ATTEST

What are British grocery shoppers hungry for in 2021?

askattest.com

“But first, a bit about us...

We’re Attest, and our mission is simple: we’d like to fill the world with better products and services, more successful businesses, and happier consumers.

Great companies put consumers and data at the heart of every decision. That’s critical whether you’re building new products, creating ground-breaking campaigns or exploring new markets.

With Attest you can draft surveys, choose audiences from our pool of 100m consumers across 49 markets, and analyse results all in one end-to-end platform. Anyone in your team can keep in constant contact with consumers, so you can make rapid decisions with confidence.

Start analysing results as soon as your survey is live, and receive hundreds of responses in a matter of hours, so research never slows your team down. Instead, it helps you act more quickly.

For more information now, or after you’re done reading, get in contact with us!

Now, let’s get to the good stuff...

“Attest is a catalyst for changing the culture of our company.”

Senior Executive, Discovery Network

“Takes the stress, time, and cost out of consumer research.”

Marketing Manager, Fever-Tree

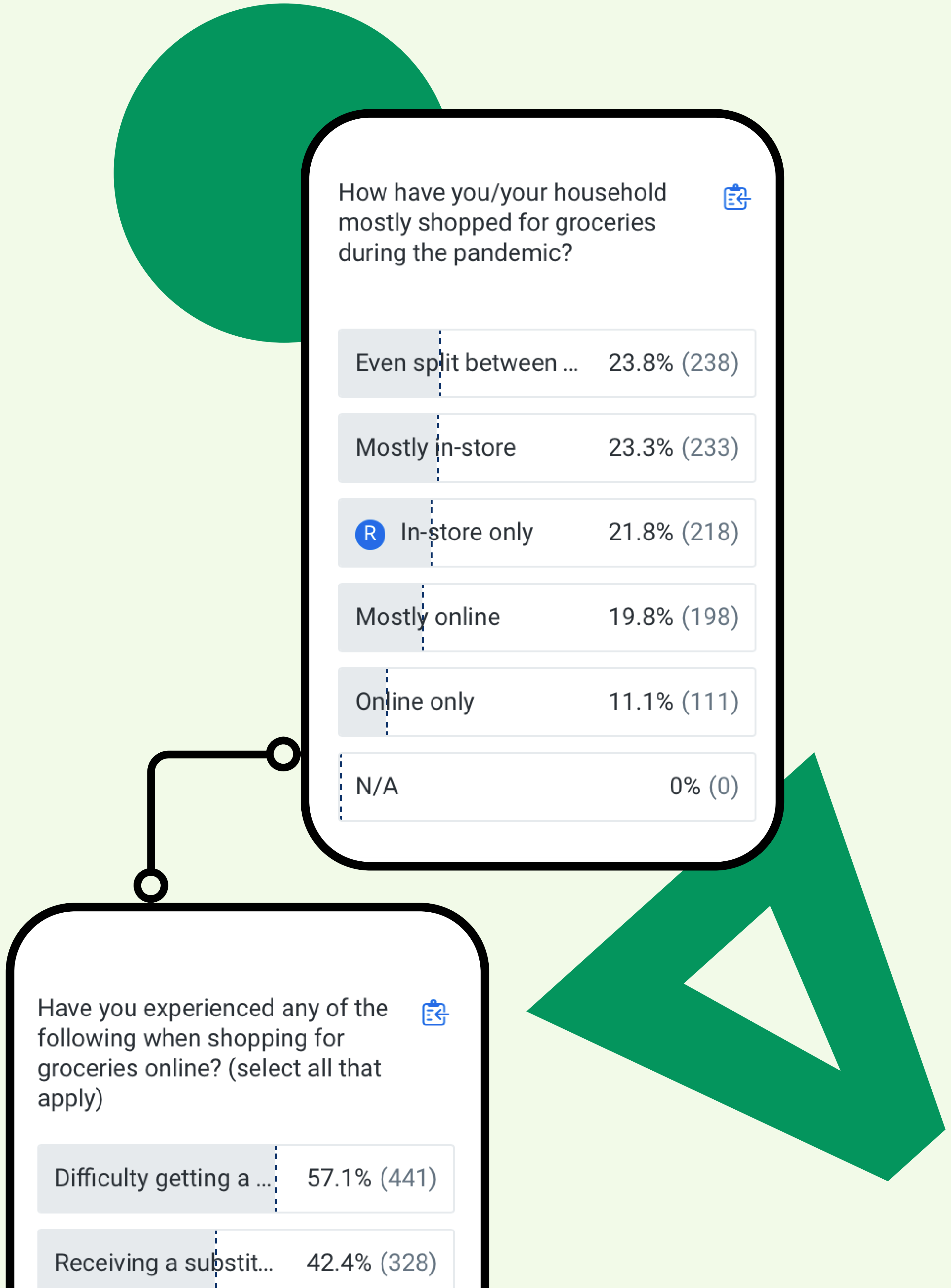
Introduction

What impact has the coronavirus pandemic had on British consumers' grocery shopping habits? How has it changed attitudes and beliefs about food? And where are our diets headed as we move towards recovery?

We answer these questions through in-depth research with 1,000 UK consumers, giving F&B brands invaluable insight for their forward planning. The data uncovers a variety of themes, including increased environmental awareness, a desire to make diets healthier and an ever-growing interest in plant-based nutrition.

Comparing data from our 2019 and 2020 F&B reports, we're able to see interesting changes in meat consumption and alcohol consumption. Meanwhile, there are shifts in consumer spending as household incomes decrease and grocery spending goes up, resulting in a variety of winning and losing categories.

In addition to short-term behaviour changes, we'll explore the behaviours that look set to stick around (like online grocery shopping). And we'll see how the pandemic has opened up new opportunities for brands and retailers, with Brits looking for new ways to cook, eat and shop. So, sit down, make yourself comfortable and get ready to tuck into the very freshest F&B industry data.

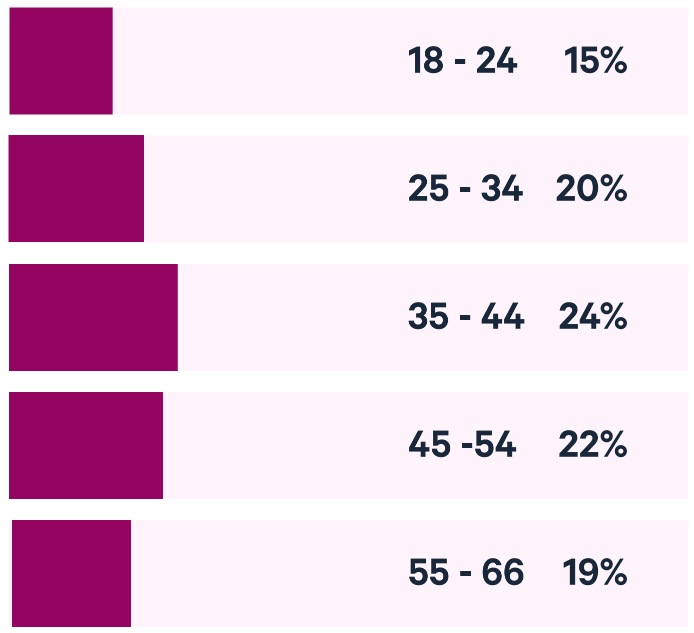


Survey Sample

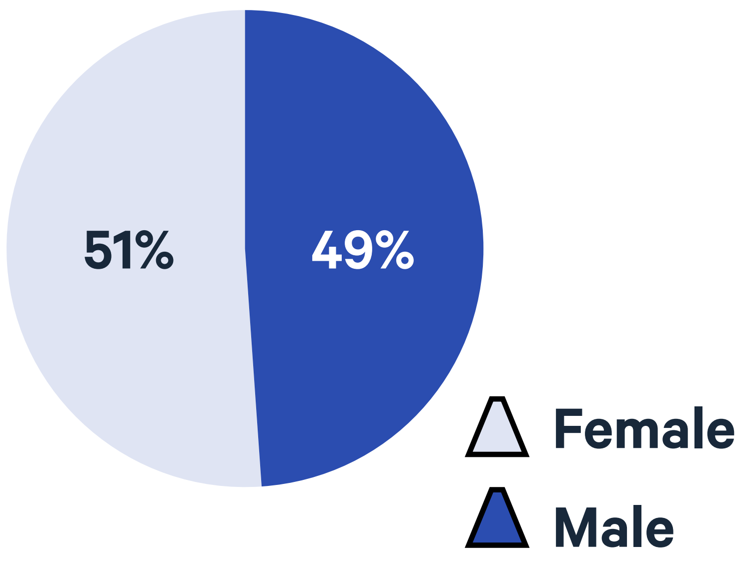
The survey was done on the Attest platform with 1,000 working-age consumers in January 2021 and is nationally representative. You can view the data here.

In this survey, we break the sample into two roughly equal age demographics, representing the younger and older generations: aged 18-40 (50.6%), aged 41-65 (49.4%).

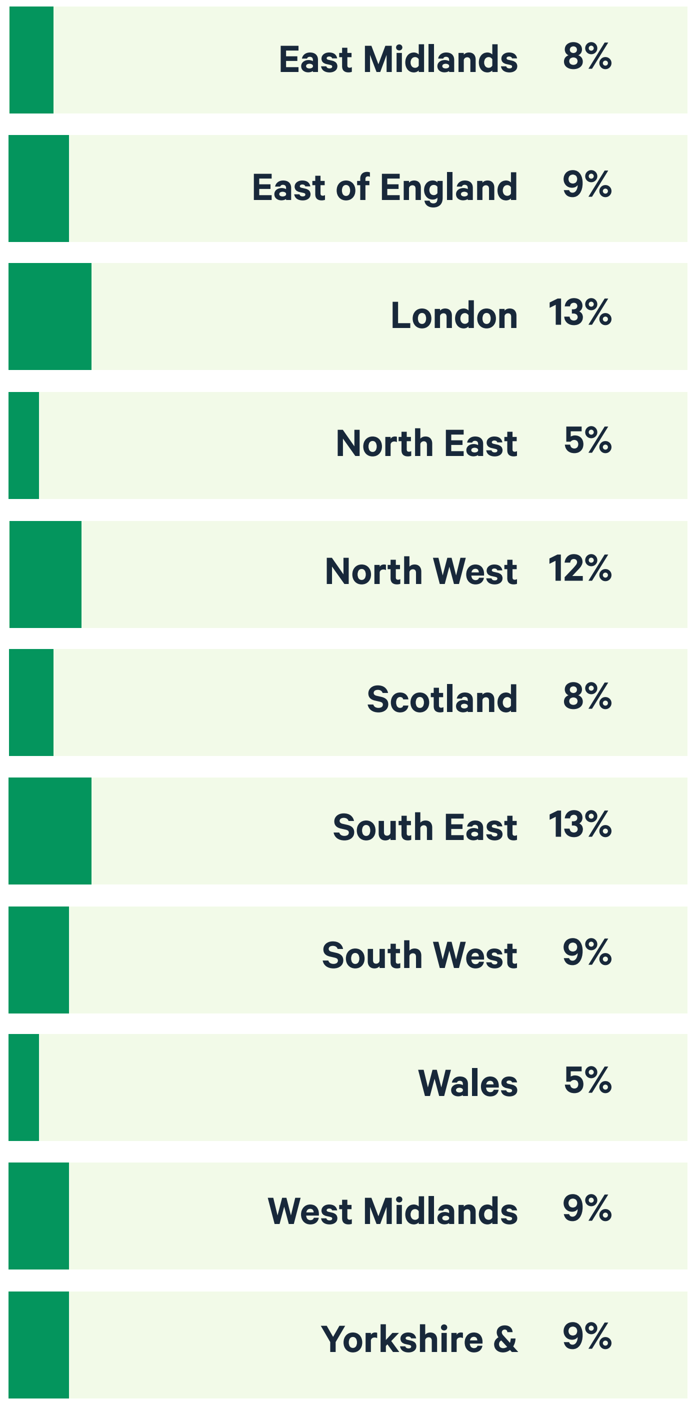
Age



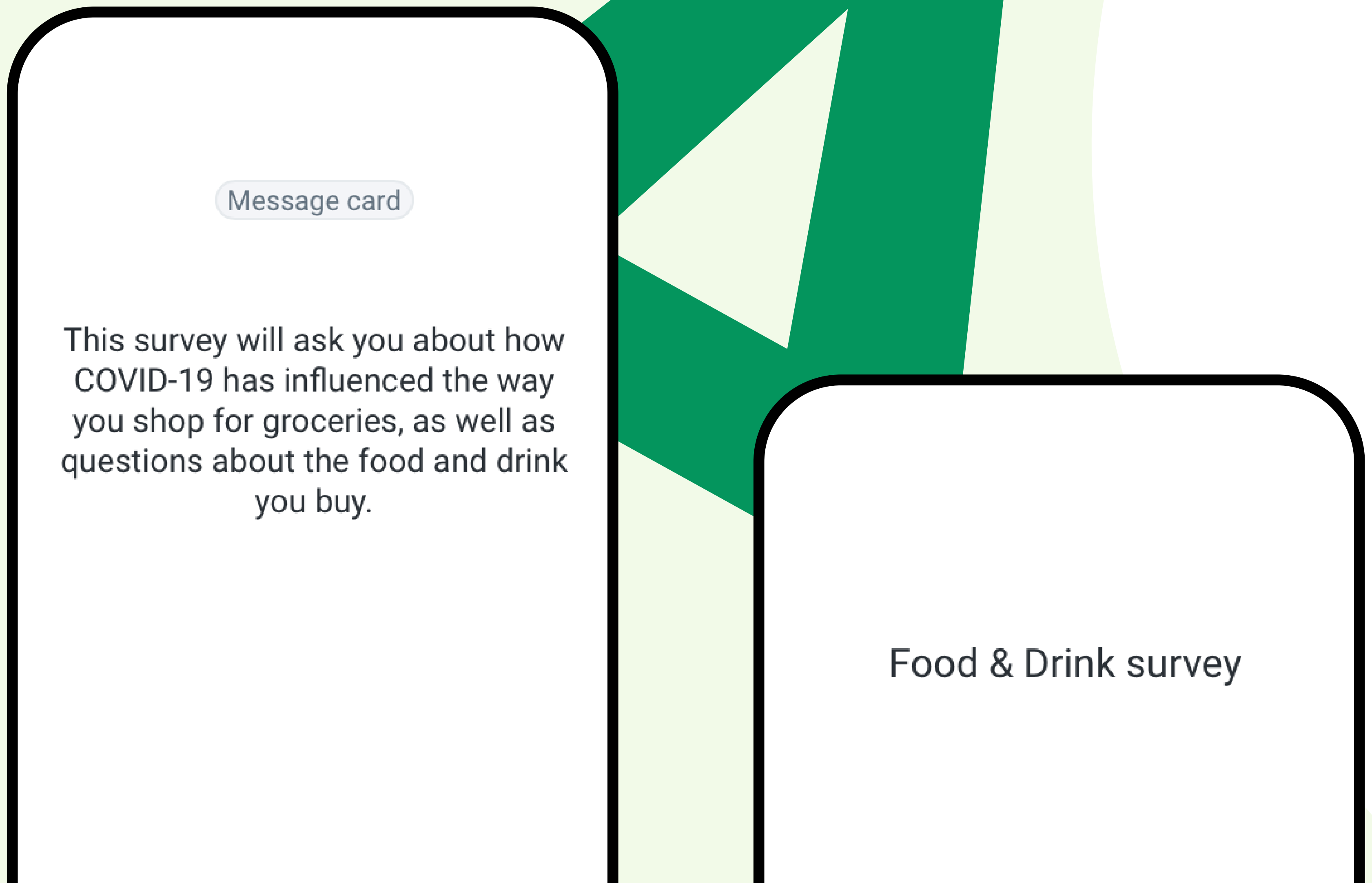
Gender



Region



Contents


Message card
This survey will ask you about how COVID-19 has influenced the way you shop for groceries, as well as questions about the food and drink you buy.
Food & Drink survey

Online vs. Offline

How have you/ your household mostly shopped for groceries during the pandemic?

The pandemic has given UK e-commerce a massive boost and grocery has been one of the main categories to benefit, with online sales doubling in December 2020 to 12.5%, making it the biggest Christmas on record for the sector.

Our data shows that more than half of Brits have embraced online grocery shopping during the pandemic - a shift that's led to digital laggards like Lidl and Aldi losing market share. Nearly 55% of consumers have regularly shopped online. This includes 19.8% who have done **most of their shopping online,** 11.1% who have shopped **entirely online,** and 23.8% who have **split their shopping evenly between online and offline.** A further 23.3% have shopped **mostly in-store,** and 21.8% **in-store only**.

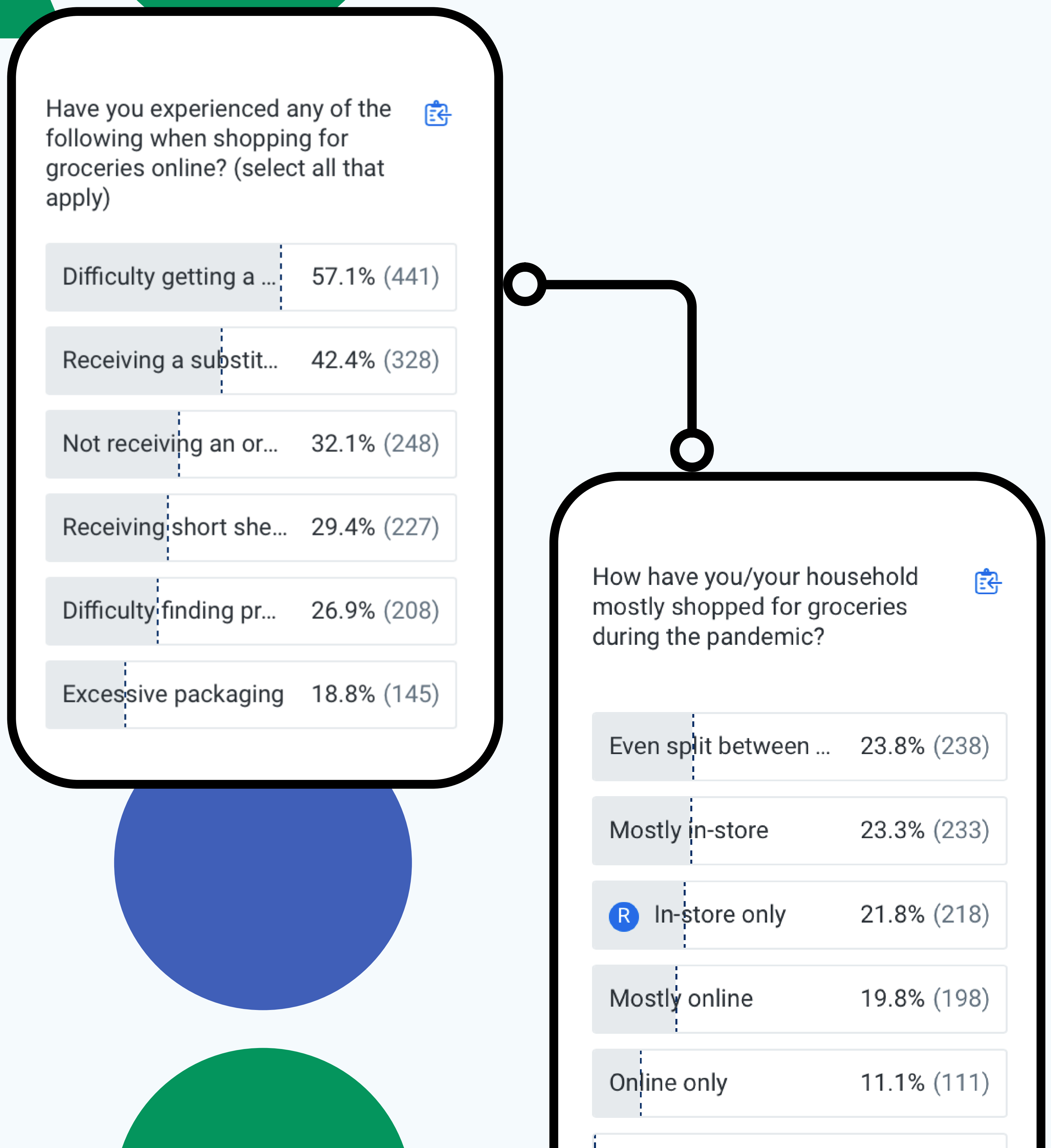
What are British grocery shoppers hungry for in 2021?

What's more, the pandemic has driven new shoppers to online grocery shopping; 27.1% of respondents say they shopped with a supermarket online for the first time. A further 16.9% have tried shopping for groceries on an online marketplace like Amazon, while nearly 21.2% of people have used a click & collect service for groceries for the first time during the pandemic.

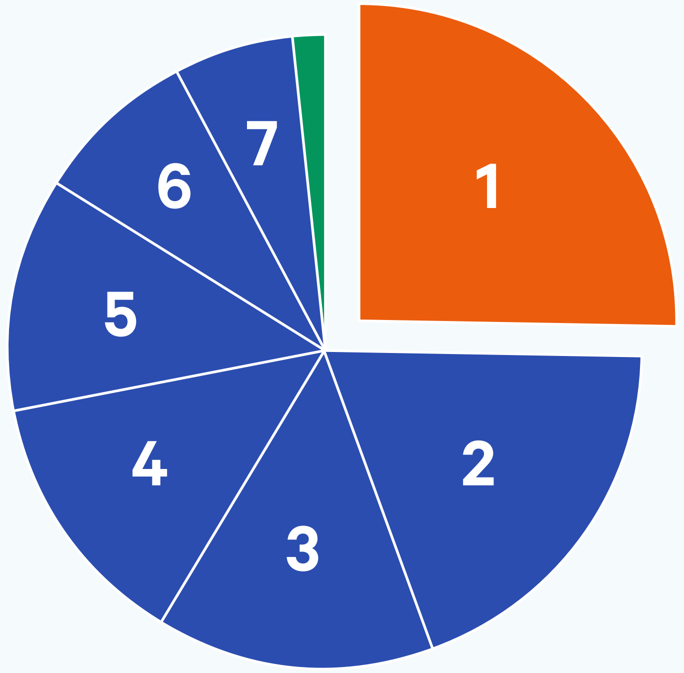
Men over-index for dedicated online grocery shopping; 12.9% say they've shopped entirely online during the pandemic versus 9.4% of women. Men are also more likely to have tried shopping with an online supermarket for the first time (28.1% versus 26.3%), while women are more likely to have used a marketplace (18.4% versus 15.4%) and tried a click & collect service for the first time (24% versus 18.3%).

Roughly equal numbers of younger and older consumers say they have shopped entirely or predominantly online during the pandemic. But people in the 41-65 age bracket are more likely to have *not* adopted online grocery shopping; 26.5% have only shopped in-store, versus 17.3% of those aged 18-40.

Meanwhile, the younger demographic is more likely to have shopped with an online supermarket for the first time (30.3% versus 23.8%). They're also more likely to have tried shopping for groceries on a marketplace for the first time (23.2% versus 10.3%) and using click & collect (24.2% versus 18.1%).



Have you experienced any of the following when shopping for groceries online?



1. Difficulty getting a delivery slot: 57.1%
2. Receiving a substitution: 42.4%
3. Not receiving an ordered product: 32.1%
4. Receiving short shelf-life, old or poor quality products: 29.4%
5. Difficulty finding products on the website: 26.9%
6. Excessive packaging: 18.8%
7. Difficulty checking out: 13.7%
8. None: 3.2%

The increase in demand for online grocery shopping has put pressure on retailers - both on their e-commerce platforms and their supply and distribution networks. But what are the biggest problems experienced by British consumers who've shopped for groceries online?

According to our respondents, **difficulty getting a delivery slot,** is the number one issue they're likely to have encountered; 57.1% say they've had this problem. Shoppers in some areas have faced a month-long wait for delivery. Our data shows regions that have been disproportionately affected include Scotland (68.6%), Wales (69.4%) and the South East (62.5%). In the capital, 53.4% of online shoppers have struggled to secure a delivery slot, but this demand is driving new logistics startups - London-based Weezy aims to deliver groceries from local supermarkets in just 15 minutes. And they're looking at expanding into Bristol, Manchester and Birmingham.

Receiving a substitution is the second most frequently encountered issue; 42.2% of people have gotten an item they didn't order, while a further 32.1% **have had items missing completely.** This issue is likely to have been exacerbated by the product shortages experienced across the country during the first lockdown.

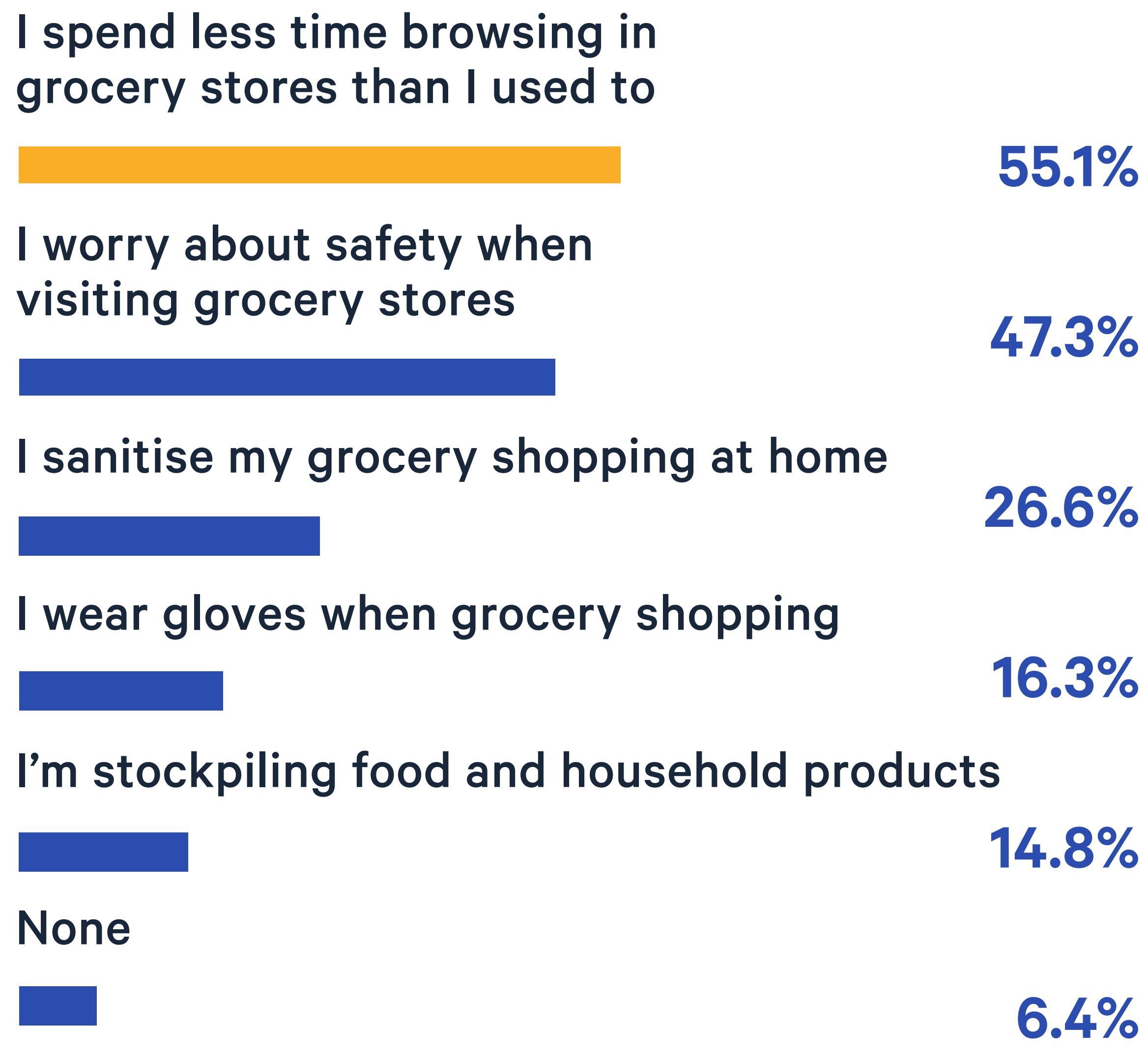
But while supply problems may be outside of retailers' control, the way their websites function is not. Nearly 27% of respondents say they've **struggled to find the products they want.** This indicates that retailers need to improve their product categorisation (taxonomy), search functions and recommendation engines. Another usability issue is **difficulty checking out,** experienced by 13.7% of people.

More than 29% of online shoppers say they have **received products that were past their best** or that needed to be consumed quickly. This is something Ocado have tried to combat by introducing a Life Guarantee, specifying the minimum number of days until a product's expiry date.

Home delivery of groceries can sometimes result in additional packaging being used (for example, shopping that would have fit in three plastic bags coming in seven). This type of **excessive packaging** is something that 18.8% of respondents have experienced. To make home delivery more sustainable, Tesco have launched a new milkman-type scheme in partnership with Loop. Products come in durable containers (like glass bottles), which can be returned and used again.

It's worth noting that nearly 64.2% of Brits say they're likely to shop with a supermarket online in the next six months. Working through the issues identified should be a top priority for retailers - especially upgrading delivery capabilities. Maybe they could learn a thing or two from their counterparts in the US, where only 23% of online grocery shoppers have struggled to get a delivery slot (get the full report here).

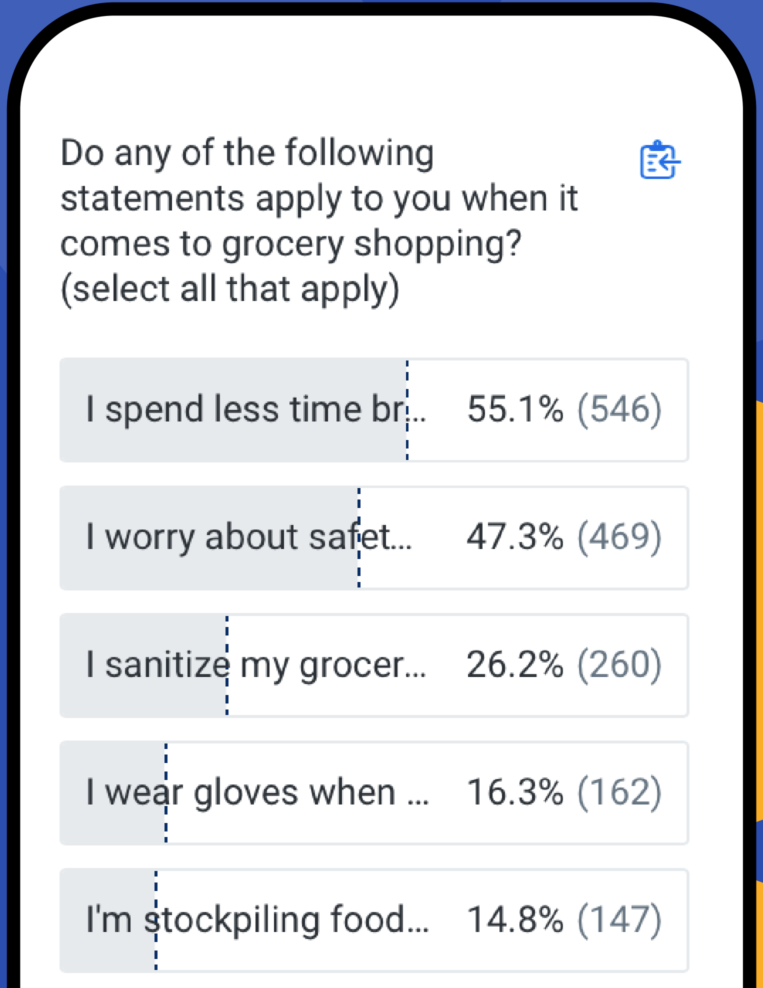
Do any of the following statements apply to you when it comes to grocery shopping?



As we saw earlier, Brits have made a significant transition to online grocery shopping. And even when they do visit a physical store, they're spending less time there. Just over 55% of consumers say they're **spending less time browsing in grocery stores** than they used to. That means non-essential categories like clothing, accessories, books and magazines could be overlooked. It could also mean that new products or brands are less likely to be considered. To make sure they still get attention, retailers may need to adapt store layouts or look at online promotions.

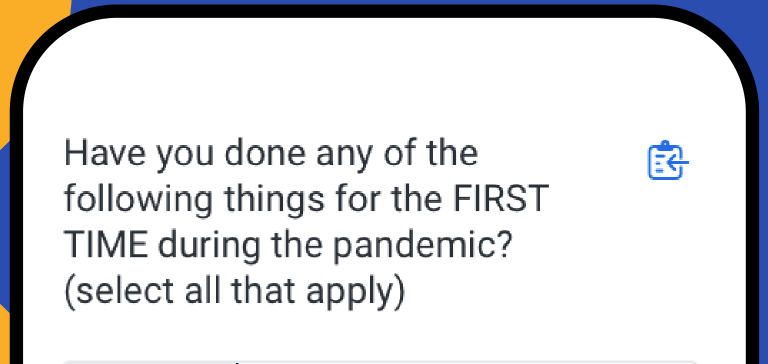
Safety when visiting grocery stores is also a big concern; 47.3% of people say they worry about their **safety in-store.** Nearly 27% of respondents **sanitise their grocery shopping** and 16.3% **wear gloves when grocery shopping.**

People in the older demographic are more likely to be worried about safety (48.9% versus 45.9%), but it's the younger age group who are more likely to be taking safety precautions; 27.6% sanitise groceries (versus 24.8%) and 20.7% wear gloves (versus 11.8%), which begs the question whether this focus on hygiene will continue beyond the pandemic for this generation.



Meanwhile, 14.8% of people are **stockpiling food and household products**. Men are more likely to be stockpiling (16.1% versus 13.6% of women), as are the younger demographic (16.9% versus 12.6% of those aged 41-65). While panic buying is to be discouraged among consumers, could there be an opportunity for retailers to explore selling more products in bulk? This might help supermarkets mitigate a reduction in sales if people start buying in bulk from D2C retailers (as explored in the next chapter).

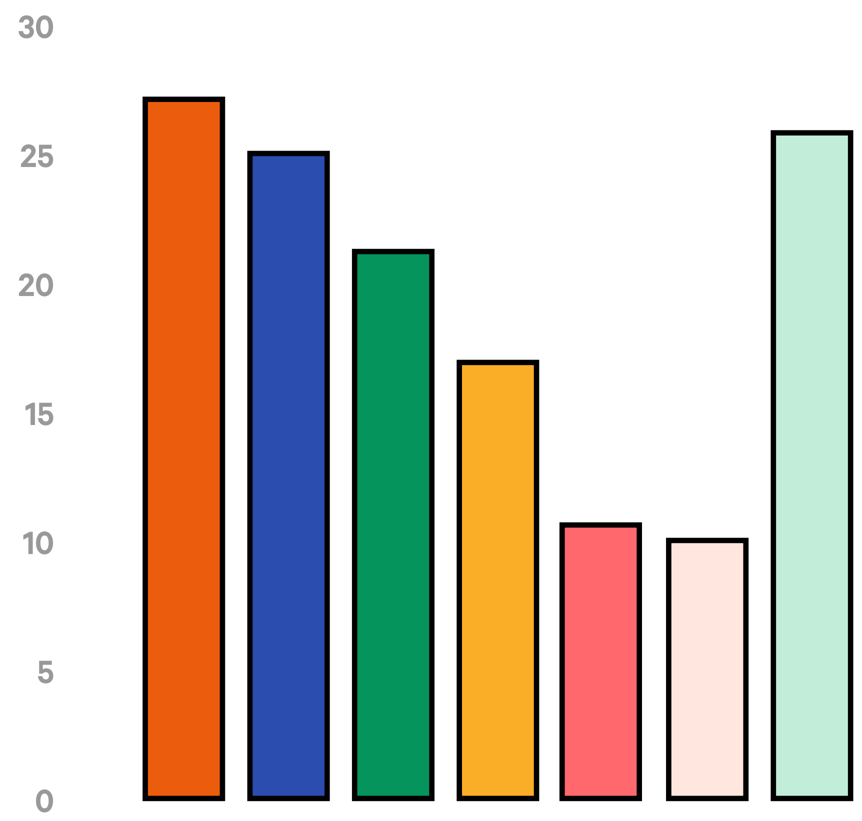
In a separate question, a quarter of respondents said they had **bought products in bulk** for the first time during the pandemic. It's a behaviour that could stick if consumers find it's beneficial to have larger supplies of their favorite products at home.



The D2C opportunity

Have you done any of the following things for the FIRST TIME during the pandemic?

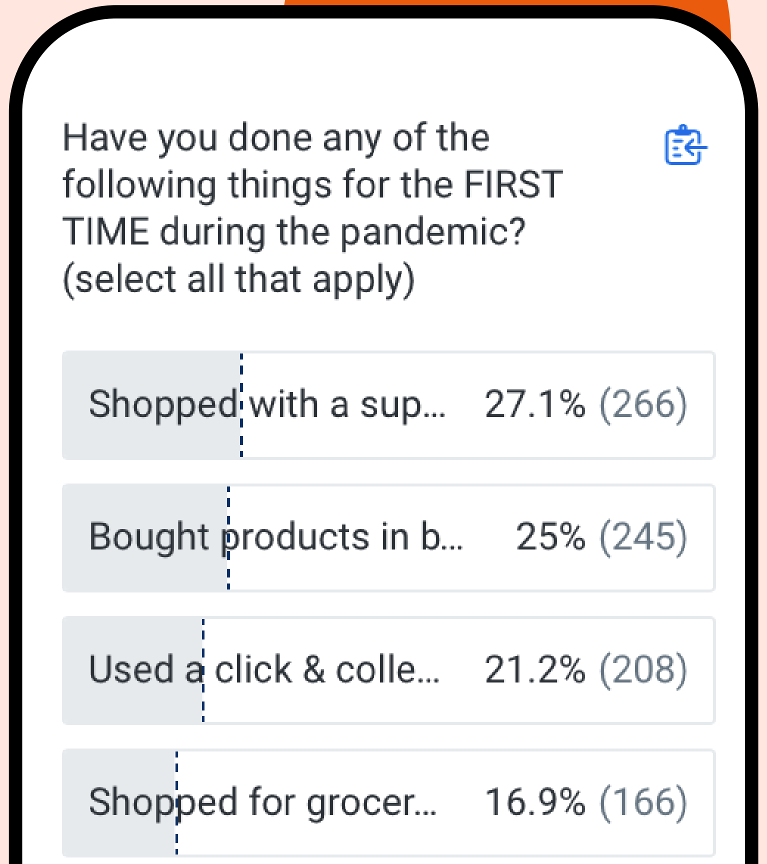
- Shopped with a supermarket online: 27.1%
- Bought product in bulk: 25%
- Used a click & collect service for groceries: 21.2%
- Shopped for groceries on an online marketplace (i.e. Amazon): 16.9%
- Shopped directly with a food or drink brand online (i.e. from Pepsi.co.uk): 10.6%
- Signed up to receive food or drink by subscription: 10%
- None: 25.8%



Lots of brands have taken advantage of the COVID e-commerce boom to ramp up direct-to-consumer sales. Among them are Kraft Heinz and Pepsi. Heinz to Home offers bulk-buy bundles of staples like soup and spaghetti for home delivery, while, in the States, Pepsi's new D2C websites PantryShop.com and Snacks.com, give consumers an easy way to order the company's popular food and beverage brands.

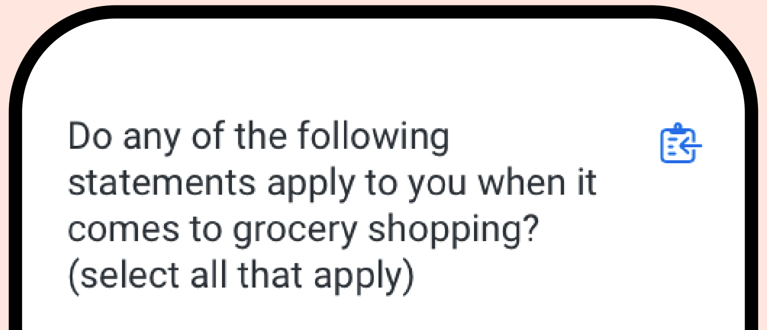
A direct-to-consumer offering doesn't just let brands increase profit margin by cutting out the middleman, it also gives them a direct line to their audience. According to Pepsi CEO Ramon Laguarta, their direct-to-consumer model lets them "read" consumers and understand reactions to early innovation. This helps them with new product development and deciding what to take mainstream.

The time is ripe for developing a D2C offering because the pandemic has forced British consumers to adopt new shopping behaviours. Nearly 11% of respondents say they **purchased food or drink products directly from manufacturers** for the first time last year. The younger age group, especially, are exploring new ways to shop; 13.3% have tried D2C food and drink during the pandemic (versus 7.8% of older people) and 23.2% have **bought groceries on a marketplace like Amazon** for the first time (versus 10.3%).

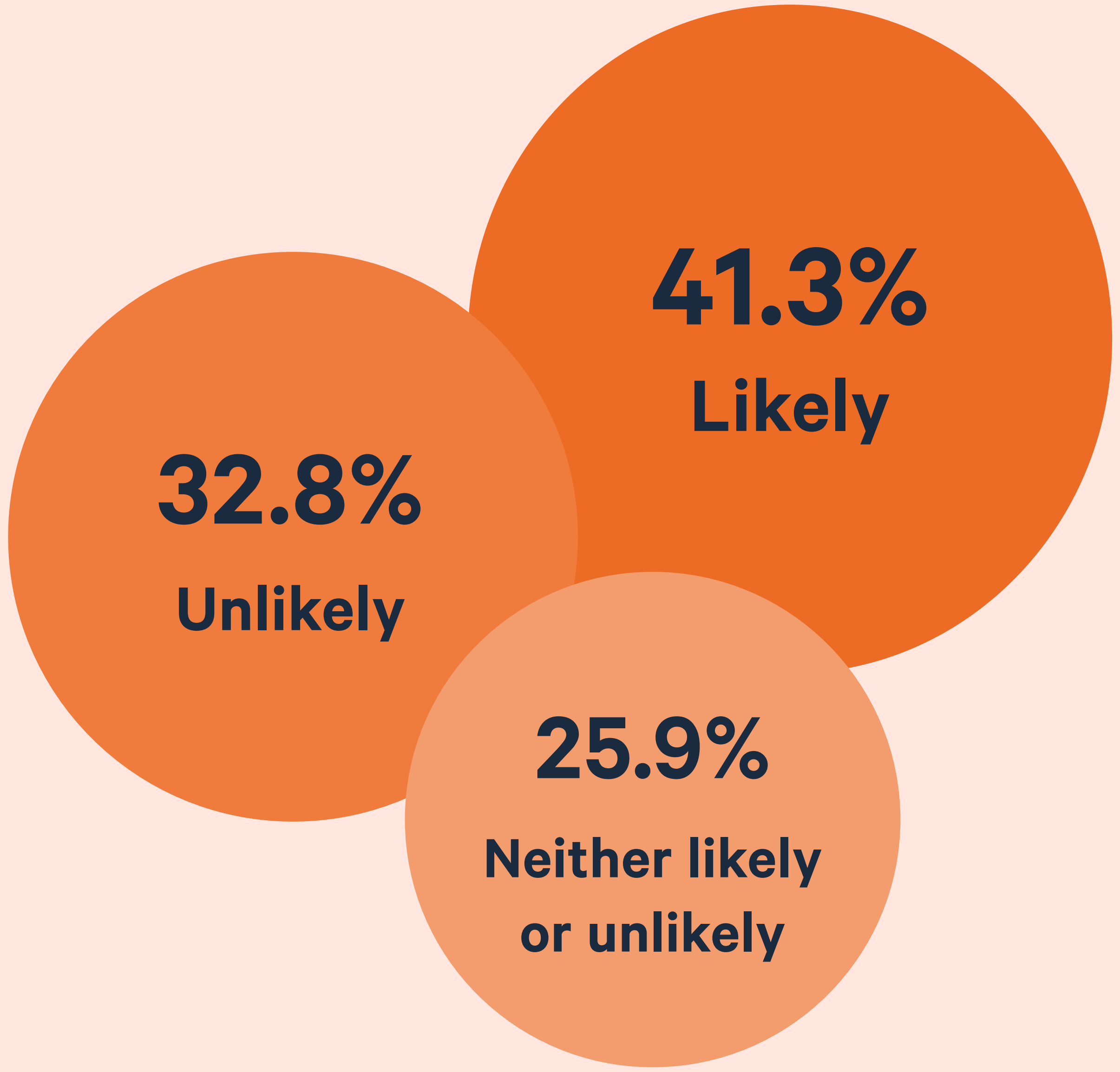


As well as offering one-off grocery purchases, Amazon's Subscribe and Save feature allows people to schedule repeat deliveries of everyday essentials and save up to 15% on the cost. Brands should certainly consider expanding their distribution channels to reach Brits wherever they prefer to shop.

Meanwhile, coronavirus has also led to new people discovering **food and drink subscriptions.** Nearly 10% of respondents say they've signed up for a subscription for the first time during the pandemic, rising to nearly 13% of people in the younger age bracket.



How likely are you to shop with a food or drink brand directly online in the next six months?

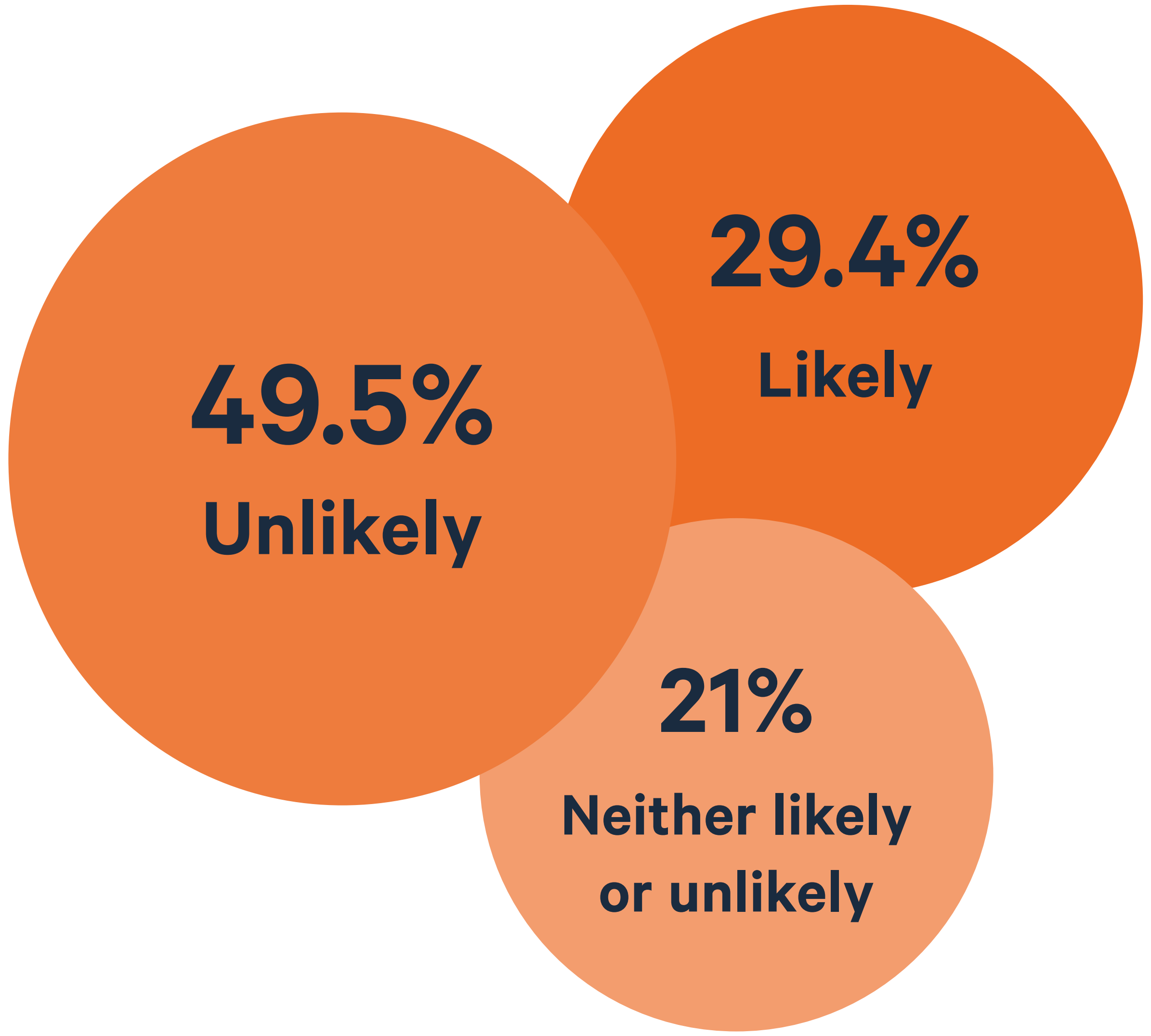


Purchase intent for D2C food and drink brands looks strong. Our data shows that nearly 41.3% of British consumers are likely to **shop with a food or drink brand online** in the next six months (13.3% say they are very likely). And while 32.8% of respondents say they're unlikely, nearly 26% aren't sure - this represents a group of consumers who could potentially be persuaded.

Most likely to be interested in shopping with D2C brands is the younger age group. 48% of people aged 18-40 say they're likely to in the next six months (versus 34.3% of people aged 41-66).

What's really interesting is that those consumers who tried shopping with a D2C food or drink brand for the first time during the pandemic are now firmly converted; a massive 74.6% say they'll shop again in the next six months.

How likely are you to take out a new food or drink subscription in the next six months?



Our data suggests that getting people to try a **food or drink subscription** increases their likelihood to take out additional subscriptions.

More than 68% of people who signed up for a subscription for the first time during the pandemic say they're likely to take out a new one in the next six months.

This tracks way ahead of the 29.4% of consumers in general who plan to sign up to a new subscription. The majority of consumers (49.5%) say they're unlikely to look at a new subscription, although 21% remain undecided.

In terms of purchase intent by demographic, we see the same trend as before - younger people show significantly more intent to subscribe to receive food or drink packages. Nearly 39% of people aged 18-40 say they're likely to take out a new subscription in the next six months (versus 19.8% of older people).

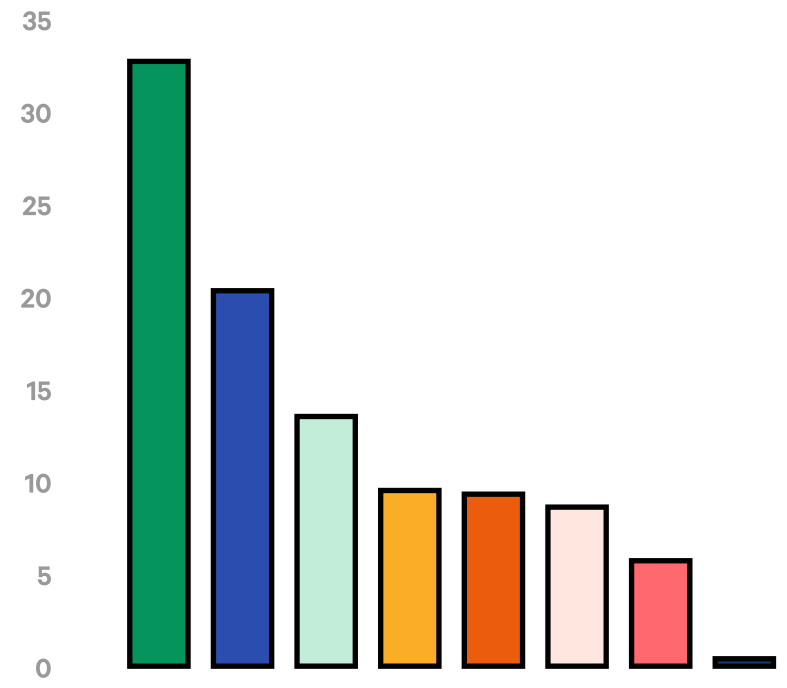
There's certainly been no shortage of innovation in the F&B subscription sector. As coronavirus has forced large numbers of restaurants to shut, many have adopted the model, providing DIY kits so people can recreate their favourite dishes at home. One platform helping independent restaurants to do this is Restaurant Kits. Subscribers can pick one kit a month, from a list of six, for £30.

Introducing a subscription offering can secure a valuable recurring income stream. But research we previously carried out found it's important to keep terms flexible to win over consumers who are afraid to commit.

Attitudes to sustainability and ethics

What do you think is the most pressing issue the food industry should address?

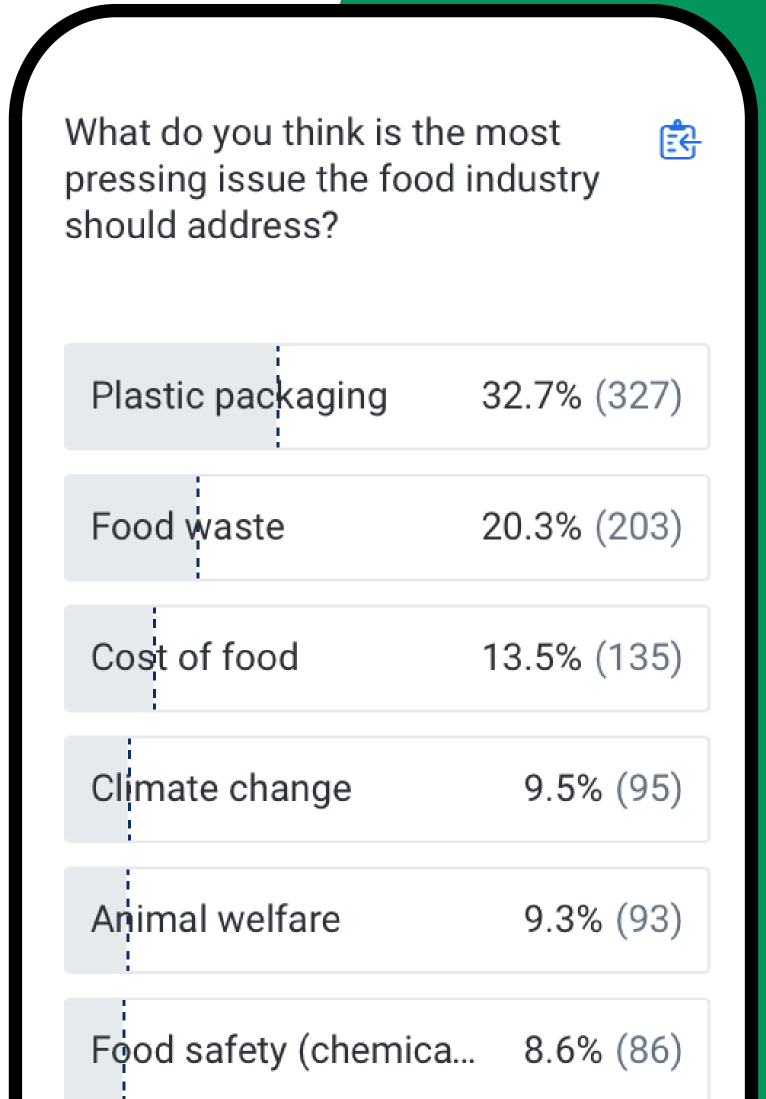
- Plastic packaging: 32.7%
- Food waste: 20.3%
- Cost of food: 13.5%
- Climate change: 9.5%
- Animal welfare: 9.3%
- Food safety (chemicals/antibiotics etc): 8.6%
- Obesity: 5.7%
- Other: 0.4%



It's been a year of incredible change, but what impact has the coronavirus crisis had on UK consumers' priorities when it comes to things like global warming and food safety? We asked respondents to tell us what they believed was the number one issue the food industry should address.

According to the British public, **plastic packaging** is currently the most pressing issue. Nearly 33% say the industry has to tackle the plastic problem. If they feel like too little is being done, they could be right. The nation's top ten supermarkets produced almost 900,000 tonnes of plastic packaging in 2019 - only 1.6% less than in 2018.

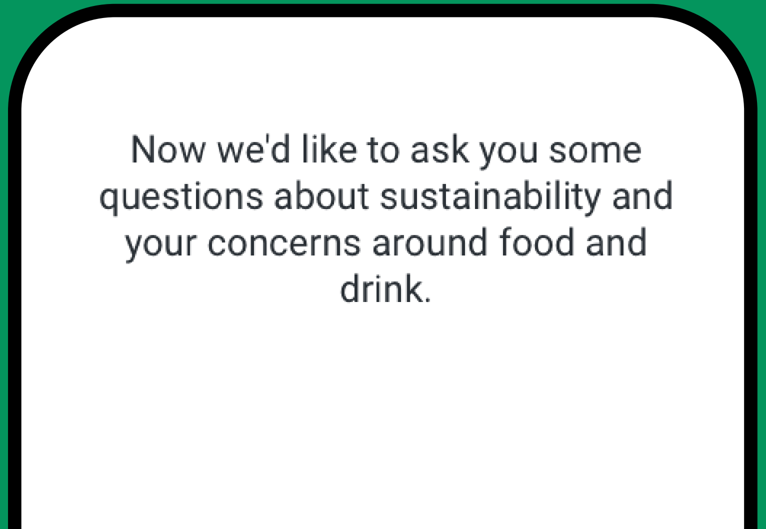
Another issue relating to sustainability - **food waste** - is given high priority, coming in second with 20.3% of the overall vote. According to a 2018 study by Wrap, the UK produces 9.5 million tonnes of food waste annually, resulting in 25 million tonnes of greenhouse gas emissions - it's a major contributor to climate change.



Although the industry still has a big role to play, it's a fact that 50% of food is wasted in the home. The first ever Food Waste Action Week (March 1-7) sees major players including Asda, Co-op, KFC, M&S, Premier Foods, Sodexo, Unilever and Waitrose come together to raise awareness among consumers.

The **cost of food** is the third biggest concern among UK consumers, getting 13.5% of the vote. As the pandemic takes a toll on incomes, more people are struggling to pay the weekly food bill - something that we'll explore more later.

Despite the focus on plastic packaging and food waste, only 9.5% of people think **climate change** is the most pressing issue the food industry should tackle. This indicates that brands might get better consumer buy-in by talking about specific sustainability issues rather than broad efforts to combat climate change.



Animal welfare is the fifth most pressing issue, with 9.3% of the overall vote. One retailer prioritising animal welfare is Waitrose. The supermarket is rolling out a first-of-its-kind app to help inspectors assess the emotional wellbeing of its farm animals, logging observations about behaviour and body language.

Food safety is given less priority (8.6% say keeping things like antibiotics and chemicals out of foods is the most important issue), which is surprising given the current health crisis. Overuse of antibiotics in animals can drive resistance in humans, posing a major health threat. In the US, big brands like McDonald's and Wendy's are changing practices to improve the safety of their meat and this has led to greater awareness among consumers - food safety was named as the top concern (27.9%) when we asked the same question to US consumers.

Meanwhile, the issue deemed least important is **obesity**, with just 5.7% of the overall vote (even though being overweight is a key risk factor in becoming seriously ill with COVID-19). Last summer, the Government published its latest obesity strategy proposing a ban on ads for products high in fat, sugar and salt being shown on TV and online before 9pm. Other proposed measures include ending "buy one, get one free" deals on junk food, and creating more comprehensive calorie labelling on products and in restaurants.

These proposals may help increase awareness among the public about healthy eating. Around 63% of UK adults are now obese or overweight, and while 54.4% desire to eat more healthily, only 23.3% of people intend to go on a diet this year (as we'll see later on).

Please rank how much these factors influence you when choosing food or drink brands

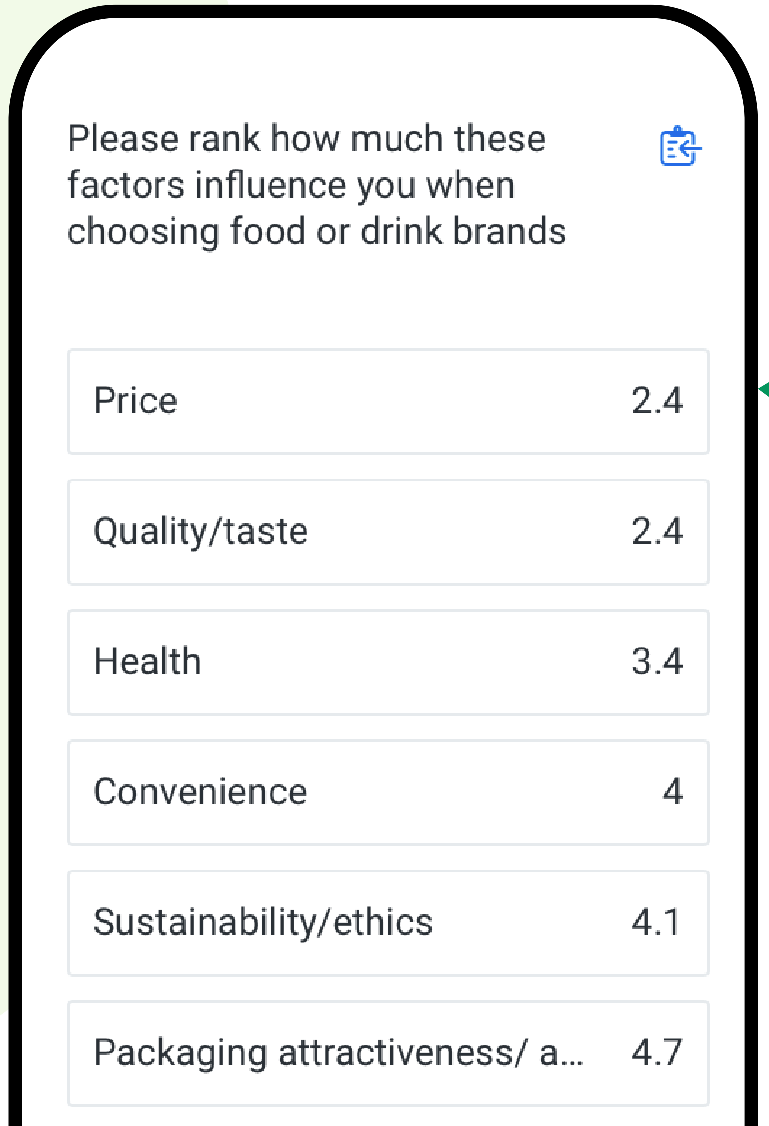
How important is sustainability to British consumers when choosing food or drink brands? We asked respondents to rank six product attributes in terms of how much they influence their purchasing decisions.

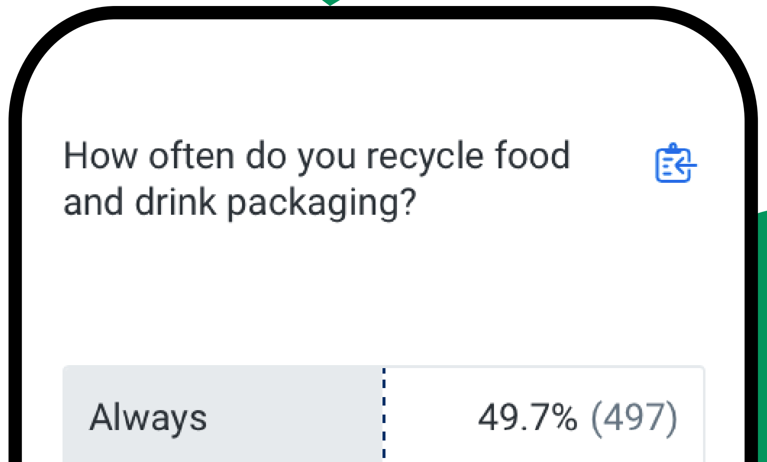
The primary drivers are **price** and **taste and quality**, both scoring 2.4. We've already seen how the cost of food has become an important issue for UK consumers and, with Brexit expected to lead to higher food prices, this focus on price is likely to continue.

The third biggest driver behind a food or drink purchase decision is how **healthy** the product is, suggesting that consumers are trying to make better diet choices. Next, though, is **convenience**, which shows people still desire food and drink manufacturers to do the hard work for them.

Sustainability and ethics gets an average rating of 4.1 out of 6, proving this is something shoppers take into consideration when selecting products but it's by no means the priority. What this means is that brands with a sustainable agenda must also work hard to stay competitive on price.

Consumers believe that **packaging attractiveness and advertising** has the least influence on their purchasing decisions, but this is likely to be a bigger driver than they realise. A recent study by researchers at the University of Southern California found that the more attractively food is presented, the more nutritious we perceive it to be.





Do you actively try to do any of the following to be more environmentally friendly?

To provide some context around how British consumers consider sustainability and ethics when they shop for groceries, we asked respondents to tell us about any specific actions they take to be more environmentally friendly.

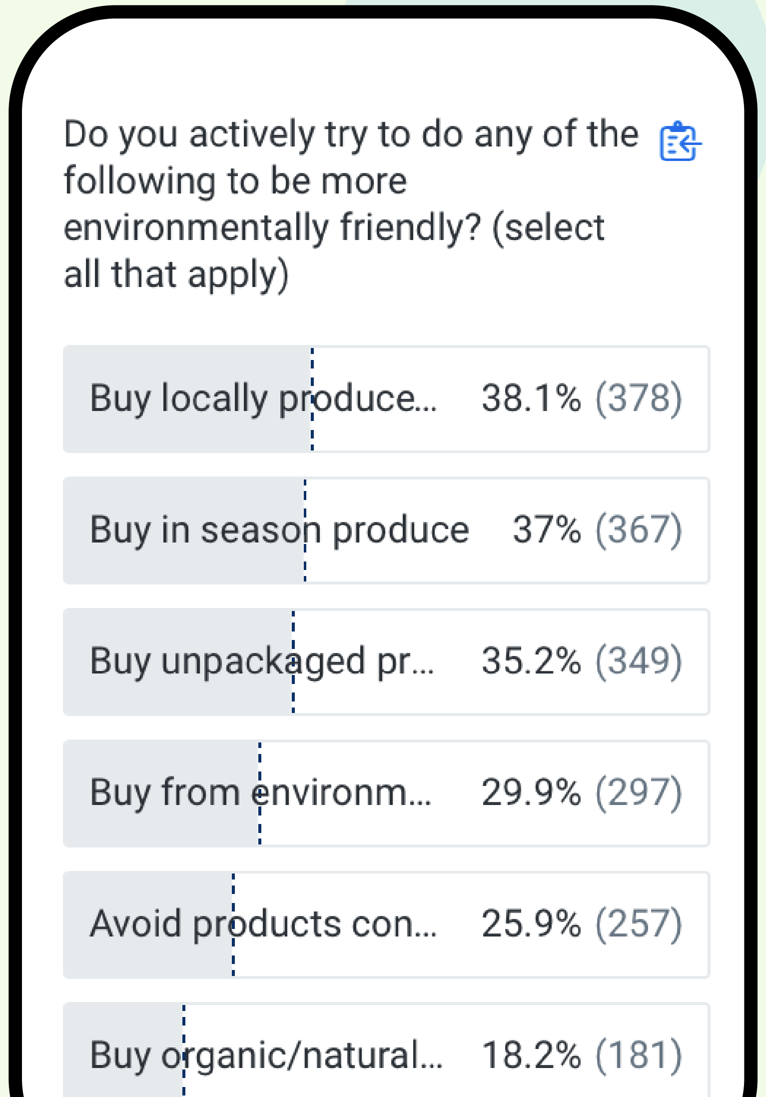
Buying locally produced food and drink is the top behaviour we see; nearly 38.1% of people say they actively try to do this. And just behind this is **buying in season produce** (37%). Shopping locally and seasonally is most important to the older demographic; 42.4% try to buy local products versus 34.1% of younger people, and 41.7% purchase in season products (versus 32.5%). Food innovation consortium EIT Food has suggested this trend for farm-to-fork could be fuelled by the pandemic, with people desiring a closer connection to the source of food.

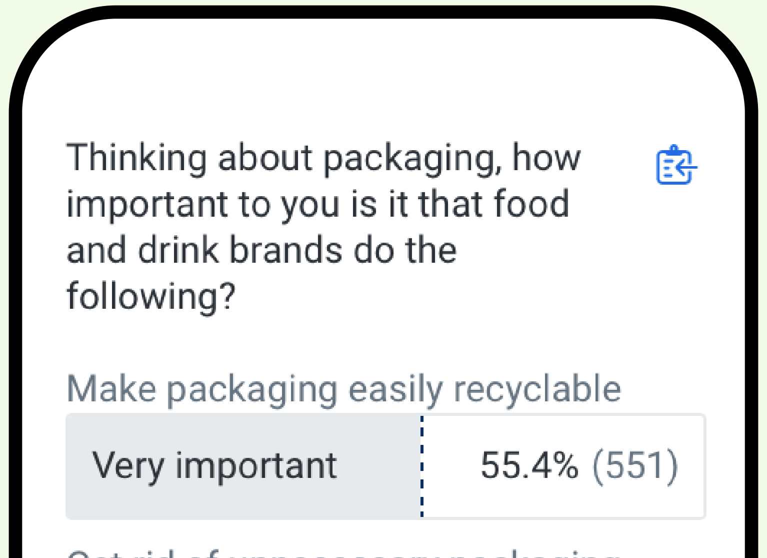
Another growing trend is **buying unpackaged goods or refills,** which just over 35% of shoppers try to do. Older shoppers are most likely to claim this behaviour (37.8% versus 32.7% of those aged 18-40). It's good news for Waitrose, who have recently expanded their 'Unpacked' refill range, which they are testing at four stores. New lines include own-label couscous, chickpeas, diced blueberries, pearl barley, red kidney beans and wholewheat penne pasta.

But, perhaps even more compelling, is that 29.9% of consumers say they now actively try to **buy from environmentally friendly brands**, and this rises to nearly 32.5% of shoppers aged 18-40. Brands with a poor track record on environmental issues risk losing market share to socially-minded competitors. For example, Dutch chocolate brand Tony's Chocolonely is putting pressure on big chocolate manufacturers to eliminate slave and child labour from their supply chains by designing their labels to hint at the serial offenders.

Meanwhile, more than a quarter of consumers (25.9%) actively try to **avoid products containing palm oil.** Production of palm oil contributes to deforestation. Following customer feedback, Australian confectionery giant Darrell Lea has replaced palm oil as an ingredient across its entire range.

The behaviour that British shoppers are least likely to have adopted is **buying organic or naturally grown food.** Just over 18% of consumers say this is something they try to do. But what we do see is that younger people are more likely to buy organic; 21.3% versus 15.1% of people aged 41-65.



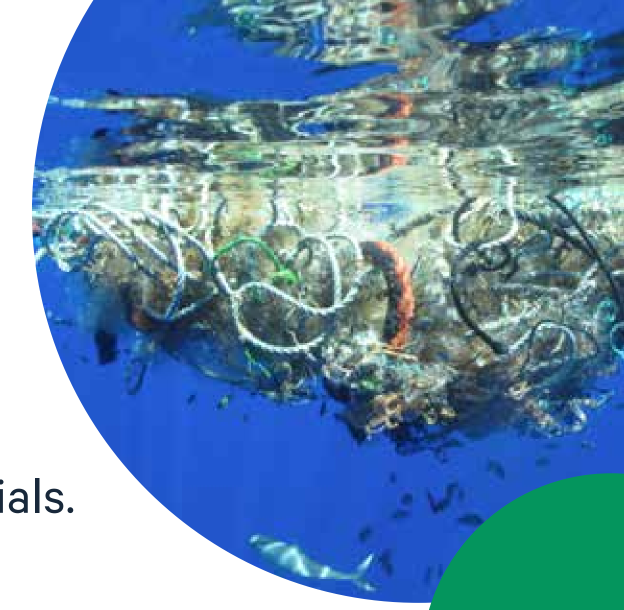


Thinking about packaging, how important to you is it that food and drink brands do the following?

Food and drink packaging has been a hot topic for a number of years now, but with a prediction that there will be more plastic in the ocean than fish by 2050, there's still a lot more work to be done.

We asked respondents to tell us how important they felt a number of different packaging initiatives are. The initiative consumers believe to be most important is **getting rid of unnecessary packaging;** nearly 88% of respondents say it's important. Tesco have announced they've hit their target to remove a billion pieces of plastic after working with suppliers to ditch unnecessary packaging.

	Important	Unimportant	Neither important or unimportant
Get rid of unnecessary packaging	87.7%	3.3%	9%
Make packaging easily recyclable	86.9%	3.3%	9.8%
Stop using plastic packaging	83.3%	5%	11.7%
Use recycled materials in packaging	82.8%	4.7%	12.5%
Make packaging biodegradable	82.5%	4.2%	13.3%
Have refillable packaging	71.4%	7.2%	21.3%



Meanwhile, nearly 87% of consumers think **making packaging easily recyclable** is important. A 2019 study of British supermarkets found only half of packaging is easily recyclable, while in the US, Greenpeace is in the process of suing Walmart for deceptive recyclability labels.

Just over 83% of Brits think food and drink manufacturers should **stop using plastic** altogether. Plastic certainly has a role to play in helping preserve food and reduce food waste, indicating the manufacturers may need to educate consumers, while ensuring the plastic they use is as sustainable as possible.

Using recycled materials in packaging is deemed important by 82.8% of consumers. Currently, it's estimated that only 9% of all plastic thrown away is recycled. There are plans underway to penalise retailers in the UK for using plastic packaging that does not contain at least 30% recycled plastic. The Plastic Packaging Tax (PPT), which will come into effect from 1 April 2022, is designed to provide an economic incentive for businesses to use recycled materials in the production of plastic packaging, which will create greater demand for these materials. In turn, it's hoped this will stimulate increased levels of recycling and collection of plastic waste, diverting it away from landfills or incineration.

Meanwhile, 82.5% of respondents say **making packaging biodegradable** is an important action for manufacturers to take. However, a study carried out by the University of Plymouth, found that some biodegradable plastics failed to break down in seawater or earth over a period of three years, and those that did, could leave harmful microplastics behind, so moving to biodegradable packaging must be carefully considered.

The initiative UK consumers are least likely to call for is **refillable packaging**. Just over 71% say this is important, while 21.3% remain undecided as to whether it's a good solution or not. But we've already seen that shoppers are buying loose produce when it's available so these consumers may be converted once refill ranges are rolled out across UK supermarkets.

How often do you recycle food and drink packaging?

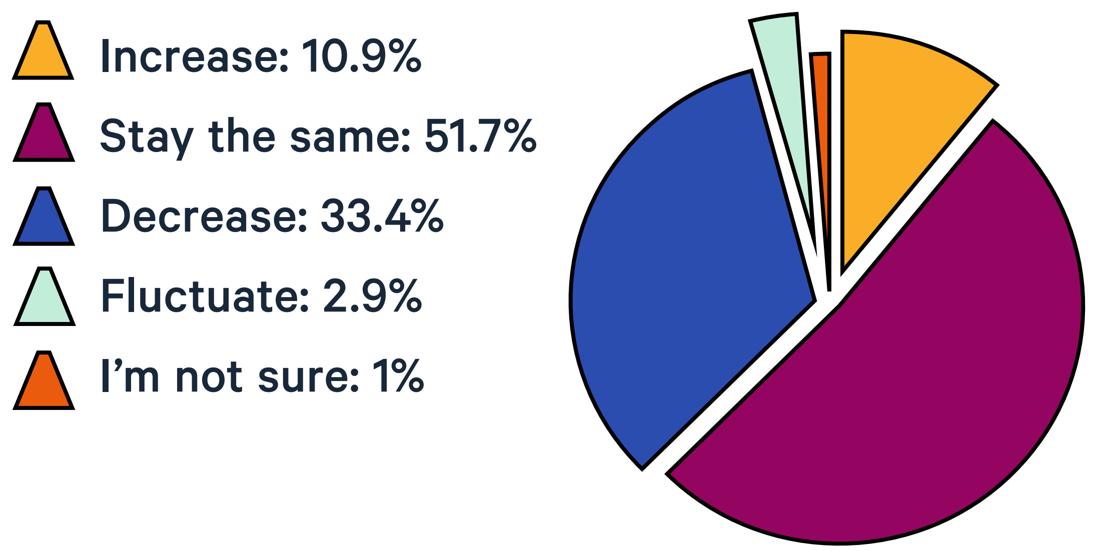
Britain is a nation of recyclers - or at least they claim to be. Nearly 87% of people say they either **'always'** recycle food and drink packaging or do so **'most of the time.'** A further 9.3% say they recycle **'sometimes',** while 4% admit to **'rarely'** or **'never'** recycling.

The older demographic are more dedicated to recycling than their younger counterparts. Nearly 91% regularly recycle (versus 82.7%) and 59% of those individuals say they 'always' recycle (versus 40.9%). Women are more likely overall to recycle than men (88.2% versus 85.1%), but men are slightly more likely to recycle religiously (51.8% 'always' recycle versus 47.7%).

With the majority of consumers actively trying to recycle, it's important brands take steps to support them by providing clear information about the recyclability of their packaging.

Grocery spending trends

During the pandemic, have you seen your household income:

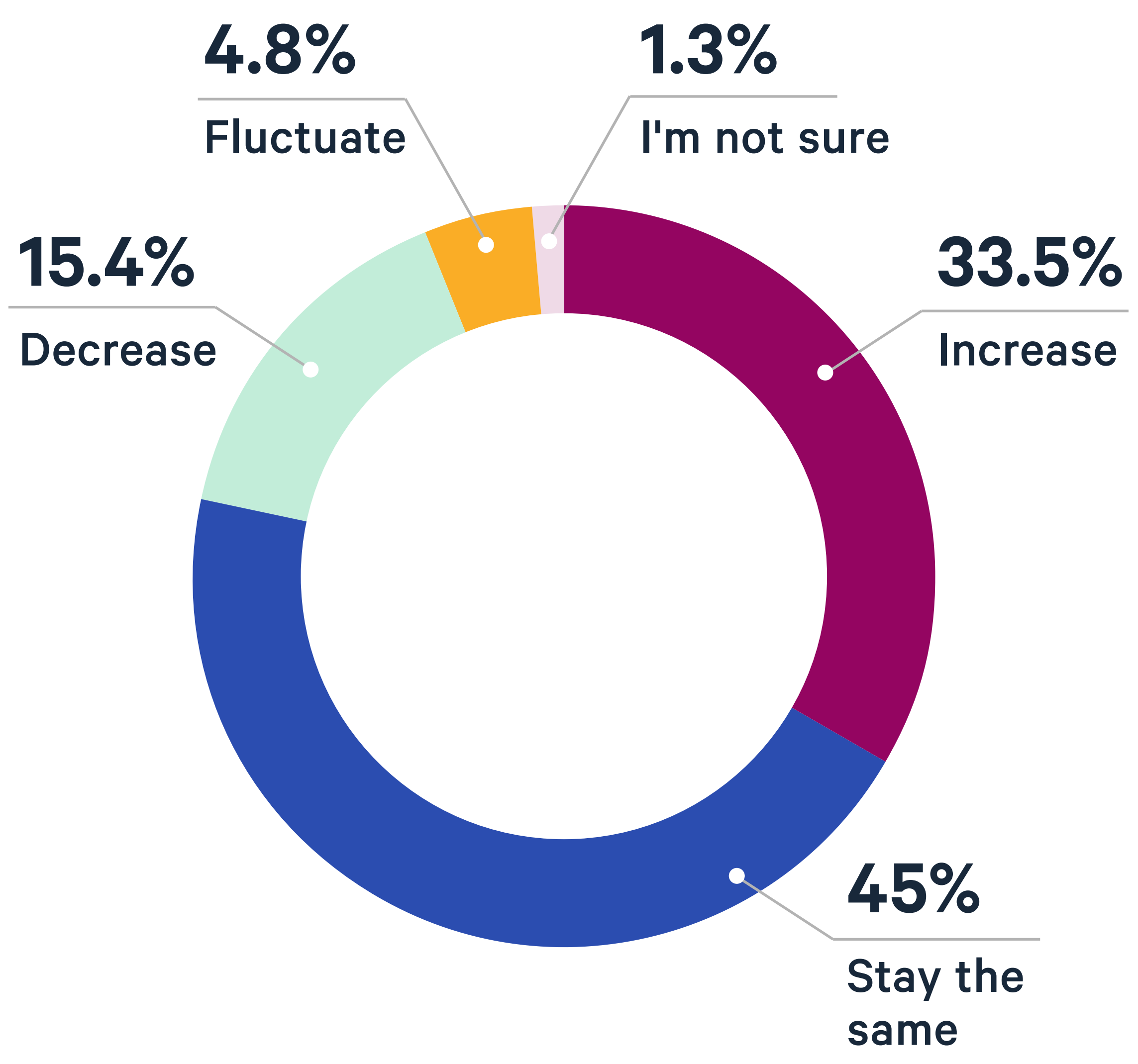


Since the start of the pandemic, nearly 10 million people have been furloughed in the UK, while [redundancies are at record levels and unemployment stands at 5%.] Our data shows that a third of Brits have seen their household incomes decrease since the start of the pandemic (33.4%). The older demographic is more likely to have experienced a dip in household income than younger people (36.1% versus 30.7%).

On the other hand, some people's businesses have benefited from the pandemic; 10.9% of respondents have seen their **household incomes increase.** People aged 18-40 are twice as likely to have experienced an increase than their older counterparts (14.6% versus 7.1%).

For the most part, though, British household incomes have remained the same; 51.7% say they have **seen no change.** A further 2.9% are experiencing **fluctuations** in household income.

During the pandemic, have you seen your spend on groceries:



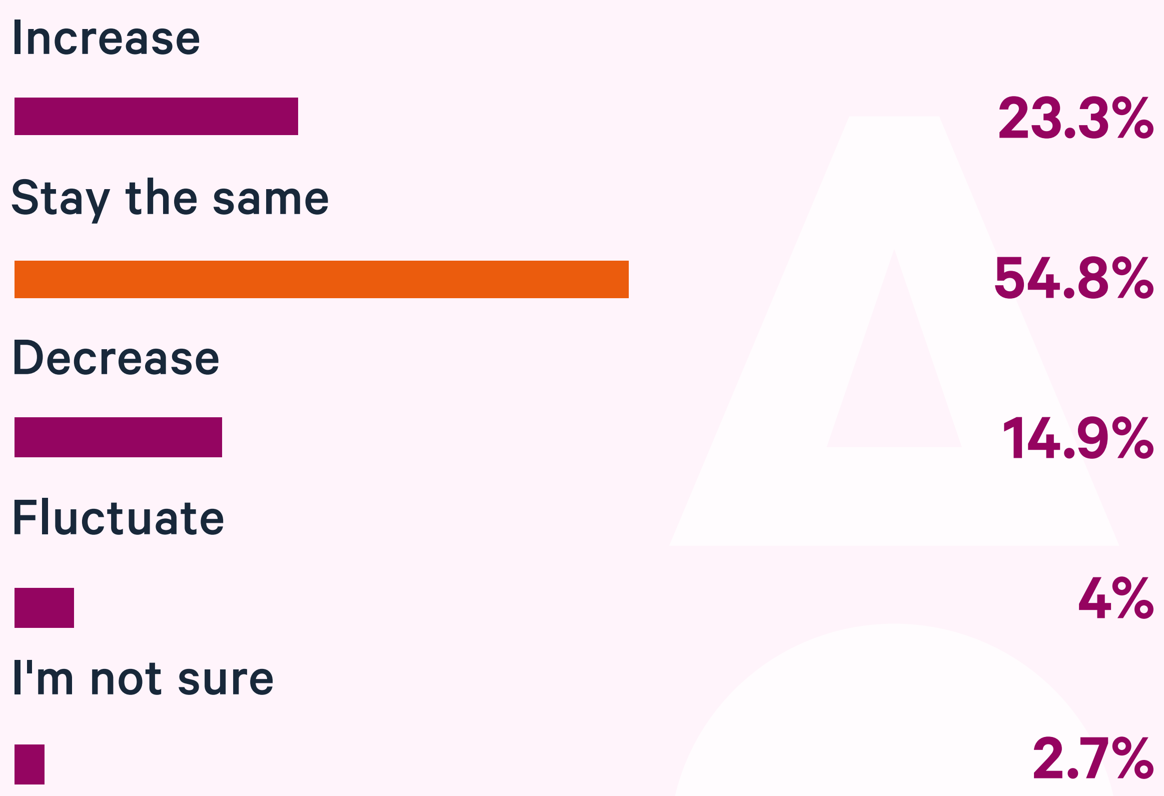
We've seen how incomes have been affected by the pandemic, but what impact has this had on grocery spending? Only 15.4% of respondents say their **grocery spend has decreased** (even though 33.4% have seen a reduction in their income). This means they're spending a larger percentage of their household income on groceries than they were before.

Meanwhile, more than a third of respondents say their **grocery spend has gone up** (33.5%). Women are more likely to say their spend on groceries has increased than men (37.1 versus 29.7%) but they're also more likely to say it's decreased (16.9% versus 13.9%).

There are marginal differences between the age groups; 16.1% of those aged 41-65 say their grocery spend has decreased (versus 14.8% of younger people). On the other hand, 34.3% of respondents aged 18-40 say their grocery budget has gone up (versus 32.7%).

This extra expenditure is not only due to rising food costs; lockdown closures of workplaces and schools has led to increased consumption of food at home. Meanwhile, comfort eating has also led to higher spending on groceries, as well as weight gain - an issue researchers are referring to as "covibesity".

What do you expect your grocery budget to do in the next 6 months?



Do consumers expect to continue spending more on groceries or will they be looking to rein spending in? Our data shows that only 14.9% of respondents think their **grocery budget will decrease** in the next 6 months.

The majority of people (54.8%) expect their **budget to stay the same,** while nearly 23.2% believe their **spending will increase.** Interestingly, people in the older demographic are significantly more likely to be planning to spend more on food in the immediate future; 27.3% say their grocery budget will increase versus 19.5% of those aged 18-40. That's despite being the group most likely to have suffered a decrease in household income.

On the other hand, 15.6% of people in the younger age group expect their food spending to decrease, versus 14.3% of older people. Perhaps younger people are more optimistic about a return to normal life in the near future and anticipate spending less time at home?

How the **pandemic** has changed purchasing habits across categories

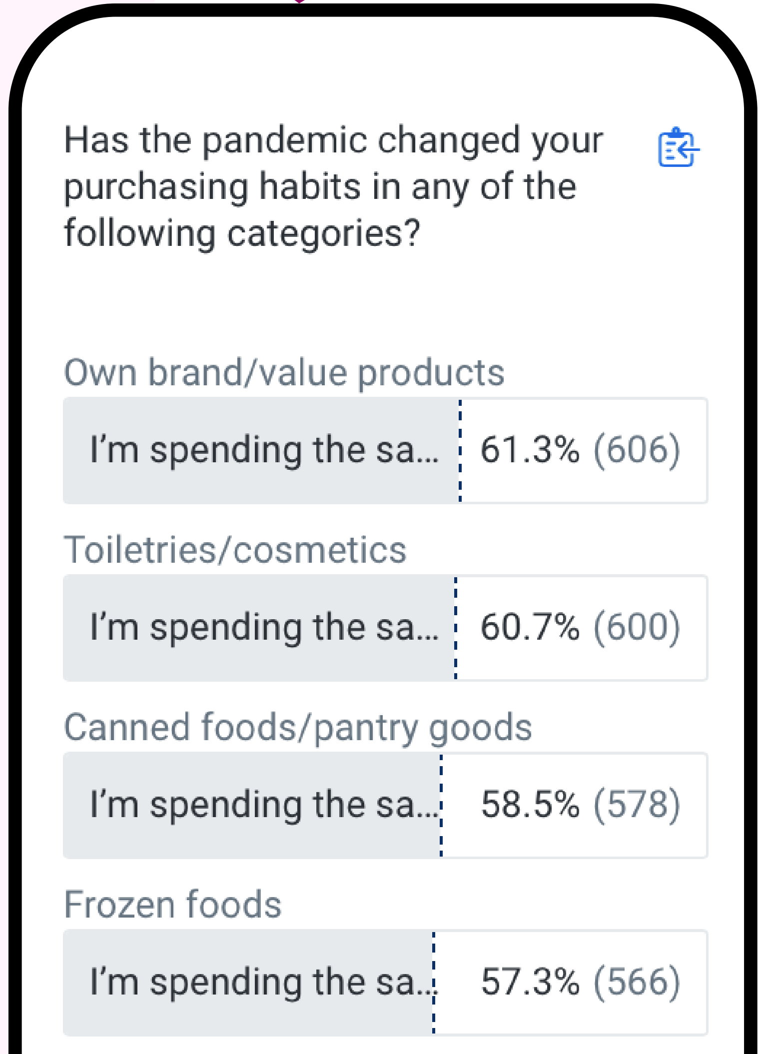
Supermarkets have been enjoying record sales but which product categories have benefited the most from increased consumer spending on groceries? We asked respondents to tell us how the pandemic has affected their spending across a range of categories (whether they're spending more, less or the same as previously). We then analysed the figures to arrive at the net percentage increase or decrease.

It’s perhaps no surprise that spending on **cleaning and household products** has boomed; there's been a 24.5% net increase in people spending more as they try to sanitise their environments.

Spending on **toiletries and cosmetics**, on the other hand, has gone down (-6%) because, while people want to keep themselves clean, there’s less need to spend on things like make-up or fragrances when you’re not going out as much.

Fresh fruit and veg sees the second biggest net increase of 20%, which likely represents a desire to maintain a healthy diet and boost immunity - understandable in a time of mass sickness. At the same time, the **convenience food** category sees a 4% decline in sales, indicating that cooking from scratch could be on the rise. But it is older people driving the decline in convenience food, with a net decrease of 15.3% versus a 6% uplift for younger people.

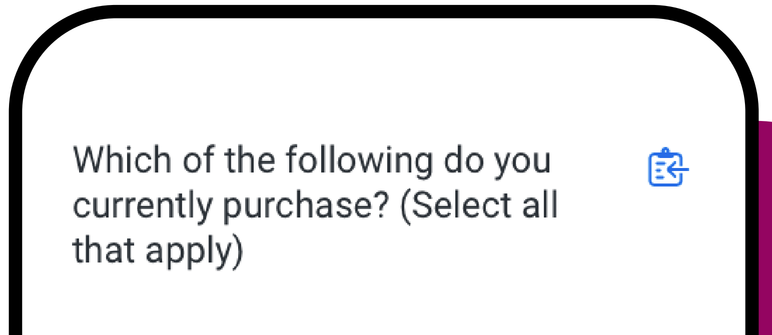
Meanwhile, we see people (particularly women) stocking up on longlife foods, including **canned and pantry goods** (up 19.9%) and **frozen foods** (up 11.4%). It figures that Brits want fully stocked cupboards and freezers at a time when they could be required to quarantine with a moment’s notice.



The decrease in household incomes seems to be driving increased consideration for **own-brand or value** products; this category sees a 18.3% net increase in people spending more. Women, especially, are spending more on own-brand goods (22.6% versus 13.7% of men).

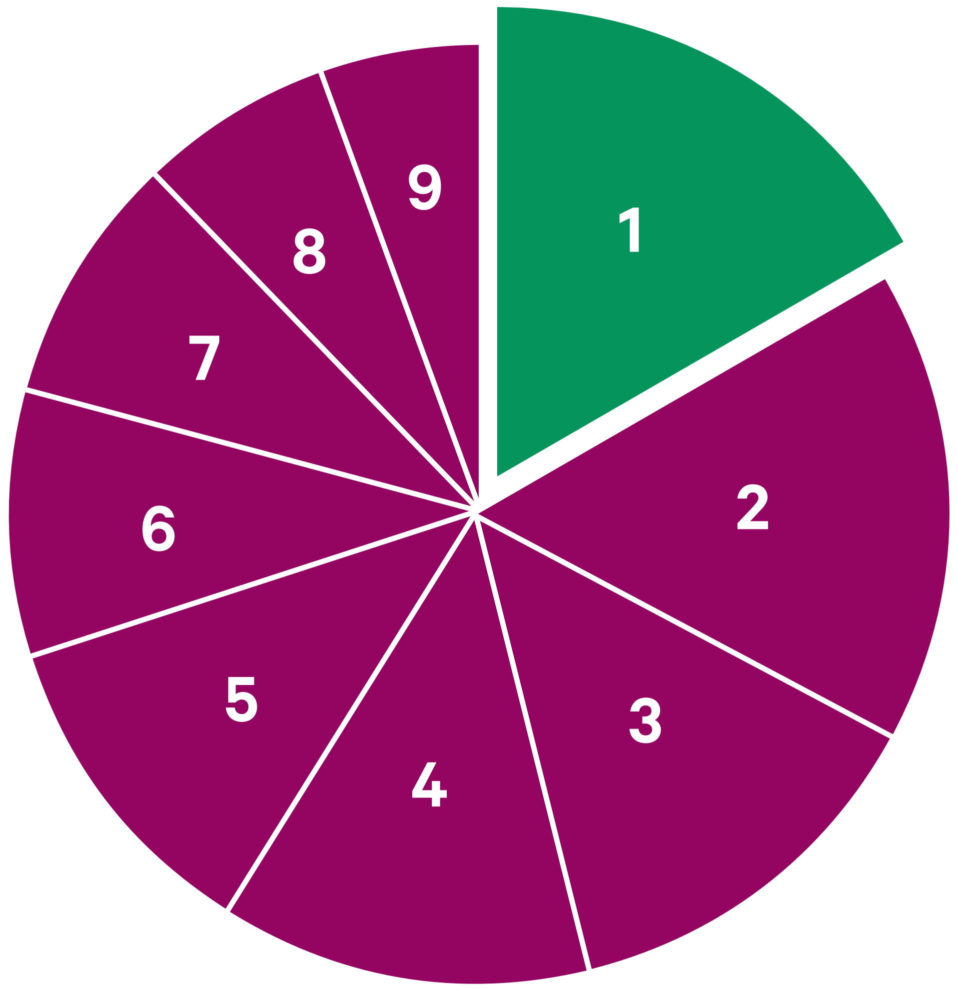
On the other side of the coin, **premium and luxury foods** have taken a big hit; seeing a net decrease of 20.6%. But this decline is largely driven by older shoppers; the net decrease is 28.3% among people aged 41-66, while that figure stands at 13.4% for the younger demographic.

Another casualty **is alcohol,** which declined by 9.9%. But we see a big disparity between the demographics in terms of spending on alcohol; among the younger age group, there’s been a net decline of 5.7%, but among older people, there’s been a larger decrease of 14.3%. Women are also more likely to have reduced their spending on alcohol (11.1% versus 8.7% of men).

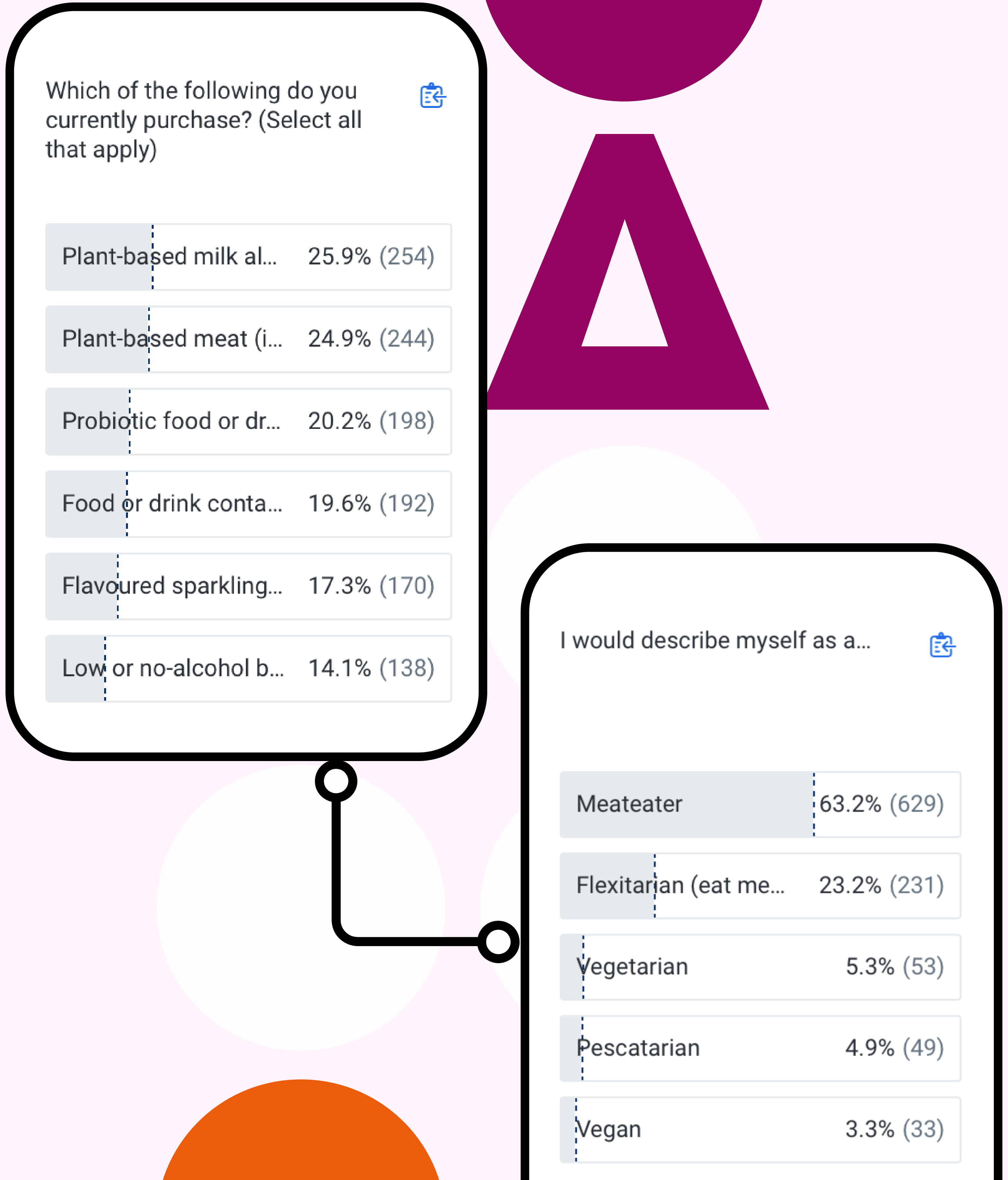


Which of the following do you currently purchase?

1. Plant-based milk alternatives: 25.9%
2. Plant-based meat (i.e imitation beef burgers): 24.9%
3. Probiotic products to support gut bacteria: 20.2%
4. Products containing added protein: 19.6%
5. Flavoured sparkling water to drink instead of alcohol: 17.3%
6. Low or no-alcohol beer, spirits, cider or wine: 14.1%
7. Flavoured sparkling water to mix with spirits: 13.3%
8. Alcoholic flavoured sparkling water (hard seltzers): 10.2%
9. Products containing CBD: 8.2%



What are British grocery shoppers hungry for in 2021?



From plant-based to probiotics, R&D in food and drink is constantly moving, but which categories are British consumers most invested in? Our survey finds that more than a quarter of consumers are now buying **plant-based milk alternatives** (25.9%).

It's a trend that mainstream brands are starting to get onboard with - Nescafé is launching a line of vegan flat white latte pods that will be available in almond, oat, and coconut variations, while Müller is also launching a vegan line that includes flavoured oat milk and dairy-free rice pudding. Although EU labelling plans could put a spanner in the works for plant-based dairy products, proposing a ban on terms like 'milk', 'creamy' and 'yoghurt'.

Plant-based meat is also gaining real traction, purchased by almost a quarter of respondents (24.9%). Meatless meat is one of the fastest-growing categories of plant-based food globally, growing at a rate of 28% annually. Financial firm UBS, predicts the industry will be worth $85 billion by 2030. Such is the interest, that Asda are even trialing a vegan butcher concept, with a 22-strong lineup of plant-based products.

But what's really interesting about this trend is that it's not actually being driven by vegans. People who describe themselves as "flexitarian" are the ones most likely to be buying plant-based milk and meat alternatives. Just over 42% of flexitarians buy plant-based milk (versus 36.4% of vegans) and 41.9% buy plant-based meat (versus 30.3% of vegans). And bear in mind that the amount of vegans in the UK is still very small, while flexitarianism is taking off much more broadly. Perhaps vegans just don't desire food and drink that mimics animal products in the same way people who still eat some meat do?

Other product innovation areas include food and drinks with added ingredients, like probiotics or protein. Products like kefir, kombucha and sourdough that promote gut bacteria and help to support a healthy digestive and immune system are gaining in popularity - probiotic yoghurt, in particular, is having a moment. Our data shows that just over 20% of people currently purchase **food or drink to support gut bacteria.**

A further 19.6% buy **food or drink with added protein.** This could be to support bodybuilding goals or an animal-free diet (21.2% of vegans buy products in this category). Even Coldplay bassist Guy Berryman is getting in on the act, launching a range of protein bars, shakes and powder made from golden peas.

And what about **CBD**? Hemp-derived CBD is being added to everything from tea to gin and we're also starting to see trends converge, with CBD-infused plant-based milk and CBD kombucha.

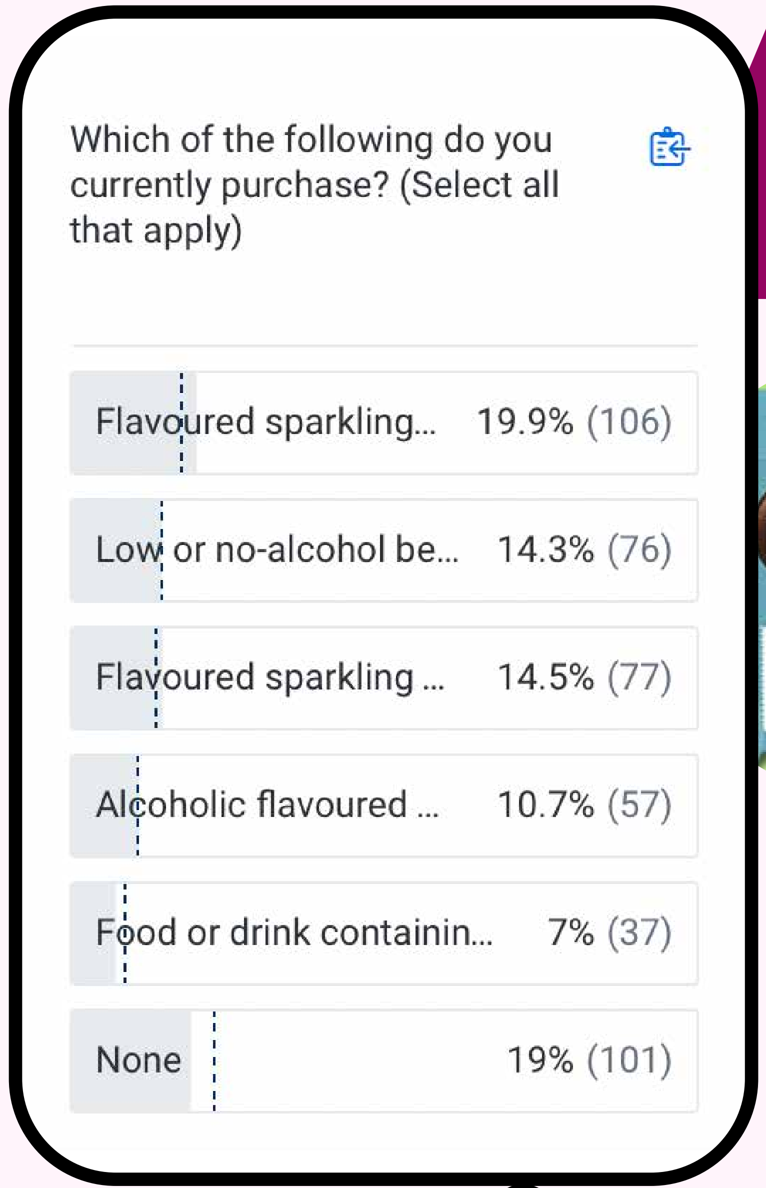
UK consumer spending on CBD-related products is expected to reach the £1bn mark by 2025 and we see that 8.2% of respondents are currently shopping in the CBD category. But the number of CBD-infused food and drink products on the market is likely to get smaller as of April this year thanks to an FSA clampdown. The watchdog set a deadline for manufacturers to provide more information about their contents and apply for novel foods authorisation.

What are British grocery shoppers hungry for in 2021?

Meanwhile, we see the UK starting to embrace **seltzers** (flavoured sparkling water), which are already popular State-side. Seltzers are becoming a go-to drink for people embracing the sober curious movement, as well as those who just want to add a level of sophistication to their alcoholic drinks. Just over 17% of Brits say they buy flavoured sparkling water to drink instead of alcohol, while 13.3% buy seltzers to mix with spirits and 10.2% purchase hard seltzers (with alcohol already in them).

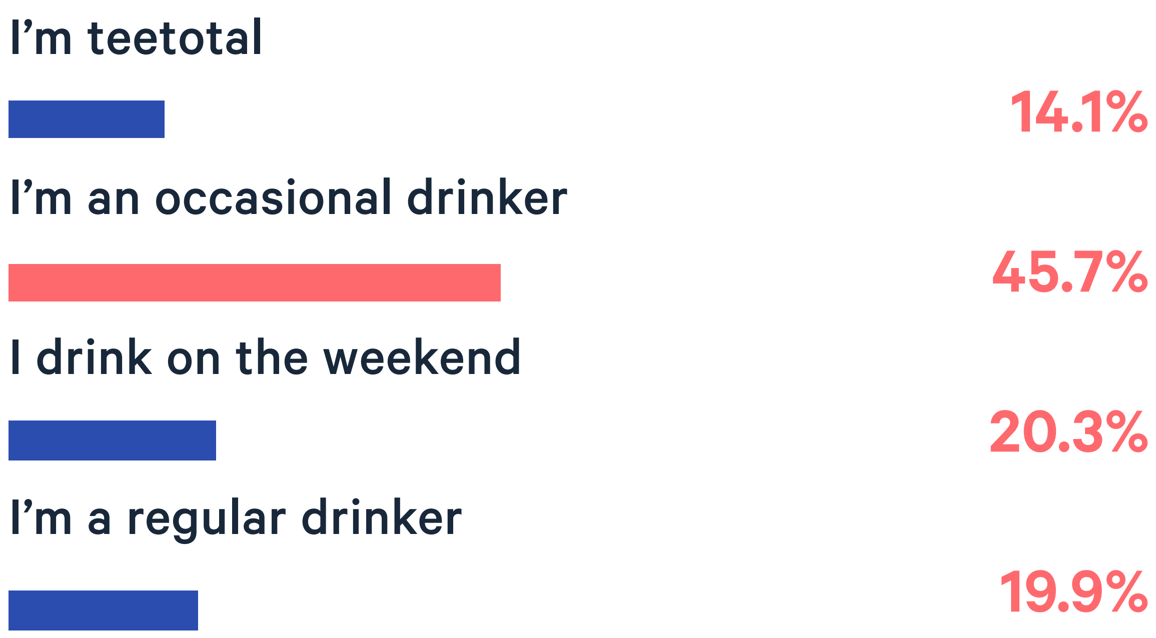
"Mindful drinking" is said to be driving growth of the **low or no-alcohol beer, spirits, cider and wine** category. According to The Grocer, sales were up 31.2% for the 52 weeks to the end of November 2020. Our data shows 14.1% of British consumers regularly shop in the low and no-alcohol category.

It's worth noting that the younger age group shows more interest in all the F&B innovations than the older age group, besides probiotics. The categories with the widest gap amongst age groups are protein-added foods (27% for younger versus 11.8% for older) and CBD-infused products (12.7% versus 3.4%). Meanwhile, women also show marginally more interest in all categories except CBD. The biggest differences are seen in plant-based milk, which 28.2% of women buy versus 23.5% of men, and seltzers to drink instead of alcohol (19.5% versus 15.1%).



Lifestyle changes

How would you describe your alcohol consumption?



We saw earlier how people have cut back their spending on alcohol during the pandemic but does this mean they're drinking less than before? We asked respondents how they would describe their alcohol consumption and compared it with data from 2019 - although it's important to remember that self-reported data on drinking is not always accurate.

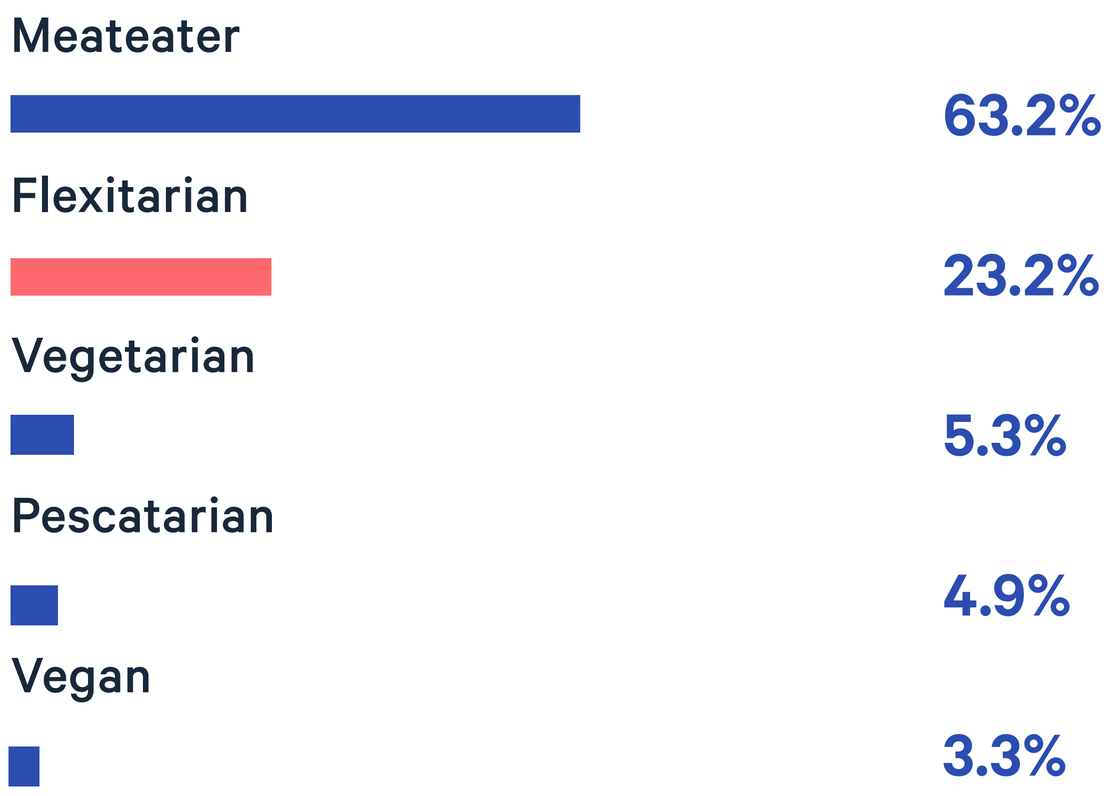
Overall, people are most likely to describe themselves as **"an occasional drinker";** 45.7% of respondents said this, down from 51% in 2019. Complete abstinence from alcohol is also down; 14.1% of respondents describe themselves as **"teetotal",** compared with 18% in 2019.

Meanwhile, 20.3% say they **drink at the weekend** (up fractionally from 20%) and nearly 20% say they are a **regular drinker** (up from 12%) - so we can see an increase in frequency when it comes to how often people drink. With the 9.9% net reduction in people spending on alcohol, we can only assume that consumers have switched to buying cheaper alcohol. Figures show that alcohol-related deaths in the UK hit a record high during the first nine months of 2020.

Interestingly it's people in the older age group - the ones who have most reduced their alcohol spend - who are the most frequent drinkers; 29.9% say they are regular drinkers (versus 12.9% of people aged 18-40). Men, too, are more likely to drink frequently than women (23.2% versus 16.7%).

People in the younger age group are more likely to be teetotal (17.1% versus 11%) or drink "occasionally" than their older counterparts (48.7% versus 42.5%). It's worth noting that this trend is the reverse of what we see in the US, where older people are more likely to be teetotal and younger people are nearly twice as likely to be weekend drinkers.

I would describe myself as a...



A record 440,000 people globally signed up to take part in Veganuary 2021, the 31-day vegan challenge, underlining the growing interest in plant-based diets. But it's flexitarianism - a diet that contains some meat - that is growing more popular in the UK. Data from our survey last year shows that the percentage of Brits who describe themselves as "**flexitarian**" has risen from 19% in 2020 to 23.2% today.

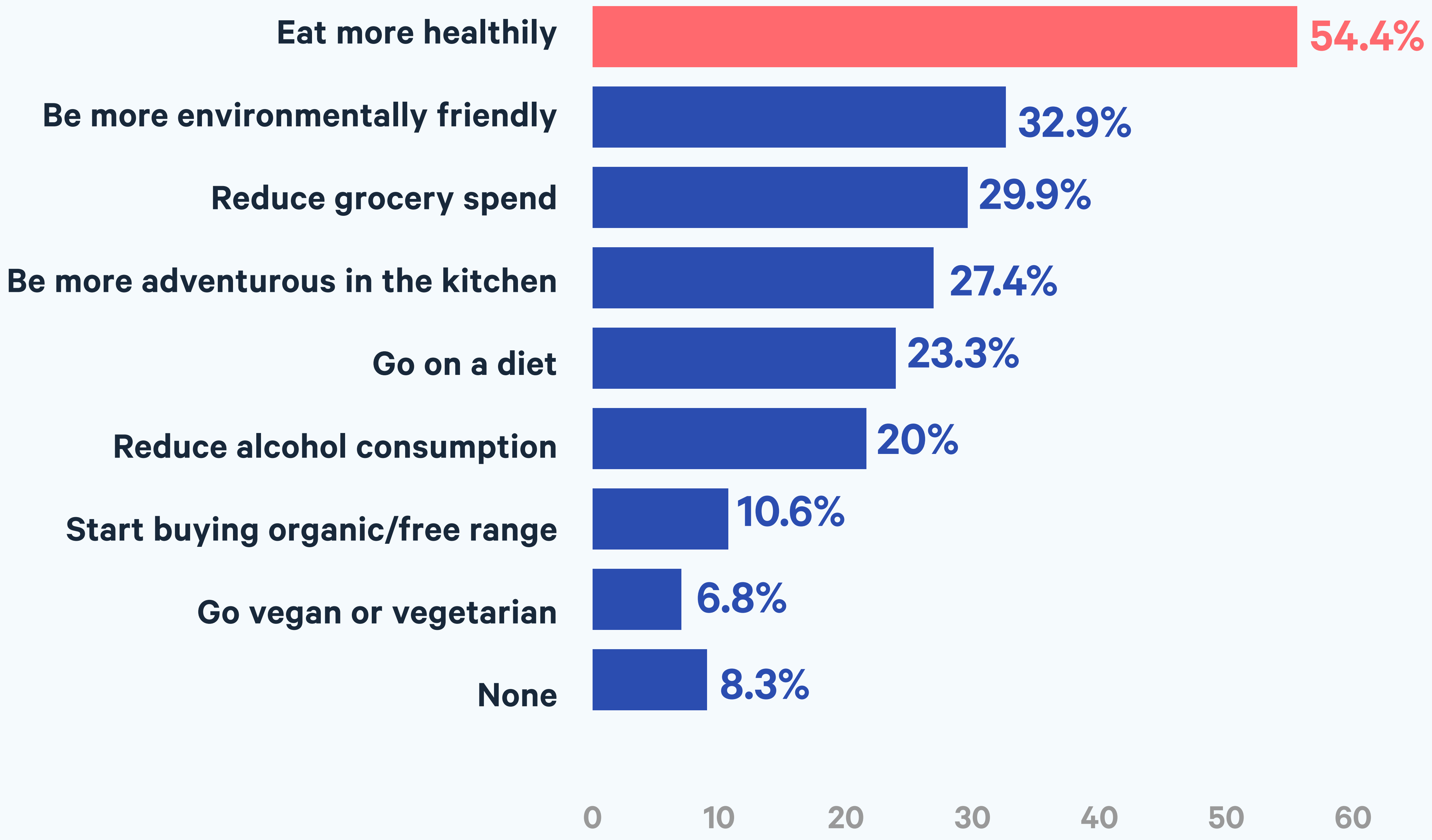
But full-on veganism has actually declined; from 4.6% to 3.3%. Likewise, the numbers of **Vegetarians and pescatarians** have also seen small decreases. Vegetarians have gone down from 6.4% to 5.3% and pescatarians have fallen from 5.6% to 4.9%. Meanwhile, the percentage of people who describe themselves as "**meateaters**"remains consistent (63%). This indicates that people are moving towards diets that are less stringently animal-free.

Women are most likely to be adopting a flexitarian diet (24.8% versus 21.6% of men), while younger people are marginally more likely than their older counterparts (23.9% versus 22.5%). The older demographic are more likely to describe themselves as meateaters (66.8% versus 59.8% of those aged 18-40).

Meanwhile, men are twice as likely to be vegan (4.5% versus 2.2%) but women are more likely to be vegetarian and pescatarian. Only 2.7% of people aged 41-65 describe themselves as vegan (versus 3.9% of younger people).

Do you intend to actively do any of the following in 2021?

As British consumers continue to face tough times, it's especially important for brands to find meaningful ways to connect with them. We asked respondents about their key goals for the year to identify ways that food and drink manufacturers can help support them.



What are British grocery shoppers hungry for in 2021?

The number one thing UK consumers would like to do in 2021 is **eat more healthily;** 54.4% of people want to improve their diets. This is understandable amidst a global health crisis, and brand communications that talk to issues like boosting immunity, heart health and maintaining a healthy BMI should be well-received. But retailers must back this up by making healthy foods available at affordable prices - something that a group of shareholders are pressuring Tesco to do.

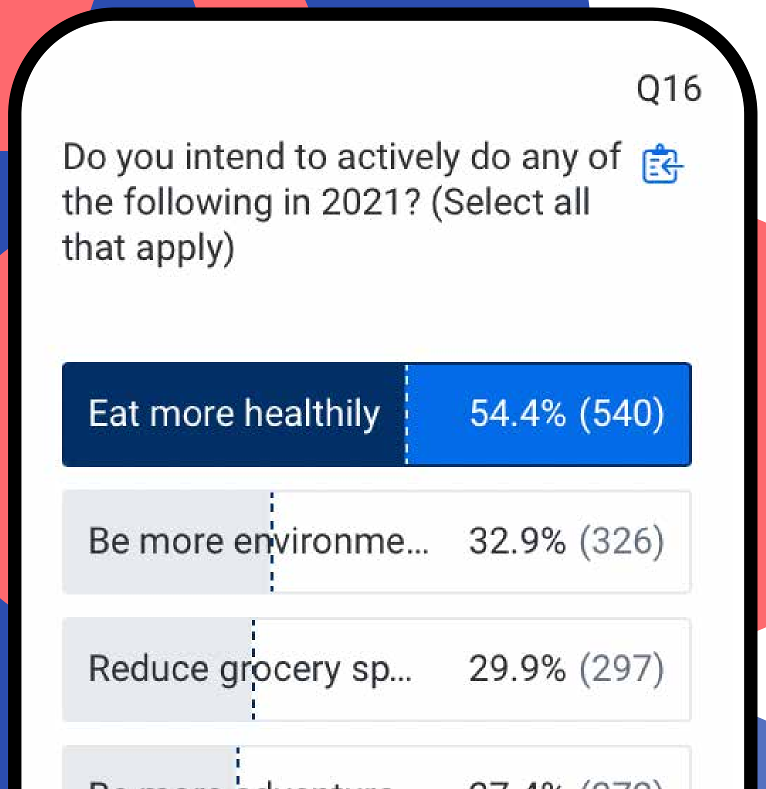
Sharing healthy recipes and weight loss resources is another way to support the 23.3% of respondents who actively intend to **lose weight by going on a diet.** Women especially want to eat more healthily (58.8% versus 49.9% of men) and go on a diet (28.4% versus 17.9% of men).

Meanwhile, there's a desire to switch things up when it comes to the way people eat; 27.4% want to **be more adventurous in the kitchen this year** (rising to nearly 31% of the younger age group). This represents an opportunity for brands to help consumers discover new foods, flavours and cooking techniques.

A significant 32.9% of people **want to be more environmentally friendly,** rising to 34.4% of the younger demographic. It means now is a great time for brands to step up communication about CSR initiatives. This trend also includes 10.6% of respondents who intend to **start buying organic or free range food,** and 6.8% who are going to **try giving up meat** to become vegan or vegetarian. Younger people show greater intent for cutting out meat (9.4% versus 3.9%).

Nearly 30% of respondents say they'll be looking for ways to **bring down the cost of their grocery shopping** or get more value. With many Brits feeling the strain right now, promoting special offers or introducing value pack sizing should resonate.

Another goal, shared by nearly 20% of British consumers, is **reducing alcohol consumption**. UK alcohol sales spiked in January, indicating that take up of this year's Dry January initiative may have been lower, but mindful drinking remains an important trend. There's certainly opportunity for low or no alcohol brands to appeal to people looking to reduce their intake rather than cut out booze altogether.



Thanks for reading

We hope this report gives you a lot of food for thought. From the drive to eat more healthily, to an increased awareness about environmental issues, the data shows there are a number of interesting trends developing right now.

For brands wanting to dig into them more deeply, Attest gives you access to more than 100 million consumers in 49 markets. Our self-service consumer research platform lets you gather insights in lightning-fast time, while our three layers of quality measures means you can have complete confidence in the data. We also have a team of research assistants to help brands get the most useful insights from their projects.

We're already helping high growth F&B brands like **Fevertree, DRY Soda, Little Dish, Nomadic Dairy** and **Organic Valley** to understand their consumers and make data-backed decisions.

Book a call to find out how we can help you.

Get in touch!

askattest.com
hello@askattest.com

/ attest-technologies-limited
/ @askattest
/ @askattest

ATTEST

askattest.com