

UK Food To Go Market Report 2023

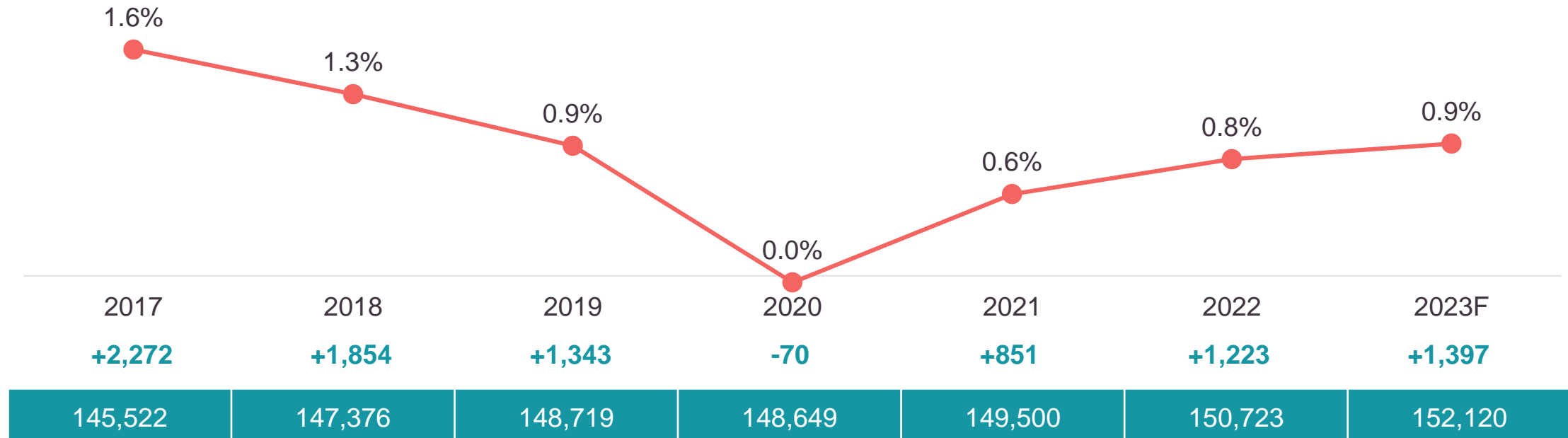
February 2023



FOOD TO GO MARKET CONTINUES TO EXPAND BY OUTLETS

The UK food to go market is set to see a net increase of +1,397 sites in 2023F, led by retail segments. Leading operators in the food to go market including Greggs, Pret A Manger and McDonald's are continuing to expand outlets, targeting more drive-thru, travel hub and high street locations.

UK Food to go market outlet growth rate, with absolute outlet numbers and absolute outlet growth, 2017-2023F



Note: Food To Go outlets defined as total outlets of Eating Out segments where FTG sales make up 10%+ of turnover, including: branded traditional and contemporary fast food, independent fast food, coffee shops, sandwich/bakery, supermarkets, c-stores, supermarket cafes and department store/garden centre cafes, roadside & MSA, airports, railway & train stations, boat/ferry cruises & ports, petrol forecourts, street food & mobile street vans, event & mobile catering & contract catering

Source: Lumina Intelligence, February 2023

EXPANDING OPERATORS ARE DIVERSIFYING ESTATES

Key trends present in brand strategies include exploring opportunities in drive-thru and travel hub sites, franchise operation models as well as technology and digitalisation.

Drive-thru & travel hub

Greggs has announced that it is exploring opening **24-hour drive-thru** sites, as evening is its fastest growing day-part. It is also trialling stores at select **supermarket locations** as well as opening a site in London's Gatwick airport.



Franchise model expansion

Co-op's franchise operation is the focus of site growth as this model is light on capital investment. The operator hopes to grow the franchise estate to 150 stores within three years.



Technology & digitalisation

Premier has started a technology drive, trialling features including **self-scan checkout** and a **QR code** for shoppers to access **promotional deals** in the place of printed leaflets.



Source: Lumina Intelligence, February 2023

COST OF LIVING LEADS CONSUMERS TO PRIORITISE VALUE

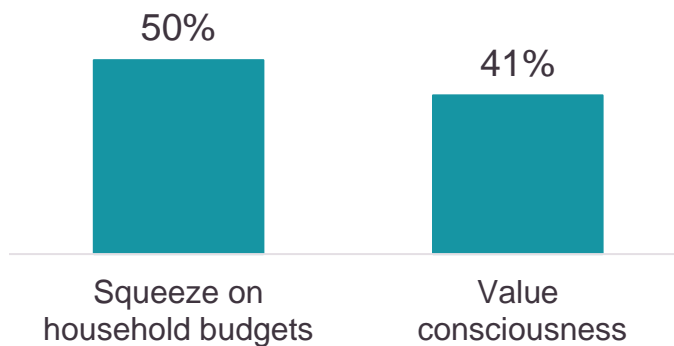


VALUE SCRUTINY

76%

food to go consumers are
Very Value Conscious
+3ppts YoY

What are the most important long-term consumer trends impacting the F&B industry? (Top 2)



The cost of living crisis has led consumers to be increasingly value-conscious and prioritise cost above other credentials. A proportion of consumers are already limiting discretionary spending due to the weak economic outlook, so operators will need to ensure value is at the core of their offer to remain competitive and relevant.



Pret a Manger is expanding its **value and range**. The new 'Made Simple' range starts at £2.99 and comes alongside the launch of a new January **meal deal offer** to help customers with the cost of living.

Leon has announced it is launching a hot food meal deal of £3.99 for a rice pot and drink to **enhance its value for money credentials**.

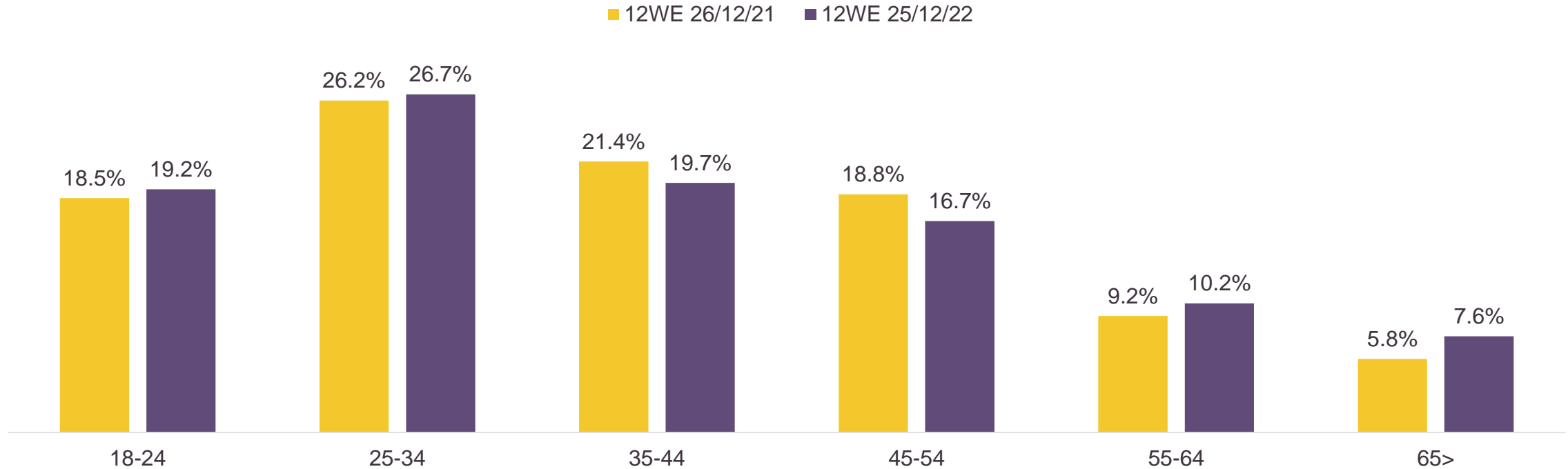


Source: Lumina Intelligence Top of Mind Report, Food to Go Report, data collected 52WE 25/12/22, MCA, The Grocer, February 2023

GREAT RESIGNATION DRIVES DECLINE IN 45-54 FTG SHARE

Consumers aged 45-54 have seen a -2.1ppt decline in food to go occasion share year-on-year, with over 50's increasingly opting to leave the workforce in what has been dubbed the 'great resignation'.

Sub-channel share of food to go occasions, by day-parts

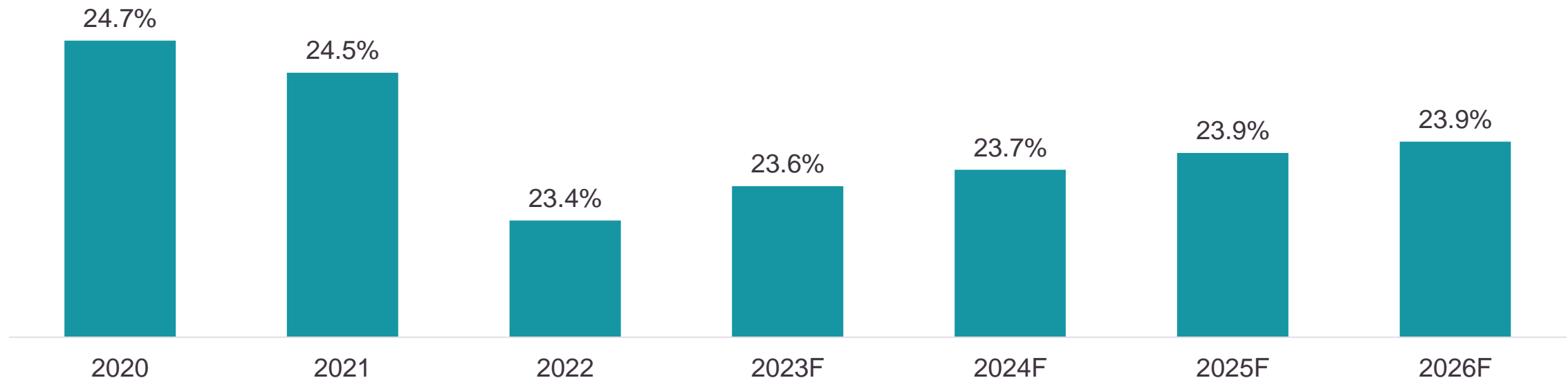


Source: Lumina Intelligence Eating and Drinking Out Panel, data collected 12WE 26/12/21 and 12WE 25/12/22

FOOD TO GO SHARE OF TOTAL MARKET EXPECTED TO GROW

Food to go expected to hold a 23.9% total market share in 2026F. The food to go market is expected to outpace growth seen in the wider eating out market fuelling share growth. Key drivers include further physical expansion of key food to go players, broadening availability across different day-parts and omnichannel propositions whilst transient lifestyles are set to endure.

Food to go market share of total eating out market, 2020-2026F



Source: Lumina Intelligence, February 2023

FULL REPORT TABLE OF CONTENTS

Executive Summary

High Inflation & Footfall Recovery driving FTG growth

Food to go faces a challenging economic outlook

Consumer confidence remains near historic lows

UK Eating Out market landscape, 2023F

UK Food to go market landscape, 2023F

Food to go forecast to see growth of +4.1% in 2023

Food to go developments: Legislation & Policy

Food to go market continues to expand by outlets

Food to go turnover by key channels, 2019-2023F

Channel share of food to go market, 2017-2023F

FTG Forecast to continue to grow its market share

Food to go market drivers, 2023F

Food to go market Inhibitors, 2023F

Factors Impacting Food to go: Travel

FTG operators target flexitarian and hybrid working trends

FULL REPORT TABLE OF CONTENTS

Leading players re-align with consumer needs

New product development analysis – Methodology

Majority of meal deal prices remain unchanged

Cost of living rise impacts appetite for FTG

FTG penetration fluctuates in line with the total market

Penetration increases while frequency decreases

Food to go lost share of total occasions in 2022

Office returns drive an increase in lunch to go

Consumers are increasingly turning to inexpensive retail

Bakeries are key for food to go

Great Resignation drives decline in 45-54 FTG share

London over-indexes in food to go

Food to go consumers are more likely to live with family

Reasons for choosing outlets reflect shifts towards value

Costa is losing share as drink frequency declines

Routine food to go purchases are declining

FULL REPORT TABLE OF CONTENTS

Consumers reducing routine breakfast purchases

Treat missions decline at lunch

Cooking fatigue is declining for dinner to go purchases

Increase in snack purchases while travelling

Out and about drinks purchases are declining

Rise in promotions driving outlet choices

More consumers are choosing to buy food only

Flexitarian options are key for food to go

Consumers turn to inexpensive dish options

Consumers are looking to new options at breakfast

Sandwiches remain key for food to go lunch occasions

Chips and burgers remain most popular dinner choices

Pastries are increasingly purchased at snack occasions

Purchases of coffee return to pre pandemic levels

Decline in coffee purchases with breakfast and snack

Consumers are increasingly opting for water at lunch

FULL REPORT TABLE OF CONTENTS

Consumers are increasingly satisfied with packaging

Health and value scrutiny are major consumer focuses in 2022

Food to go to grow by +£1.7 billion from 2022F-2025F

Methodology

Terminology

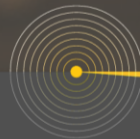
THE TRUSTED SOURCE FOR FOOD, DRINK AND NUTRITION MARKET INSIGHT SOLUTIONS

The experts in
market and
consumer insight
across the food,
drink and nutrition
markets

Deep actionable
insights, powered
by the world's best
analytics
technology

Every measure of
consumer and
shopper
behaviour, from
planning a shop to
choosing where to
eat or drink

Part of William
Reed, providing
inspiration, insight
and connections to
power the global
food & drink
industry



Get in touch

For further information about this report please contact:

Holly.franklin@lumina-intelligence.com

