Food Standards Scotland
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The Impact of COVID-19 on the Out of Home sector in Scotland (2020)

'Out of Home' refers to:

- Any food or drink bought and eaten away from home, including 'on the go'
- Any takeaway or home delivered food, such as pizzas

Introduction

The COVID-19 pandemic has been unprecedented, and has greatly impacted the Out of Home (OOH) food sector. UK wide lockdowns and restrictions forced businesses to close their doors in the early days of the pandemic. This resulted in people being unable to eat out in restaurants, cafes and pubs in the usual way.

This briefing summarises the latest in a series of publications from Food Standards Scotland (FSS) on the OOH environment which can be accessed **here**.

Key Findings

- The OOH market value in Scotland reduced by **36%** compared to 2019.
- Spend for full service restaurants and pubs and bars reduced by **55%**.
- Quick service restaurants were impacted the least, with just a **1%** reduction in spend.
- Spend fluctuated throughout the year, with a **77%** reduction in spend in April when the UK entered lockdown.
- All food and drink categories experienced a decline. Drinks were the most impacted at **42%** less. Main meals were the least impacted at **30%** less.
- The takeaway sector grew to a market value of **£1.1 billion**, a **31%** increase.
- OOH takeaway trips doubled in 2020, with an additional **21 million** trips compared to 2019.
- Ordering takeaways from restaurant apps and third party apps (for example, Just Eat), saw a huge rise in Scotland. This increased by **103%** and **69%** respectively.
- The delivery market in Scotland had an estimated **53%** increase in new consumers, around **1.2 million** people.

Methodology

FSS worked with Kantar who provided data on how we interacted with the OOH food and drink environment for 2019 and 2020. This allowed us to explore how our eating behaviours have changed during the pandemic.

The information comes from a panel of people who record all their food and drinks bought OOH, including takeaways[1].

Data was collected from anywhere people can buy food and non-alcoholic drinks, such as:

Quick Service Restaurants

McDonald's, KFC, Burger King, Dominos Pizza, Papa John's, Independent outlets

Full Service Restaurants

Pizza Hut, Frankie & Benny's, Nando's, Pizza Express, Wagamama, Giraffe etc.

Cafes and Coffee Shops

Costa Coffee, Caffè Nero, Starbucks, AMT Coffee, Pumpkin Café, department store cafes, independents etc.

Convenience

Supermarket convenience stores, symbols and independents and high street

Pubs & Bars

Wetherspoons, Brewers, Fayre, Harvester, Toby Carvery, Beefeater Grill etc.

Bakery & Sandwich

Greggs, Subway, Pret, Krispy Kreme, Eat, Patisserie Valerie, Paul, Millie's Cookies etc.

Supermarket cafes & front of store

Main store outlets and supermarket cafes

Other

Workplace, Leisure, hotels, travel, vending and supermarket forecourts (garages)

[1] The panel has a Scottish sample, but where Scottish data was not robust enough GB-wide data was used.

General impact

In 2020, the COVID -19 pandemic and the related restrictions had a huge impact on the OOH sector, particularly when the UK entered lockdown in April. The value of the total OOH market in Scotland was £3 billion in 2020, a reduction of 36% compared to 2019.

Throughout the year, the average number of times people visited OOH reduced from 4.2 trips in 2019 to 2.6 per week in 2020.

The spend in the OOH market fluctuated throughout the year, depending on the level of restrictions. The difference in spend between March and December is set out in the table on the right (Figure 2).

Month (4 week average)[2]	**Difference in spend** (2020 vs 2019)
March	-8%
April	-77%
May	-59%
June	-59%
July	-53%
August	-38%
September	-31%
October	-25%
November	-30%
November (2)	-32%
December	-34%

Figure 2

Who was impacted?

Full service restaurants and pubs and bars were most impacted by the restrictions, with a 55% reduction in spend compared to 2019. Quick service restaurants were impacted the least, with a 1% reduction in spend overall. This may be because they were able to adapt by providing more options for delivery and takeaway more easily.

In Scotland, the number of trips reduced across all age groups, but those aged 35 to 54 reduced their trips the most. There was a decrease of 176 million trips for this age group OOH compared to 2019.

There was little difference in the share of trips across the SIMD groups, showing only small changes between 2019 and 2020. This is shown in the table below (Figure 3).

In 2020, those who lived in the least deprived areas in Scotland spent more per trip on OOH food purchases, at around £6.17. Those who lived in the most deprived areas spent the least at around £4.29.

In 2020, the number of trips declined by about a third for both rural and urban consumers compared to 2019. Those living in rural areas of Scotland visited OOH more frequently in 2020, making 186 trips per year, whilst those living in urban made 126 trips. People from rural areas made more visits to workplace and education canteens, whilst those from urban areas visited convenience outlets more frequently.

SIMD	**Trips 2019** (% share)	**Trips 2020** (% share)	**Spend per trip 2020**
1 - Most Deprived	16%	15%	£4.29
2	19%	22%	£5.15
3	28%	25%	£4.92
4	24%	26%	£5.21
5 - Least Deprived	12%	11%	£6.17

Figure 3

[2] Note two data points are included for November as covers 4 week ending 1 Nov and 29 Nov 2020

Where did consumers visit and what did people eat?

Throughout 2020, the places where people ate OOH shifted between the phases of the pandemic in Scotland. During lockdown, there was a reduction in food eaten on premises and an increase in food eaten at home (via takeaway and delivery) and "on the go".

Since the restrictions of the pandemic began, people ate OOH less often. As shown in the table below (Figure 4), lunch was the meal occasion that had the biggest reduction at 50% less compared to the previous year. This may be due to fewer people travelling to work. Evening meals OOH also declined, but to a lesser extent at 24%. This was possibly due to being most frequently purchased on delivery.

In Scotland, the types of food and drinks people purchased, such as main meals, quick meals and drinks experienced a decline in 2020. As shown in the table below (Figure 5), cold drinks were the most impacted at 44% less compared to 2019. Main meals were the least impacted at 30% less.

When consumers were asked to record why they were making their purchase, enjoyment needs, such as taste, remained the most important in Scotland when eating OOH at 92%. This was followed by practicality (48%), such as quickness and ease. Health needs, such as purchasing items that are low in fat, sugar and salt, were among the least important at 11%.

Meal occasion	Percentage change in number of occasions (2020 vs 2019)
Breakfast	-28%
Lunch	-50%
Evening meal / teatime	-24%
Snacking	-37%

Figure 4

Food & Drink category	Percentage change in number of occasions (2020 vs 2019)
Total main meals	-30%
Discretionary categories excluding drinks	-41%
Total quick meals	-40%
Cold drinks	-44%
Hot drinks	-41%

Figure 5

Takeaway and Delivery

Unlike the wider OOH market, takeaways grew in 2020 with a market value of £1.1 billion, a 31% increase compared to 2019. The number of takeaway trips doubled in the last year, with an additional 21 million trips compared to 2019.

In 2020, ordering takeaways from restaurant apps and third party apps (for example Just Eat), saw a huge rise in Scotland. This increased by 103% and 69% respectively compared to 2019. This resulted in an expanded choice of outlets people can order from using this technology.

The delivery market in Scotland also had an increase in 2020, with around 1.2 million new consumers (an increase of 54%) using delivery services, compared to 2019. As there was an increase in choice of outlets offering delivery services, this meant a greater range of options. However, traditionally popular meals such as pizza (29%) continued to be the most popular, followed by Chinese food (16%) and chicken meals (12%).

Promotions

The percentage of trips OOH featuring a promotion declined during lockdown and bounced back as restrictions eased. However, overall this remained very similar to 2019 at around 7% of trips in GB and 9% in Scotland for both years.

As a way to boost the OOH market, the UK Government introduced "Eat Out to Help Out" (EOTHO), offering half price food and non-alcoholic drinks from Monday to Wednesday during the month of August 2020. An additional £832 million was spent across GB during the period of EOTHO. There was an increase of 54 million trips compared to the previous month. However, as the scheme ended and stricter measures were introduced, the growth did not continue into the autumn.

Conclusion

The impact of the COVID-19 pandemic on the OOH food and drink environment has been huge. Some sectors were hit hard, such as full service restaurants, whilst others such as takeaways and deliveries appeared to thrive.

Many popular foods and drinks consumed outside the home are less healthy, and often high in calories. The OOH sector is a significant contributor to the overall diet, and remains a key area for intervention to improve the food environment and ultimately, the Scottish diet.