms eating-out sector and FBSA sector are used indistinctly.

Once differentiated conceptually, the statistical sources impose

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