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# It's Rubbish: The Hospitality Industry's Problem with Waste



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The hospitality industry has already faced its fair share of difficulties in recent years, surviving the blows and knocks of the pandemic, the ensuing lockdowns, staffing and supply chain issues and now a looming cost-of-living crisis.

The waste problem, however, is not a new threat rearing its head – rather, it is a latent problem that must be addressed.

Indeed, recent figures have revealed the extent of the issue; over 9.5 million tonnes of food are wasted every year in the UK alone (this figure only accounts for waste generated after the food has been farmed), of which 2 million tonnes are generated by the hospitality sector – more than a fifth (21%) of the UK's annual food waste.

Clearly, such a volume of waste cannot be sustained, particularly by a sector which is already struggling to return to its pre-pandemic operational levels. Now is the time for decisive and sustainable change.

This report will set out to assess the full extent of the waste problem within the hospitality industry, the implications it has on businesses and the sector as a whole, and most importantly offer some potential solutions to the sector's current unacceptable waste levels.



# The state of waste

Firstly, it must be acknowledged that a degree of waste within any food production or vending business is inevitable.

The Waste & Resources Action Programme (WRAP) estimates that 26% of the waste currently emitted by the hospitality sector is unavoidable, which shows that there is a tremendous volume of food that can be saved. Such waste may include bones, vegetable peels, or shells, for example. However, further data suggests that the majority (70%) of all wasted food is edible.

Restaurants are among the UK's leading contributors to the issue – for every meal eaten in a UK restaurant, it is estimated that nearly half a kilo of food is wasted through preparation, spoilage and oversized portions creating unwanted leftovers.

The problem of food waste has both ecological and economic consequences. WRAP has stated that food waste costs UK restaurants an eye-watering £682 million each year. The much-needed process of eliminating waste and encouraging more efficient, better-managed use of food supplies is not only an ethical obligation for restaurateurs – it is an opportunity for hospitality businesses to become de-hyphenate better-run and more profitable.

The question, therefore, is what can restaurateurs do to achieve this?





# Taking out the trash

There are a great many approaches to reducing the overall waste output of the hospitality sector – from composting and bio-fuels to the donation of spare meals and the inclusion of reclaimed food items on their menus. Hospitality owners will need to be open-minded and ready to adjust their operational approaches and business models to best implement effective change, but given their versatility and resilience in the past, this should not present a problem.

Before considering individual methods for tackling this issue, businesses must first be able to effectively measure the extent of their own waste problems. Individual enterprises will not be able to effectively reduce their waste emissions if they do not first assess how much they are wasting.

Research has found that there is a link between waste quantification – particularly automated waste analysis – and waste reduction. A study of 735 hotels, restaurants and canteens in Europe that used either a spreadsheet, a dedicated scale or an internet-based service to track food waste found that 61% of respondents managed to reduce their overall food waste as a result of the monitoring and analysis.



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Operating without waste analysis is flying blind – hospitality businesses must be aware of their individual contributions before they can hope to see an industry-wide reduction in waste.

Alternatively, restaurants can implement more environmentally friendly methods of waste disposal. Food donation, for example, could be an option. Indeed, working with food rescue charities will allow restaurants to easily donate surplus food items, allowing a third party to manage the logistics of getting those items from the kitchen to those in need.

Another option is food processing enterprises – these are operators which work with hospitality businesses to repurpose their surplus supplies, swiftly collecting them for freezing or re-processing. For instance, proteins can be flash-frozen and vacuum packed for longer storage and use in other products, while fresh produce like surplus fruits and vegetables can be used to make long-lasting products like jams, chutneys and pickles.

Finally, partnering with anaerobic digesters and composters would allow for waste products to be converted into either energy or fertiliser. These different approaches make better use of waste than simply throwing them out, with the first option providing a socio-economic benefit and the latter two generating profits.



# Making the right choice with data

Ultimately however, the superior approach is to prioritise efficiency: it is more effective to reduce waste at the source than to find more creative and beneficial ways of repurposing the waste that is produced.

Reevaluating one's approaches and processes is essential – waste is a by-product of operations not being fully considered, and the onus is on individual hospitality owners to assess their own enterprises and right the wrongs they find within.

Data is essential in reducing waste emissions, as being able to anticipate the peaks and troughs of a hospitality business' output can help to manage supply volumes. What's more, data-driven demand analysis can help to predict changing food trends and allow businesses to implement smarter, more proactive strategies.

Implementing a data collection-enabled Point of Sale platform can automatically generate useful analysis about their patrons, which can help businesses manage resources better and plan menus more efficiently. The first step in reducing waste is addressing their current operations, but adapting to new systems is also beneficial.

Using data analytics of area-specific order data from third-party apps is a good step to levelling up businesses to be more efficient – learning about the portion sizes and waste levels of other local businesses, as well as customer preferences, can help businesses better rearrange their own offering.

Changes in approach need not always be drastic, so long as they are long-term and sustainable. Just as potential solutions are varied, different businesses might find different solutions more or less effective based on their own unique circumstance, again the responsibility lies with decision-makers to find the best option for their business.



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# The virtual solution

Given that one of the key generators of food waste is inconsistent order volumes making accurate supply requirements difficult to assess, one solution that can help with these problems is adopting a virtual brand.

For those who are not aware, a virtual brand is a food delivery brand that exists exclusively on third-party delivery apps like Deliveroo and Uber Eats without needing its own physical location or storefront. Instead, they operate out of existing kitchen operations, allowing those businesses to benefit from increased demand.

Peckwater Brand's own research has found that integrating a virtual brand into a business' operations can increase order volumes by up to 823%, and as long as virtual brands are aligned on key ingredients, this has been shown to reduce food waste.



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Peckwater Brand's partners report an average reduction of wastage of 4%, while simultaneously reducing ingredient costs by an average of 11% and boosting gross margin by 9%. Overall, those partners report earning between £12,103 and £45,823 in additional revenue every month.

Virtual brands enable hospitality businesses to reduce waste by utilising greater order volumes to take advantage of idle resources. This is the benefit of aligning virtual brands and native businesses in terms of shared key ingredients – what would have been wasted by the native business due to lack of demand can instead be used to fulfil an order for a virtual brand.

Just as waste reduction can be viewed as an opportunity for hospitality businesses to increase profitability and thrive, virtual brands are an opportunity for restaurants, cafes, hotels and other enterprises to do both at once.



# Consider the alternative

“The hospitality sector continues to show grace and resilience in the way it tackles the various challenges that it is faced with. And today the challenge that we must prove ourselves equal to is waste.

“There are many options available, so many different paths for hospitality owners to take in order to cut down their waste emissions. Clearly, it is essential to have a plan – at Peckwater Brands, we believe that data-driven strategies are an essential component of success, and this applies perfectly to the question of waste.

“Restaurants, bars, cafes and hotels have to be aware of how much they are contributing to this problem, and they need to do everything in their power to limit that contribution. While virtual brands and virtual franchises have grown massively in popularity in recent years –

as proven by the 35% increase in enquiries recorded throughout 2020 – their impact on a business’s efficiency and waste levels are likely to further propel their uptake soon, as excess waste becomes and more and more costly.

“Making the right adjustments is manageable – even easy – if businesses have the right support. At Peckwater Brands, we pride ourselves on making businesses better run, more efficient, less wasteful and more profitable.”



**Sam Martin**  
COO of Peckwater Brands



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