Total food and drink landscape in Scotland in 2021

Introduction

This briefing paper summarises the retail and out of home (OOH) markets, to identify changes to purchasing patterns and behaviours across the total food and drink landscape in Scotland in 2021. This data was provided by Kantar, a market research company who collect information on the food and drink we purchase into the home and OOH.

The data has been compared with reported behaviours from 2019 with 2021, when the COVID-19 pandemic continued to impact the OOH and retail markets. This report is the latest in a series of publications from Food Standards Scotland (FSS) providing data on patterns and behaviours for retail purchasing and eating inside and outside the home.

Retail: All food and drink purchased for use within the home, i.e. all grocery shopping (including purchase online).

Out of Home (OOH): Any food or drink bought and eaten away from home, including 'on the go', and any take-away or home delivered food, such as pizzas.

Key Findings

- In 2021, the total combined food & drink market had a value of £14.1 billion, a 1.2% increase from 2019.
- Retail spend increased by 12.7% to £10.4 billion in 2021, whereas spend OOH decreased by 21.9% to £3.6 billion, compared to 2019.
- Supermarkets accounted for the majority of retail spend in 2021 (69.3%). Within OOH, quick service restaurants accounted for the largest percentage of spend (34.1%) and was the only OOH channel that saw an increase compared to 2019.
- In 2021, the total number of retail trips was 666 million, and 651 million for OOH. There was an average of 253 retail trips per household in 2021, for OOH the average number of trips was 152 per consumer.
- For both retail and OOH the average number of trips was higher for households and consumers from social class group C2DE. For both markets, households and consumers from social class group ABC1 spent more on average than those from social class group C2DE.
- In 2021, the average spend per online trip for retail and OOH delivery was higher compared to the overall average. An increase of 278% and 158% respectively.

- Share of spend on retail promotions declined in 2021 vs. 2019, a decrease of three percentage points to 27.8%. Temporary price reductions (TPR) accounted for 21.1% of retail spend in 2021.
- In 2021, sandwiches and carbonated drinks made up over half of the spend on promotions OOH.

Methodology

This data is provided by Kantar, a market research company who collect information on the food and drink purchased into the home and OOH. The OOH panel is comprised of panellists from the main retail purchase panel, however, due to the nature of the markets being covered the method of collecting data is different for the two panels.

Retail 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. OOH 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.

Common analysis for both panels include spend, number of trips, and the proportion of the population making a purchase.

Total food and drink market overview

In 2021, the total combined food and drink market had a value of £14.1 billion, an increase of 1.2% from 2019. For retail purchases, spend increased by 12.7% to £10.4 billion in 2021, whereas spend OOH decreased by 21.9% to £3.6 billion, compared to 2019. Online spend for retail food and drink increased by 109.4% in 2021 compared to 2019. For OOH, online spend almost tripled with a 298.4% increase.

For retail food and drink purchases, supermarkets accounted for the majority of spend in 2021 (69.3%). For OOH, quick service restaurants accounted for the largest percentage of spend (34.1%) and was the only OOH channel that saw an increase compared to 2019. This is likely due to their ability to adapt by providing more options for delivery and takeaway.

Trip frequency

In 2021, the total number of trips were similar for retail and OOH, with 666 million and 651 million trips respectively. Table 1 below summarises the average number of trips taken and the average spend per trip for retail and OOH for 2021, by social class group. For both retail and OOH, the average number of trips was higher for households and consumers from social class group C2DE than for ABC1. For both sectors, households and consumers from social class group ABC1 spent more on average than those from social class group C2DE.

Table 1: Summary of average number of trips and spend for retail and OOH in 2021, by social class group.

Social class group	Average no. of trips, per household (take home)	Average no. of trips, per consumer (OOH)	Average spend per trip, per household (take home)	Average spend per trip, per consumer (OOH)
Total Scotland	253	152	£15.69	£5.55
ABC1 (Highest)	249	132	£16.76	£6.32
C2DE (Lowest)	257	182	£14.55	£4.78

In 2021, households from social class group ABC1 had a higher share of spend in supermarkets, whereas households from social class group C2DE's share of spend was higher in discounters (i.e. Aldi and Lidl). For OOH, consumers from social class group C2DE had a higher share of spend in quick service restaurants and bakery & sandwich shops compared to those from social class group ABC1, who spent more in full service restaurants, coffee shops & cafes, and pubs & bars.

Social Grade Classifications:

Class A: Upper Middle Class; Higher Managerial Position

Class B: Middle Class; Intermediate Managerial

Class C1: Lower Middle; Junior Managerial, Supervisory, Clerical Workers

Class C2: Skilled Working Class; Skilled Manual Workers, Craftsmen, Specialist

Class D: Working Class; Semi/Unskilled Manual Workers, Apprentices, Labourers

Class E: Non-working

Online purchases

In 2021, the average spend per online trip for retail and OOH delivery[1] was higher compared to the overall average, with spend being 278% and 158% higher respectively.

[1] OOH delivery occasions include Aggregator (e.g. Just Eat or Deliveroo etc/Online or phone for delivery purchases, does not include collected takeaway

In 2021, households from social class group ABC1 purchased more retail food and drink online compared to households from social class group C2DE. Conversely, consumers from social class group C2DE had a larger proportion of purchases from OOH delivery, compared to consumers from social class group ABC1.

For retail, the share of spend online increased for both Tesco and Morrisons in 2021, but declined for Asda and Waitrose compared to 2019. In 2021, quick service restaurants remained the largest channel for percentage spend for OOH delivery, with small and independent quick service resturants accounting for a large portion of this.

Price promotions

For retail, share of spend on promotions declined in 2021 compared to 2019, by three percentage points to 27.8%. Temporary price reductions (TPR) accounted for 21.1% of total take home spend in 2021. In 2021, sandwiches and carbonated drinks made up over half of the spend on promotions OOH.

Out of Home promotions: Information on promotions in the out of home market is less comprehensive than for take home purchases as the use of promotions is entirely consumer defined.

In 2021, C2DE households purchased a higher share of food and drink from discounters, whereas ABC1 households purchased more in supermarkets and online. In 2021, C2DE households purchased more calories, sugar, fat, and saturated fat and less fibre on average, compared to ABC1 households. In 2021, C2DE households purchased more dairy products, confectionery, regular soft drinks, and frozen prepared foods compared to ABC1 households. In 2021, there were few differences in the contribution of discretionary food categories to purchase of calories between ABC1 and C2DE households.

Summary and conclusion

The findings in this report highlight that whilst the value of the total food and drink market increased in 2021, compared to 2019, the OOH market continues to be impacted by the effects of the COVID-19 pandemic with spend decreasing over this time. However, online spend for retail food and drink and OOH delivery have seen large increases in 2021, compared to 2019. Although differences are seen when looking at purchases within social class groups, supermarkets and quick service restaurants remained the top channels for spend for retail and OOH respectively. Spend on promotions for retail declined slightly in 2021, compared to 2019, but TPR remains the most common type of promotion.

Overall, these findings complement and add to existing evidence that monitors trends in food and drink purchasing and price promotions. FSS will use this data to support policy development, public health communications and consumer advice on diet to work towards ensuring that the Scottish population have diets conducive to good health.