WilliamReed.

# UK Food To Go Market Report 2022

March 2022

Lumina Intelligence

# FOOD TO GO MARKET DEVELOPMENTS: LEGISLATION

**Food to go market suppliers and operators are facing several economic and legislative challenges as government support is altered.**

## Government support

- The rent moratorium, currently protecting commercial tenants from evictions due to unpaid rent is to be phased out in April 2022.

## Business costs

- The National Minimum Wage will increase by +6.6% from April 2022, following three increases from 2019, putting more pressure on operators already feeling the financial strain.
- The government announced in the Spring budget that the current 12% VAT rate will be increased back up to its original 20% from April 2022.

## Obesity Legislation

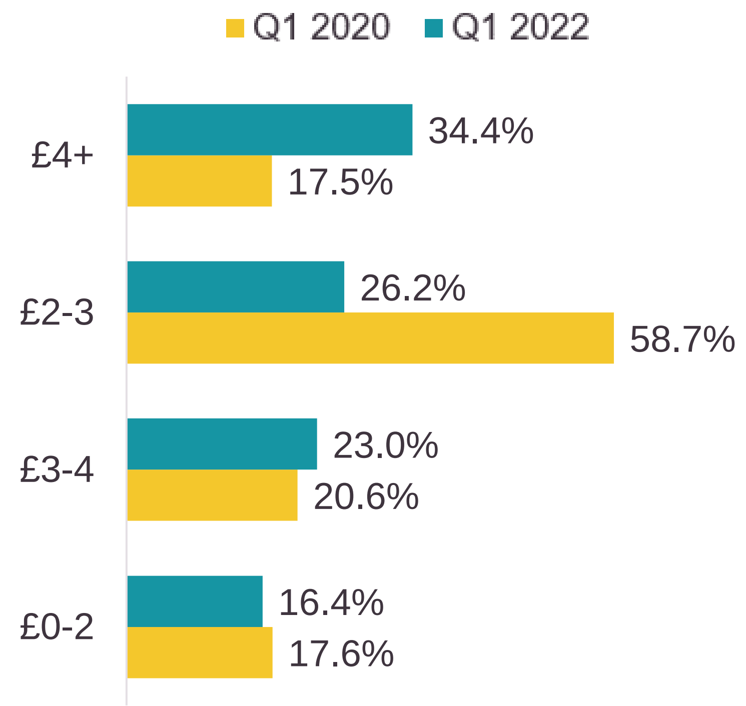
- **Mandatory calorie labelling** at the point of sale for businesses with over 250 employees will come into force from **April 2022**.
- The legislation covers **non-prepacked food or drinks** for immediate consumption, including restaurants, fast food, cafés, pubs and more.
- The government has confirmed that proposed legislation which would see a ban on **HFSS products** being placed at store entrances, aisle ends or within two metres of a till in stores over 2,000 square feet, will come into force from **October 2022**.
- This proposal is especially relevant to the food to go market with snacking occasions in convenience stores making up a notable proportion of the industry.

Source: Lumina Intelligence, March 2022

# PREMIUM PRODUCTS LEAD FOOD TO GO NPD

**Brands have nearly doubled new offerings over £4 since 2020.** Items with a higher price point tend to be lighter; nine out of the top ten most expensive new items feature healthy ingredients, and four out of the top ten are vegan, focusing on driving higher spend per head.

**Share of New Products by Price, Q1 2022 vs Q1 2020**




Vegan Xalmon Harmony Set, Wasabi, (£9.25)

Meatless Meatball & Feta Hot Rice Bowl, Pret A Manger, (£6.25)

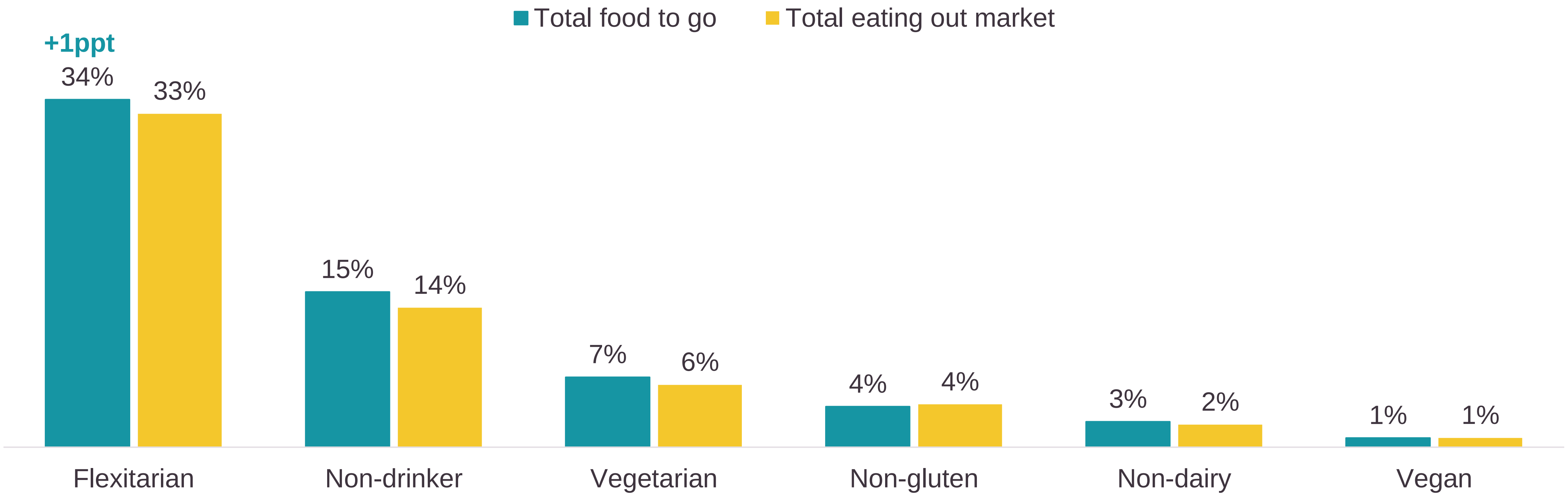
Rainbow Salad, Leon, (£6.95)

Source: Lumina Intelligence, March 2022

# FTG CONSUMERS OVER-INDEX IN DIETARY REQUIREMENTS

**Over a third (34%) of food to go consumers describe themselves as flexitarian, and this has increased by +1ppts in the 12 WE 30.01.22.** Food to go consumers are also more likely to be non-drinkers, vegetarian and non-dairy, highlighting the importance of operators catering to these needs across new product development and proposition.

**Dietary requirements of total food to go vs total eating out market consumers, 12 WE 30.01.22 vs 12 WE 07.11.21**




Source: Lumina Intelligence Eating & Drinking Out Panel, 12 WE 30.01.22

# FOOD TO GO CONSUMERS OVER INDEX IN HEALTH VALUES

**Food to go consumers are +6% more likely to align with health-led values than the average eating and drinking out consumer.** Operators across the breadth of the market are continuing to focus health messaging around key elements including vitamins, plant-based items and fruit and vegetable components.

### Health Conscious

- Focuses on a balanced and nutritious diet
- Has an active lifestyle

**Food to go consumers +6% more likely to align with health-led values**

**Leon** is targeting health-conscious home workers with the launch of a range of "plant-rich" soups and salads into Sainsbury's. They are vegan and gluten-free, weigh in at under 300 calories and provide two of the five a day.

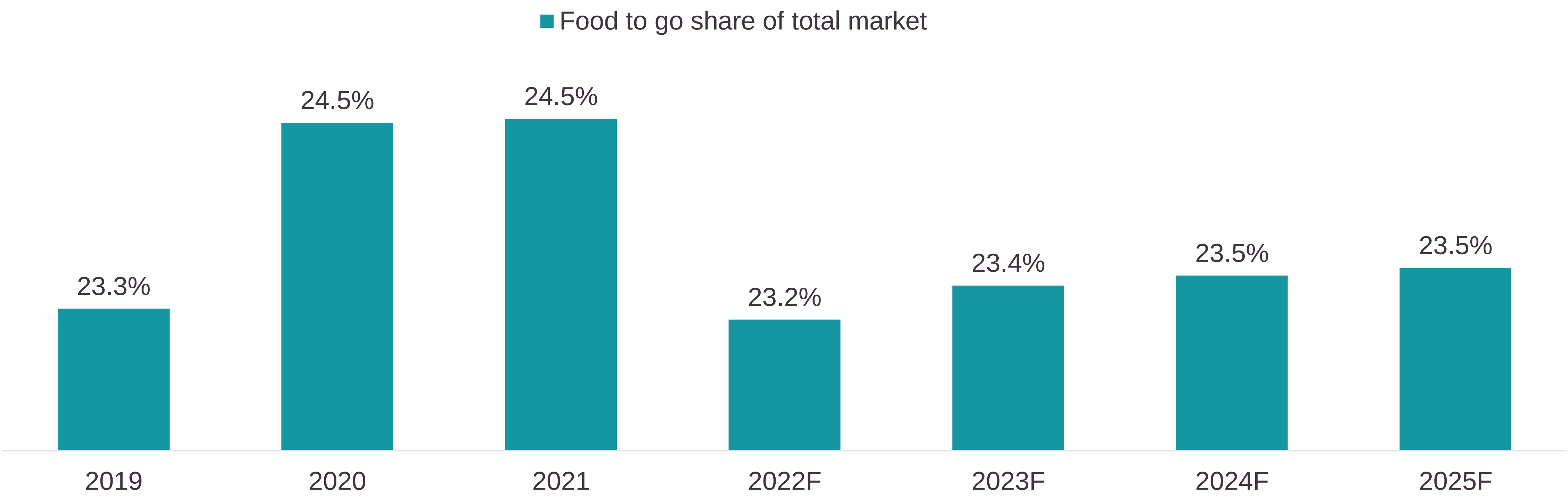


Independent lunch-focused operator, with messaging around protein and vegetables.

Source: Lumina Intelligence Eating & Drinking Out Panel, February 2022

# FOOD TO GO SHARE OF TOTAL MARKET EXPECTED TO GROW

**Food to go is expected to hold a 23.5% total market share in 2025F.** Whilst food to go share of the total eating out was inflated in 2020 and 2021, the market is expected to continue its pre-pandemic trend of growing its share of the total eating out a market from 2022-25. Key drivers of food to go including physical expansion, day-part availability and more transient lifestyles are expected to endure.




Source: Lumina Intelligence, March 2022

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