FREE SUMMARY REPORT

UK food-to-go market forecast 2023 – 2028

An overview of our five year outlook for the UK food-to-go market and its five sectors across hospitality and retail

June 2023

from IGD

UK food-to-go forecast 2023 – 2028

IGD's newest food-to-go forecast covers the total value of the food-to-go market and how this will evolve over the next five years.

Our forecast includes three scenarios based on distinct assumptions about the economy's performance and consumer behaviour, to cover outcomes from best to worst case.

We also provide the implications for five individual sectors across eating out and retail, and the opportunities that exist for each sector.

More detail can be found in the full report available to subscribers on Retail Analysis or by contacting IGD.

This report was prepared by

Shannon Goldsmith
Insight Analyst

Shannon.Goldsmith@igd.com

LinkedIn

Shannon works across the ShopperVista and Retail Analysis insight services. She specialises in shopper insight and the eating out channel.

Nicola Knight
Insight Manager

Nicola.Knight@igd.com

LinkedIn

Nicola specialises in providing insight into global strategic developments and sector trends in the eating out and food-to-go channels.

Nichola Gallagher
Senior Insight Analyst

Nichola.Gallagher@igd.com

LinkedIn

Nic specialises in global eating out and food-to-go market insight with a focus on UK market forecasting and data.

  Source: IGD Research

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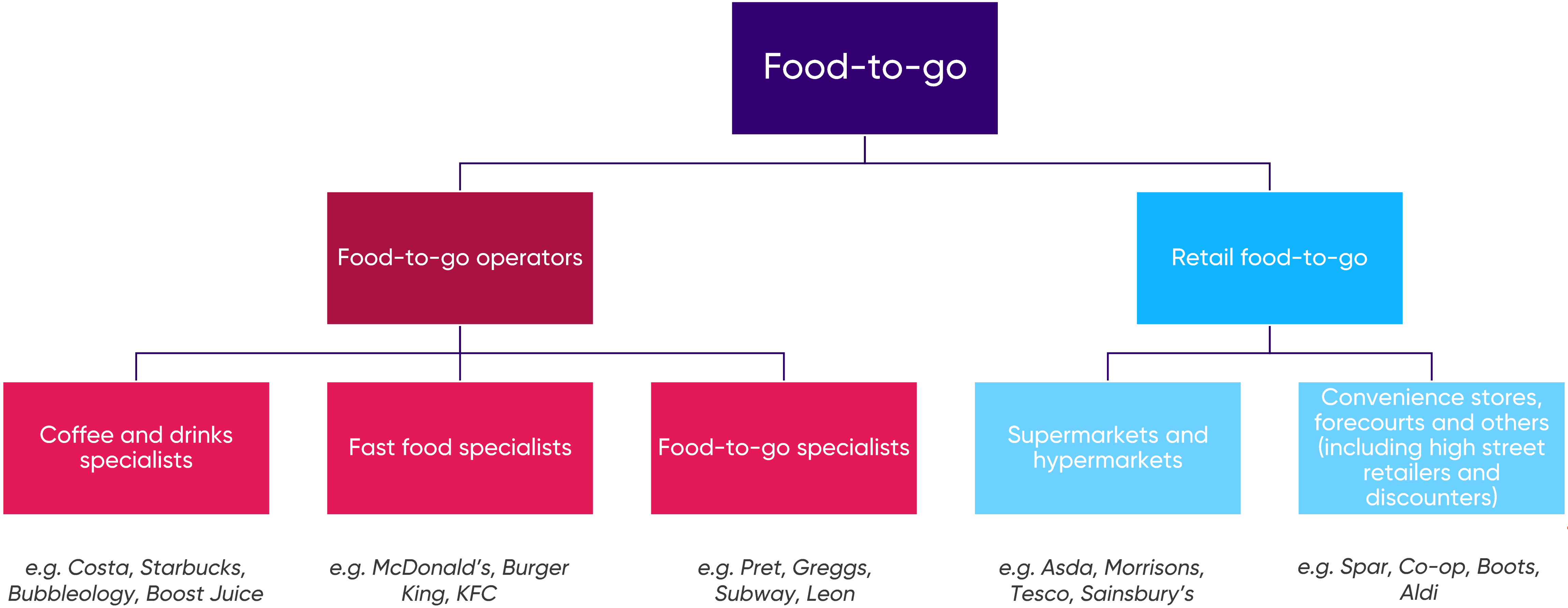
IGD's food-to-go market*



Source: IGD Research. * **Note:** in 2023 our eating out and food-to-go definitions were aligned. Therefore, there are some minor variations in sector naming and content compared to previous years.

Three scenario forecasts for UK food-to-go market growth

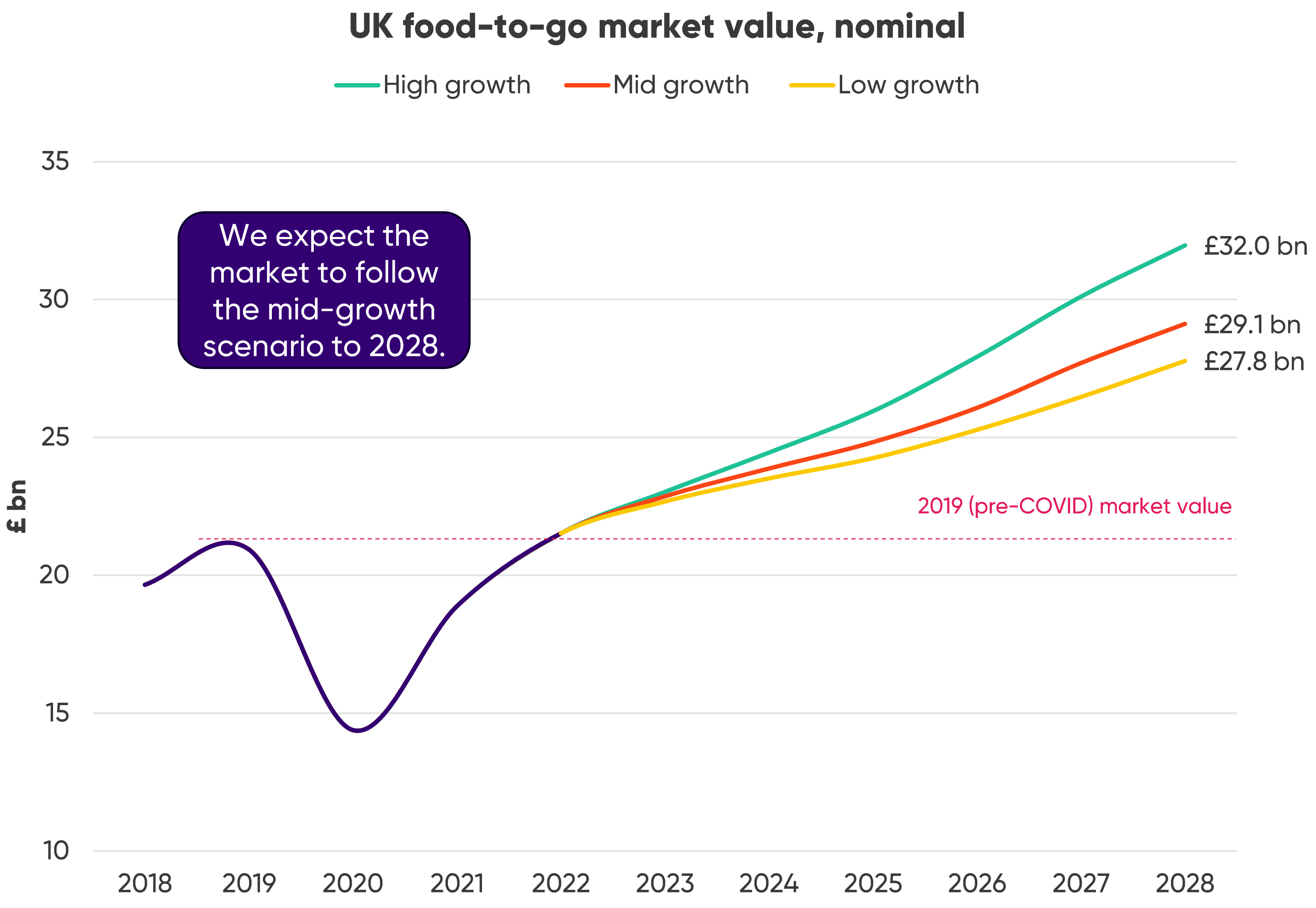
The UK food and drink market continues to operate in an unpredictable macro environment, with uncertainty remaining on how consumers will react to future changes.

To take into account a variety of potential outcomes we consider three scenarios.

Each scenario includes distinct assumptions about the economy's performance and consumer behaviour to cover outcomes from best to worst case.

For business planning purposes, **we recommend focusing on the mid-growth scenario**.

Our mid-growth scenario assumes retail food inflation peaks in early 2023, but foodservice food inflation lags as operators absorb more of their increased costs.



  Source: IGD Research

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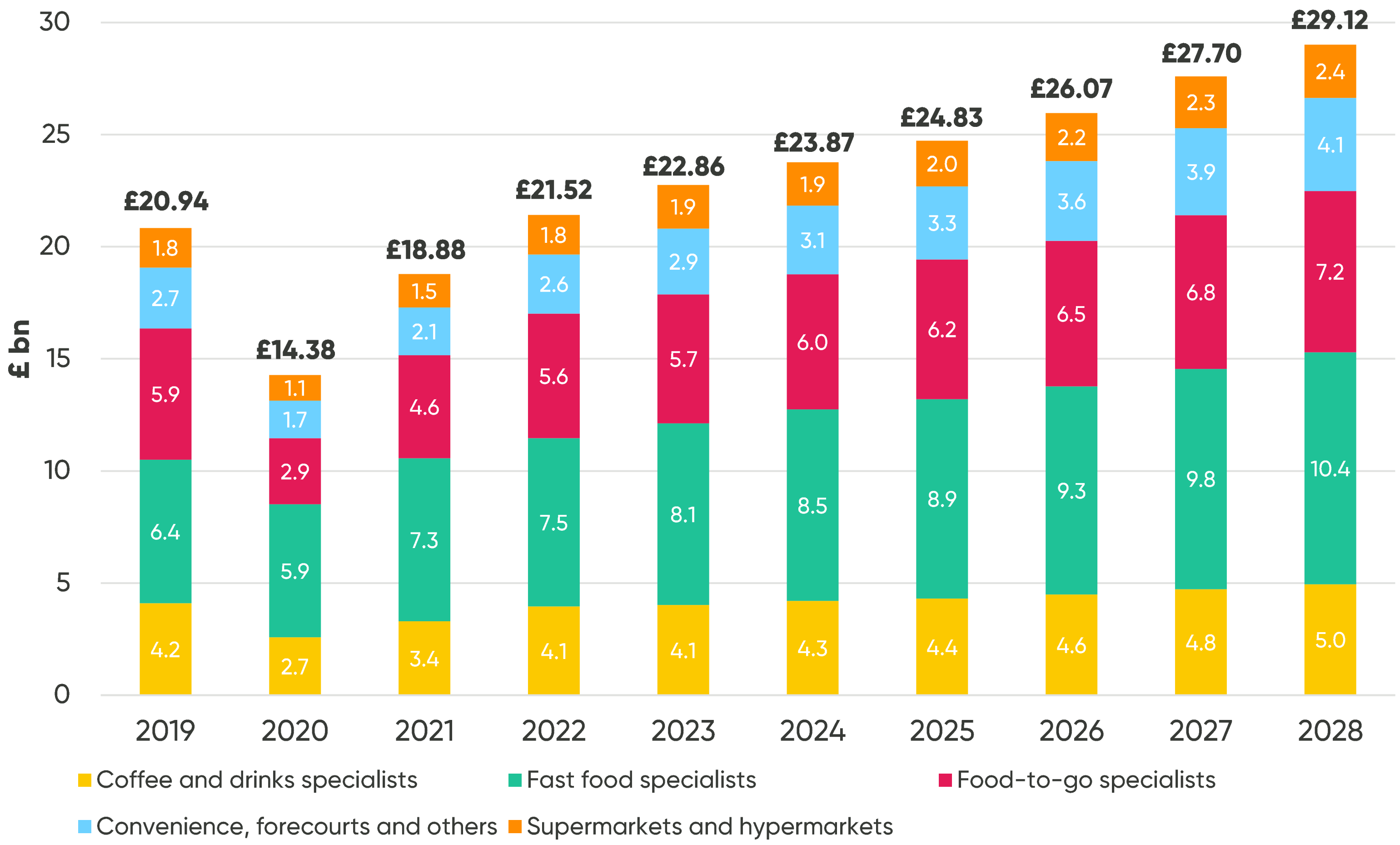
Positive market growth to 2028...

Food-to-go market value (£ bn)



In 2023...

£22.9bn

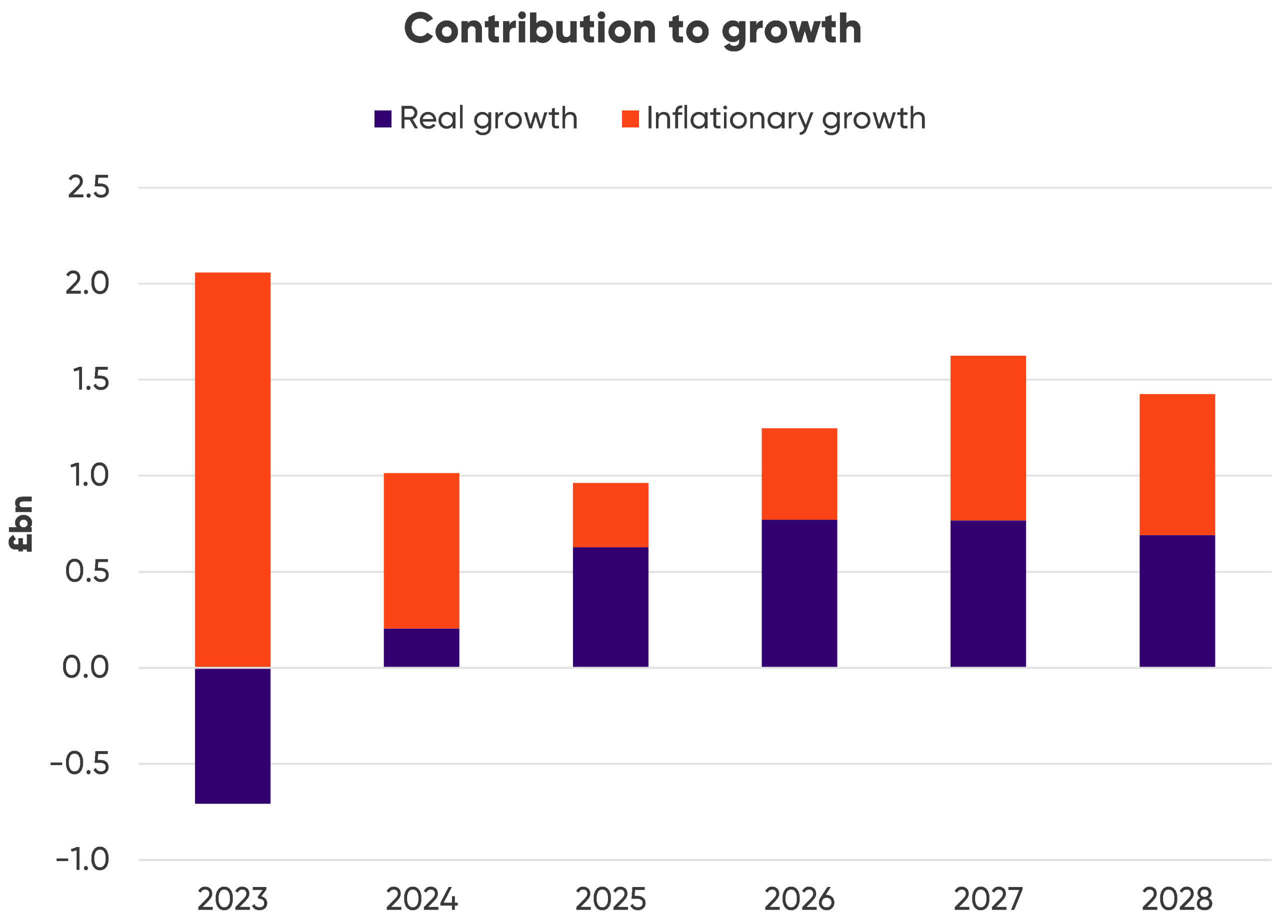
+6.2% vs 2022

Overall, the market is set to grow by 27.4% from 2023-2028. This growth will come from all sectors, which are all expected to grow in each year of the forecast period.

Source: IGD Research

from IGD

...but driven by inflation in short-term



In real terms, the market will decline by 3.3% in 2023

However, the growth seen in 2023 will be driven by inflation as decreasing frequency, trade downs and reduced spend result in negative real growth.

Real growth will return in 2024, but will not be the main driver of growth until 2025, when we expect a return in discretionary spend, allowing consumers to return to food-to-go.

  Source: IGD Research

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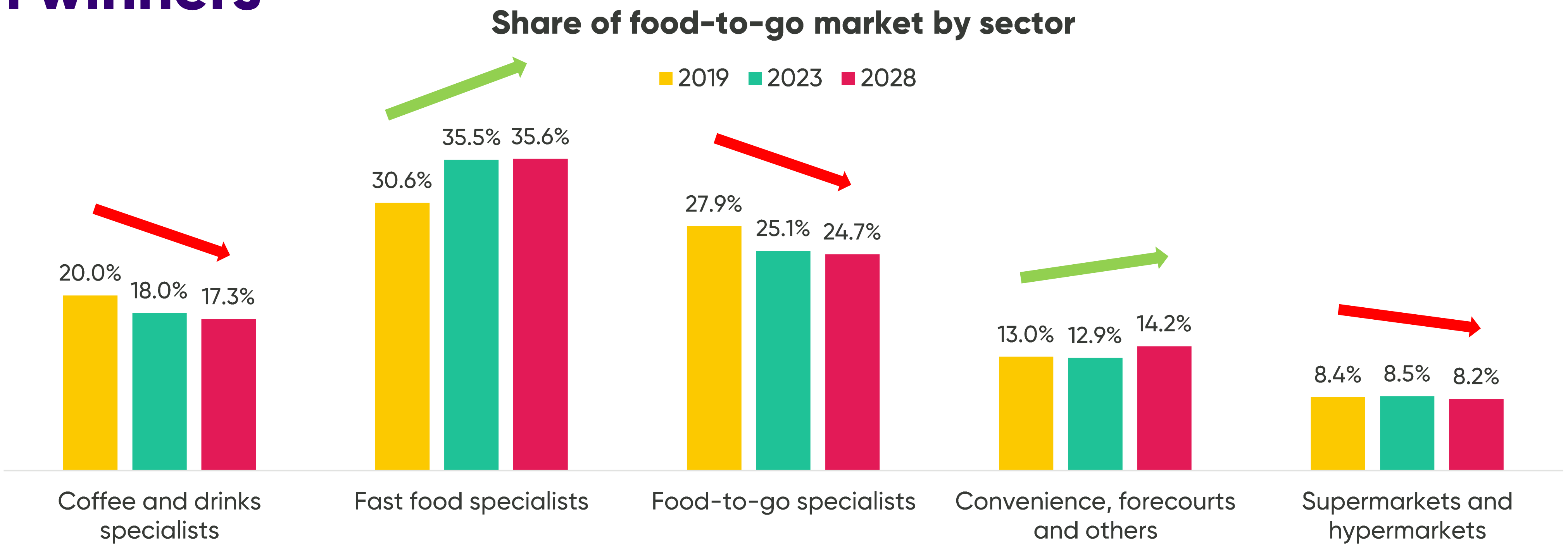
Fast food specialists and convenience stores will be the long-term winners



- Although all sectors will experience growth from 2023 to 2028, fast food specialists and convenience stores will be the long-term winners, stealing share from the other sectors.
- Fast food specialists were the biggest winners of the pandemic and this will continue, with them gaining an additional 5% share of the market. This sector will remain resilient as trade downs, reduced frequency and lower spending are offset by those trading into the sector from more premium sectors or from full service restaurants.
- Convenience stores, forecourts and others will benefit from being accessible for food-to-go missions and their strong value positioning, especially with meal deals. They are also often designed with the food-to-go customer in mind, resulting in an optimised journey and seamless experience for the consumer.
- The other three sectors will lose some of their share as they struggle to win consumers back, and struggle to compete with fast food specialists and small stores on price, value and convenience.

Source: IGD Research

Food-to-go and eating out insights for your business

We have extensive insights and datasets for the food-to-go and wider eating out markets, which can be broken down into subsectors.

We can deep dive into this data to identify the biggest opportunities for you in the eating out market.

Contact your account manager or Milos Ryba to understand how we can help you with a bespoke solution for succeeding in your sector.

Solutions from IGD

Appendix:

Definitions

from IGD

Definitions: food-to-go

Our food-to-go market combines food and drink to-go sold via operators and retailers.

Excluded from this definition:

- Restaurants including fast casual restaurants where orders are taken at the table (e.g. Wagamama) or where the proposition is designed as an eat-in experience (e.g. Nando's)
- Street food
- Ready meals, designed primarily around an evening meal occasion
- Food and drink sold via in-store cafes and concessions that do not go through the main tills

Food-to-go operators

All food and drink sales from these operators are included in the definition, providing the following outlet related characteristics are met

Counter order and payment

- Limited customer service, part of preparation is point of sale

Designed for out of home

- Portable and easy to transport, typically with disposable packaging/container
- Predominantly for, and easy to consume, out of home
- Typically non-plated and single serve

Assembly only

- Pre-prepared food – either pre-packaged or ready to assemble
- No or minimal cooking required for key lines while the customer waits for their order

Clear brand focus

- Propositions will generally boast a clear brand focus, which has potential for scalable rollout

Retailers

Only sales drawn from purchases that meet the below category/mission criteria are included

Products, ranges and layouts designed to meet specific consumption need	Basket includes a (typically chilled or heated) food-to-go mainstay such as a sandwich, wrap, salad, pastry, sushi	Products feature in a dedicated zone in-store

  Source: IGD Research

from IGD

Learn more

If you do not have an IGD account manager, contact Ben at ben.scott@igd.com

from IGD