Food To Go Webinar

For Healthy Food &
Drink Products

Interreg Atlantic Area

EUROPEAN UNION

AHFES

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1. Food To Go - Definition

Food-to-go is defined as products that are ordered or bought at a counter and delivered with minimum customer service.

The product will be a portable single portion, designed for out-of-home consumption and not served on a plate, the packaging will usually be disposable.

The food will not require cooking but may be re-heated or assembled. Food bought in this way is intended to be consumed soon after purchase.


CLEAN, BALANCED & PORTION CONTROLLED
HEALTHY EATING MADE EASY
Karri KITCHEN
#AmazinAsian
NUTRI LEAN
MIXED MELON
FRESH For You
£1.79
2 FOR £4.50
QUAKER
OAT SO SIMPLE
Original
FLAHAVANS
Quick Oats
PORRIDGE TO GO
Irish Oaty FLAPJACKS
CHOC CHIP
ORIGINAL
£1.15
95p
Italian Style Chicken Wrap
DELI LITES
Hand made
£3.89
South West Chicken
Buffalo Chicken
Chicken Tikka
Coriander & Chilli Pasta
£1.99

Lifestyle Food

Time is becoming a scarce resource.

People allocate less time to chores and more time to keep-fit, hobbies, socialising and fun.

Therefore in food retail they provide convenient meal solutions to directly address this trend.

In doing so the food-to-go industry also appears to have been boosted by this movement.

Availability is a key driver –

Food-to-Food-to-go is more available than it ever has been

Convenience – aiming to be a problem solver

Boundaries between core site activity and food-to-go are becoming blurred.

Examples include expansion into non-traditional locations such as petrol station forecourts, hospitals and colleges.

This is aimed at those who are seeking food that can be obtained conveniently while they are juggling other commitments.

Healthy option

Some consumers are being encouraged in to the category by the rising number of healthy options that are now available.

Consumer trends towards trying to eat more healthily.

With increased awareness of the effect that your diet can have on your overall wellbeing have recently been growing.

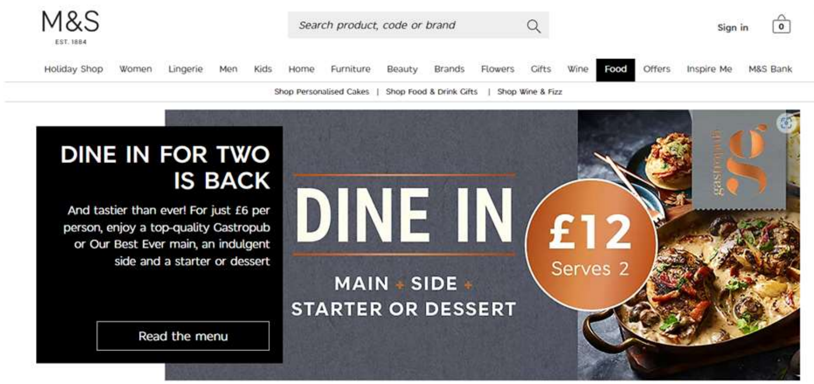
Opportunity

A wide range of food manufactures are responding to changes in the way that consumers want to eat.

Breakfast solutions

Ready meals

Evening meal



The ultimate night in for only £12

Overview
The current market postion

Information taken from Lumina Intelligence
UK Food to Go Market report 2022

**Don’t stop,
just buy different**

In time of economic difficulty people tend to trade down.

Instead of going to a restaurant they buy In.

Instead of buying in they buy prepared meals.

We all still want a treat, its just the profile of the treat changes.

There are growing opportunities to drive spending on food to go through more premium products.
The low ticket nature of food to go means that the segment is well placed to retain consumer spending amid heightened financial pressures.

Operators can position food to go as a more affordable eating out occasion with consumers spending an average -47% less than a restaurant or hot food bar alternative.

<u>Food to go offers a cost effective alternative to an eating out occasion</u>

There is an opportunity to grow spending through premiumisation with consumers purchasing food to go as a treat increasing at breakfast, dinner and snack occasions.

The **<u>habitual and convenience-led</u>** nature of food to go is becoming more pronounced as UK approaches normality

Key Findings on the demand

Consumer demand for **healthier and international** products have led to growth	The average price of a meal deal has **increased by +5.5%** to £4.12 in Q1 2022	**New Product Development** aligned with consumer trends will drive future growth.
Food to go consumers are +6% **more aligned to health values** compared to the total eating out market	Operators need to **promote** key elements including **calorie counts and five a day** claims.	New **mandatory calorie labelling** are expected to further boost consumer awareness of the healthiness of food

Feeding the lifestyle changes

Was out and about' and 'its part of my routine' increased as reasons for an FTG mission in the last 12 weeks.

UK FOOD TO GO MARKET LANDSCAPE, 2022F

The UK food to go market is expected to increase to a value of £21.3 billion in 2022, over 100% of its 2019 value.

FOOD TO GO MARKET 2022F: £21.3BN (+31.9%) OUTLETS: 151,094 (+1.0%)

RETAL FTG
£12.3BN (+23.7%)

Coffee shops & Cafés	£1.7bn
Sandwich & Bakery	£3.2bn
Supermarket grab & go	£1.1bn
C-store grab & go	£6.0bn
Supermarket cafés	£62m
Dept store, Garden centres, DIY cafés	£95m

RESTAURANTS FTG
£6.4BN (+52.5%)

SERVICE-LED

- Branded/casual £138m
- Independent £849m

FAST FOOD

- Branded traditional £1.7bn
- Branded delivery £139m
- Branded contemporary £700m
- Independent £1.8bn
- Street food/Mobile vans £1.1m

TRAVEL FTG
£1.8BN (+25.8%)

Railway stations	£703m
Petrol forecourts	£993m
Roadside & MSA	£50m
Airports	£42m

OTHER FTG
£0.9BN (+40.4%)

FTG spend from pubs, hotels, leisure and contract catering

Source: Lumina Intelligence, March 2022

The retail market is 58% of the food to go sector. Supermarkets and Convenience stores are 33% on their own

FOOD TO GO MARKET DRIVERS

New product development broadening appeal and driving repeat visits

Consumer shift to lower ticket meal solutions as a more affordable eating out experience

More hot, fresh and healthier options broadening day-part appeal and justifying higher price points

FOOD TO GO
MARKET INHIBITORS

Mandatory calorie counts

adding expense to the production

Slow response to changes in consumer tastes and preferences especially for quality and freshness

Undifferentiated propositions losing out to more specialised and higher quality alternatives

Increased price sensitivity due to inflation and soaring living costs

All-day items make up 63.9% of the new product launches as manufactures focus on widening appeal across a variety of occasions.

All-day NPD has grown notably since 2020.

Fewer lunch-specific items have launched since 2020, with brands targeting wider appeal across different types of occasions rather than focusing on structured day-parts.

All DAY 64%

Lunch 19%

Snack 15%

Breakfast 2%

Operators can position food to go as a more affordable treat as the cost-of-living crisis worsens, with average FTG spend -47% less than total for eating out.

PREMIUM PRODUCTS LEAD FOOD TO GO NPD

£4+ 34%

£2-3 26%

£3-4 23%

£0-2 16%

VEGAN AND HEALTHY TRENDS DOMINATE NEW PRODUCTS

Almost half of new products are vegan or feature healthy ingredients.

Brands are targeting consumer trends of lighter eating, conscious meat consumption and flexitarianism, which have proliferated since the pandemic.

There has been a move away from traditional products in favour of broadening offerings of cuisines from around the world.

Vegan 48%   Healthy 46%

ALMOST A FIFTH OF NEW PRODUCTS ARE LOW CALORIE OR GLUTEN FREE

NEW DRINKS ARE POLARISED BETWEEN HEALTHY AND INDULGENT ITEMS

50% Half of the new drinks feature no added sugar.
This is in line with the trend of healthy and conscious consumption.

Spend has increased at breakfast for drinks, with more treat-led missions fuelling an opportunity to drive spend per head through premium products.

The majority of new drinks within food to go are priced at over £4.00.

Consumer profile

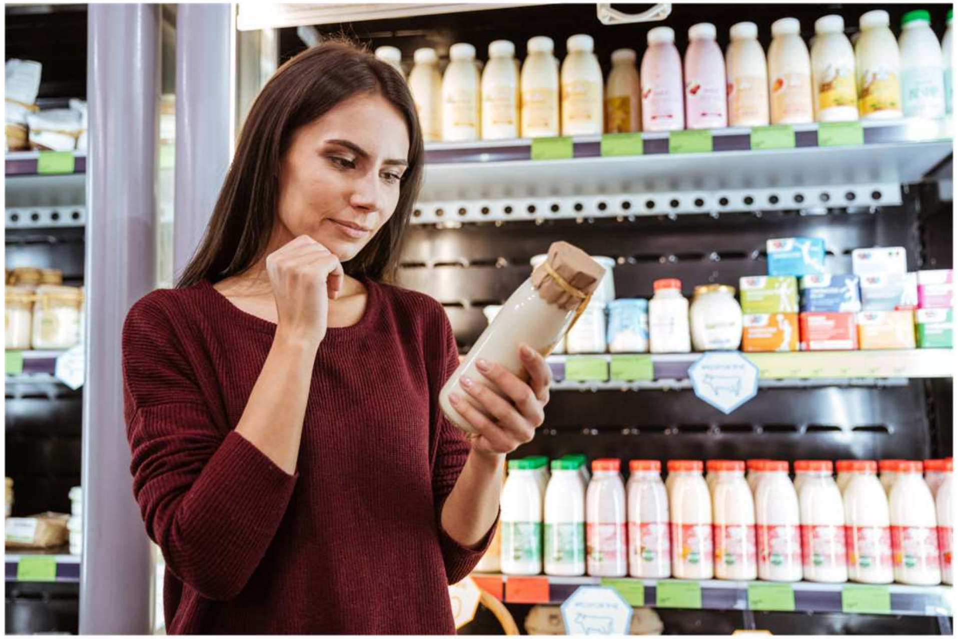
FAMILIES ARE MORE LIKELY TO PURCHASE FOOD TO GO

Food to go is skewed towards younger, female and more affluent consumers.

Food to go consumers are younger than the average total foodservice participant.

With 18-44s accounting for almost two thirds (64%) of the food to go market, vs. 44% in the total market.

Younger consumers have grown their share of the market in the latest 12 weeks.



Consumer profile

Higher consumer spends at breakfast occasions through

positioning as an affordable way to enjoy eating out.

Was out and about' accounts for over 1 in 5 food to go snack missions.

Food to go spend will be more sheltered from consumer budgetary constraints as the channel is more habitual in nature.

A Treat

Treat increased highlighting an opportunity for operators to tempt consumers to purchase more premium products.

Treat has increased at dinner as consumers seek affordable convenience

Value still a key driver

The cost of living is rising and the economic impact of the pandemic has already put a financial strain on consumer budgets, impacting discretionary spend.

Its worth noting that Value for money drives 26% of consumer choice.

I would make a difference between the term value and the term cheap.

They can mean different things

Mega Trends

- CONVENIENCE
- CUSTOMISATION
- EXPERIENTIAL
- HEALTHIER EATING
- INDULGENCE
- QUALITY-LED
- SUSTAINABILITY
- VALUE SCRUTINY

We hope that you have found this training module a useful and helpful support to your healthy food and drink innovation.

This training module is one of a number of training opportunities, organised into themed training programmes to support SME's (small & medium sized enterprises) in the participating regions of Wales, Northern Ireland, Ireland, Spain, Portugal and France to successfully bring new and reformulated healthy food and drink products to market.

The training was created by the partners within the AHFES project which is a quadruple helix Atlantic area healthy food eco-system for the growth of SME's funded by the European Union under the Interreg Atlantic Area Funding Programme.

This programme promotes transnational cooperation among 36 Atlantic regions of 5 European countries and co-finances cooperation projects in the fields of Innovation & Competitiveness, Resource Efficiency, Territorial Risks Management, Biodiversity and Natural & Cultural Assets.

For more information about other training available please click here.

This project is co-financed by the European Regional Development Fund through the Interreg Atlantic Area Programme

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