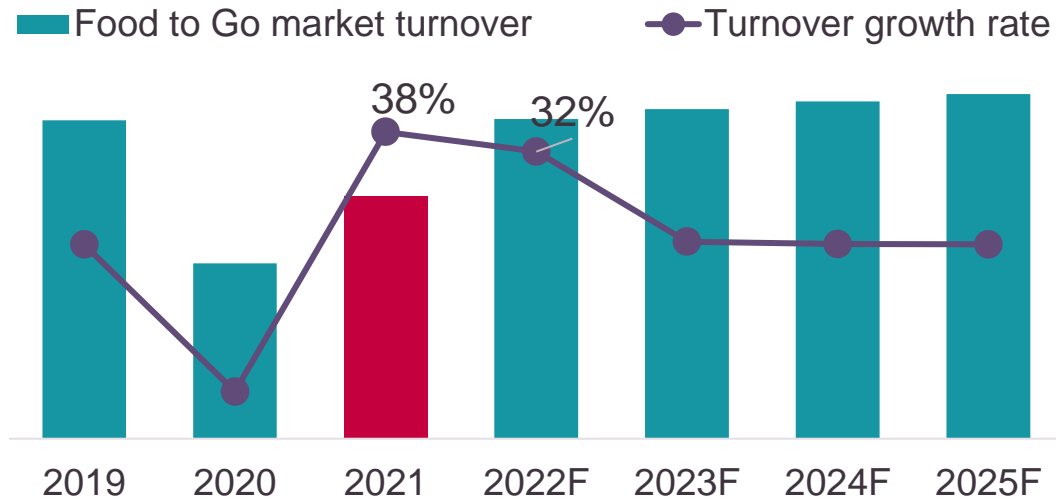


Three drivers behind food to go recovery in 2022

Whitepaper – April 2022



FOOD TO GO MARKET SET TO VALUE £23.0 BILLION IN 2025



The UK food to go market grew +38% in 2021 - recovering to 76% of its 2019 market value. This follows a steep decline in 2020, as a result of the coronavirus pandemic.

Restricted movement and travel across the first six months of 2021 hampered food to go market recovery.

In order to mitigate challenges, operators have adapted location strategies, site formats and product ranges to align with consumer.

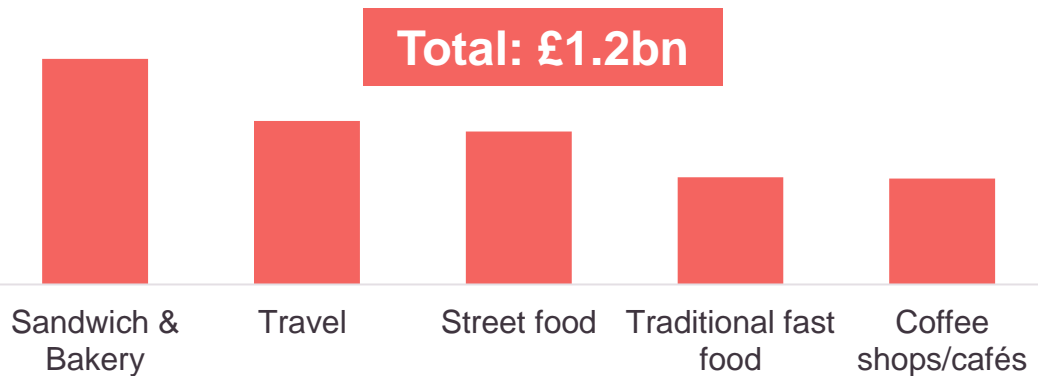
In 2022, food to go recovery continues, with the market expected to grow a further +32%, which sees it match and exceed its 2019 pre-pandemic value – reaching a value of £21.3bn. Beyond 2022, food to go growth is set to stabilise, with the market reaching a value of £23bn in 2025.

Read this whitepaper, as we share data and insight from our new [UK Food To Go Market Report 2022](#) on the following three factors driving recovery for the UK food to go market:

1. Greater movement of people
2. Consumers becoming more value conscious
3. The adoption of technology to drive convenience

SIZE OF THE PRIZE FOR TOP FTG CHANNELS, 2022F-2025F

Top 5 food to go channels ranked by absolute growth in £ millions, 2022F-2025F



The future of food to go is strong, with the market expected to grow to £23.0 billion in 2025 - CAGR is set to stabilise at 2.5% from 2022-2025.

The habitual and low ticket nature of food to go means that the channel is well placed for growth as the UK emerges from the pandemic and cost of living crisis from 2023.

The food to go market will see outlet growth of +1.2% in 2025, which represents the highest growth rate in over six years. Following a period of constrained growth, the food to

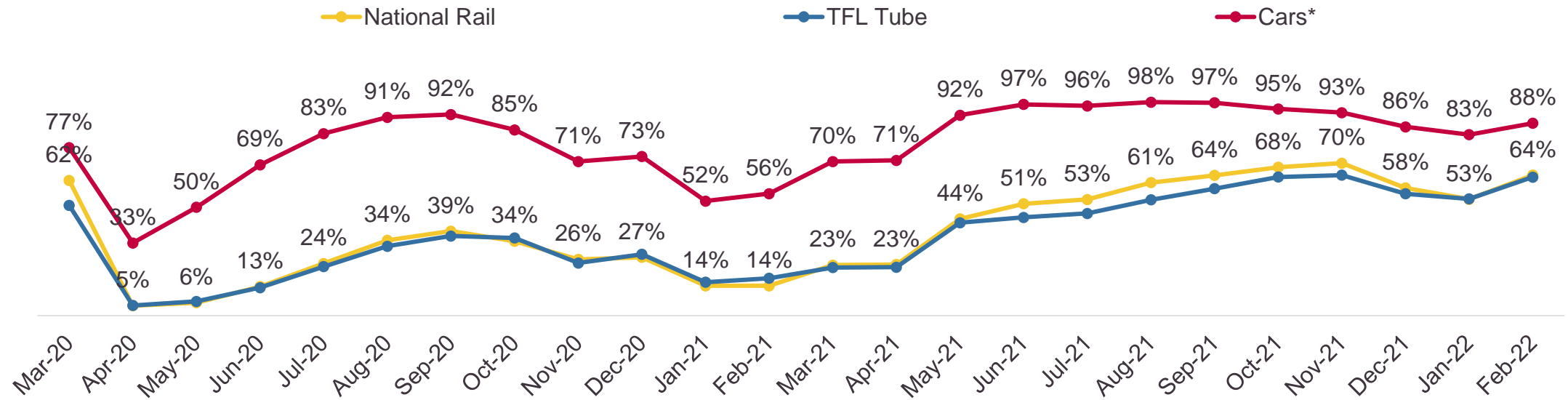
go market is expected to return to its pre pandemic outlet growth rate from 2024.

A total sales growth opportunity of £1.2 billion is anticipated across the top 5 channels in 2022-2025. Sandwich and bakery outlets are set to lead growth in absolute terms post pandemic, with lesser exposure to the impact of greater working from home through a growing focus on expanding out of town drive thru sites and a wide physical presence in the regions as well as city centres.

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 UK Food To Go Market Report 2022

1: MOVEMENT OF PEOPLE CONTINUES TO RECOVER



Restricted travel and guidance to work from home caused significant challenges to food to go operators, particularly those located in travel hubs and city centres. We are now seeing train and car travel slowly return to pre-pandemic levels.

Tube and rail travel remains subdued, but continues to grow. However, car usage is strong versus pre-pandemic. This prompts location opportunities for food to go operators with suburban, drive-thru and roadside/motorway services key prospects operators looking to grow in 2022. Rail and tube travel remains dampened by reduced tourism. Visits to the UK from overseas residents declined by 89% in Q3 2021 when compared with Q3 2019.

Source: Department For Travel Statistics, year-on-year comparisons with % of equivalent month in the previous year, use of transport, data to 21/02/2022

*Cars data compares February 2020 instead of year-on-year data

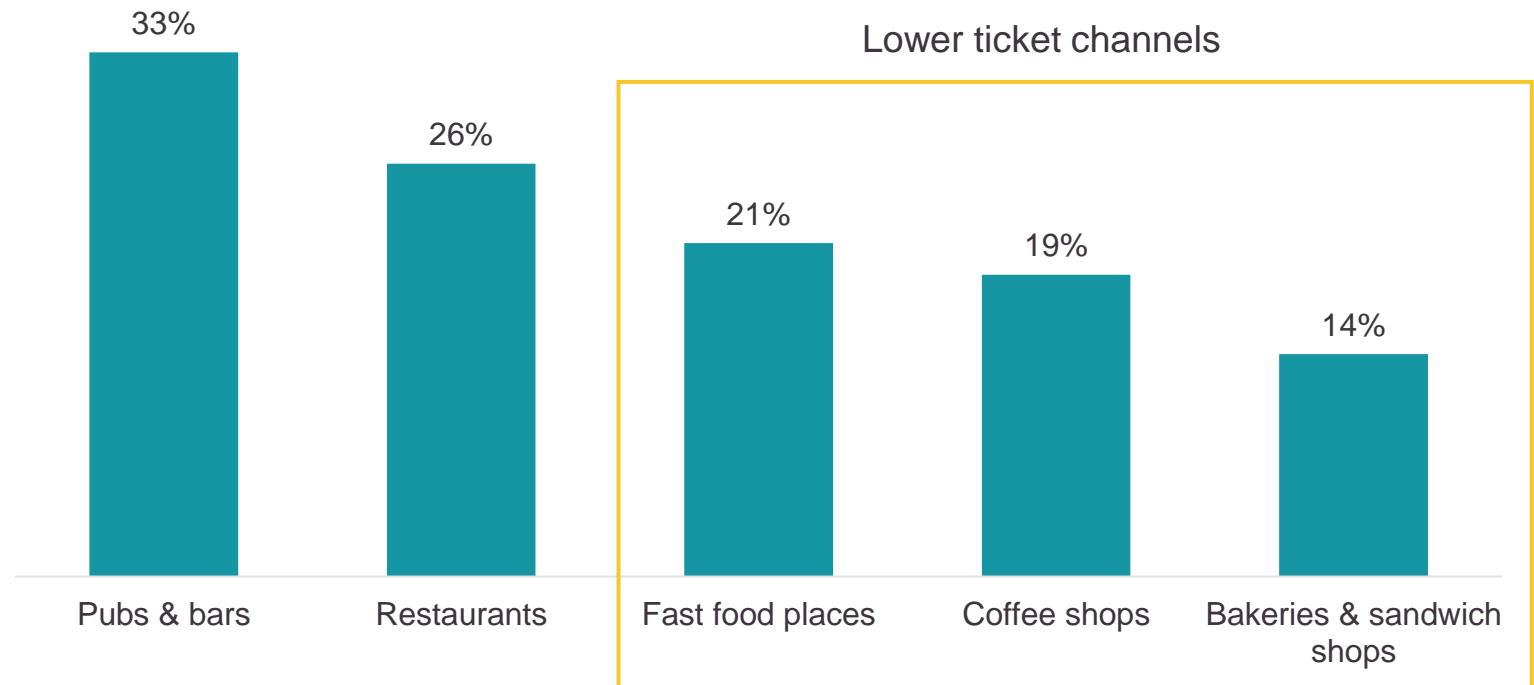
2: LOW PRICE ATTRACTS VALUE CONSCIOUS CONSUMERS

A proportion of consumers will be limiting discretionary spending as a result of the economic impact of the pandemic and rising costs. Food to go spend is protected to an extent with consumers planning to visit higher spend channels less and reduce spending on food to go focused channels to a lesser degree.



Costa Coffee has developed a range of meal deal options to enhance its value for money credentials.

Channels in order of which consumers think they will be visiting LESS



Source: Lumina Intelligence UK Food To Go Market Report 2022

MEAL DEALS A CRUCIAL TOOL TO BOOST VALUE CREDENTIALS

Meal deal innovation across breakfast and lunch day-parts is improving operator value for money credentials and will encourage consumer spend.

72%

of consumers use promotional offers when eating and drinking out of home, at least sometimes

“it’s good value for money”

Is the second most common reason for a consumer to choose a venue/delivery operator, driving 26% of occasions



Abokado's breakfast deal includes three different types of breakfast items.

Greggs' has a range of meal deals competitively priced for under £4.



LEON breakfast meal deal includes a muffin or pot for under £5.

3: TECH DRIVES CONVENIENCE AND SATISFACTION

Top 5 long-term consumer trends from perspective of food and drink business leaders



Use of internet/mobile tech/apps



Demand for home delivery



Changing needs of young consumers



Rising vegetarianism and veganism



Demand for food to go

Convenience-related trends feature heavily in the most important long term consumer trends impacting the industry, from the perspective of business leaders.

Convenience is at the heart of food to go. It's quick, easy to find, simple to eat, tasty and operators are using tech to increase efficiency. Netflix, Amazon Prime, Spotify and many more have all contributed to a generation of consumers that expect instant gratification, which, to a certain extent, is what they expect from UK food and drink operators too.

Many operators are now using digital ordering and payment solutions, whether that be via kiosk, an app or through one of the foodservice delivery aggregators, for example the introduction of cashierless grocery stores from Amazon, Sainsbury's and Aldi.

This is evident when analysing the satisfaction ratings of FTG consumers. Ease of ordering is the area where FTG consumers are most satisfied, whereas atmosphere/environment is the lowest ranked.

DIGITAL AND PARTNERSHIPS ARE DRIVING CONVENIENCE



Amazon and Sainsbury's are enhancing convenience for tech-savvy shoppers through their till-less stores, which Tesco has also invested in too. Amazon's food-to-go meal deal offer is comparable to other supermarkets - purchasing a main enables you to get a snack plus drink for £1 extra.



Delivery continues to be an investment for food-to-go brands to serve customers wherever they are. **HOP Vietnamese** is available on Deliveroo, Uber Eats and Just Eat.



Partnerships have been a growing area of convenience. In November 2021, **M&S Food** announced it was partnering with **Costa Coffee** to sell its food in the coffee chain's franchise stores from early 2022.

Get in touch

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