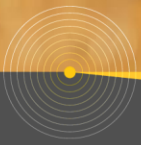


Food to Go after Lockdown: down-turn and recovery

September 2020



FACTORS INSULATING FOOD TO GO MARKET

Several key factors insulate the Food to Go market from the impact of Coronavirus lockdown, post quarantine and the recessionary impact these bring.

Retail is the lifeblood



Representing sales of food not consumed on-site, in the home, or delivered, retail sales of food to go holds a large share in the market, which largely continued operations throughout lockdown.

Source: Lumina Intelligence, August 2020

Leading players not reliant on white collar workers



Players including McDonald's, Greggs and Subway are more physically present in towns and suburbs, with less exposure to the impacts of minimal city centre footfall.

Advantage of to-go



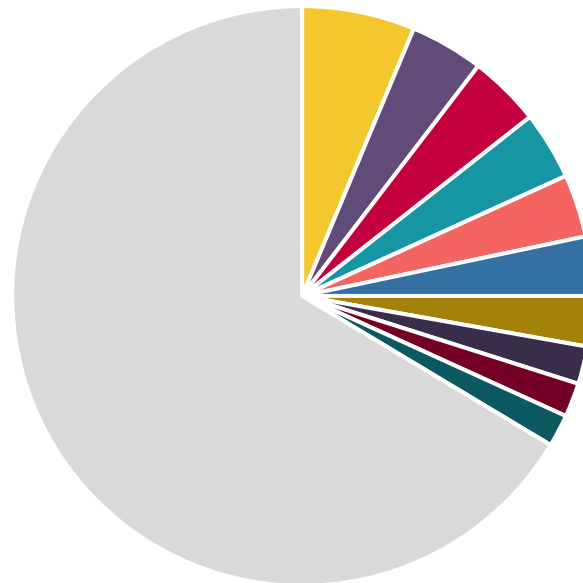
Throughout lockdown, to-go operations could continue, and more risk averse consumers are expected to favour this going forward. Food to go is also low ticket - an advantage in recessionary times.

THE TOP 10 FOOD TO GO BRANDS – MARKET SHARE

Top 10 FTG brands by turnover grow share of the Food to Go market.

Top 10 FTG brands, UK turnover market share, 2019

- Tesco
- McDonald's
- Greggs
- Subway
- Sainsbury's
- M&S
- Co-op
- KFC
- Costa
- Pret A Manger
- Other



Brand	2018 FTG market share	2019 FTG market share
Tesco	6.5%	6.3%
McDonald's	4.0%	4.1%
Greggs	3.6%	4.0%
Subway	3.9%	3.8%
Sainsbury's	3.5%	3.5%
M&S	3.3%	3.3%
Co-op	2.8%	2.8%
KFC	2.0%	2.1%
Costa	1.9%	1.9%
Pret A Manger	1.7%	1.8%
Sub-total	33.2%	33.6%
Other	66.8%	66.4%

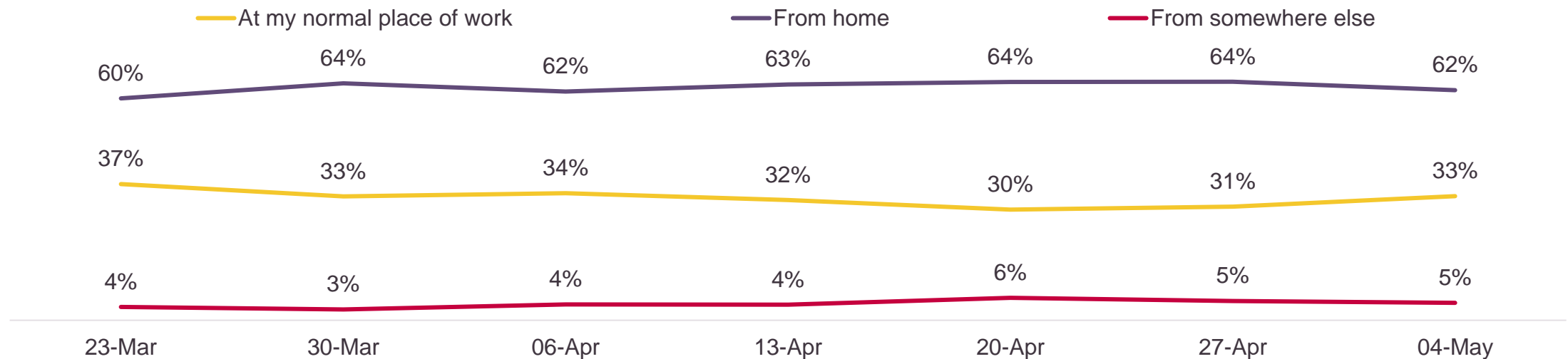
Foodservice brands, McDonald's, Greggs, KFC and Pret A Manger, have each grown share of the market in 2019. Greggs has seen the largest share growth at 0.4 percentage points to a 4% share of the total Food to Go market. Leading brand, Tesco, has seen its share of the FTG market decline in 2019, with negative turnover growth seeing its share decline 0.2pp.

Source: Lumina Intelligence, August 2020

HOME WORKING GREW SIGNIFICANTLY DURING LOCKDOWN

Home working peaked at 64% during lockdown.

Where are you currently working?

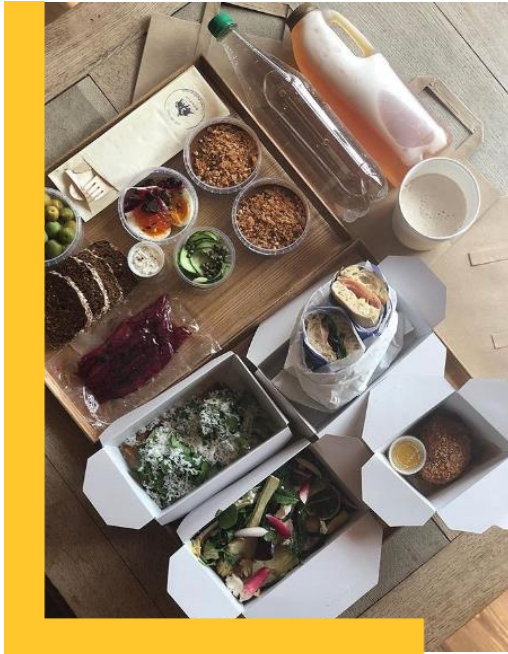


Homeworking has been one of the key lifestyle changes that has occurred as a result of lockdown. This has meant that previously bustling city centres in cities like London have experienced deflated footfall levels, having a direct impact on food to go as the lunch time trade is lost. Foodservice to-go outlets including Pret a Manger and Upper Crust owner SSP Group have announced staff redundancies as a result of the plunge in demand from commuters during lockdown.

PROCESS/OFFER ENHANCEMENTS: LOCKDOWN INNOVATION

During the Coronavirus lockdown, many innovative pub and restaurant operator's switched focus to offering consumers food and beverages to go.

The Bull and Last grab bag,
The Bull and Last, London



Coffee & pasty van,
Brunswick & Thorn, Worthing



Picnic baskets to-go,
Megan's Restaurants, London



Going forward, it is expected that food and drink to go, particularly breakfast products including pastries and coffee, will offer additional revenue streams to more effective operators.

Source: Lumina Intelligence, August 2020

Get in touch

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