



8 WAYS COVID CHANGED OUR RELATIONSHIP WITH FOOD

The pandemic has forever altered the way consumers eat and buy food and drink. *Speciality Food* examines eight of the biggest changes for retailers to know

encompassing approach which is increasingly gaining traction with consumers. This trend is especially prominent in younger age groups, as research by GlobalData found that around a third of consumers aged between 18-34 say mood-boosting and relaxation claims are key to their purchasing decisions in FMCG products. But with half of global consumers reporting feeling extremely or quite concerned about their mental wellbeing due to the pandemic, it's a trend that is beginning to reach across the generations.

Furthermore, research by IGD found consumers picked up healthier eating habits during the pandemic. In its latest *Appetite for Change* research, it discovered more than three-quarters (83%) of consumers changed how they planned, purchased and prepared their food in the first lockdown and over half (51%) claimed to have eaten more fruit and vegetables. Huge food brands, such as Unilever, are acting on the holistic health trend, but fine food retailers already have an upper hand thanks to their considered stocking choices.

3 E-commerce
Online sales soared during the pandemic – first out of necessity, and then out of habit as shoppers became comfortable ordering their food and drink online. Now, despite a small dip after the lockdown ended, this trend is still looking strong. In fact, research by VoucherCodes.co.uk and the Centre of Retail Research revealed that online sales are expected to make up almost a third of overall retail

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Fine food businesses across the industry were forced to adapt to a dramatically changed trading environment when Covid-19 arrived in the UK – but after many months of uncertainty, retailers, producers and wholesalers can now welcome a glimmer of stability. “As patterns of consumer behaviour start to settle and new habits become entrenched, clarity about the future shape of the industry is starting to emerge,” explains Oliver Wright, global lead of Accenture’s consumer goods and services industry group.

After working flat-out for a year and a half, the time has come to reflect on the ripples of change caused by the pandemic. “It’s worth remembering that times of great disruption can also be times of great innovation, as businesses are forced to radically rethink the way they operate,” Oliver continues. “That’s where the food and beverage industry finds itself today. There are huge opportunities for companies that have enough organisational agility to ride the food innovation wave and respond quickly to

changing consumer needs.” With this in mind, we have explored a handful of ways that Covid has changed the way consumers eat and buy their food.

1 Sustainability
Concerns around the health of the environment have long been voiced in the fine food arena, but the pandemic amplified these issues to the forefront of consumers’ minds. Research by Ecotone UK discovered that sustainability is the fastest-growing purchase consideration when consumers buy food and drink. The number of people buying products based on their sustainability credentials has risen by 25% in the last two years alone.

“The pandemic is likely to produce a more sustainable, healthier era of consumption over the next 10 years, making consumers think more about balancing what they buy and how they spend their time with global issues of sustainability,” Oliver says. Accenture’s research shows that shoppers are more conscious of

sustainability today, with over half saying they are now more focused on the environment than they were before the pandemic.

“We have also seen consumers looking for food companies to help them make the right choices,” Oliver continues. “More than two-thirds want brands to make it easier to consume more consciously.” The retailers that make ethical consumption more straightforward for consumers – by stocking sustainably packaged products, creating packaging-free features or sourcing from local businesses, will see their esteem rise.

2 Health and wellbeing
One of the most well-documented changes to occur during the pandemic was the rise of healthy eating. But consumers aren’t only concerned about their waistlines; they are considering how the food and drink they eat will impact both their mental and physical health. “Consumers are taking a more holistic view of the connection between their consumption and their mental and physical wellbeing, with the majority (70%) of people saying that they’re looking to make a fundamental change in their approach to their health,” Oliver says. Holistic health, which brings together physical, mental, social and spiritual wellbeing, is an all-

“ These new consumer behaviour and consumption trends are expected to outlast the pandemic, stretching far beyond 18 months and possibly for much of the current decade ”



COVID'S TOP LASTING LEGACIES

Katherine Prowse of Lumina Intelligence outlines how independents can cash in on new consumer habits



Many of the trends that saw rapid acceleration as a consequence of the pandemic are set to become lasting legacies. Home delivery, home working and shopping locally will offer key growth opportunities for independent retailers to capitalise on. Delivery allows retailers to target a wider consumer base, and it already accounts for one in 20 orders. Home working opens up the potential for retailers with stores in suburban areas to generate more food to go footfall. Whilst there will be a rebalancing now that hospitality has reopened, convenience retail will continue to grow and thrive.

adds. While the food box space is now big business for large brands, independents with local credentials and a good sense of provenance, have a strong – and unique – proposition for local customers to consider.

5 Local support
The call to shop local received significant support during the Covid-19 pandemic, with consumers keen to pour their hard-earned cash into their local economy – and going forward this offers independents a key growth opportunity, according to Katherine Prowse, senior insight manager at Lumina Intelligence. A recent report from Lumina indicated that one in five convenience shoppers cite 'I like to support my local store' as their main driver to independent shops. "Throughout the last year, 'Support Local' campaigns appeared across the country and were well received by shoppers who place such importance on this thriving trend; this is something Lumina Intelligence expects will continue going forward."

6 Scratch cooking
From the baking crazes during the early pandemic days to the demand for alternative cuisines fuelled by a desire to travel through the taste buds, the scratch cooking trend has kept retailers on their toes over the past year and a half. As shoppers cooked more meals at home – whether out of necessity or a newfound appreciation for good handmade fare – independent retailers felt the benefit. "The pandemic resulted in a huge shift towards home-cooking, as foodservice delivery became one of the only alternatives," Katherine tells *Speciality Food*.

But with the days of lockdown restrictions (hopefully) well behind us, retailers have to be a

“ Home delivery, home working and shopping local will offer key growth opportunities for independent retailers to capitalise on ”

bit savvier to keep consumers in their kitchens going forwards. Katherine continues, "With shopper habits during the pandemic well established, retailers and operators now have to work hard to encourage consumers to change. Foodservice delivery continues to grow despite hospitality fully reopening. The shift towards home cooking is something that retailers will want to maintain. In-store theatre and meal inspiration will be key to motivating consumers and driving sales."

7 Indulgence

In spite of the booming health trend, consumers have also shown a keen desire to treat themselves with more traditional mood-boosting foods, such as luxurious mid-afternoon snacks or indulgent cheeseboard dinners. Little luxuries became staples during the pandemic, whether for self-treating or for gifting to loved ones who were missed. "Most people are still seeking a little comfort and indulgence in the food they buy, and all the more so after the difficult 18 months they've just been through," Oliver says.

Retailers can keep the spotlight on indulgent treats by stocking options for a range of price points, tastes and occasions. From a mouth-watering cheeseboard hamper with artisan biscuits and a bottle of fine wine to a simple box of vegan chocolates. Products that manage to tick the boxes of fantastic flavour, indulgence and healthy benefits will be surefire winners.

8 Convenience
The convenience factor has well and truly returned, according to IGD. While Covid first pushed us away from convenient grab-and-go meals, the easing of

lockdown led to a return of food to go, ready meals and other simple food fixes. IGD's ShopperVista report, *Food to go: What's next for Shoppers*, revealed that this sector wasn't immune to Covid's changes to consumer habits, however. IGD's senior analyst for food to go Nicola Knight said that while the sector is making a comeback faster than expected, retailers will have to innovate to secure market share from foodservice operators.

"Whilst there have been some new product launches and major projects that were delayed due to the pandemic are now beginning to appear in stores, the challenge for retailers now is whether they can close the gap in market share," Nicola says. "It will depend on how far consumers return to pre-Covid habits and how fast retailers adapt to changes in behaviour that stick."

For retailers, all these changes will act as wake-up calls, Oliver says, "to ensure they have the agility and capability to be relevant to consumers and customers – with a portfolio of products and services that match shifting purchasing patterns – not just today, but post-pandemic as well."

AROUND A THIRD OF CONSUMERS AGED BETWEEN 18-34 SAY MOOD-BOOSTING AND RELAXATION CLAIMS ARE KEY TO THEIR PURCHASING DECISIONS IN FMCG PRODUCTS



MORE THAN TWO-THIRDS WANT BRANDS TO MAKE IT EASIER TO CONSUME CONSCIOUSLY

spending this year, 11% more than was recorded in 2019.

"We have seen a huge acceleration in digital engagement, with online sales booming and set to remain above pre-pandemic levels for the foreseeable future," Oliver says. "For instance, according to Accenture research, among new or low-frequency e-commerce shoppers, purchases for food to cook at home grew by 333% over the course of the pandemic."

4 Food boxes
Accenture's research also noted that the evolution in consumer priorities caused by the rise of e-commerce can be seen in

the growing popularity of innovative business models and consumer engagement strategies in the food and beverage sector, such as food boxes. "Accenture has been tracking these trends since 2016, and digital engagement is increasingly a key factor in consumer's purchasing decisions – especially in the last year," Oliver says. "For example, replenishment subscription models are now a key consideration for a quarter of consumers (double the proportion in 2016). This can be seen as part of the broader wellness drive, with regular deliveries helping control consumption and keep temptations at bay," he says.

More and more retailers and brands are looking to take a slice of the food and meal box market. "Do it yourself models, such as meal kits, are another rapidly growing trend, with over 60% of consumers now considering them at least occasionally. Nestlé, for instance, invested in Mindful Chef, which provides convenient chef-inspired meal kits with the added benefit of no-waste ingredients," Oliver

3 WAYS THE PANDEMIC CHANGED FOOD TO GO

1 EVENING FOOD TO GO IS ON THE RISE

In the most recent lockdown, evening food to go missions reached their highest recorded level, becoming more common than lunch missions, IGD found. This could be a result of the growth of delivery services, which have made a wider range of products more accessible. It also raises the question of whether shoppers will continue to choose food to go in the evenings, as restrictions ease and the out of home sector reopens.

2 DEMAND FOR HOT OPTIONS GROWS

Hot food to go is becoming more popular. Demand for a range of food to go choices which are

less portable could increase as levels of working from home are expected to be elevated compared to pre-pandemic times.

3 THE 'SUBURBAN SHIFT'

Food to go purchases continue to be driven by a typical 9-5 weekday working pattern, IGD found, despite more people working from home. This behaviour could continue to be supported by a 'suburban shift' as food to go businesses shift away from city centres into suburban areas to follow the consumer. A lower density footfall compared to city centres and transport hubs, combined with different peak times and shopper profiles, will mean new operating models will evolve to meet consumer needs.