

# UK Food To Go Market Report

2021

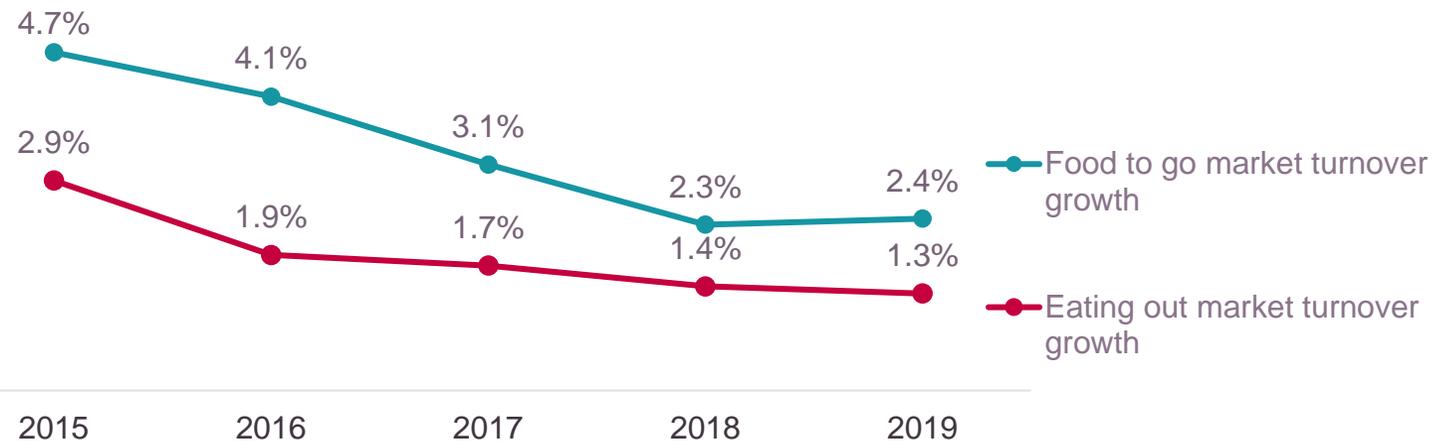
March 2021



# FOOD TO GO CONTINUES TO OUTPERFORM WIDER MARKET

Following a long term trend, food to go has grown its share of the total eating out market in 2020 and 2021 as decline for total eating out has exceeded that of food to go. Channels with a larger focus on food to go have been slightly more insulated to restrictions including dine-in closures than pubs and restaurants.

## Food to go and total eating out market growth, 2015-2019



## Food to go market share of total eating out market, 2015-2021F



Source: Lumina Intelligence, March 2021

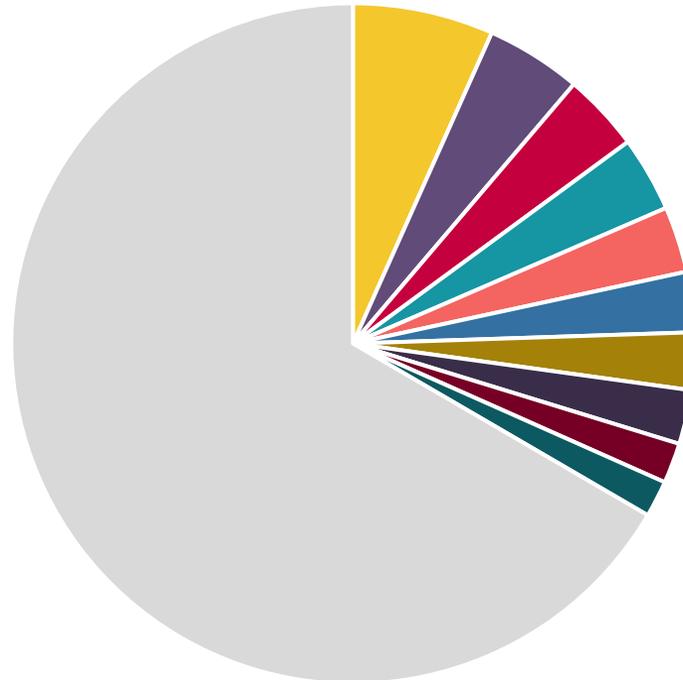
- Prior to the pandemic, food to go growth had been outperforming the total eating out market with less exposure to the challenge of declining footfall. Consumer demand for convenience at breakfast and lunchtime occasions has been a particular driver in recent years and is expected to return as movement restrictions are lifted.
- The food to go market is expected to recover to 72% of its pre-pandemic value in 2021 - a fuller recovery than the total eating out market. Key channels in the food to go market including convenience stores, sandwich & bakery and fast food are well positioned to bounce back from declines.

# THE TOP 10 FOOD TO GO BRANDS GROW MARKET SHARE

Four of the top 10 expanded their share of the food to go market in 2020, albeit a larger share of a considerably smaller market.

Top 10 FTG brands, UK turnover market share, 2020

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



Brand	2019 FTG market share	2020 FTG market share
Tesco	6.4%	6.4%
Greggs	4.0%	4.5% ↑
McDonald's	4.0%	4.0%
Sainsbury's	3.5%	3.6% ↑
M&S	3.3%	3.3%
Co-op	2.8%	2.9% ↑
Costa	2.0%	2.9% ↑
Subway	3.1%	2.6%
KFC	2.0%	1.9%
Premier	1.7%	1.7%
<b>Sub-total</b>	<b>33.0%</b>	<b>33.9%</b>
<b>Other</b>	<b>67.0%</b>	<b>66.1%</b>

Co-op and Sainsbury's benefitted from more variation in site locations with less exposure to city centres. Costa experienced a boost in food to go sales in 2020 with on-premise consumption severely limited and delivery sales marginal.

Source: Lumina Intelligence, March 2021

# EASE OF ORDERING AND DRINKS QUALITY ARE STRENGTHS

Ease of ordering presents one of the most successful factors of food to go in the last 4 months. Operators including McDonald's have continued investment in touchscreen and kiosk ordering and Greggs has continued work on the rewards app - both with the aim to further improve ease of ordering. Drinks quality is another highlight, driven by coffee, especially for independents. Atmosphere and environment satisfaction is expected to increase as restrictions lift.

Satisfaction Ratings (%)

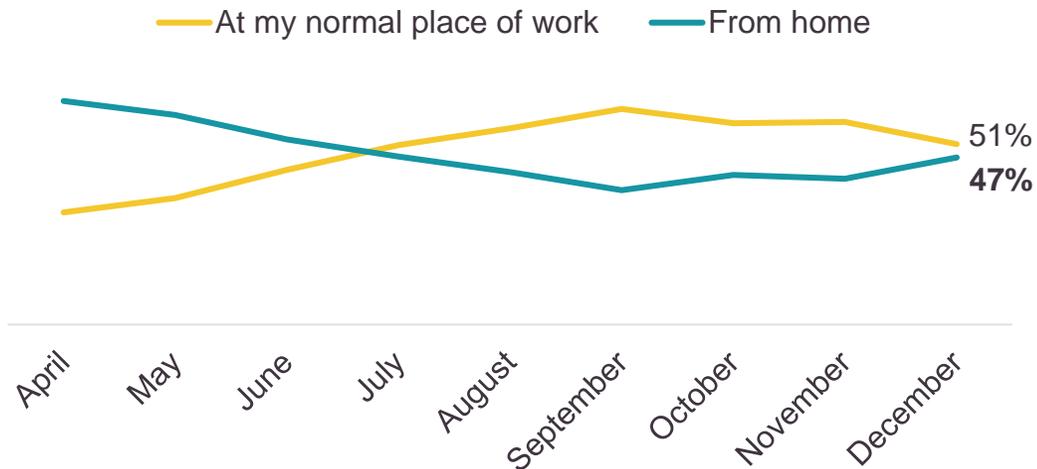
	Food to Go (Total)
Atmosphere/Environment	67%
Cleanliness	70%
Convenient Location	72%
Drink quality/Taste	73%
Ease of ordering	74%
Food quality/Taste	73%
Food/Drinks choice	71%
Freshness	73%
Speed of service	71%
Value for money	69%
Friendly service	71%
Overall experience	71%

Source: Lumina Intelligence Eating and Drinking Out Panel, 16 WE 21/02/2021

# WORKING FROM HOME DRIVES SHIFT TO FOOD TO 'GO HOME'

Reduced travel and working from home (where possible) has left city centres with severely reduced footfall and has changed consumers needs for the food to go occasion.

## Where are you currently working? April – December 2020



**30%** Have purchased food to-go and eaten it in their home since the start of 2020

**23%** Have purchased food to-go 'heat at home' options since the start of 2020

## Bought food to-go to 'heat at home' since the start of 2020, by age demographic

Study Total	18-24	25-34	35-44	45-54	55-64	65+
23%	24%	26%	27%	14%	18%	18%

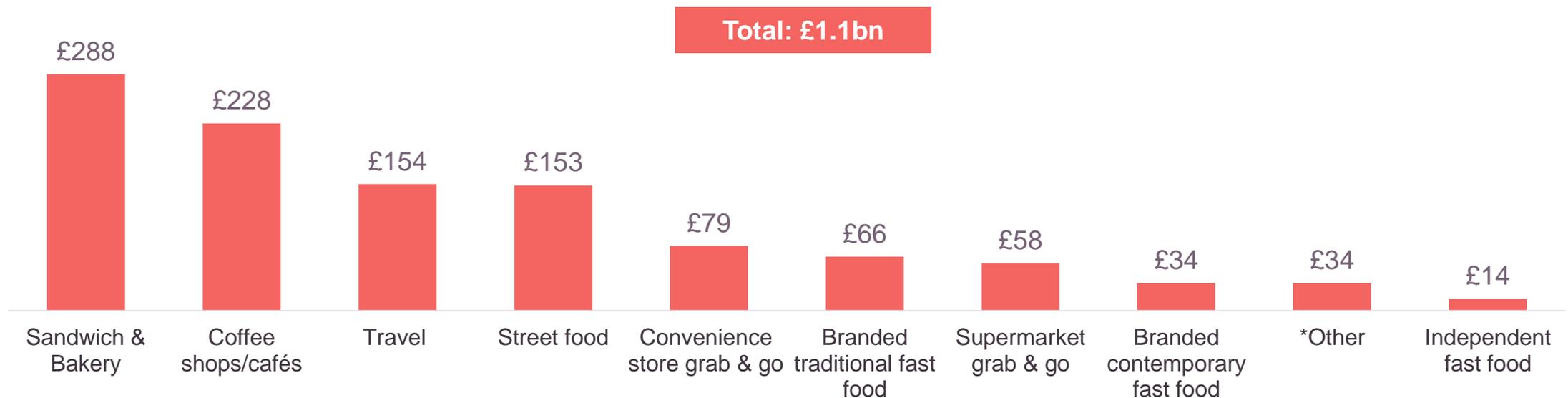
Increased time spent at home has changed the nature of food to go, which has been repositioned as food to 'go home' by some operators, tapping into the 30% of consumers who have brought food to go back to their home for consumption. Of course, not everyone is able to work from home and therefore the traditional food to go offer remains relevant, 'heat at home' instructions can be added to cover both bases, particularly in suburban locations where consumers working from home will be seeking solutions to ease 'lunch fatigue'.

Source: Lumina Intelligence Channel Pulse Tracker and Future of Convenience Bespoke Research, December 2020

# SIZE OF THE PRIZE FOR TOP FTG CHANNELS, 2022F-24F

A total sales growth opportunity of £1.1 billion is anticipated across the top 10 channels in 2022-2024. Sandwich & bakery and coffee shops/cafés channels are set to lead growth in absolute terms post pandemic, due to a lesser exposure to the impact of delivery and greater working from home, with a growing focus on drive-thru sites and a wide physical presence in the regions as well as city centres.

Top 10 food to go channels ranked by absolute growth in £ millions, 2022F-2024F



Whilst convenience store grab & go remains the largest FTG channel, it's contribution to growth is set to be less than previous years as the channel comes under increased pressure to compete with dedicated food to go specialists who have stronger food quality and freshness credentials.

\* 'Other FTG' includes FTG spend from pubs, hotels, leisure, supermarket/department store/Garden Centre cafés and contract catering.

Source: Lumina Intelligence, March 2021

# Get in touch

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