



Food Formats in Focus

Food-to-go: changing dynamics and 2021 trends

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What is Food Formats in Focus?

Food Formats in Focus is a new series of reports from Food Futures Insights, designed to keep you up to speed with the latest in global food format development. Our specialism lies at the cross-section of retail and food-to-go, so within this series you'll see a focus on retail format developments that progress thinking and opportunity in the food-to-go space. We'll also look in detail at the key trends shaping the food-to-go landscape and opportunity.

We'll also look at other related areas, not least food-for-later, and we'll help you understand in retail formats how different categories fit together in-store. We'll also cover food-to-go specialists format developments, as well the evolution of food halls and how food-for-now is evolving in travel locations.



Who is this designed for - retailers or suppliers?

Well, both. And in fact, the growth of collaboration and partnerships between retailers and suppliers is one of our key trends in focus.

If you're involved in selling food-to-go, whether as a manufacturer or as a retailer, you'll take huge value from both a trends and a format development perspective from this series. We'll help you better understand format design development, food-to-go product placement in-store, mission-based merchandising, innovation in food-to-go specialists and food halls and how different models (such as counter-served, vending/ automated and grab & go) are developing. We'll push your thinking, providing innovative forward-thinking examples to help you better understand what the future holds.



How can I get more of the good stuff?

You'll get two reports on us - this one on food-to-go trends and another looking at new stores to learn from. To get continuing access, you'll need to subscribe. Our annual subscription rate is £1,800 (+VAT) for our basic package of 12 issues in 2021. You'll also get 4 flagship store reports. If you sign up before 31st December, you can unlock to our early bird rate. Mail gavin@foodfuturesinsights.com to sign up and find out more.

Want even more of the good stuff to help you gain further advantage in the food-to-go market? Get in touch about our food-to-go trends service, our safaris and our consultancy services, where you can use our expertise to help you target the right customers and food-to-go opportunity with the right solutions.



Five features of the new food-to-go environment

1

The local food-to-go opportunity has shifted across most catchments in 2020 - this will impact in 2021 and beyond.

2

Roadside is a strengthening food-to-go focus.

3

Retailers are being bolder in creating new types of food-to-go solutions & different models to deliver this.

4

Developing more sustainable solutions is a key goal: more plant-based menus is an increasingly popular route to supporting this.

5

Expect more targeting of evening missions through both food-for-now and food-for-later.



1. The local food-to-go opportunity has shifted across most catchments in 2020 - this will impact in 2021 and beyond.

Food-to-go has experienced considerable turbulence in 2020, as workers globally have shifted from the office to their homes in light of covid restrictions. But we've increasingly been looking for the same type of convenient solutions that we had in the past, and through spending more time in smaller local towns, rather than city centres, this has created new suburban opportunities for a variety of food-to-go operators.



Gail's was already targeting London 'villages', suburbs and commuter towns prior to covid. Though clearly not unaffected by covid, it has maintained a strong opening programme over the past year.

Kensal Rise, Hampstead and Guildford have been among the locations where it has opened in 2020. It has supported store based sales through strengthening its delivery arm - including breakfast hampers and cream tea kits as well as breads, ground coffee and yeast.

In Scotland, both Scotmid and CJ Lang, two businesses focused on supporting community and neighbourhood store locations, have increased their focus on food-to-go in 2020.

In the case of Scotmid, there's been a focus on roll-out of upgraded food-to-go propositions across the estate, with new concepts, such as new pizza and Asian concepts, being introduced and developed.



More food-to-go operators have targeted delivery

Food-to-go businesses have embraced new routes through which to reach their customers. Wellbeing Boxes from Pure and meal kits from fajita specialist Boojum are just some of the routes that have been developed, while retailers such as Morrisons, Booths, Carrefour and Aldi have all launched food boxes. Operators such as Pret have shifted their offer to better target the evening meal delivery opportunity, working with Deliveroo, Just Eat and Uber Eats.



2. Roadside is a strengthening food-to-go focus.

There's no denying that as travel levels fell away, food-to-go sales in travel locations were hit badly. And this remains the case for many airports and railway stations. Yet there's a growing wave of innovation hitting forecourts and other roadside locations. In many roadside locations, food-to-go demand has held up well. Meanwhile there is the added imperative of operators considering how their sites need to evolve away from their reliance on fuel in the longer term, as more cars are fuelled by electricity. There have been some exciting developments under way. We expect a lot more to come in 2021.



EG Group has been a key mover in this space in the past year. As well as its owners picking up Asda, there's been considerable development across the EG Group forecourt estate, in the UK in particular. It has expanded with established partners such as Starbucks and Greggs, while also working with new partners: Sbarro and NKD in pizza, Asda (On the Move) and Cinnabon in bakery - with whom it's already agreed to open 150 UK sites. EG is aiming to provide more food-led reasons than ever to visit its forecourts.

Pret and Sourced Market are among the traditionally urban concepts targeting roadside travel locations.

Sourced Market has refocused its estate, closing selected central London sites and opening its first motorway services site on the M1 at Skelton Lakes, Leeds. At the same time Pret is targeting more motorway sites, working with Moto to open selected locations including Cherwell Valley on the M40.



La Place is reinventing its roadside proposition and targeting more missions.

Though La Place, now part of Dutch retailer Jumbo, has had to close sites in 2020, it's also taken the opportunity to renew its proposition, opening new roadside sites in late 2020 in its domestic Netherlands market. The new sites feature 100 new and upgraded lines. Enhanced plant based and take home products are significant elements of the new offer.

3. Retailers are being bolder in creating new types of food-to-go solutions & the models to deliver this.

Across big and small food retail stores, the UK provides a great example of a market where food-to-go focus has accelerated in 2020, despite the uncertain immediate backdrop.

As more sales have shifted online, there's been an increased awareness by retailers of the importance of getting food-to-go delivering in-store to support store sales and footfall.

But the UK isn't the only market experiencing this change. We expect more innovation, partnerships and collaborations for retailers worldwide to drive new food-to-go growth.



Morrisons: building its own Market Kitchen.

Morrisons' Market Kitchen concept has been developed in-house, drawing on foodservice expertise recruited specifically for this initiative. The opening of its sites in Manchester and Birmingham were some of the UK's food-to-go highlights of 2020, taking the Morrisons food-to-go offer into new territory and new missions. The counter led proposition is already set for further expansion in 2021.

Asda: partnering with Yo! Group and Kelly Deli to deliver new concepts in-store.

A flurry of new partnerships has followed the arrival of Asda's new owners, the Issa brothers, no doubt influenced by their successful record of partnerships at EG Group. But even ahead of this, partnership development with both Kelly Deli (Sushi Daily & Bam Tuk) and Yo! Group (Panku Asian street food and Kulaba Kitchen) has been a priority. Expect more to come.



More than ever, businesses are setting themselves up to work with retailers to step change their food-to-go offer.

Collaborations with the likes Picadeli, Hana Group, Foodmaker or Baker Street are among those that stand out. Enhanced hot food ranges, innovative cuisines and healthier solutions are among the areas in which these businesses are working with retailers. Some retailers will go alone, while others will look to new partnerships to add to their food-to-go expertise and capability.

4. Developing more sustainable solutions is a key goal: the expansion of plant-based menu options is an increasingly popular route to supporting this.

There is a clear appetite towards both goals, and for a growing number of food-to-go operators and retailers, they are increasingly intertwined. From a plant-based perspective, there's growing innovation underway and an increased focus on celebrating plant-based options. Meanwhile several operators, primarily the likes of Panera, Chipotle and Just Salad in North America, there's a focus on helping customers to make more informed sustainable choices by sharing information about the carbon footprint of individual dishes.



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Dishoom in the UK and Zambrero in Australia & Ireland are two businesses who have introduced schemes that enable them to donate one meal to those in need for every meal purchased from them.

Food For Education A MEAL FOR A MEAL

For Ramadan 2015 (as our 'zakat' or act of charity) we supported two wonderful charities – Magic Breakfast in the UK, and The Akshaya Patra Foundation in India. At Diwali the same year, we made this partnership permanent. For every meal we serve, we donate a meal to a child who would otherwise go hungry. A meal for a meal.

When hunger is a barrier to education it also becomes a barrier to social mobility. A child that is not fed can become a teenager that did not learn and an adult that stays in poverty. We care deeply about breaking down these barriers.

We're overjoyed to announce we've now donated over 8 MILLION MEALS (and counting!). Sincerely — thank you...



New formats and ranges are prioritising plant-based solutions. Retailers as varied as M&S, Albert Heijn, Coop (Sweden), Asda and Aldi are prioritising vegan and vegetarian choices in their in-store propositions more than ever, both in terms of additional space and more prominent in-store locations. Across the food sector, from operators as diverse as Greencore and Brewdog, similar trends are coming through.

5. Expect more targeting of evening missions through both food-for-now and food-for-later

Food-to-go businesses are increasingly looking at how they can better leverage established brands, with a focus on fresh, healthy and innovative ingredients, in newer missions and channels. In the UK, Pret and Leon are both making moves into retail distribution, whether it be for coffee in the case of Pret or on a broader range of products for Leon. And there will be further development here - Pret has already alluded to talks over further collaborations with food retailers. But more broadly we are also seeing a focus on targeting evening missions. Some are simple menu extensions, in combination with an increased role for delivery, while others are developing dedicated kitchens to service this, and launching new propositions.



Many food-to-go specialists globally, primarily those with a salad or sandwich focus, have looked to add new hot lines to their menus, generally with a focus on meeting more evening meal occasions. While sometimes this is about targeting delivery, for those in the right locations this is also about attracting stronger trade later in the day.

In Belgium, both Delhaize and Colruyt have been testing the opportunity to move into dark kitchens to help them target more evening missions. Both have developed new sub-brands for their ventures - Tastyoo for Delhaize and Rose Mary for Colruyt, with both building separate identities for their new brands. In time, could there be scope to bring these online only brands in-store? We think so.

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In the US, Clustertruck has grown through a focus on delivery only restaurants. But it's testing a new concept, collaborating with leading US retailer Kroger, to trial an in-store offer, using grocery retail floorspace to create not just a kitchen but also in-store counters, adding new click & collect and 'order in' capacity to enhance the food-to-go offer in-store. Asda is trialling something similar with online restaurateurs Twisted London in the cafe of its Clapham store. Expect more similar collaborations and development in 2021.

Five food-to-go trends for 2021



Delivery will become more embedded in food-to-go concept development. From a 'nice to have' add-on to the core food-to-go offer, it will become an increasingly significant part of the targeted sales & profit mix. More menu items will need to be delivery friendly.



New & surprising partners will feature in more retailers' food-to-go offers. There's a lot already underway. Some are taking this further - SPAR Netherlands' acquisition of Tosti Club is just the latest example of a retail business acquiring food-to-go expertise and brand strength. Others will follow.



More retail stores will be reconfigured to be food-to-go led. Morrisons (UK), Checkers (South Africa) and Jumbo (Netherlands) are just some of those already adopting this in 2020. Momentum will grow, helped by the freshness associations and differentiation it delivers, as well as the added shoppability and wider range of missions it attracts. A trend away from traditional linear store designs is part of this.



We see a drive to new food-to-go led differentiation in convenience formats. Across the convenience sector a growing number of operators are recognising the on the move opportunity. Look out for a greater focus on testing new concepts in convenience stores and forecourts.



Sustainability will gain more focus. For obvious reasons it has, at times, had to take second priority this year. But the longer term vision and importance has, if anything, increased over this period. Expect therefore renewed efforts and enhanced focus in 2021.



The cross-section of food-to-go and retail is proving an increasingly compelling growth avenue.



Let's talk about the how and the why.



As traditional boundaries between foodservice and retail blur, we help our clients to understand the future of the physical in-store environment, the growing role of food-to-go and food-for-later within them and how experiential, and solutions-oriented and a missions-based approach will drive the winning food formats of the future.



You've probably worked out by now that we're a bit different. And because of that we can help you stand out in a crowded market.

Food Futures Insights is led by Gavin Rothwell, a leading European food-to-go and retail expert with over 15 years' experience of helping businesses make better decisions to drive their food-to-go and retail strategies.

www.foodfuturesinsights.com

gavin@foodfuturesinsights.com

+44 (0)7803 663 601

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