Levercliff Covid-19 Consumer Tracking Survey

Issue 4: September 2020

Levercliff

Category Consultants to
the Food & Drink Industry

Growth

We help our clients, large and small, to solve problems and unlock opportunities

Levercliff

Covid-19 has forced us to change our habits.

Our aim with this consumer tracking survey is to identify key insights which can help inform what food and drink companies do next.

How do we run the survey?

15 minute quantitative research

Sample size of **1006**

UK Representative

Analysis by Levercliff's in-house experts

Wave 1: April

Wave 2: May

Wave 3: June

Wave 4: September

Because things are changing so quickly, repeating the survey helps us identify emerging trends.

Our fourth survey reveals the habits that have stuck, and what challenges lie ahead

We have also been able to identify 4 distinct consumer households over this period and we’ve looked to find changes in their behaviours

Our Four Lockdown Households haven't changed

30% May 36%

Back to Basics

25% May 25%

Financial Worriers

22% May 20%

Life on Pause

23% May 19%

Business as usual

We are starting to see a decline in the size of the Back to Basics household and a growth in Business as Usual

Levercliff

The Back to Basics Household (30% of Population)

What they are up to?

Cooking from scratch more…reduced emphasis on baking

Nearly a fifth have started to use grocery online delivery services since March

More likely to be buying loose fruit & vegetables where they can and making changes to reduce food waste

Buying fewer convenience meals as cooking from scratch more

Maintain healthy weight or losing weight top health goals

Using frozen food more e.g. frozen produce

Health & sustainability will be driving protein choices over the next 3 months

The Back to Basics Household

"I am watching what we eat as we are at home a lot and we are trying to keep a healthier diet"

"I am determined to be healthier and make almost everything at home. Handmade food."

Levercliff

The Financial Worriers Household (25% of Population)

What they are up to?

To lose weight & reduce stress/anxiety are top health goals

Shopping on a budget (not buying on impulse, switching from brands to own-label)

Concerned about the impact of Brexit on food & drink...fearing a rise in prices.

Significantly less likely to be drinking alcohol out of home compared to before lockdown

Feeling the need for comfort food but buying fewer premium cakes and biscuits

Price is the single most important factor when buying meat/fish or vegan/vegetarian alternatives

Still predominately buying brands in hot beverages & soft drinks...purchasing also driven by favourite flavours and unit price

The Financial Worriers Household

"I'm getting less money now so I have be very careful when I go shopping….I'm not buying anything premium."

"Money is tight right now"

"I can't afford treats on furlough"

"They are too expensive started buying stores own brand of the same item"

Levercliff

The Life on Pause Household (22% of Population)

What they are up to?

Ordering more take-aways

Regular buyers of ready meals before lockdown, ready meals are still felt to offer good value and be a convenient solution currently.

Price and healthiness will be driving protein choices.

Increase in proportion looking to lose weight or maintain a healthy weight

More likely than average to intend to continue to visit restaurants over the next 3 months.

Consuming more soft drinks, value is judged first on flavour followed by brand & price per item.

Buying more comfort food – chocolate biscuit bars, chocolate, sweets and crisps

The Life on Pause Household

“Will go out more now life is returning to normal”

“I like to have some comfort food so I will likely also buy more snacks.”

“I would rather go out (than drink at home)”

Levercliff

The business as Usual Household (23% of population)

Older –
Around three
fifths are over
50

Four fifths
have no
children in the
household

Levercliff

What they are up to?

Comparatively few health goals...a third have none.

Most already cooking from scratch at least 2 or 3 times per week prior to lockdown. Baking infrequently.

Infrequently/never get takeaways or buy ready meals

Half haven't visited any out of home food or drink venues since they re-opened, and over half don't intend to visit in next 3 months

Spending the same amount on alcohol at home compared to before the lockdown

Stick to shopping list – less likely to buy on impulse

Comparatively unconcerned about the impact of Brexit on food & drink

The Business as Usual Household

"Still buying the same"

"Don't think I'll be able to get out as much in the coming months."

"Won't go out to pubs as much"

"I buy what I need"

Levercliff

The Four Lockdown Households

30% May 36%

Back to Basics
Working from home/retired

Cooking from scratch for health

Health conscious

25% May 25%

Financial Worriers
Families

Trading down from brands to retail own brands

Cooking from scratch for economy

Stressed

22% May 20%

Life on Pause
Families

Buying comfort food

But, growing awareness of health

Convenience shoppers

23% May 19%

Business as Usual
Older, no kids

Cooking habits not really changed

More concerned about prices than their income

Now let’s look at 6 insights

1: Anxiety

Older consumers, in particular, are fearful that it’s too soon to start living a more normal life.

There is a real anxiety around the need and safety of eating & drinking out of home

Nearly 40% have not visited OOH since reopening

Younger adults are significantly more likely to have visited venues.

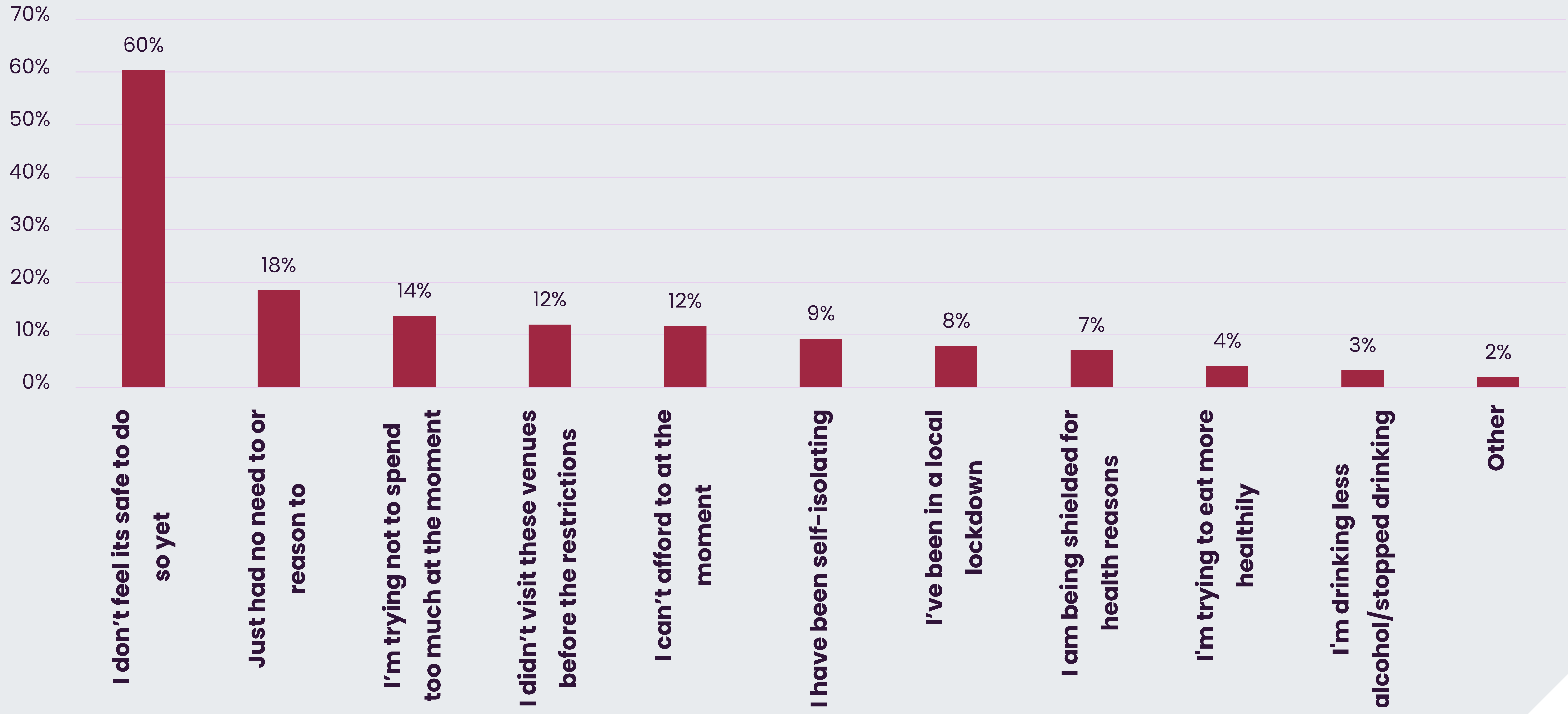
	None	Restaurant	Pub/bar	Coffee shop	Café	Fast food restaurant
Total %	37%	32%	31%	**23%**	**21%**	**19%**
Male	37%	30%	33%	21%	17%	19%
Female	36%	34%	29%	24%	24%	20%
18 - 34	**24%**	38%	33%	29%	25%	29%
35 - 54	38%	32%	34%	21%	18%	21%
55+	**45%**	28%	25%	19%	20%	10%
AB	37%	37%	32%	25%	21%	13%
C1C2	35%	33%	32%	22%	22%	21%
DE	39%	26%	26%	22%	18%	23%

Base: 1,003

Levercliff

Anxiety over Safety is the Key Barrier to Visiting

Reasons for not visiting any venue to eat or drink since reopening (pub/bar restaurant, fast food outlet or café)



Base: 368

Levercliff

The number of people drinking alcohol at out of home venues has more than halved

	All Who Drink Alcohol	18 - 34	35 - 54	55+
Where normally consumed alcohol Pre-Covid				
At home	81%	78%	82%	83%
Out of home	**64%**	56%	**66%**	**69%**
Other	1%	0%	0%	3%
Where normally consume now				
At home	87%	83%	89%	88%
Out of home	**27%**	30%	**29%**	**23%**
Other	3%	2%	3%	5%

Base: 1,003 then 806

Levercliff

That’s a loss to the UK on-trade alcohol sector of over 15 million adults.

Nearly 40% of UK adults don't plan to visit pubs & restaurants in the next 3 months

Pubs/bars (for food or just a drink)		Total	18 - 34	35 - 54	55+
At least once every couple of weeks	Before lockdown	38%	41%	37%	36%
	Next 3 mths	28%	37%	27%	21%
Once a month	Before lockdown	13%	13%	13%	13%
	Next 3 mths	12%	13%	11%	11%
Once or twice every 3 months	Before lockdown	9%	7%	9%	11%
	Next 3 mths	12%	11%	14%	10%
Less than once every 3 months/rarely/never	Before lockdown	35%	32%	34%	39%
Don't plan to visit in next 3 months	Next 3 mths	49%	**38%**	**48%**	**57%**
Other/Don't know	Before lockdown	4%	6%	6%	2%
	Next 3 mths	0%	0%	0%	0%

Restaurants (for food or just a drink)		Total	18 - 34	35 - 54	55+
At least once every couple of weeks	Before lockdown	34%	45%	31%	28%
	Next 3 mths	23%	37%	20%	15%
Once a month	Before lockdown	20%	16%	21%	22%
	Next 3 mths	19%	20%	18%	20%
Once or twice every 3 months	Before lockdown	14%	12%	15%	13%
	Next 3 mths	17%	16%	19%	16%
Less than once every 3 months/rarely/never	Before lockdown	29%	22%	27%	35%
Don't plan to visit in next 3 months	Next 3 mths	41%	**27%**	**43%**	**48%**
Other/Don't know	Before lockdown	4%	5%	6%	2%
	Next 3 mths	0%	0%	0%	1%

Loss of the older customer

Levercliff

Having a retail route to consumers is vital for alcohol producers and foodservice providers.

'Money' is adding to Anxiety…

Concerned about…….

63%
Rising food prices

41%
Reduced Household Income

39%
Main income earner being made redundant

33%
Not being able to afford weekly shopping bill

Young families are the most concerned around the possibility of reduced household income.

Anxiety. So what?

Be realistic about what pressures your consumers are under. Safety and Money should be top of mind.

Do you offer a solution now, or could you in the future?

2: We're rediscovering the benefits of cooking

Scratch cooking is in, home baking is slowing.

Cooking from scratch is a habit that is sticking

Doing more of over the last 3 weeks than before Covid-19

	Doing more of			
	W 4	W 3	W 2	W 1
Cooking from scratch	**44%**	44%	48%	51%
Baking	**24%**	32%	34%	37%
Using more frozen foods	**29%**	28%	28%	37%
Using canned foods or store cupboard foods	**25%**	27%	32%	39%
Eating together as a family	**27%**	27%	27%	34%
Eating ready meals	**15%**	14%	13%	17%
Ordering takeaways	**19%**	13%	12%	13%
Eating out	**13%**	-	-	-
None	**12%**	26%	22%	21%

Base: 1,003

Levercliff

What is Driving Scratch Cooking?

Health

52% of those who want to lose weight or maintain a healthy weight are cooking from scratch more

What is Driving Scratch Cooking?

Thrift

53% of those who are concerned about being able to afford their weekly grocery bill are cooking from scratch more

Levercliff

Scratch Cooking. So what?

Can your company help people with these two key goals of ‘health’ and ‘thrift’, becoming part of a new repertoire of cooking?

3: “Online is king”

Shopping online continues to surge in popularity

Service use during Lockdown

	Online Delivery	Click & Collect
Using service more (those already using service pre-lockdown)	50%	45%
	(Apr) 46%	46%
New users since lockdown % of UK adults	13%	8%

Base: Mixed

Service use during Lockdown

	Veg/meat other boxes	Alcohol Specialists	Recipe Subscription Services
Using service more (those already using service pre-lockdown)	47%	41%	43%
	(Apr) 60%	45%	54%
New users since lockdown % of UK adults	7%	5%	6%

Base: Mixed

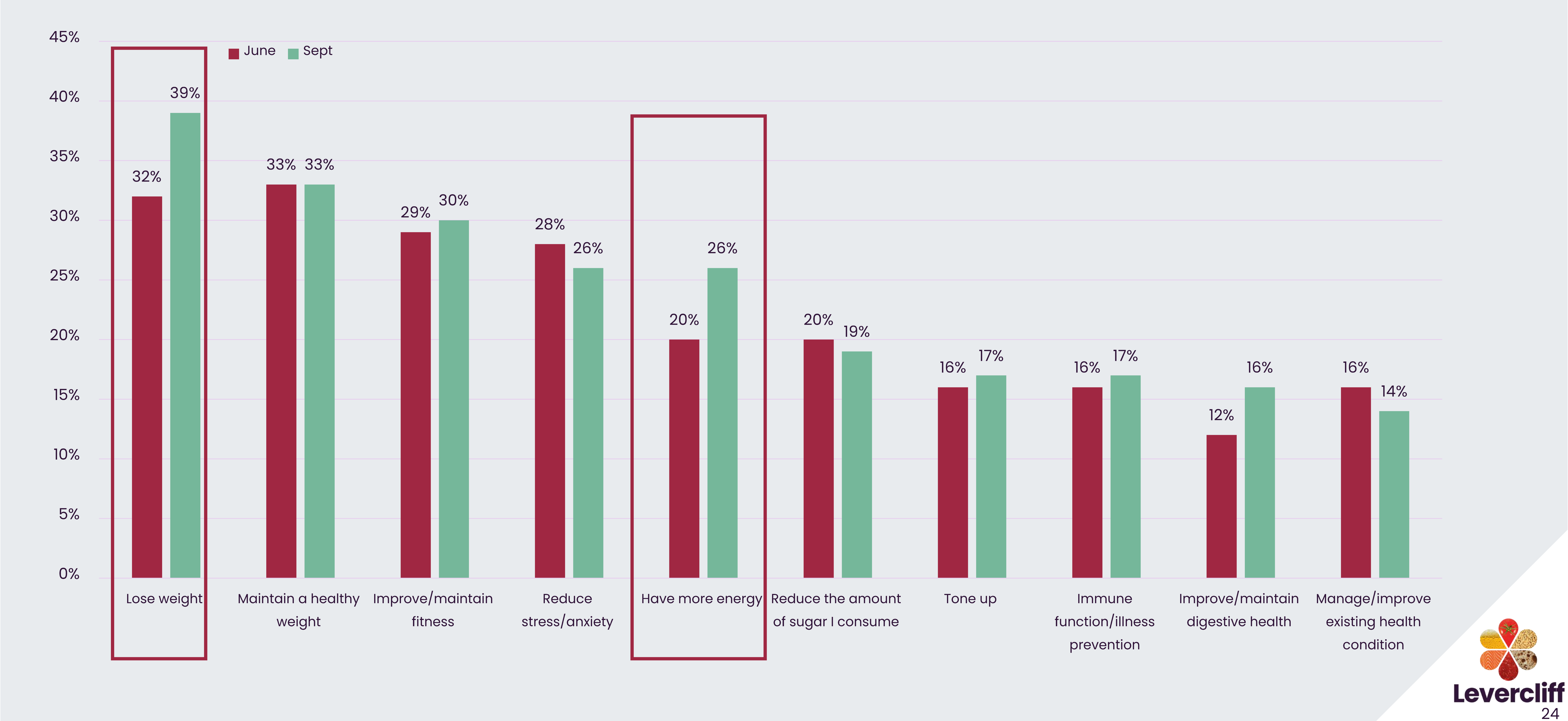
So what?

The shift to online is continuing and sticking. Consider how the shopping experience changes the needs of consumers in your category. How does the lack of 'smell & touch' affect your company?

4: Health

Weight loss is a rising motivation for health

Top 10 Health Goals



Actions to help achieve weight loss/ maintain healthy weight Top 10 by age

	All	18 - 34	35 - 54	55+
Exercising more	41%	40%	42%	40%
Cutting back on sweet foods/snacks such as biscuits, cakes, chocolate	39%	30%	39%	44%
Eating more fruit and vegetables	37%	28%	37%	42%
Eating more healthily generally	34%	25%	31%	41%
Eating smaller portions	28%	18%	29%	33%
Cooking from scratch more	25%	26%	22%	27%
Cutting down on savoury snacks such as crisps	24%	23%	23%	26%
Cutting back on fatty foods	24%	18%	23%	29%
Trying to eat healthier snacks	21%	25%	25%	13%
Drinking fewer sugary drinks (e.g. fizzy drinks with sugar)	20%	23%	20%	19%

Base: 589

Levercliff

So what?

It looks like lockdown-lethargy is kicking in, can you help your consumers with their health goals now?

January is likely to be HUGE for weight loss and health.

5: Brexit

Insecurity is changing the expectation of ‘local’

Consumers are Concerned about Food Security

78%

Important / very important

It is important for UK to ensure that it is self-sufficient in basic foodstuffs

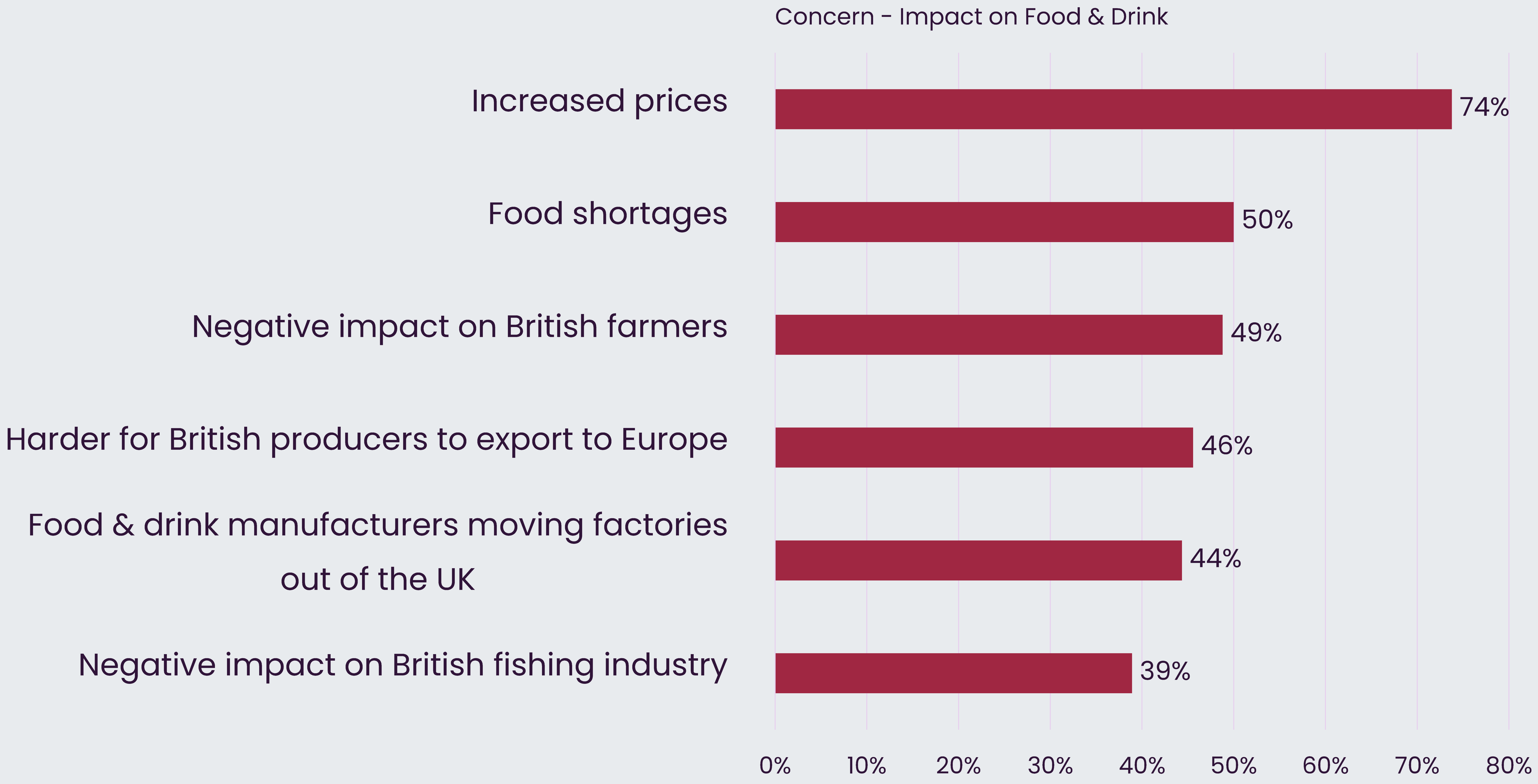
50%

Concerned / very concerned

Concerned about the impact of Brexit on food & drink

Reasons Concerned about Brexit

Increased prices are the biggest concern about the impact of Brexit



Base: 496

Supermarket preparation for Brexit

Over half of consumers think supermarkets should be supporting British in preparation for Brexit

Potential Supermarket Actions	Total
Stocking more British grown produce	53%
Sourcing more from British manufacturers (e.g. for supermarket branded products)	51%
Stocking more British brands	51%
Stocking more local/regional brands	49%
Keeping stocks in warehouses so shelves aren't empty	35%
Limit consumer purchases	13%

Base: 1,003

Levercliff

Brexit. So what?

The experience of lockdown has increased consumer awareness of the fragility of supply. They are more engaged than ever with the benefits of ‘local’ products.

6: Alcohol

Continued shift of where alcohol is consumed

Influence of re-opening pubs/ bars and restaurants

On at home drinking over the next 3 months

Almost 60%of consumers don't think the re-opening of pubs/ bars and restaurants will impact the quantity they drink at home over the next 3 months

58%
It will have no impact, the amount I drink at home will not change

19%
I think I will drink at home less often as a result

11%
I think I will drink at home more often as a result

Base: 806

Levercliff

How expect drinking at home to change over next 3 months

Behaviour:

22%

I think I will drink at home more often

Wave 1 27% | Wave 2 26% | Wave 3 24%

19%

I think I will drink at home less often

Wave 1 25% | Wave 2 26% | Wave 3 28%

59%

No change

Wave 1 48% | Wave 2 48% | Wave 3 48%

Base: 806

Most alcohol drinkers still expect no change in their at home drinking over the next 3 months.

Levercliff

Type of Treats Purchased because not eating out/ eating out as much, in the last 3 weeks

Alcohol is the most popular treat, purchased by 50% of consumers

	Total	18 – 34	35 – 54	55+	AB	C1C2	DE
Alcohol (e.g. nice bottle of wine, a premium beer, cider or spirit)	**51%**	45%	53%	56%	58%	52%	44%
Cake/s	**48%**	49%	49%	46%	51%	43%	58%
Special dessert	**43%**	43%	46%	40%	49%	42%	39%
Special chocolate	**40%**	44%	40%	33%	41%	37%	45%
Special cut of meat (e.g. steak)	**38%**	28%	35%	52%	49%	34%	34%
Luxury crisps	**38%**	43%	37%	32%	42%	36%	35%
Special biscuits	**34%**	41%	29%	32%	35%	33%	34%
Special evening meal deal e.g. Marks & Spencer Dine in for Two	**24%**	21%	24%	27%	32%	23%	16%
Luxury pre-prepared meal (e.g. premium ready prepared meal from supermarket)	**21%**	23%	21%	17%	29%	18%	15%
Special pre-prepared ready to cook meat or fish	**20%**	20%	21%	19%	31%	16%	15%
Special soft drink or mixer	**19%**	24%	20%	13%	21%	20%	15%
Special other confectionery	**18%**	22%	21%	8%	21%	16%	18%
Other	**1%**	1%	0%	2%	0%	1%	2%
Don't know	**1%**	1%	0%	1%	0%	1%	2%

Significantly more affluent consumers are treating themselves to luxury/ special meals, compared to less affluent consumers

Base: 306

Alcohol. So what?

The current alcohol consumption pattern is likely to continue until the end of the year. Out of home occasions are likely to be replaced with in home occasions.


Online is king
Anxiety around going out & money
Scratch cooking
Home drinking
Brexit local
Health & Weight Loss

How could these changes impact your category, product range, communications?

If you'd like help, just get in touch
david.craig@levercliff.co.uk


Thank you!
Levercliff
Category Consultants to
the Food & Drink Industry