KANTAR

Overview of the total food and drink landscape in Scotland

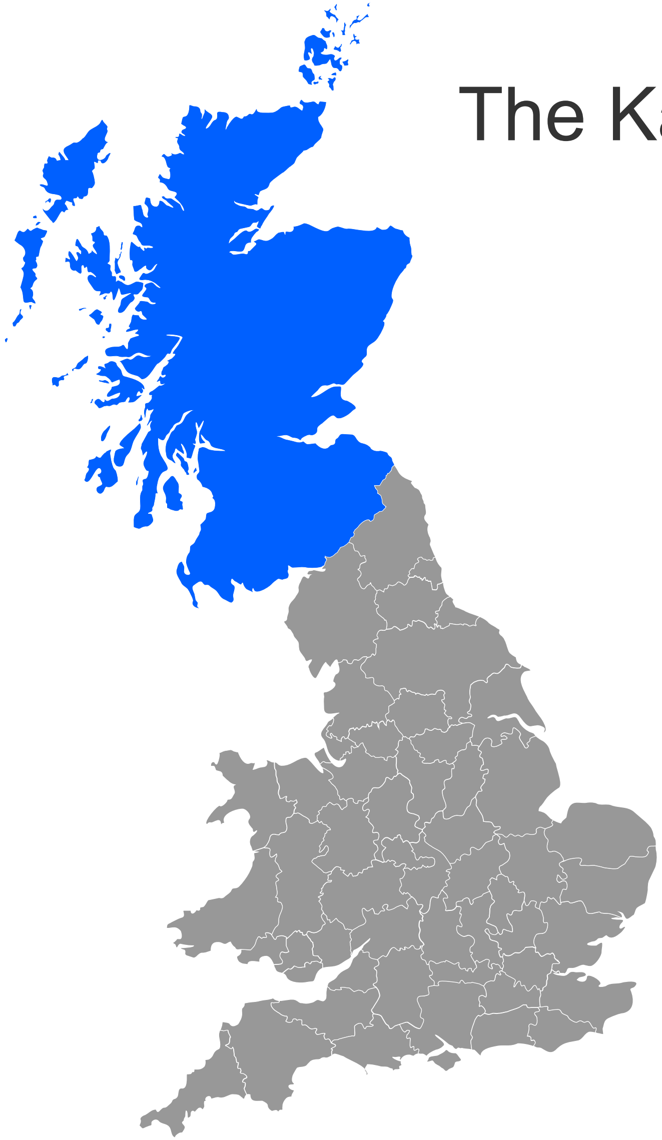
2021

Prepared for Food Standards Scotland

Combining Kantar’s take home & out of home datasets

Introduction and Methodology

- This slide deck presents an overview of purchasing patterns for both the out of home and take home environments in Scotland, during 2021. To identify and understand any changes to purchasing patterns and behaviours across the total food and drink landscape since the COVID-19 pandemic, for the most part this slide deck compares reported behaviours in 2021 with data from 2019.
- This data is provided by Kantar, a market research company who collect information on the food and drink purchased into the home and out of home. The out of home panel is comprised of panellists from the main take home purchase panel, however, due to the nature of the markets being covered the method of collecting data is different for the two panels.
- Take home purchase panellists scan the barcode of all products brought back into the home and are provided with a codebook to scan information for non-barcoded products.
- Out of home panellists record data through an app on their phones. Barcoded products have their barcode scanned, non-barcoded products have information recorded through drop down menus. This results in less granular detail for non-barcoded items being collected, it also means that the same set of analysis used in Take Home markets can not be used for out of home.
- Common analysis for *both panels* include spend, number of trips, and the proportion of the population making a purchase.



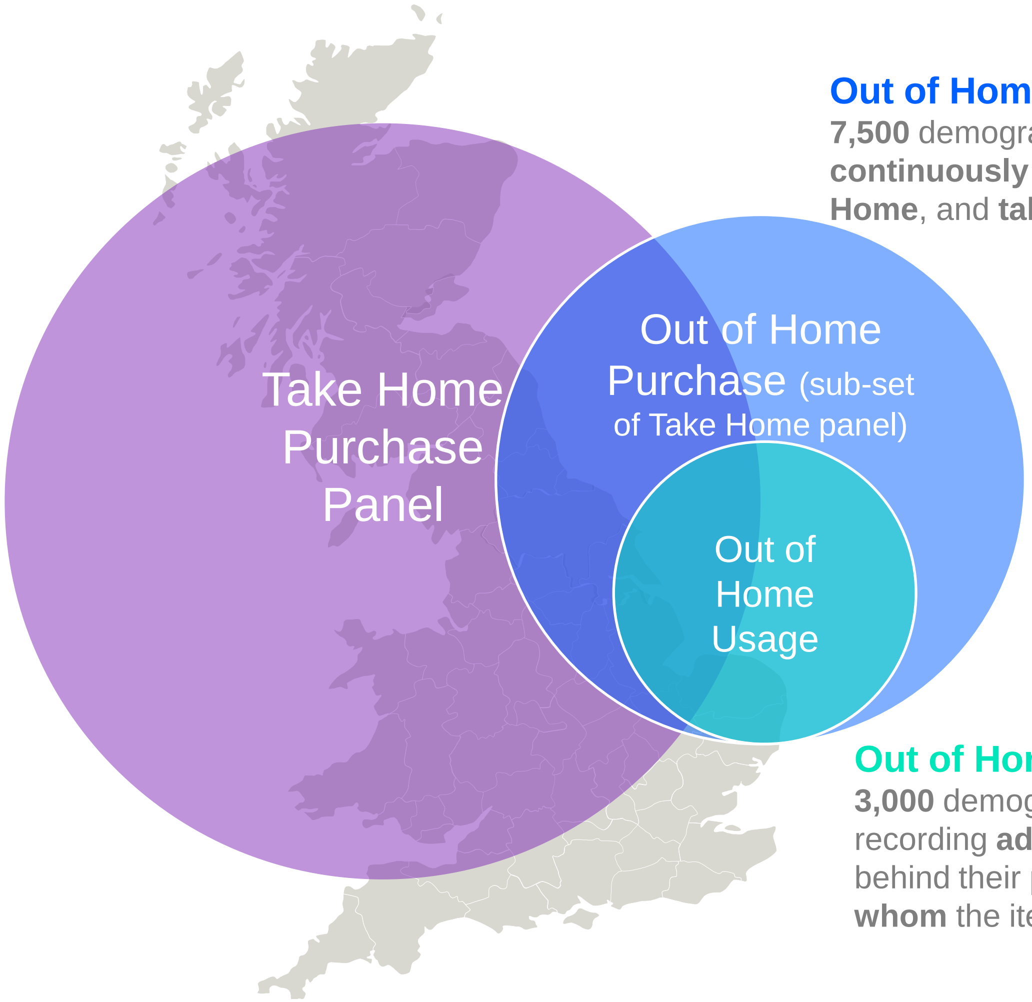
The Kantar take home purchase panel is…

A sample of **30,000** households weighted up to represent the **GB** population (2,389 households in Scotland)

Demographically representative (age, life stage, region, social class, household size etc.)

Continuous, so we can track real changes in behaviour over time

Kantar's Out of Home panel is comprised of individuals from the households which make up Kantar's take home purchase panel.



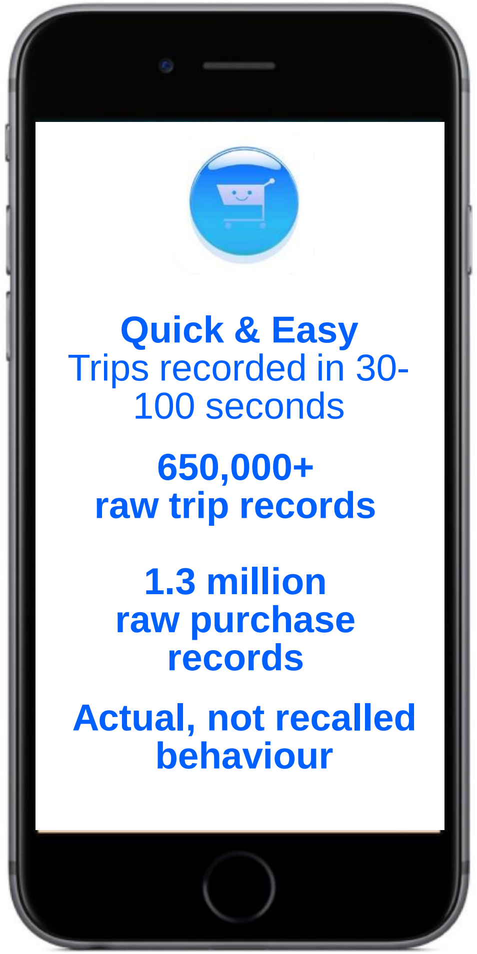
Out of Home Purchase

7,500 demographically **representative*** individuals **continuously** recording food **purchases Out of Home**, and **takeaways** brought into the home

All trips are recorded via an app meaning the panelist can record in the moment. This methodology is proven to give consistent measurement over time

Out of Home Usage

3,000 demographically representative* individuals recording **additional detail** about the **drivers** behind their purchase, and **where**, **when**, and **with whom** the items are **consumed**



For out of home, data is collected anywhere you can buy food and non alcoholic drinks

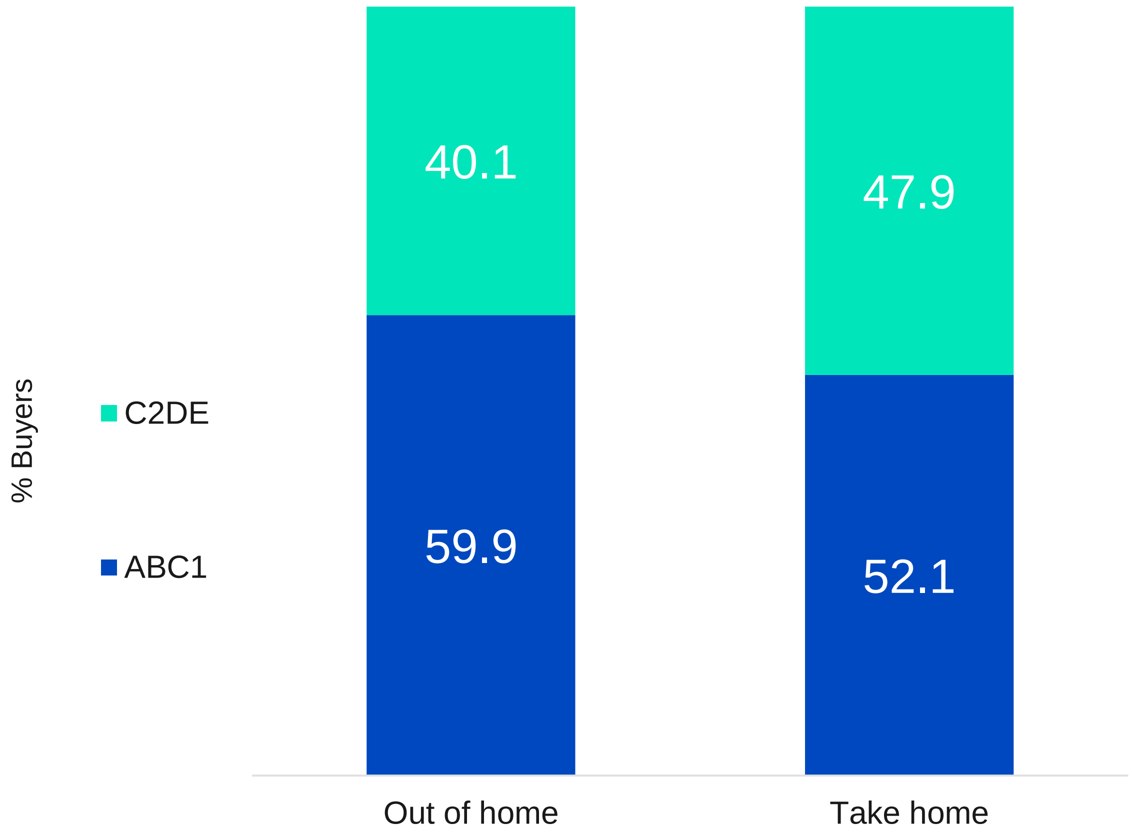
Market	Channel
Non-alcoholic cold drinks (inc. iced coffee)	Quick service restaurants (QSRs) (fast food outlets and takeaways)
Non-alcoholic hot drinks	Full service restaurants (FSRs)
Savoury snacks (e.g. crisps, nuts)	Pubs & bars
Sweet snacks (e.g. chocolate, cakes)	Café & coffee shops
Quick meals (e.g. sandwiches & salads)	Bakery & sandwich shops
Main meals	Supermarket – cafés & front of store
	Convenience stores
	All others (incl. workplace canteens, hotels, vending machines etc.)

Total Take Home

Total OOH

Social class sample size

Raw panel size **442** **2,389**



Social class

National Readership Survey (NRS) social grade classification system includes:

Social class	Definition
A	Higher managerial, administrative and professional.
B	Intermediate managerial, administrative and professional.
C1	Supervisory, clerical and junior managerial, administrative and professional.
C2	Skilled manual workers.
D	Semi-skilled and unskilled manual workers.
E	State pensioners, casual and lowest grade workers, unemployed with state benefits only.

Glossary – Take home retail purchase

Total take home (retail) food and drink purchase: All food and drink purchased for use within the home, i.e. all grocery shopping (including purchase online). This definition excludes all purchases made OOH.

Take home online: All food and drink purchased online for use within the home, i.e. all online grocery shopping.

Trips - A 'trip' includes in-store and online retail purchasing occasions.

Retailer - Refers to the type of outlet where retail food and drink purchases were made, e.g. supermarket, online, etc.

Category – A group of retail food and drink products that have common features and are grouped together e.g. carbonated soft drinks or dairy products.

HFSS – Food and drink classed as being high in fat, salt or sugar identified through the nutrient profiling model score. Food with a score of 4 or higher is classed as HFSS, drink with a score of 1 or higher is classed as HFSS

Temporary price reduction (TPR) – Short-term reductions in the price of food and drink products, (e.g. a single product with a full price of £1.50 being promoted for a short period at a reduced price of £1).

Y for £X – a promotion requiring the purchase of more than one pack e.g. "2 for £2".

Glossary – Out of home

Total out of home (OOH) - The OOH sector covers all the food and drink we eat outside the home, and from takeaways consumed inside and outside of the home.

OOH delivery: OOH online delivery occasions include Aggregator/Online or phone for delivery purchases, does not include collected takeaway.

Channel – Refers to the type of outlet where food and drink purchases were made out of home, e.g. full service restaurant, quick service restaurant

Frequency – How often a purchase is made within a specific time period.

Aggregator - A third party that facilitates the order of food from a restaurant to a consumer, e.g. Just Eat, Deliveroo.

Percentage spend - Value spent on food and non alcoholic drinks OOH by all individuals.

Trips per customer – Average number of visits per customer in the given time period.

Average spend per customer – The total spend per customer in the given time period.

Ppt – Percentage points.

ix: Index – calculated by looking at a share as a proportion to the named benchmark.

Market overview

In 2021, spend on total food and drink in Scotland increased by 1.2% vs. 2019 to £14.1 billion. Food and drink purchased into the home increased by 12.7%, whereas food and drink purchased out of home declined by 21.9%.

Total Take Home

Total OOH

+1.2%

£14.1bn

Total in 2021

+12.7%

10.4bn

Take home

-21.9%

3.6bn

Out of home

In 2021, **take home** food and drink **online** spend was **£951m (9.1% of total spend).**

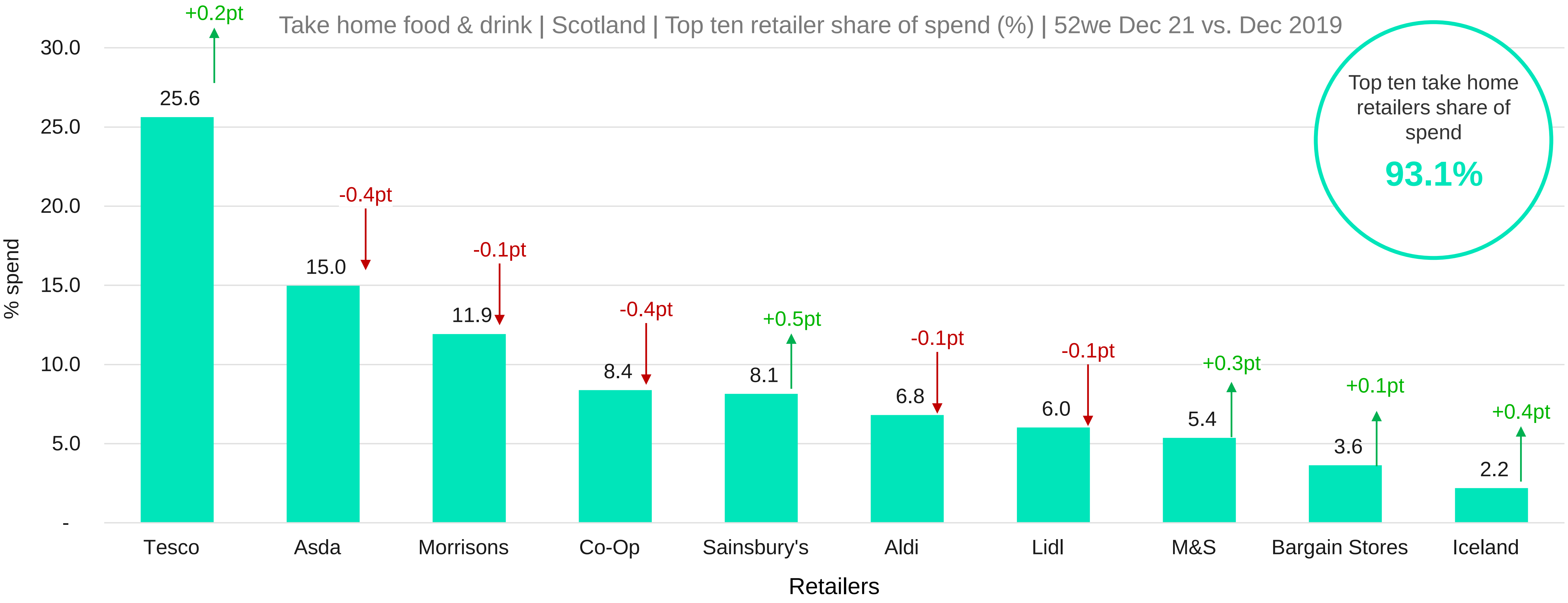
An increase of 109.4% vs. 2019.

In 2021, **out of home** food & drink **online*** spend was **£573m (13% of total spend).**

An increase of 298.4% vs. 2019.

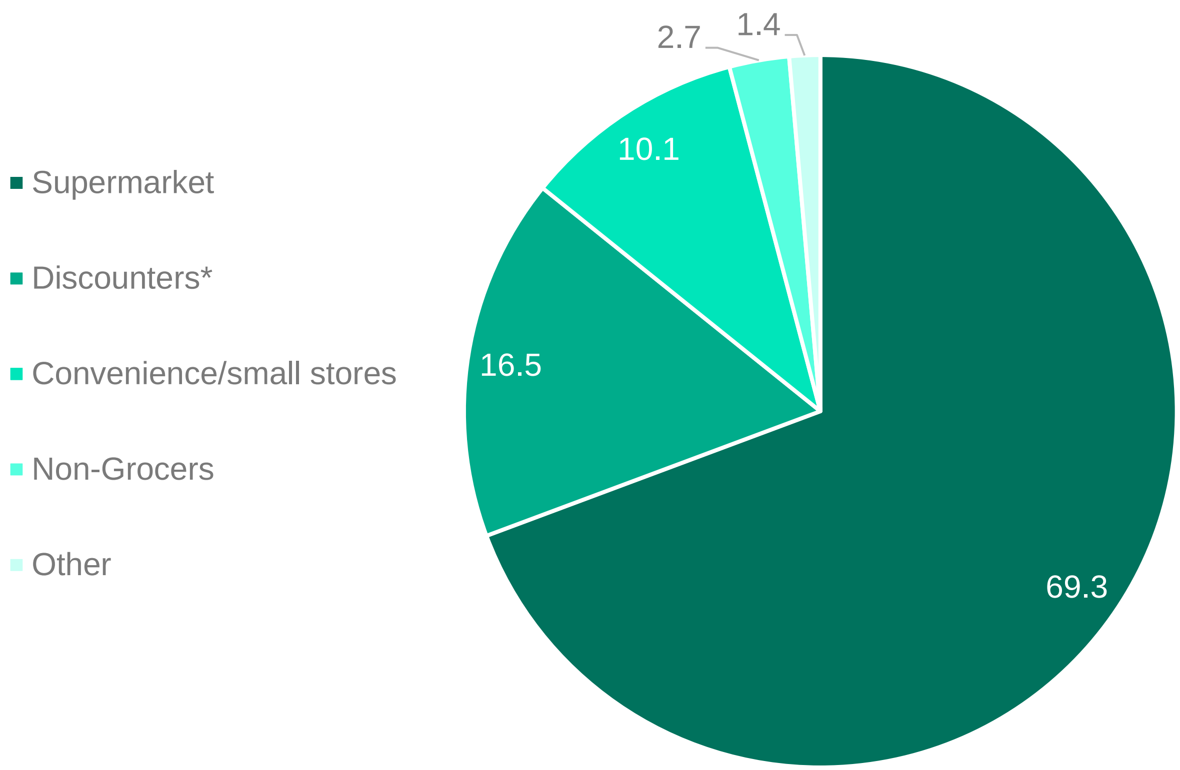
Kantar Worldpanel Take Home purchasing Scotland | Online Spend & % Share of Spend | 52we data to December 2021 vs. December 2019
Kantar Worldpanel Out Of Home purchasing Scotland | Online Spend & % Share of Spend | 52we data to December 2021 vs. Dec 2019
*OOH online delivery occasions include Aggregator/Online or phone for delivery purchases, **does not include collected takeaway**

In 2021, Tesco had the highest share of spend at 25.6%, followed by 15% for Asda and 11.9% for Morrisons. The share of spend for the top ten retailers was 93.1%.



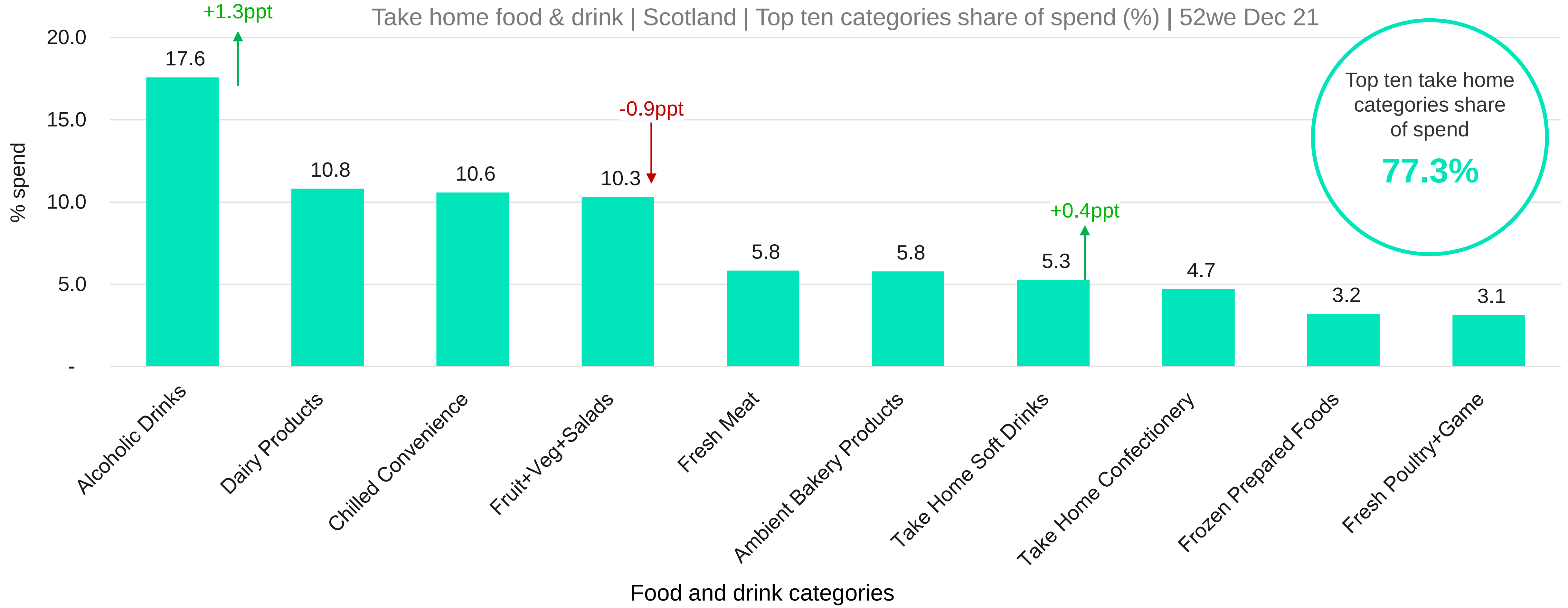
In 2021, supermarkets share of spend was 69.3%, compared to 16.5% for discounters. Share of spend declined for discounters and convenience/small stores but it increased for supermarkets vs. 2019.

Take home food & drink | Scotland | Retailer group share of spend (%) | 52 we December 2021 vs. 2019



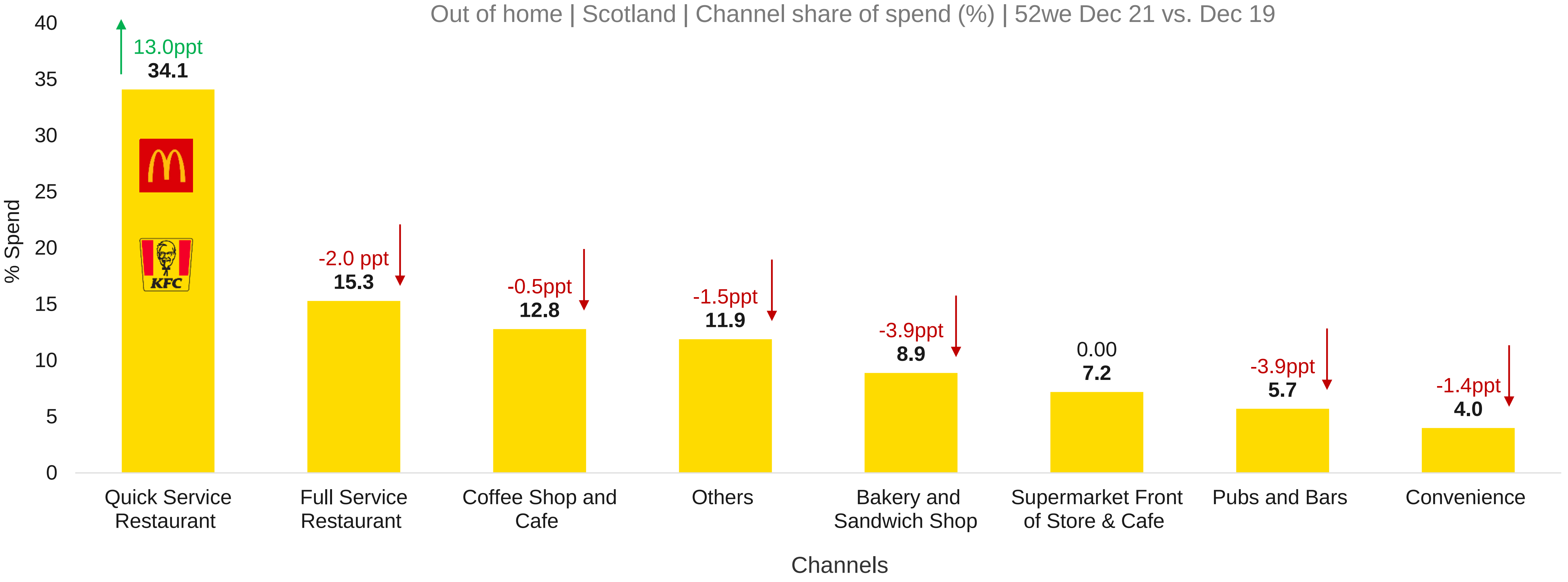
Supermarket	+0.6ppt
Discounters* :	-0.1ppt
Convenience/small stores:	-0.3ppt
Non-Grocer:	+0.0ppt

In 2021, alcoholic drinks had the largest share of spend at 17.6%, increasing by 1.3 percentage points vs. 2019. Within the top ten food and drink categories, the share of spend for fruit, veg & salad declined by 0.9 percentage points, whilst soft drinks increased by 0.4 percentage points vs. 2019.



In 2021, quick service restaurants accounted for 34.1% of out of home spend, an increase of 13 percentage points vs. 2019. All other channels saw a decline, apart from supermarket front of store & café, which remained the same.

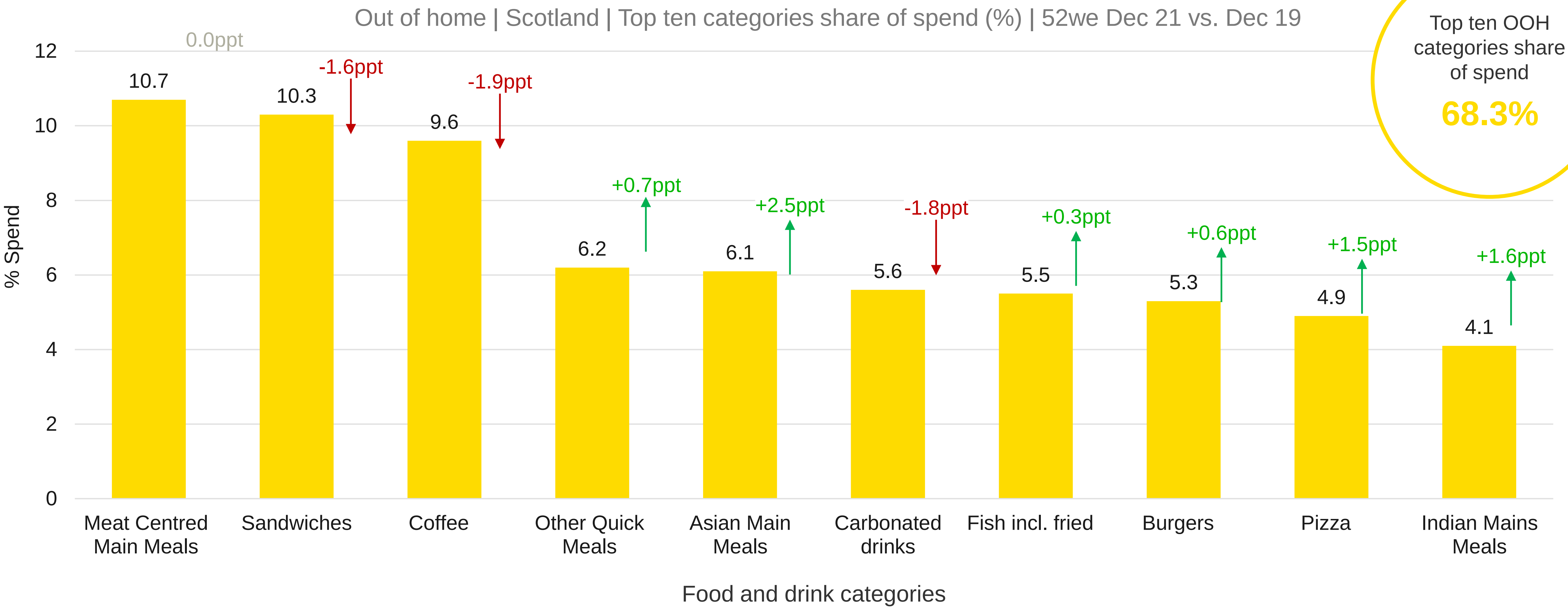
Total OOH



Brands highlighted correlate with strong performance vs. 2019

In 2021, the top ten food and drink categories accounted for 68.3% share of spend. Meat centred main meals had the largest share of percentage spend at 10.7%. Share of spend for all other categories, except sandwiches, coffee and carbonates, increased in 2021 vs. 2019.

Total OOH



Top ten OOH categories share of spend

68.3%

Market overview summary

- In 2021, the total combined food & drink market had a value of £14.1bn, a 1.2% increase from 2019.
- Take home spend increased by 12.7% to £10.4bn in 2021, whereas spend out of home decreased by 21.9% to £3.6bn, compared to 2019.
- In 2021, take home food and drink online spend increased by 109.4% vs. 2019, whereas out of home food & drink online spend increased by 298.4%.
- Supermarkets accounted for the majority of spend in 2021 spend (69.3%). Within out of home, quick service restaurants accounted for the largest percentage (34.1%) of spend and was the only channel that saw an increase compared to 2019.
- In take home retail, alcoholic drinks had the largest share of spend (17.6%) in 2021. Within out of home, meat centred main meals had the largest share of spend at 10.7%.

Trip frequency

In 2021, the total number of trips for take home and out of home was…

Total OOH

Total Take Home

666m total trips

Take home

253 trips

Take home on average per household

651m total trips*

Out of home

152 trips*

Out of home on average per person

There was an average of

253 take home trips per household in 2021.

The average number of trips per household by social class group were:

ABC1	C2DE
249	257

In 2021, the take home average spend per trip, per household was

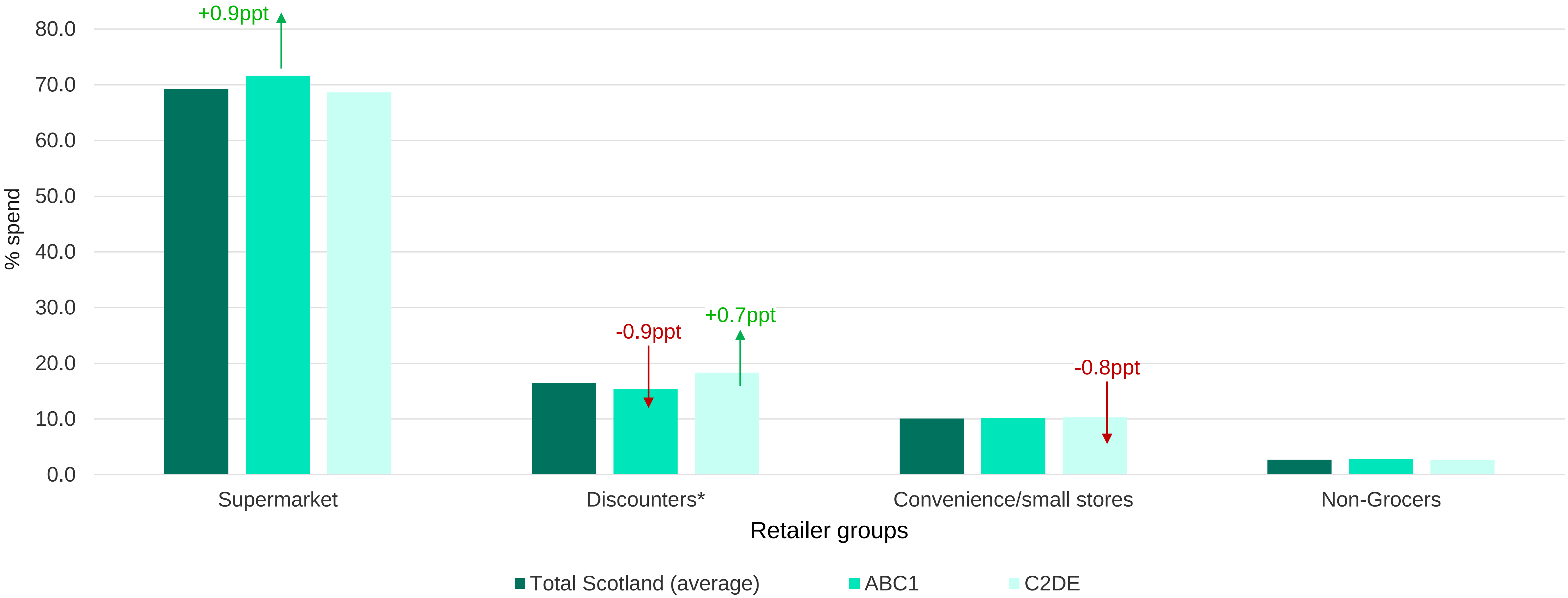
£15.69 **(+22.4% vs. 2019)**

The average spend per household by social class group was:

ABC1	C2DE
£16.76	£14.55

In 2021, ABC1 households had a higher share of spend in supermarkets, whereas C2DE households share of spend was higher in discounters.

Take home food & drink | Scotland | Retailer group share of spend | 52we Dec 21 vs. Dec 2019



Kantar Worldpanel Take Home purchasing Scotland | Channel Share of Spend by Social Class | 52we data to December 2021 vs. December 2019
*Discounters = Aldi & Lidl

There was an average of

152 out of home trips per consumer in 2021.

Average number of trips per consumer by social class group

ABC1	C2DE
132	182

In 2021, the out of home average spend per consumer, per trip was

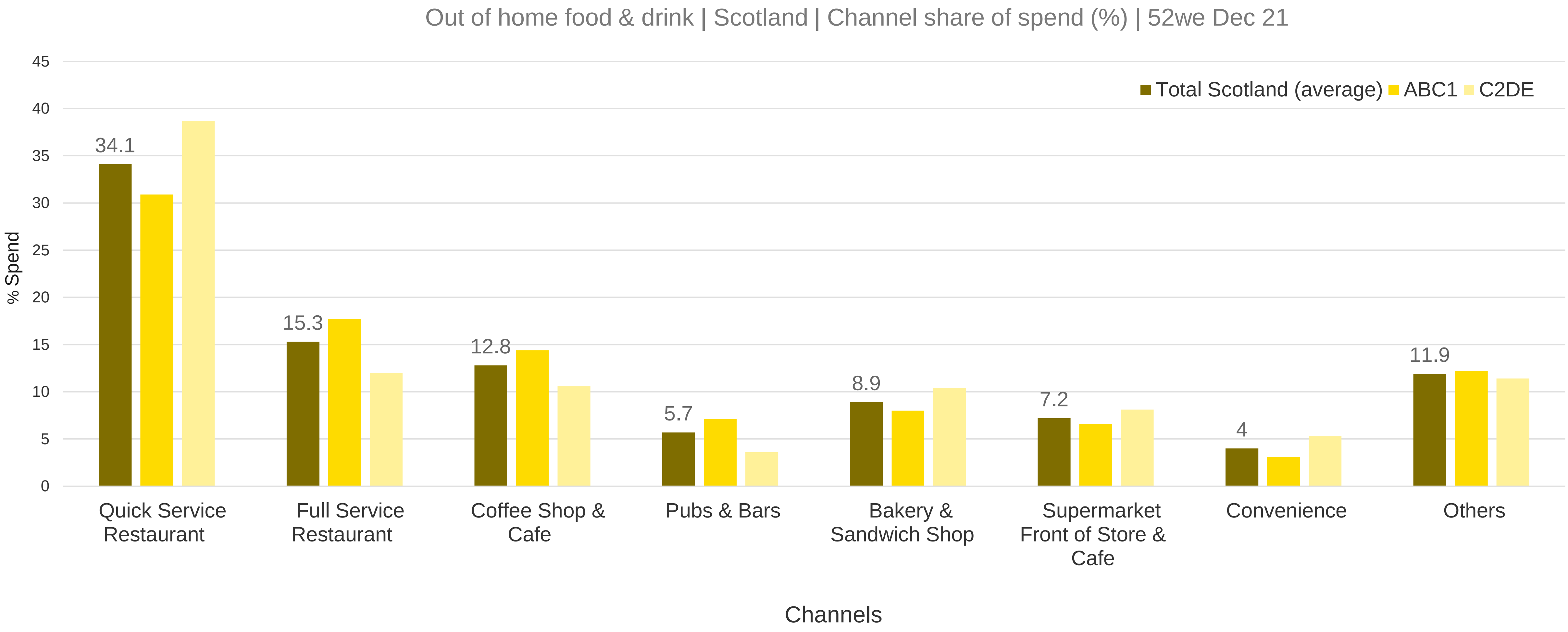
£5.58 **(+14.1% vs. 2019)**

The average spend per consumer, per trip by social class group

ABC1	C2DE
£6.32	£4.78

In 2021, consumers from social class C2DE had a higher share of spend in quick service restaurants and bakery & sandwich shops vs. those from social class ABC1. For consumers from social class ABC1 share of spend was higher in full service restaurants, coffee shops & cafes, and pubs & bars.

Total OOH

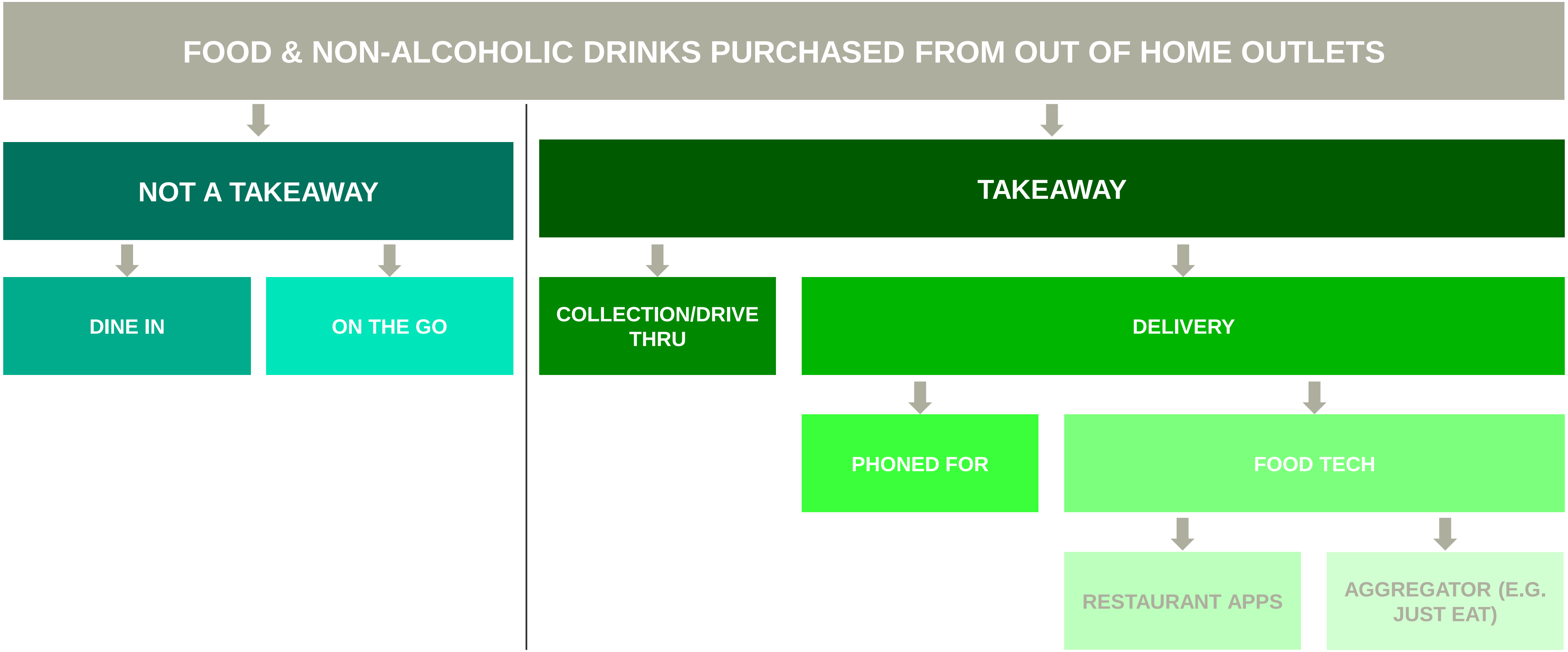


Trip frequency summary

- In 2021, the total number of take home trips was 666m and 651m for out of home.
- There was an average of 253 take home trips per household in 2021. However, households from social class group C2DE made on average 257 trips compared to 249 trips for ABC1.
- There was an average of 152 average trips to OOH per consumer in 2021. However, consumers from social class group C2DE made on average 182 trips compared to 132 trips for ABC1.
- In 2021, ABC1 households had a higher share of take home spend in supermarkets, whereas C2DE households share of take home spend was higher in discounters.
- In 2021 OOH consumers from social class C2DE had a higher share of spend in quick service restaurants and bakery and sandwich shops vs. those from social class ABC1. For consumers from social class ABC1 share of spend was higher in full service restaurants, coffee shops & cafes, and pubs & bars.

Take home online purchases vs. out of home delivery

For out of home, when panellists submit their purchases they are asked how they are bought, per the below categories.



How did online purchasing patterns differ between take home and out of home in 2021?

14.9 delivery occasions*
Out of home per person

17.7 online trips**
Take home food & drink

Kantar Worldpanel Take Home & OOH purchasing Scotland | 52we data to December 2021
*OOH delivery occasions include Aggregator/Online or phone for delivery purchases, **does not include collected takeaway**
** Per household, per year

In 2021, the average spend per online trip for take home and out of home delivery was higher compared to the total market average.

Take Home Online

OOH Delivery

Total take home : £15.69

Vs 2019: +22.4%

Online take home : £59.32

Vs 2019: +8.3%

Online vs total take home: +278%

Total out of home : £5.58

Vs 2019: +14.1%

Delivery out of home* : £14.41

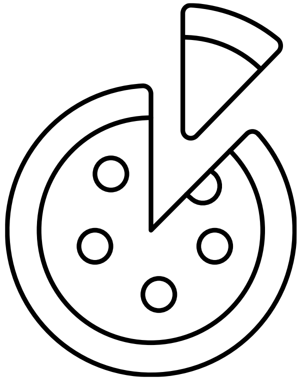
Vs 2019: -11.9%

Delivery vs total OOH: +158%

Kantar Worldpanel Take Home & OOH purchasing Scotland | Average Spend Per Trip | 52we data to December 2021 vs. December 2019
*OOH delivery occasions include Aggregator/Online or phone for delivery purchases, does not include collected takeaway

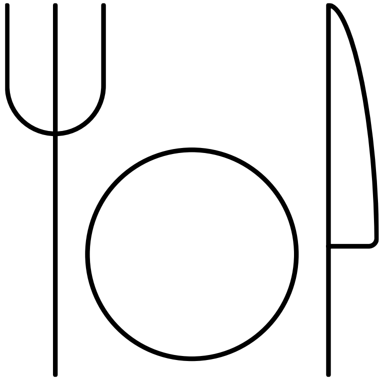
In 2021, there were 118.8 million ‘dine in’ occasions, with 36.6 on average per person. There were 39.8 million delivery occasions, with 14.9 on average per person.

39.8 million delivery occasions*



14.9 per person on average*

118.8 million “dine in” occasions



36.6 per person on average

*OOH delivery occasions include Aggregator/Online or phone for delivery purchases, **does not include collected takeaway**

In 2021, ABC1 households purchased more take home food and drink online compared to C2DE households. Conversely, consumers from C2DE had a larger proportion of purchases from out of home delivery, compared to consumers from ABC1.

Take Home Online

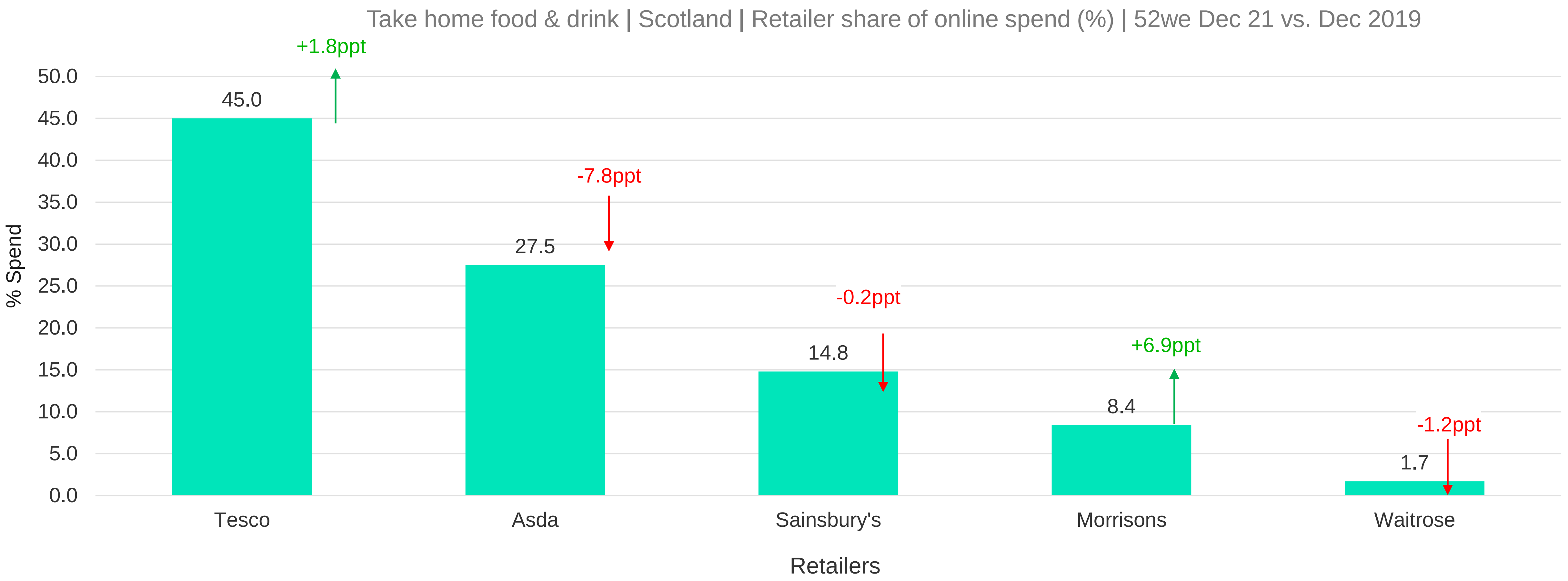
OOH Delivery

Take home online
ABC1 index: **111**
C2DE index: 88

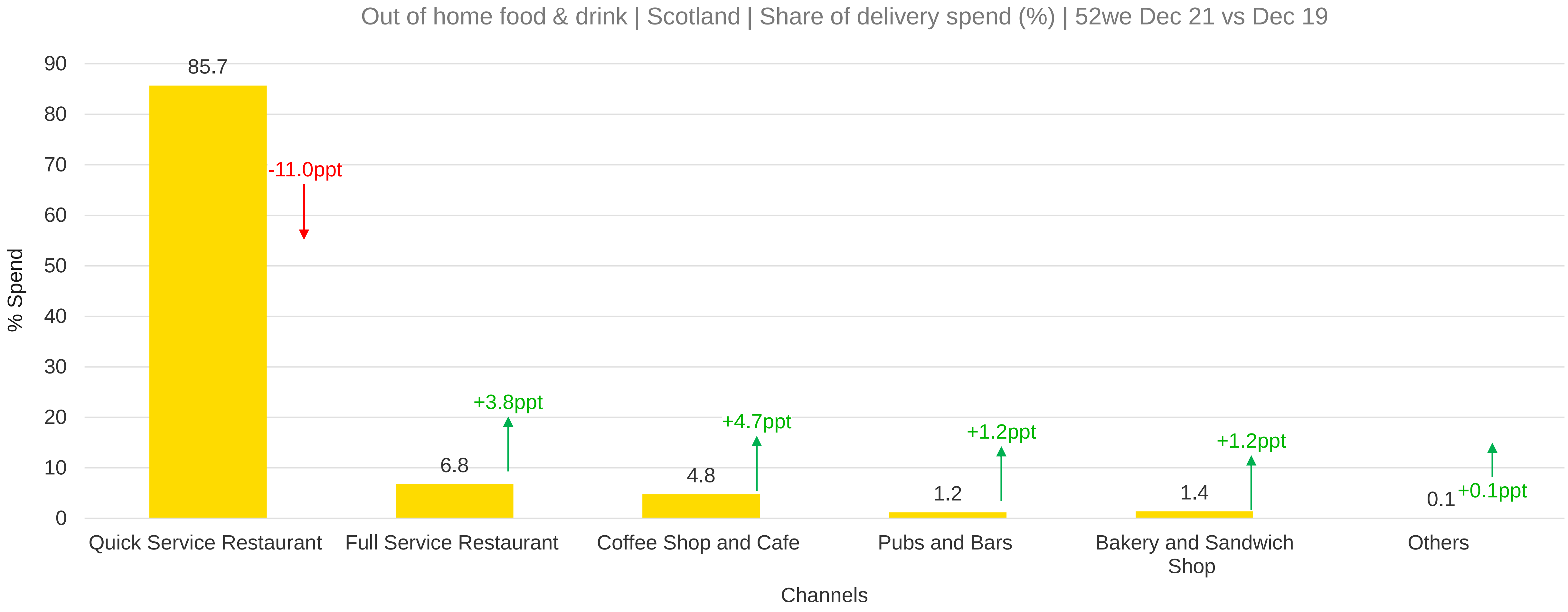
Out of home delivery
ABC1 index: 97
C2DE index: **107**

In 2021, Tesco had a 40.5% share of spend online, followed by 27.5% for Asda and 14.8% for Sainsbury's. Share of spend online increased for Tesco and Morrisons, but declined for Asda and Waitrose vs. 2019.

Take Home Online



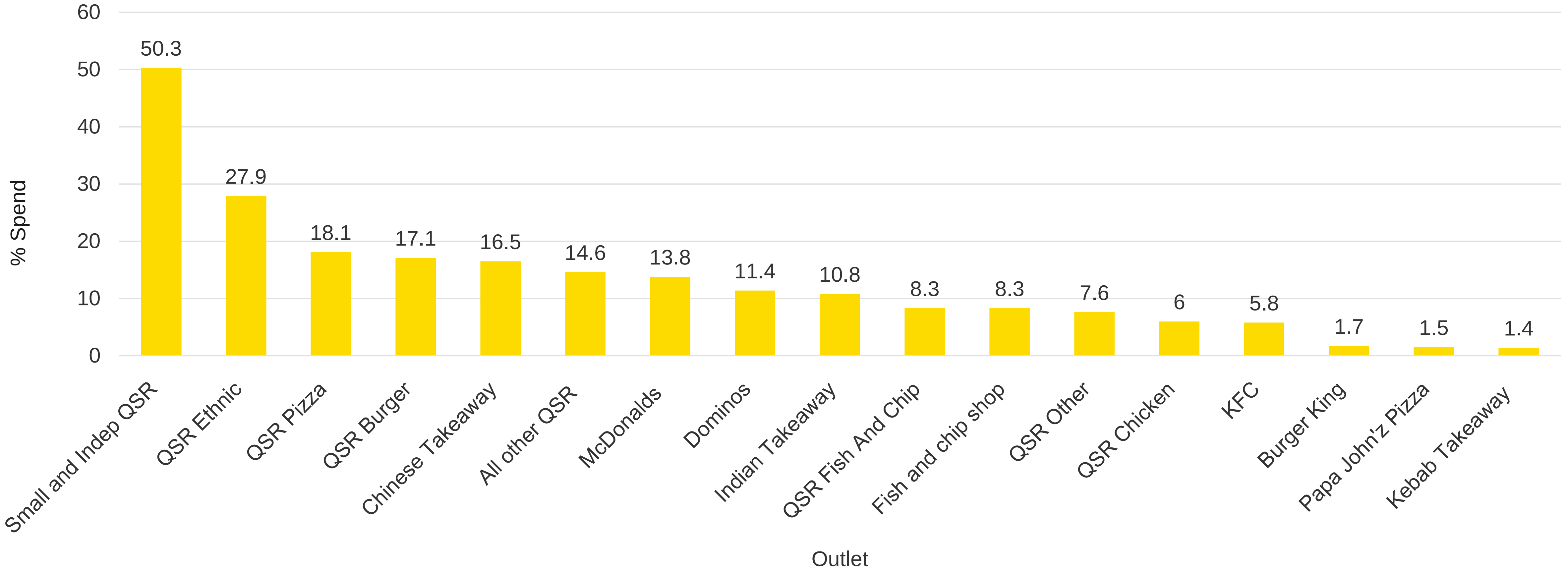
In 2021, quick service restaurants (QSRs) remained the largest channel for percentage spend for out of home delivery. However the share for QSRs has declined since 2019 whilst all other channels went up.



Small and independent quick service restaurants (QSRs) account for more than half of out of home delivery spend. McDonald's is the biggest branded outlet, followed by Domino's.

OOH Delivery

Out of home delivery food & drink | Scotland | Share of delivery spend | 52we Dec 21



Take home online purchases vs. out of home delivery summary

- In 2021, the average spend per online trip for take home and out of home delivery was higher compared to the total market average. An increase of 278% and 158% for respectively.
- In 2021, ABC1 households purchased more take home food and drink online compared to C2DE households. Similarly, consumers from C2DE had a larger proportion of purchases from out of home delivery, compared to consumers from ABC1.
- Share of spend online increased for Tesco and Morrisons in 2021, but declined for Asda and Waitrose vs. 2019.
- In 2021, quick service restaurants remained the largest channel for percentage spend for out of home delivery, however the share has declined since 2019.

Promotions take home vs. out of home

Note: Out of home promotions

Information on promotions in the out of home market is less comprehensive than for take home purchases.

The use of promotions is entirely consumer defined - panellists declare if they perceive that they have used a promotion, but, it is understood that consumers perceive promotions in different ways.

Where there is a regular discount for buying specific items as a group, or a food service outlet is constantly offering a promotion or discount and the discount is automatically applied, while some consumers will record this as a promotion, many consumers are less likely to acknowledge and record that a promotion has been used.

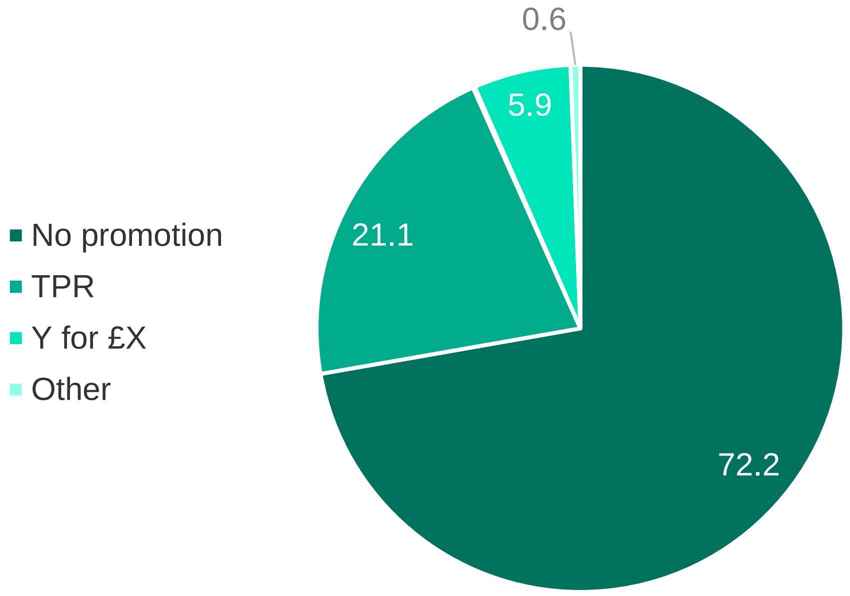
Specifically in quick service restaurants, Kantar identifies promotions as any purchase made where a voucher or coupon was used to reduce the price of the meal. Meal deals which are a permanent pricing structure generally covering the whole menu are unlikely to be perceived as a promotion by members of the panel.

The use of promotions in take home and out of home is quite different. In 2021, there was a higher percentage share of spend on promotion for take home food and drink, compared to out of home.

Total Take Home

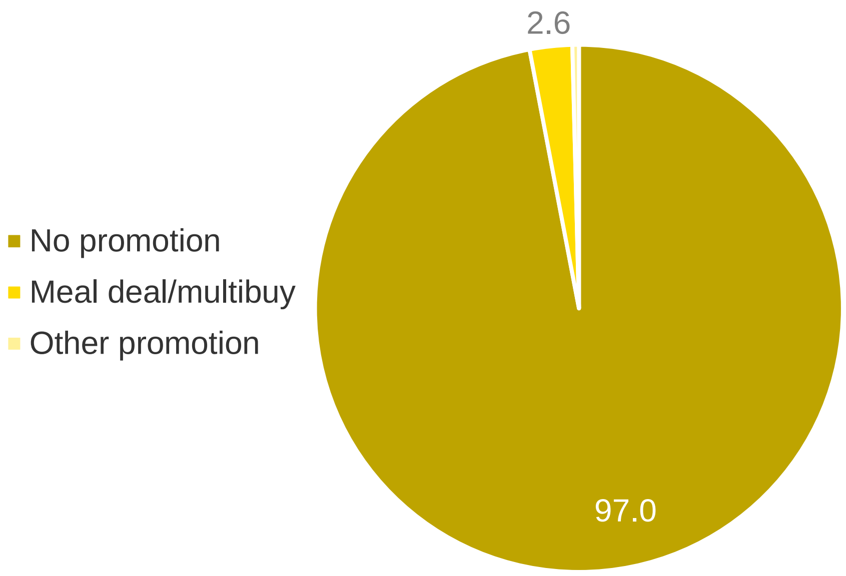
Total OOH

Take home food & drink | Scotland promotions | Share of spend (%) | 52we Dec 21 vs Dec 19



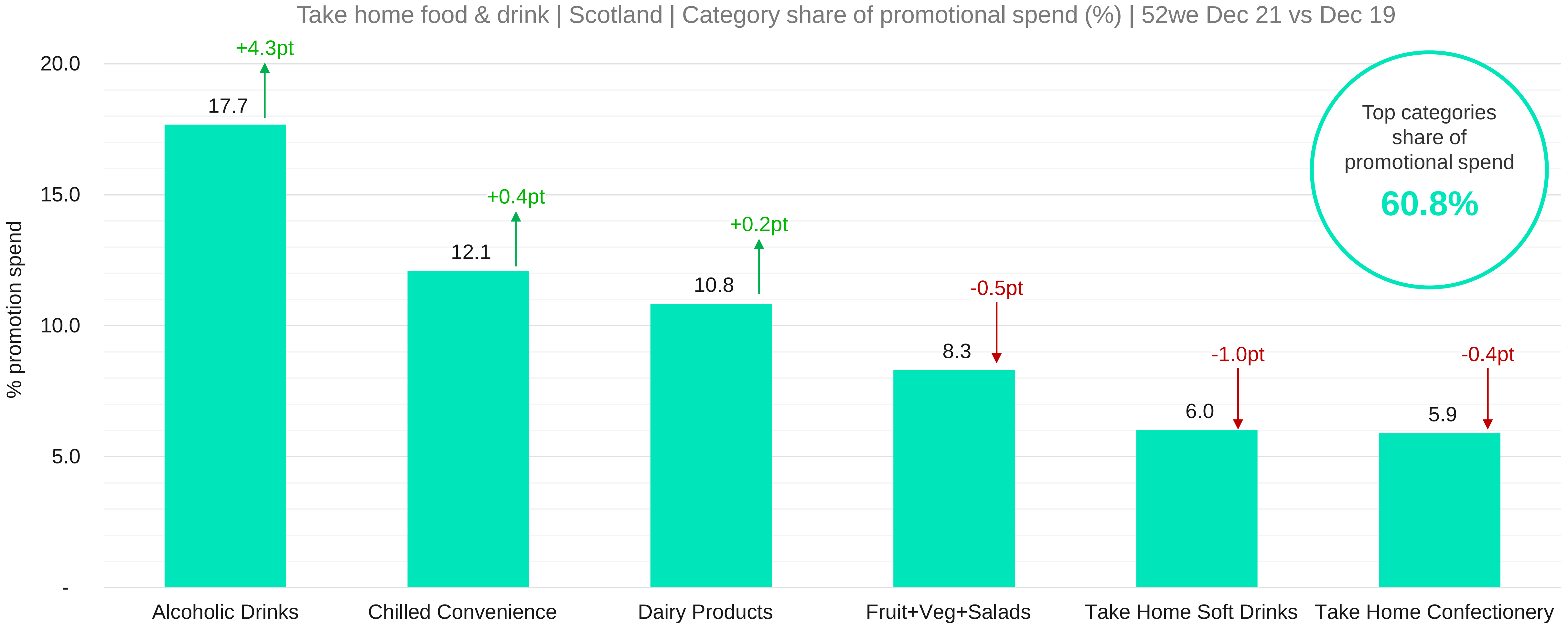
No promotions :	+3.0ppts
Temporary price reduction (TPR) :	-1.1ppts
Y for £X :	-1.7ppts

Out of home food & drink | Scotland promotions | Share of spend (%)| 52we Dec 21 vs Dec 19



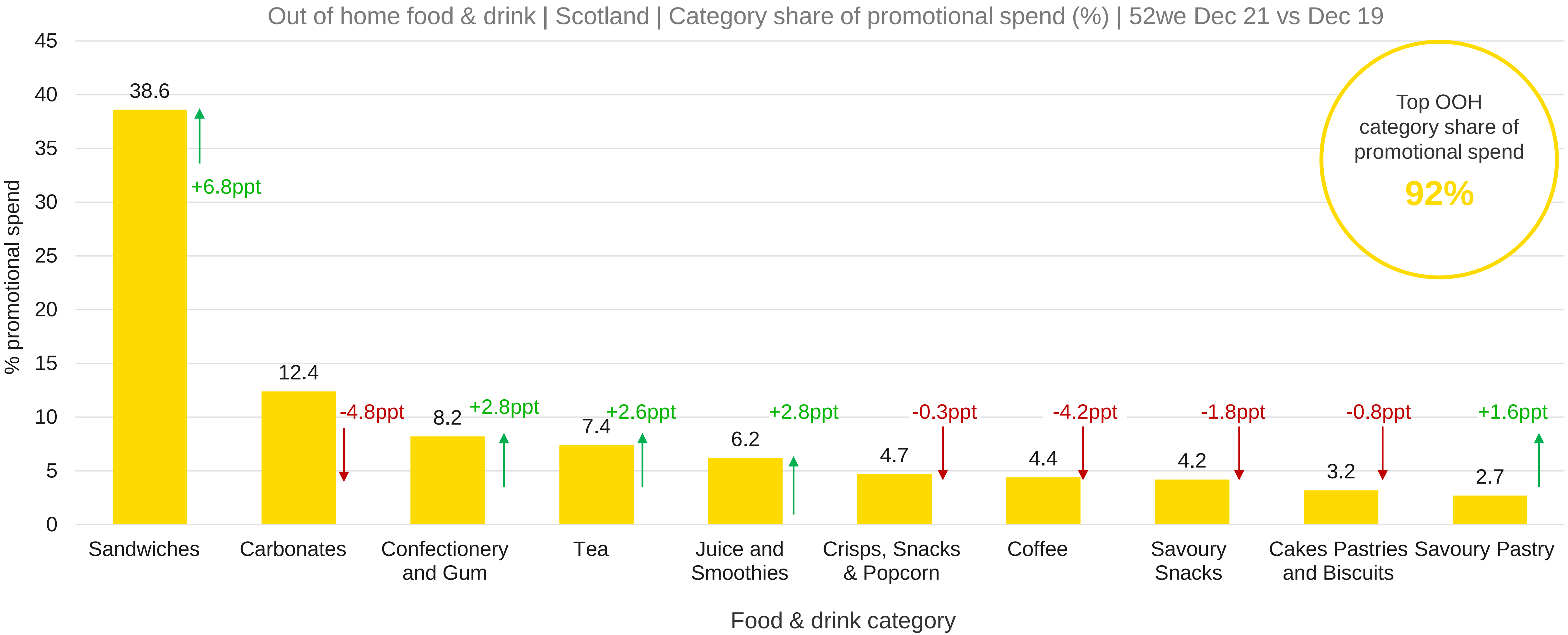
No promotions :	+1.0ppts
Meal deal/multibuy :	-0.9ppts

In 2021, alcoholic drinks had a 17.7% share of spend on promotion, an increase of 4.3 percentage points vs. 2019.



In 2021, sandwiches and carbonates made up over half of the spend on promotions out of home. The percentage of promotional spend on sandwiches increased by 6.8 percentage points since 2019.

Total OOH



Take home vs. out of home promotions summary

- Information on promotions in the out of home market is less comprehensive than for take home purchases.
- The use of promotions is entirely consumer defined - panellists declare if they perceive that they have used a promotion, but, it is understood that consumers perceive promotions in different ways.
- Share of spend on take home promotions declined in 2021 vs. 2019, a decrease of 3 ppts to 27.8%. Temporary price reductions accounted for 21.1% of total take home spend in 2021.
- In 2021, sandwiches and carbonates made up over half of the spend on promotions out of home.

Appendix

Retailers

Data on retailers has been grouped according to retailer type:

Supermarkets*	Discounters	Small retailers/convenience	Non-grocers
Tesco, Asda, Sainsbury’s, Morrisons, Marks & Spencer, Iceland, Waitrose, Other multiples	Lidl, Aldi, Bargain stores	Co-op, Independents and Symbols, Budgens	Chemists and drugstores, ‘Others’.

* Includes online shopping from supermarkets

Out of home - Food and drink categories and subcategories

Drinks	Hot Drinks	Total Coffee
		Total Tea
		Hot Chocolate
		Other Hot Drinks
	Cold Drinks	Total Carbonates
		Total Juice and Smoothies
		Total Dairy Drinks
		Total Water
		Total Cold Coffee and Tea
		Total Energy and Sports
		Other Cold Drinks

Snacks	Savoury Snacks	Total Savoury Snacks
		Crisps, Snacks, Nuts & Popcorn
		Other Savoury Snacks
	Sweet Snacks	Cakes Pastries and Biscuits
		Confectionery and Gum
		Fruit Pots and Dried Fruit
		Ice Cream
		Yoghurt
		Other Sweet

Meals	Quick Meals	Sandwiches Total
		Salads Total
		Savoury Pastry
		Sushi Total
		Other Quick Meals (e.g. Baked potato)
	Main Meals	Breakfast
		Indian Meals
		Chinese, Thai and other Asian Meals
		Pizza
		Pasta
		Burgers
		Fish inc fried
		Kebab
		Meat Centred Meals
		Rice based meals
		Sides
		Vegetarian Centred Meals
		Other Meals

Out of home channels

Total OOH										
Quick Service Restaurants (QSR)	Full Service Restaurants (FSR)	Pubs & Bars	Café & coffee shop	Bakery & Sandwich outlets	Supermarket Cafes & Front of Store	Convenience	Others			
QSR Burger	FS Burger	Large branded pubs	Large branded coffee shops	Large branded bakery	Main Supermarket Front of Store	Supermarket Convenience	Leisure & Hotels		Workplace & Education	Travel & Vending
QSR Chicken	FS Italian	Small & Independents pubs	Independents cafes	Small & Independent bakery	Supermarket Cafes	High Street Convenience	Leisure	Hotels		Supermarket forecourts
QSR Pizza	FS Chicken		Garden centre cafes			Symbols & Independents	Tourist attraction			Forecourts & garages (eg motorway services)
QSR Ethnic	FS Ethnic		Department store centre cafes				Leisure outlets (e.g. cinema, bowling alley)			Travel outlets
QSR Fish & Chip	FS Other						Market Stall			Vending machines
QSR Other							Sports venues			