

# Feeling the Pinch 2020+

Bord Bia x Canvas8

October 2020



BORD BIA   
Thinking  
House

**CANVAS8**

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# Introduction

In 2008, in the midst of The Great Recession, Bord Bia launched a study that set out to understand the changing consumer landscape and how best for the food and drinks industry to respond.

The “Feeling the Pinch” study ran for a number of years and enabled businesses within the food and drinks industry to develop a strategy with particular consideration for how to navigate their brands and positioning in markets, as the consumer evolved throughout the recessionary period.

# Feeling the Pinch 2008-2013



## The market context

### Some glimmers of improvement do not hide the longer-term challenges faced by consumers

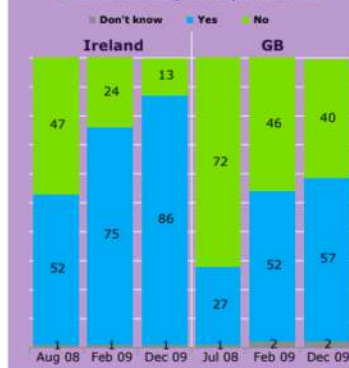
Ireland's economy is technically out of recession, but the economy remains weak as recent growth has been fuelled by exports rather than a rise in domestic consumption. GB is suffering its worst and longest recession since the WWII. Despite UK government's fiscal stimulus the economy has only just returned to growth and was, by December 2009, the only G20 nation still in a technical recession. Signs of up light are present in both markets but the prospects are not great for consumers in 2010.

### The spectre of unemployment:

The major factors affecting consumer confidence continue to indicate that the prospects for consumers in 2010 will be a challenging. By the end of 2009, unemployment rates continued to grow and were 12.5% and 7.9% in Ireland and GB respectively (Source: CSO and ONS). Unemployment always shows a lag effect to the economy, and it often creates more concern for consumers than other economic indicators due to the immediate financial hardship it can create. Equally, unemployment can also have a halo effect by creating fear and uncertainty around the future for those still in jobs. The extent to which this factor is prevalent maybe reflected by the percentage of people in both countries that know someone who has been made redundant: 86% in Ireland and 57% in GB - (see chart 1). The fear of unemployment is likely to drive greater caution over spending, especially as forecasts show a worsening situation in Ireland in 2010 and the modest improvements in Q4 of 2009 in GB are being treated with caution as many believe further job losses are inevitable.

### The effects of the recession get closer to home

Do you know anyone else who has been made redundant from their job in the past 12 months?



Feeling the pinch!



## The Dangers of Price Cutting

### Price is critical positioning tool for brands

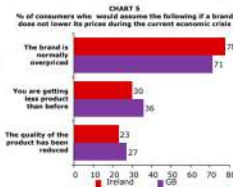
Consumers in both Ireland and the GB may perceive brands that are less resistant to price reduction in a more positive light. 58% of Irish and 66% of GB consumers would see the brand as being popular in the current climate (see Chart 4)

Equally price reduction can create a number of negative perceptions about a brand most critic providing the sense that it was overpriced in the first place (see Chart 5).

It is important to note that value is more than just the price alone. Extra value can be delivered or communicated in different ways, these strategies and tactics (discussed in the next chapter) are likely to better protect brand equity that price reductions.

### Implications:

- Cutting prices can undermine brand equity and the cost of the marketing activity needed to return brands to the same margins since better times return may be higher in the long run.
- The mental wallet to which the category belongs may dictate the extent to which price will be important to the consumer.
- Value should be promoted through other strategies that allow brand equity to be protected over time.



### The economic outlook

## The worst may be over but challenges remain

### The current situation:

Up until 2008 the Irish economy had undergone a period of strong growth with average GDP growth in the region of 6% during the ten years to 2007. In retrospect, it is clear that, whilst growth during the 1990s was driven by increases in productivity, growth in the second half of this decade was far less sustainable, being based on a construction boom, overvalued housing market and rising consumer debt.

### Irish retail sales:

Irish retail sales started recovering early in 2009 and resulted in a 1% decline in GDP whilst most other economies continued to grow in 2009. 2009 saw a worsening situation as Irish GDP fell by 7.4%. This was significantly

more severe than the rest of the Euro zone. In 2010, the economy returned to growth, but this appears to be only a temporary reprieve as GDP fell by 1.2% in the second quarter of this year.

### The underlying challenges:

Ireland is an open economy that is very much reliant on trade and the combined value of imports and exports was just under 150% of GDP in 2007. Its economy is particularly strongly interlinked with, and thus affected by, those of the UK and US - who represent Ireland's two main export markets, together accounting for 37% of exports in 2008.

Fluctuations in the value of the euro also have a major impact. Though the financial crisis has resulted in much uncertainty and disruption for the Irish economy, some exporters were able to benefit from the falling value of the euro.

High levels of household and government debt are likely to constrain economic growth with regard to the latter, the full extent of the banking

crisis and the true value of toxic loans is still uncertain and, as the government focuses on addressing these issues and introducing a severe austerity package, it will tend to exert a drag on the domestic economy. Unemployment is a major issue having sky-rocketed to 13.6%. It will inevitably hit consumer spending which accounts for about 60% of GDP. Spending is down by 1.7% in quarter two of this year compared to the same period in 2009.

"The scale of downturn has shaken people's confidence - especially when compared to the height of the Celtic Tiger boom. People feel like the rug has been pulled from under their feet."

Now, amid a growing global recession caused by the COVID-19 pandemic, Bord Bia is running a new Feeling the Pinch study. While the aims are similar, a lot has changed since the 2008-2013 study.

We've seen a significant expansion of food delivery services and new meal offerings, the rising influence of foodie culture, and the formalisation of exciting new food cultures and trends. Sustainability and wellness considerations have increased, while technological sophistication has transformed everyday life.

This change in context, and consumer attitudes and behaviours they have brought, lay the ground for new foundations as we enter a period of disruption the world has no playbook for.

The events of 2020 have led to the most significant temporary changes in consumer behaviour in recent history. Billions of people have been forced to stay home and significantly alter their everyday lifestyles, and restaurants and bars were and in many places still are closed for months.

The only thing we can be certain of, is how little certainty we have. As the world shifts underneath our feet, the need for clear-sighted thought leadership and empirical guidance for industry is critical.

**At the centre of all of these questions is the consumer.**

# We conducted the Feeling the Pinch 2020+ study in six key markets:

Ireland



United Kingdom



Germany



United States



France



China



# Using a mixed methodology approach



## Landscaping Research

**Stakeholder interviews** to lay the foundations for challenges and opportunities.

**Intensive desk and third-party research** to identify market nuances and context for fieldwork.

**Expert Interview** with consumer psychologist Dr. Cathrine Jansson-Boyd to help set and validate an analysis framework.



## Quantitative Survey

**1st wave survey of 2,000 respondents in 6 key markets** conducted in September 2020 (11,765 total). Tracking financial outlook, food and shopping behaviours with predictors for behaviour change and global consumer segmentation.



## Deeper Dive

**36 auto-ethnographies** in 6 key markets conducted in October 2020. Bringing to life the segments through self-recorded video and adding detail and context to behaviour changes identified in quant survey.

# Setting the Scene

## Setting the Scene

# Where are we?

The COVID-19 recession has hit the world hard in one of the worst economic crises in modern history. Its impact has been profound and no sector — food and drink included — has been unaffected.



In 2020, people are facing the deepest global recession since World War II, yet the true impact of it has yet to be truly felt

**-6.2%**

Current global GDP growth rate.

World Bank

**5.4%**

Current global unemployment rate. In 2009, this peaked at 6%.

World Bank

How would you rate your current financial situation?  
(Global / UK / IE)

**Excellent**

**8%**

UK 8%  
IE 4%

**Comfortable**

**59%**

UK 61%  
IE 60%

**Poor**

**28%**

UK 25%  
IE 30%

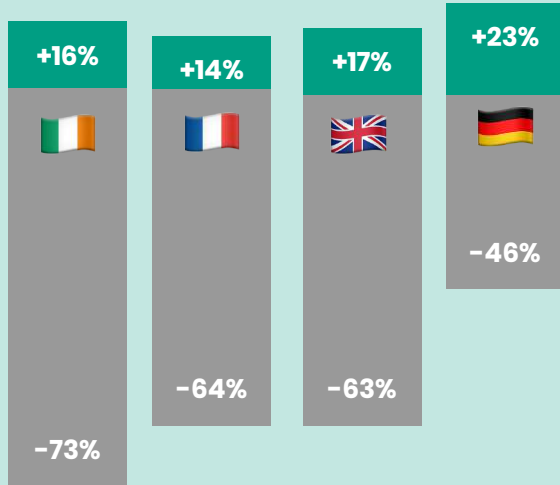
**Very Poor**

**5%**

UK 6%  
IE 5%

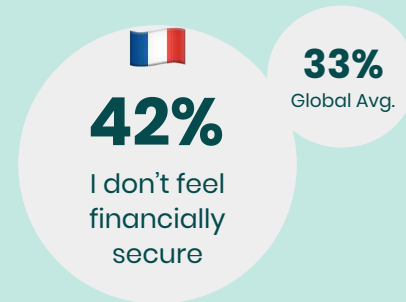
## While pessimism is generally high amongst European nations, Germany are most likely to see stability on the horizon

% who think their country's economic condition will get better vs worse in next 12 months



Germany's strong financial position means people are worrying slightly less

French consumers are the most financially insecure



## Broadly speaking, the recession is looking like it will widen inequalities, as seen post 2008

Global consumers who are affected by any of the following financial circumstances



## With impacts split along economic lines, there are a range of different experiences and responses

Our 5 global consumer segments show how everybody's recession is different

Financial Security

Financial Insecurity



**CAREFREE  
CONSUMERS**  
27%

In a good position to weather the downturn. Looking for ways to spend on home projects or more food and drink. Most likely urban-living, homeowners in full-time work.



**SENSIBLE  
SPENDERS**  
36%

Paying close attention to everyday spend. Worry a lot about the impacts of COVID-19 on their life and most likely to be ethically-minded. Most likely over 55, empty nesters, rural-dwelling.



**EASY  
LIFERS**  
8%

Expecting spend not to change much and not expecting to see changes in personal or economic outlook. Not particularly savvy with spending. Cutting back on physical retail in favour of online. Urban-dwelling, homeowners.



**SAVVY  
SHOPPERS**  
10%

Less likely to have steady income, so need to be smart and savvy with money. Checking deals, focused on essentials and being resourceful. Urban-dwelling, mix of life stages.



**JUST  
SURVIVING**  
19%

Facing deep financial hardship and insecurity and joblessness. Price-conscious with expected grocery spend to shrink and more private label. Most likely 35+ and cohabiting.

# Segments in UK and Irish markets: fewer Carefree Consumers than global average and far more Sensible Spenders and a higher number who are Just Surviving in Ireland

Financial Security

Financial Insecurity



**CAREFREE  
CONSUMERS**  
27%



**SENSIBLE  
SPENDERS**  
36%



**EASY  
LIFERS**  
8%



**SAVVY  
SHOPPERS**  
10%



**JUST  
SURVIVING**  
19%

15%

↑ 49%

8%

6%

↑ 22%

13%

↑ 49%

5%

6%

↑ 28%



This recession brings with it a number of unique contributions to people's decision-making



**Unpredictability**



**A shrinking field  
of experience**



**Heightened  
health and safety**

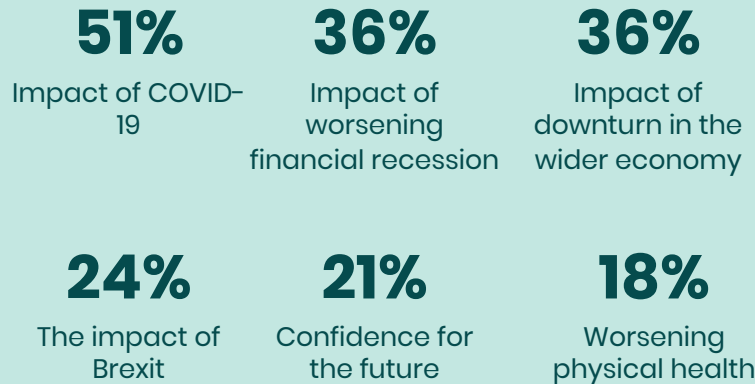
# Everyday uncertainty is characterised by the unknown time frame of COVID-19 and the promised state of a 'new normal'

While concerns around Brexit are lingering in the background for Irish and British consumers



## Unpredictability

% who feel the following feel outside of their control



% who have fears about Brexit



## A life in flux means constantly adapting and anticipating the next change



**Unpredictability**



### **An uncertain consumer ready to adapt**

As people wait for this elusive next phase of certainty, they are having to adapt to a life in flux, across all aspects of life, everyday and in the long-term. While people try their best to plan within a constant state of **anticipation**, the best they can do is **adapt** to a constantly changing economic and cultural landscape.

# Life feels limiting as people's routines, reasons for connecting and reasons for exploration are cut back mainly due to COVID-19



## A shrinking field of experience

% global consumers cutting back on activities

**-48%**

Socialising with friends and family

**-41%**

Entertaining at home

**-58%**

Going abroad

% who say it's because of COVID-19



**74%**



**64%**



**72%**

However, within restricted confines people still want to make new discoveries and indulge



**A shrinking field  
of experience**



**A resourceful consumer seeking inspiration**

Even though restrictions have put life plans on hold, and reset the dial for many, people are having to look closer to home and through proxies like food and drink, **to satisfy urges for novelty, adventure and pleasure.** In the COVID-19 recession, limitations can actually encourage people to make the most of what they have and 'splurge' in new ways.

# As people think more carefully about their health and the health of others, safety and protection become increasingly important



## Heightened health and safety

% who fear for the following in the future

**3-in-10**

My physical health  
(31%)

Almost **1-in-4**

My mental health (24%)

% global consumers cutting back on activities

**-64%**

Going out to eat

**-61%**

Going to cafés and casual eateries

% who say it's because of COVID-19  
(70% and 71% respectively)



**7-in-10**

## An enhanced sense of responsibility is creating the need to be more pragmatic and careful in everyday life



**Heightened  
health and safety**

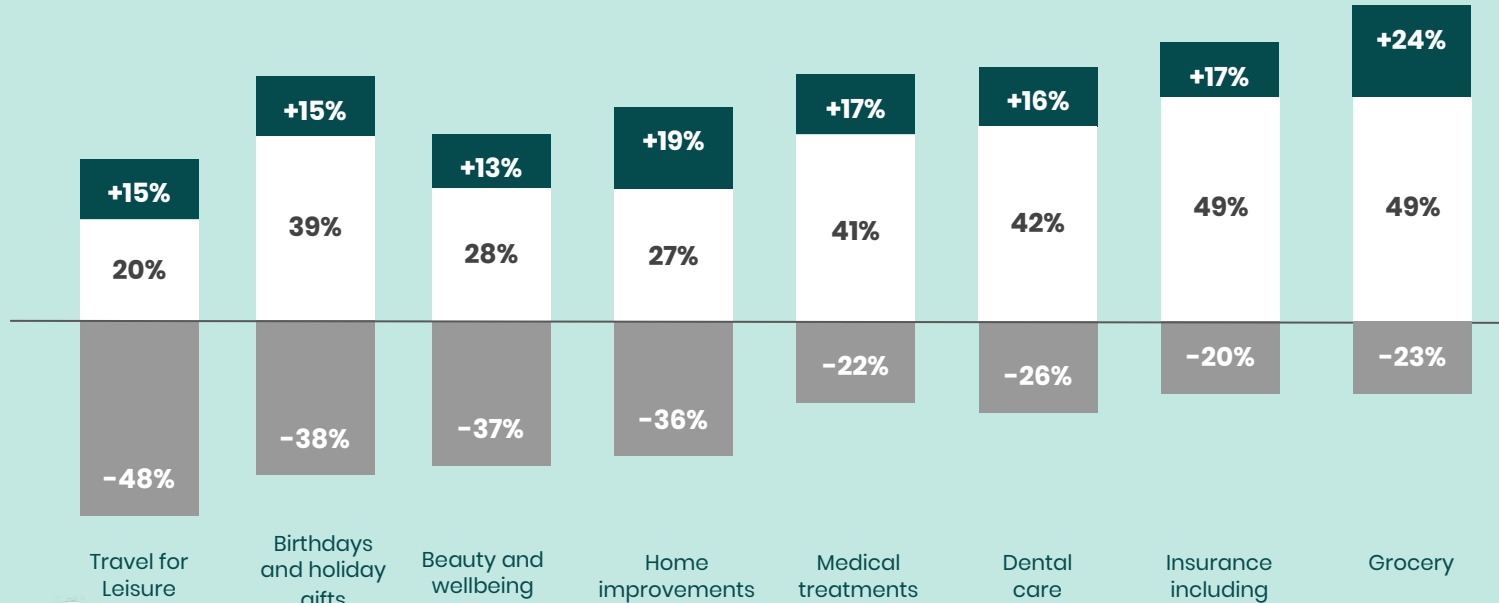


### **A cautious consumer seeking reassurance**

People's perceptions and protection of 'health' have shifted, meaning that each life moment is approached with a little more caution and a little more pragmatism. With a heightened attention on healthy behaviours, people are paying more attention to what they put into their bodies and taking better ownership of their diets.

# Amongst all of this, health spend will remain important but food and drink will be key in providing certainty, comfort and novelty when people need it most

Global % who expect to spend more, less or the same on the following activities



# 72%

People expect to spend the same or more on groceries in the following year

We explore the 4 core human needs through which food and drink brands can have more of an impact and the opportunities and challenges addressing these needs bring.

**Here's what we found out.**

# Key Needs

# 4 Key Needs:

## 01 Control

People want to retain control amongst the chaos

## 02 Comfort

People seek comfort in a crisis

Typical recessionary behaviours

COVID-driven recessionary behaviours

## 03 Convenience

People seek simplicity when life is complicated

## 04 Creativity

People get inventive when adapting to change

# Control

Much of what the COVID-19 pandemic has caused has been out of people's control, and this is having a significant impact on how they eat, drink, and spend.



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# Control

**What's  
happening?**

People are feeling out of control, and this has a significant impact on their attitudes and behaviours.

**What does  
this mean?**

As people feel out of control, they will seek out all types of ways to regain control, from healthy eating to pragmatic shopping and prepping for the future.

**What are the  
opportunities?**

Brands have an opportunity to become a pillar of support for people, by offering stability and normality.

# What's happening?

The recession, coupled with the pandemic, has created a general sense of feeling out of control for many people around the globe — everything from having enough food to the survival of the global economy are weighing on people's minds.



## What's happening?

We know from past research that when people feel they don't have control over what's happening in their lives, they are often more motivated to problem solve — which drives the purchase of utilitarian products. Early on in the pandemic, this lack of control drove people to exhibit classic compensatory consumption behaviours, like panic-buying and stockpiling at grocery stores.

While this has subsided somewhat since the beginning of the pandemic, the desire to reclaim some semblance of control remains. With **more than half of people globally feeling that the impact of COVID-19 is outside of their control** and feeling powerless to influence it, people are altering their purchasing behaviours in order to fill perceived psycho-social deficiencies.

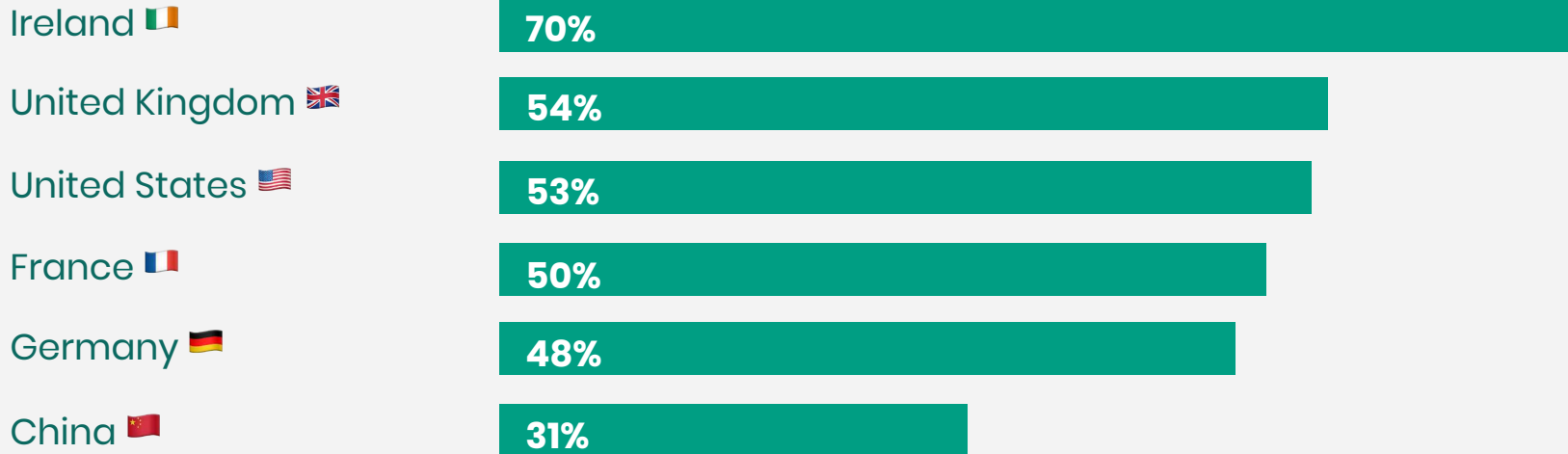


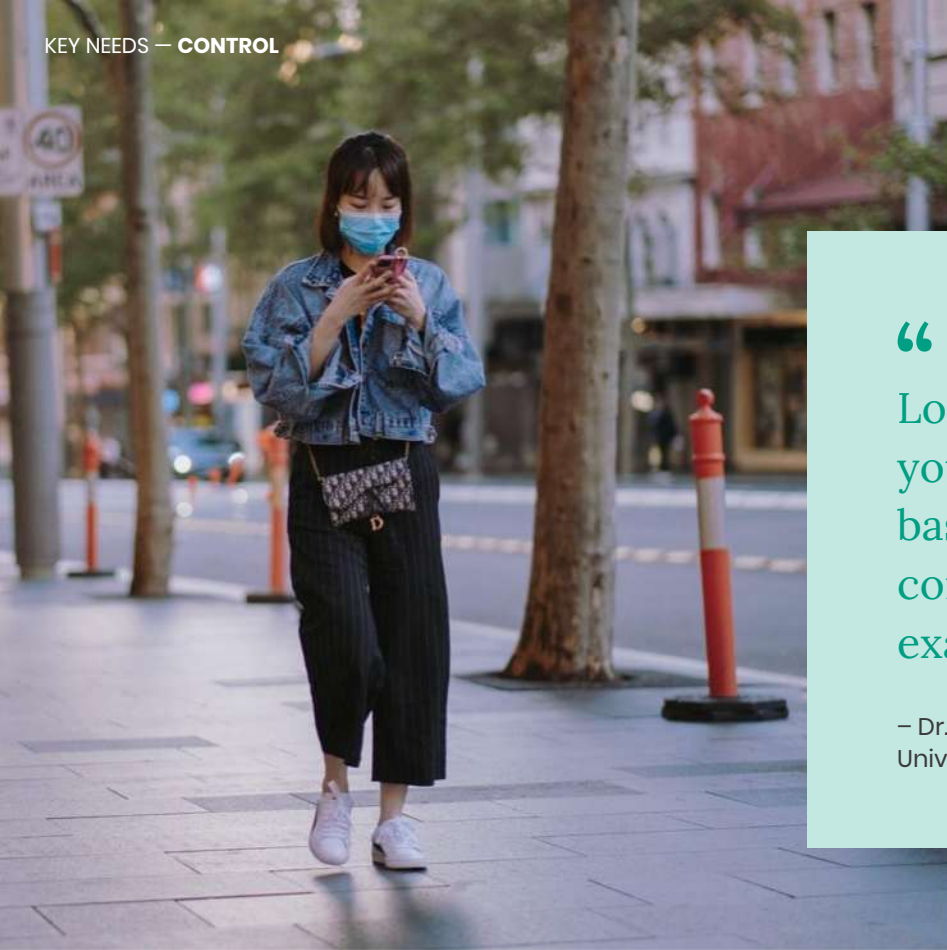
# 51%

Of people, including 70% of people in Ireland, feel that the impact of COVID-19 is outside of their control.

## The majority of markets feel powerless when it comes to influencing the impacts of COVID-19

% who feel powerless to influence impacts of COVID-19





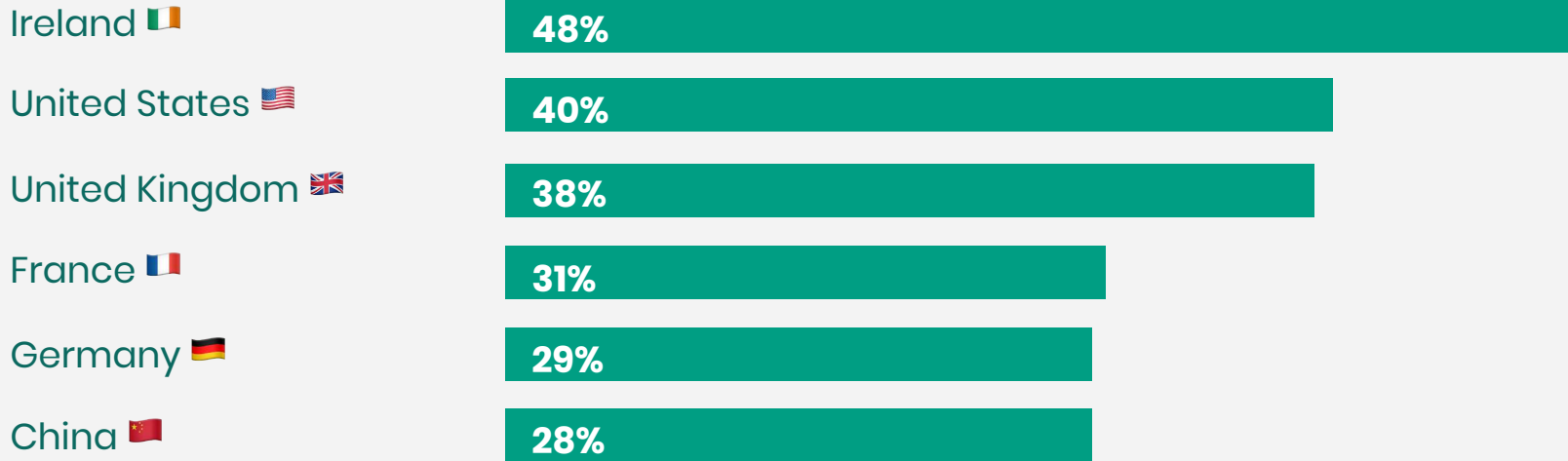
“

Looking at evolutionary psychology, you cannot deny that there is a basic need for control. The current coronavirus pandemic is a perfect example of this.”

– Dr. Leonard Lee, professor of marketing at the National University of Singapore

## People feel the weight of a worsening recession. 36% of people globally feel it's impact is outside of their control, and feel powerless to influence it.

% who feel powerless to influence impacts of a recession



“

We have started trying to prepare in case something like this happens again. We don't know if it's going to get worse before it gets better. So we've had to tighten up our shopping budget for our groceries and we cancelled our cable just looking for ways to be able to decrease our monthly spend so that we can put some additional money away for savings, just in case we need it.”

— Lauren, United States

# What does this mean?

## 3 microtrends impacting control

As people feel *out of control*, they will seek out different ways to *regain* control. People may shop, for example, in order to fulfill a psycho-social need, or they may put a renewed focus on the type of food they're consuming because it's one of the things they feel they actually have control over.

## Microtrends

01

### Defence Mode

People are seeing healthy eating as a form of personal safeguarding

02

### Survival Instinct

People are using pragmatic shopping as a route to future certainty

03

### Categorical Eating

People are recognising the new financial necessity of meal planning

# 01 Defence Mode

People are seeing healthy eating as a form of personal safeguarding

With this recession coming during a global health crisis, people are opting for healthier food choices in an effort to take better care of themselves and avoid infection – **38% of people say choosing healthier options are more important** to them now than before and **47% say that having healthy options is an important criteria when eating out too.**

As a result, people are paying more attention to nutritional values, freshness and food standards. **25% claim that organic and high welfare** have become more important to them during the pandemic and **over a third are buying more fresh fruit and vegetables.** It's worth noting that healthy eating isn't a given for everyone with [reports](#) suggesting that in the UK, healthy foods cost on average 3x as much as unhealthy foods. Affordability is a key challenge to healthier diets.

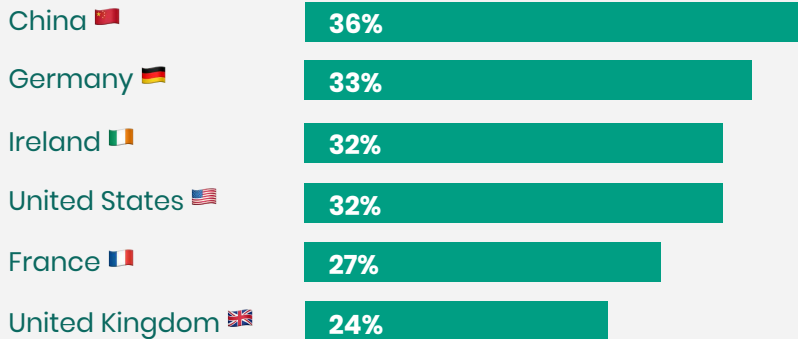


“I have always paid some attention to this area [healthy eating] even before the pandemic. But my interest in health and wellbeing definitely grew during the pandemic. Mainly, I have switched from locally made products to imported products. Perhaps imported products feel like they are better.”

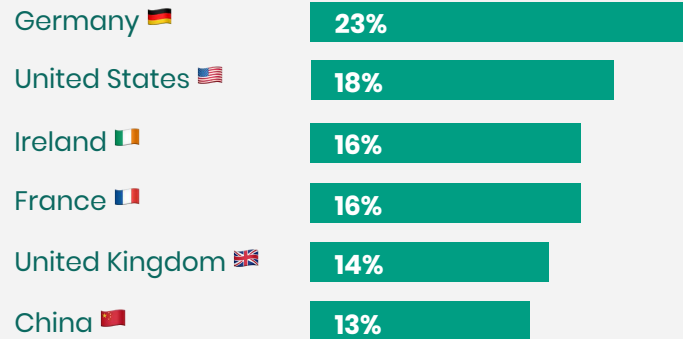
– Tian, China

# 01 Defence Mode

People are keeping a closer eye on how their financial situations may impact their health. Globally, 31% of people say the current economic outlook has made them fearful for their physical health in the future and 17% say they're currently facing worsening physical health due to economic circumstances.



% who say the current financial or economic outlook has made them fearful for their physical health in the future



% who report currently facing worsening physical health as a result of the current financial or economic circumstances

# 01 Defence Mode

Healthy foods and nutritional content are only second to quality and price in people's top priorities when buying food at the supermarket. As COVID-19 continues to threaten people's physical wellbeing, healthy food is a key preventative measure.

**Health  
matters**

1. Quality of product
2. Competitive price
- 3. Nutritional content**
- 4. Healthiness (calories, salt, fat and sugar)**
5. That it is environmentally-friendly

## 02 Survival Instinct

People are using pragmatic shopping to create a sense of certainty

As the pandemic has exposed the potential fragility of supply chains and created concern about food shortages, people are thinking about more practical ways to stock up.

While early stockpiling has subsided and the early lockdown period saw freezer sales [spike](#), an increase in bulk purchasing and frozen foods suggests a sense for survival instinct still lingers in people's everyday shop – **27% of people are doing more of both.**

These kinds of purchases are helping people feel more self-sufficient and in control, allowing them to be certain that they will have food should the worst happen. As people use their purchasing power to create more certainty in their future, they'll be seeking out products that provide some stability – whether through its longevity or its functionality.



“I shop more in bulk now. If I’m buying meat, I’ll buy more and put it in the freezer. Just because everything that’s happening and lockdowns. And you just don’t know, do you?”

– Nathalie, France

## 02 Survival Instinct

Even though people are buying more fresh fruit and vegetables, long-life foods provide a different kind of reassurance – one that is practical rather than protective.

**28%**

of people are buying more or much more sealed food / food that hasn't been on open display

**37%**

of people are prioritising more or much more buying food with a longer shelf-life

## 03 Categorical Eating

People are recognising the new financial necessity of meal planning

Pre-pandemic, people were open to and even enjoyed going to the store and casually browsing. However, now people are much more focused with an emphasis on pre-planning for tightly budgeted and efficient shopping.

With finances top of mind for many, people are taking measures to keep track of expenditures, food spend included, by planning ahead. Whether that's the transparency of food scanners in the supermarket, or using online grocery shopping to keep a real-time track of spend.

**1-in-5 are now doing more online grocery shopping**, not only for the convenience but to get a clearer sense of budgeting the weekly shop as they go.



% buying online more compared to the past █ delivery █ to collect

“We have started doing a lot of Walmart grocery pickup, because I’m better able to stay within our budget because I put everything I want in my cart, and I know if I’m going over the budget, I start to go through and think, ‘What can I take out?’”

– Lauren, United States

## 03 Categorical Eating

“

When doing online shopping we increasingly compare prices, because often you find the same product by different suppliers for different prices. So, it's worth it researching a little more intensely.”

– Ralf, Germany

# What are the opportunities?

Past research tells us that in times of loss of control, people seek out stability and security, aiming to regain small bits of control wherever they can. As a result, there's an opportunity for brands to be that pillar of support.



## What are the opportunities?

The brands that are doing well during the pandemic are the ones that are putting consumers in the driver's seat. Whether through attempts at normalising life or giving people stability and flexibility so that they feel supported — yet not restricted — brands have an opportunity to be that pillar of support.

Whether through direct-to-consumer models which remove people's reliance on fragile supply chains or pre-packaged boxes of essential goods, brands can ease anxieties for stressed-out shoppers whilst fostering a sense of loyalty amongst its consumers.



% who believe the following organisations can make a positive contribution

**37%**

Major grocery retailers

**38%**

Big corporations

**48%**

Gov and local authorities

“

We spend less on luxury items and think twice: Do I really need this right now? Instead you focus on the essential things, that are needed right now.”

– Ralf, Germany



What's working for brands?

## Ramping up the benefits



### Tonic Health

Tonic Health's immunity-boosting vitamin drink sachets are appealing to health-conscious Britons who are looking to get more out of the food they put into their bodies. With COVID-19 stirring fears about physical health, **people are connecting food with their immune system more** — and in turn, they're taking control over the types of food products they're seeking out. Tonic Health recommended people take the sachets “at the first sign of feeling less than your best, or as a support for the immune system in times of need.”

**+1,000%**

Tonic Health sales growth in March 2020

Source: [The Grocer](#)

**+670%**

Searches for 'food + immune system' Feb-Mar 2020

Source: Google

## What's working for brands?

# Brands can offer stability and flexibility



### Case study: Heinz to Home

With people panicked about getting the goods they need, Heinz is embracing a direct-to-consumer model which gets its products into people's pantries with just a few clicks. D2C models can provide people with the peace of mind of both reliable goods and familiar brands.

**\$14.28BN**

Of direct-to-consumer sales were made in 2019, with this figure expected to grow more than 24% in 2020.

Source: [PYMNTS](#)



### Case study: FIEF à la maison

French food delivery service FIEF à la maison is empowering consumers by letting them choose how much to pay. This small act puts control in the hands of people at a time when other aspects of life feel out of control.

**€30**

Payments of over €30 cover the costs for others who can't afford to pay more, while payments of over €50 will have a portion go to a non-profit, like Action Against Hunger.

Source: [CNews](#)

“

What was important pre-pandemic was convenience, fast prep, what's ready-to-serve. Right now it's about preservation. The fact it's not going to all spoil when you have to buy in larger quantities. You don't want to have food waste. Cost is important because we never know what's going to happen. I'm working now. I don't know how long I will be working.”

— Peter, United States

## Control

# Thought starters for strategy, innovation, & marketing

As people pay attention to healthy foods, how can functional ingredients and claims play more of a role in current ranges?

As people look for the reassurance of long-life foods, how can current ranges tap into the power of frozen?

As people plan out their meals, how can brands celebrate and empower new-found pragmatism?

E.g. Tap into new protective mindsets looking for immunity-boosting ingredients and better nutritional value.

E.g. Create a product with clear suggestions for freezing certain portions or suggestions on how to stretch each item the farthest.

E.g. Promote the idea that food can sometimes play a practical role and not just an emotional one. Celebrate those that take new-found joy in their shopping pragmatism.

## Who should you be talking to about 'control'?



Control is a core need for Sensible Spenders as they are eating healthily and budgeting already. Engage through innovations in nutritional foods and functional ingredients. Create tools that give them greater transparency over their shopping routines and empower them.



Engage Savvy Shoppers with control benefits online. Tap into meal planning and special deals, particularly online, where they are experiencing further control over the final spend. Celebrate their pragmatism.



High job losses and facing substantial debt means this group are feeling deeply out of control. This group are in desperate need of support, stability and ideas for winning back control they've lost.



Carefree Consumers have little need for control right now. Less need for pragmatism as they are financially secure. Only relevant where healthy eating becomes a concern or they are bulk buying.



Little has changed for Easy Lifers. Although some stockpiling behaviours at the start, they are notable for how little their behaviour has changed and control is not a key defining need.

# Comfort

With the world in crisis, food and drink takes on a special significance, as people seek out emotional safety and certainty.



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# Comfort

**What's  
happening?**

People are seeking out comfort, reassurance and safety amid the uncertainty of the pandemic.

**What does  
this mean?**

Yet the COVID-19 recession means they are rethinking what treats they count as essential to the moment, and how private label can offer the same reassurances as usually familiar brands.

**What are the  
opportunities?**

Brands need to communicate a sense of comfort in new ways, around new eating occasions, emotional resonance and communicating quality through provenance.

# What's happening?

Fears of the pandemic, uncertainties about the future, and financial stress means that people are seeking out comfort more than ever. People's lives have been uprooted and their routines disrupted, so a retreat into something safe and familiar — whether through comfort foods or nostalgic brands — has taken on more significance than usual.

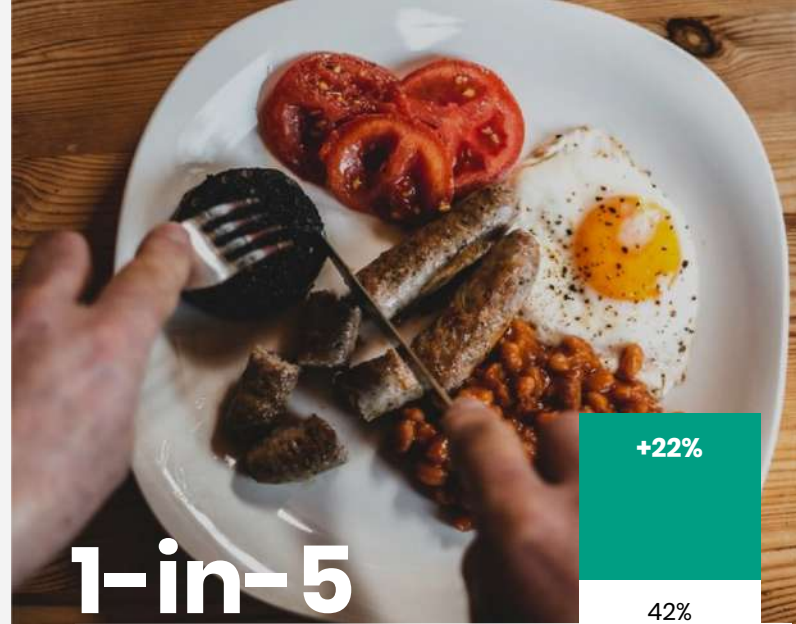


## What's happening?

The beginning of the pandemic saw a huge surge in comfort-seeking behaviours such as indulging in comfort foods like cooked breakfasts, chocolate and wine and traditional, old-school brands.

As conditions have changed and people more carefully consider new routines and lasting effects, that early indulgence has somewhat faded. Worries of weight-gain has prompted nations like the UK to temper comfort-seeking behaviours leading to the return of the “lipstick effect” – mini affordable indulgences.

However, people are still looking for signs of reassurance, safety and familiarity as the pandemic continues to throw up uncertainties in their daily lives.



+22%

42%  
unchanged

-33%

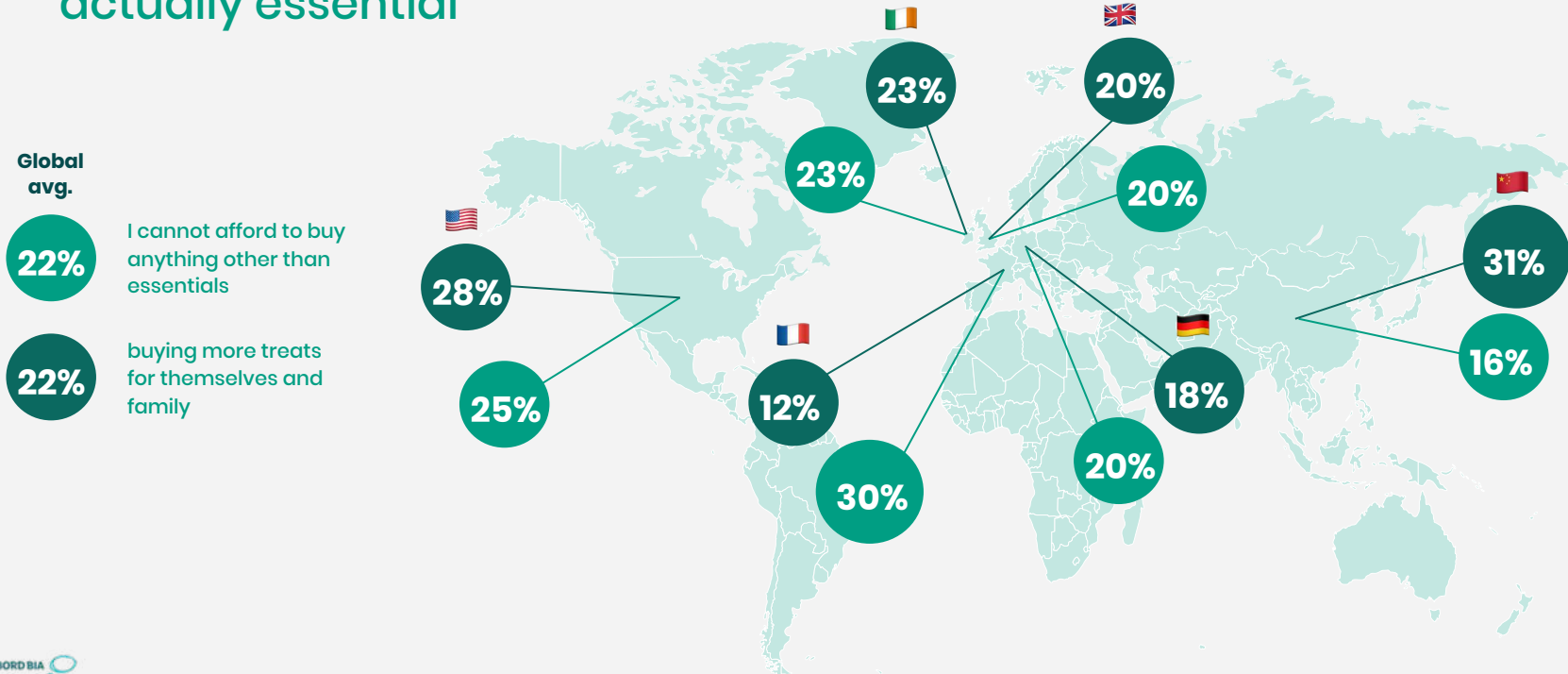
People are buying more treats for themselves and their family (however, 33% are buying less).

“

People will look for more treats generally, even if they have very little money, because this level of being worried will mean that they will think, ‘I need something to comfort me.’”

– Cathrine Jansson-Boyd, Consumer Psychologist

# In most markets, except China and France, people are caught between comforting treats and thinking about what food is actually essential



**Global avg.**

**22%** I cannot afford to buy anything other than essentials

**22%** buying more treats for themselves and family

# What does this mean?

## 3 microtrends impacting comfort

While treats and indulgent foods are still sought after, cutbacks and lockdown excesses have given people pause for thought. For those who can't afford their usual treats, they are having to get smarter about what's essential and what isn't. Equally, what people find reassuring has changed as they reconsider the types of products they trust.

## Microtrends

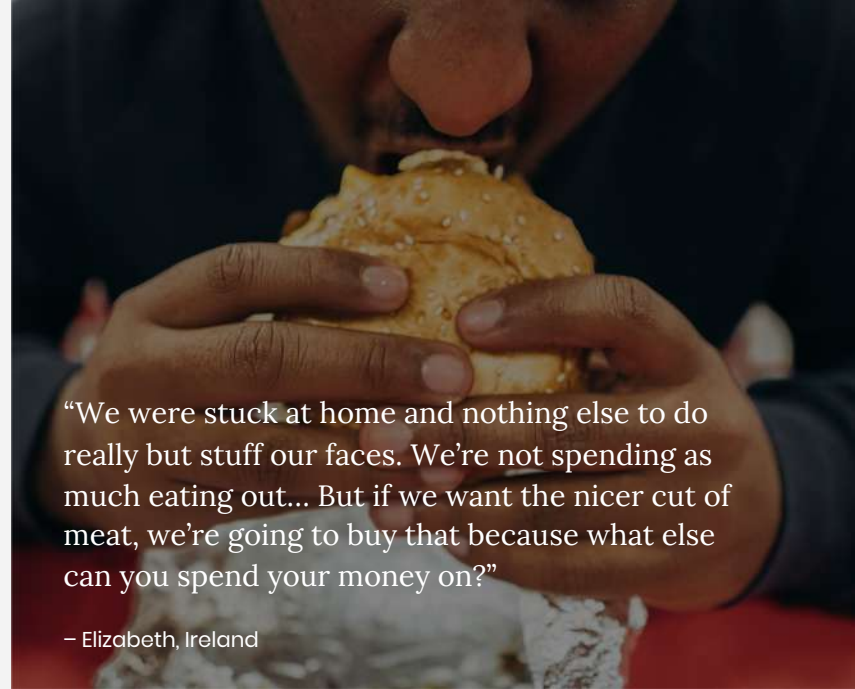
- 04 Creature Comforts**  
People are replacing the treat of dining out for the treat of dining in
- 05 Selective Shops**  
People are reassured by private label, presenting a threat to brands
- 06 Local Loyalty**  
People are seeing locally-sourced as a proxy for food safety

## 04 Creature Comforts

People are replacing the treat of dining out for the treat of dining in

Schemes like Eat Out to Help Out in the UK helped people find their feet with restaurants again, but people still remain cautious of eating out. **Two-thirds are going out less or have stopped going to restaurants** altogether, meaning more special meals are being cooked at home. As people turn to home-cooking, they are looking to break up the monotony of weekday meals with weekend indulgences.

For product categories like meat, fish and dairy, people could be looking for quality above all else, as these staples step up into a more indulgent and occasional role. While the general trend is to cut down on meat, quality cuts are being seen as appropriate and affordable for a Friday night in. At the same time, as people reduce their intake of on-the-go coffee and cafe snacks, people are turning to home-baked goods for a day-time treat instead.



“We were stuck at home and nothing else to do really but stuff our faces. We’re not spending as much eating out... But if we want the nicer cut of meat, we’re going to buy that because what else can you spend your money on?”

– Elizabeth, Ireland

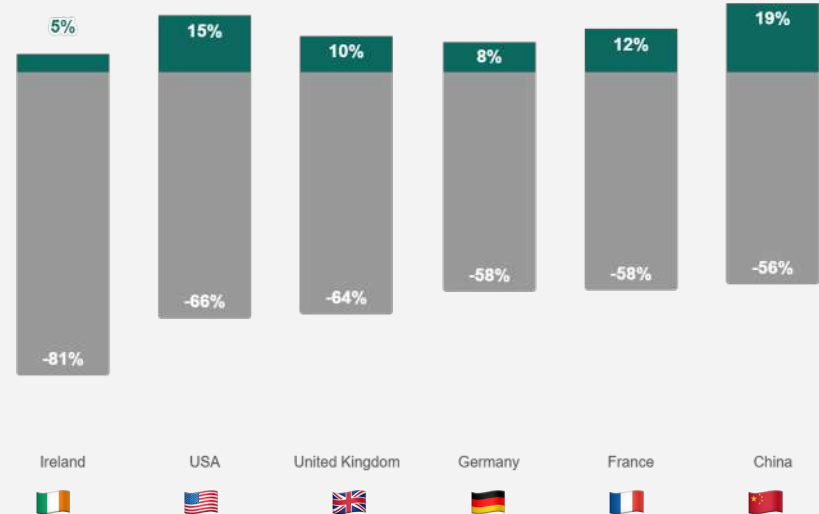
# 64%

of global consumers are going to restaurants less or have stopped all together.

## Lockdown measures, pandemic fear and economic circumstances have seen a dramatic shift away from dining out around the world

Even in China, where the pandemic seems to have been contained and managed, over half of people surveyed said they aren't doing this as often as before.

% going out to eat in restaurants more, or less often than in the past



Quality still remains absolutely crucial to people's food shopping, more so than price. Where food provides an emotional gratification or is replacing treats like eating out, signs of quality are even more important

## **Quality matters**

- 1. Quality of product**
2. Competitive price
3. Nutritional content
4. Healthiness (calories, salt, fat and sugar)
5. That it is environmentally friendly

“

During lockdown we weren't really spending our money on anything. So we indulged in food, we bought more premium products, better-quality products, **because we saw our meal time as a treat time**, because we weren't going out for meals or doing anything for ourselves. The evening meal really was our treat of the day and we really looked forward to it. So we upped a gear in our food shopping with nice drinks and nice foods and things like that.”

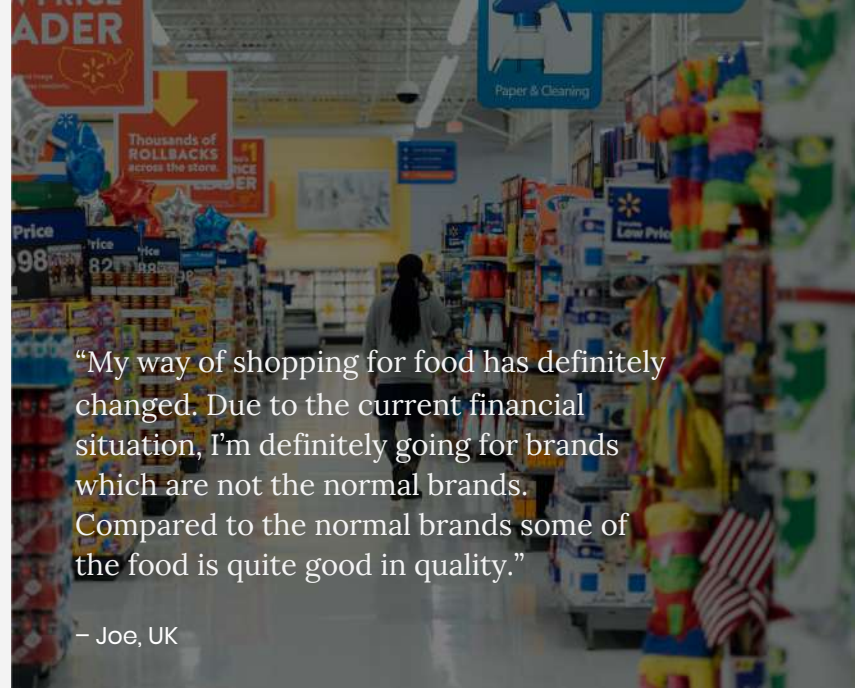
— Renee, UK

## 05 Selective Shops

People are reassured by private labels, presenting a threat to branded goods

Since the last recession, with more diverse ranges, decoy retailer brands and even copycat branding becoming normal, branded products are having to work harder against private label ranges. Private label brands are matching affordability with quality – **50% of global consumers consider private label to be just as important now** compared to pre-COVID-19, while **32% say they are more important now.**

Supermarkets continue to leverage trust in their brands to build their ranges. For examples, both [Target](#) and Amazon launched private labels in the last couple of years in the US. That's not to say brands still don't have a role to play – **53% of people report buying the same amount of branded goods** as they did pre-pandemic. It's the **1-in-4 global consumers who are foregoing branded products altogether** that need to be reassured.



“My way of shopping for food has definitely changed. Due to the current financial situation, I’m definitely going for brands which are not the normal brands. Compared to the normal brands some of the food is quite good in quality.”

– Joe, UK

# 32%

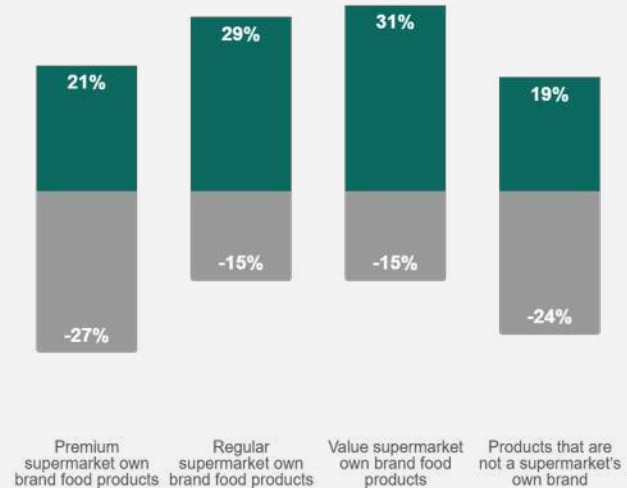
Of global consumers say supermarket own brand products have become **more important** to their shop recently.

## 05 Selective Shops

As people become more selective in their shopping, there's been a shift toward regular own brand and value label products

People are swapping out premium and branded products for more mid-range

% of people buying more or less of the following:



## 06 Local Loyalty

People are seeing locally-sourced as a proxy for food safety

People are supporting local restaurants, takeaways and food producers in a bid to show support but also play their part in helping economic recovery. **One third of global consumers consider shopping at local stores more important than before** with **1-in-4 following through by actually shopping at local stores more** than pre-pandemic.

Equally, **a third are also buying more local produce / from local brands**. On the one hand, there is a reassurance to knowing that something has been locally-sourced allaying fears around food safety and hygiene. On the other, it provides people's food shopping with a sense of purpose, as their money makes a difference to the lives of local businesses as well as the rest of the country as a whole.



+16 pts

33% of global consumers are buying the more locally-sourced produce and brands.

+33%

45% unchanged

-17%

“Food-wise, I’m buying better-quality food. I actually have started buying a lot of local produce as well, going to shops that sell food by local farmers or just local eggs. There is a guy that lives in my village and he sells potatoes from his farm. So we buy it off him.”

– Jack, Ireland



“

I think people are more health conscious than ever. **This is why we've seen that people don't want their food to travel around the world to get here, because we know that means it's not as fresh, it's not as healthy.**”

— Cathrine Jansson-Boyd, Consumer Psychologist

# What are the opportunities?

There are a number of ways people turn to food to provide comfort in a crisis. Brands should recognise the unique role they need to play in providing emotional reassurance and how their products need to match changing expectations around what a treat now means and where people look to for reassurances around food safety.



## What are the opportunities?

Brands are winning on a number of fronts by tapping into messages of reassurance and reframed indulgences. On the one hand, some brands are tapping into nostalgic comms to reignite people's emotional relationship with them. On the other, provenance is being evoked to remind people of quality and safety.

Alongside this, restaurants and supermarkets are tapping into the trend for 'fakeaways', takeaways that people can cook at home. Whether it's recreating a Burger King Whopper or Wagamama's Katsu Curry from scratch, people are looking to have more of a hand in the treats they eat as these cooked indulgences are winning favour.



### Most important when choosing to buy food in-store

1. **Quality of product**
2. Competitive price
3. Nutritional content
4. Healthiness (calories, salt, fat and sugar)
5. That it is environmentally friendly

## What's working for brands?

# Nostalgic ads tap into the comfort of simpler times



### Budweiser *Wassup* Refresh

Budweiser relaunched its famous 'wassup' campaign with a quarantine twist. The nostalgic ad played on the need for normalcy and reminded of simpler, less threatening times. By adopting nostalgia, Budweiser built on the brand's emotional resonance at a time when people needed security and levity in their life.

50%

Budweiser's customer scores, which track if anyone's bought a product from a brand in the past 30 days, increased by 50% — from 5.8 to 8.7 — within a few days of the ad's release.

Source: [YouGov](#)

## What's working for brands?

# Innovations can offer reassurance in different ways



### Budweiser Brewing Group's 'Save Pub Life'

The 'Save Pub Life' campaign is designed to help communities support their local during COVID-19 closures. The idea is that regulars will buy gift cards that they will be able to spend once the pub reopens. Budweiser has set aside £500,000 to match the value of every gift card purchased, with the combined amount reaching businesses within two weeks,

93%

of Britons said they were keen to return to the pub, prior to them reopening.

Source: [Budweiser](#)

£1m

Budweiser Brewing Group's scheme hit its target pledge of £1 million in financial support.

Source: [DRAM](#)



9,000

Burger King's fakeaway campaign amassed 9,000 likes on Twitter within 8 hours of the launch.

Source: [AdWeek](#)

### Fakeaways

As people swap going out for nights in, the 'fakeaway' has emerged as the perfect go-between for indulgence on a budget. Mainstream supermarkets like Morrison's and the Co-Op and restaurants like wagamama and Burger King launched fakeaway campaigns over the summer, tapping into consumer desires for comfort food they can take ownership of.

## Comfort

# Thought starters for strategy, innovation, & marketing

How can food and drink brands play into the treaty indulgence of new nights in?

How can brands double-down on the emotional resonance of their brand at a time when private label looks like the better alternative?

How can food and drink brands play up provenance in their messaging and labelling to reassure on quality?

---

E.g. Think about the role your brands play in Friday night treat nights.

E.g. Evoking nostalgia through famous campaigns or driving home core values through comms alongside discounts in-store.

E.g. As localism becomes a shortcut to reassurance, focus on provenance-driven ranges, highlighting the quality of regional ingredients.

## Who should you be talking to about 'comfort'?



**SENSIBLE  
SPENDERS**



High quality, local and organic are important to this segment and they seek out these foods as a way of looking after themselves and expressing local loyalty, which they feel comforted by. Tap into nostalgia, tradition and brand familiarity to win back share from private label.



**CAREFREE  
CONSUMERS**



Secure and optimistic enough to splurge on what makes them feel happy and content through uncertain times. Purchasing better-quality items and cooking healthier meals at home. Alongside a return to home-cooking, which is seen as a treat.



**JUST  
SURVIVING**



The Lipstick effect, picking up affordable treats and snacks to find comfort wherever possible. Indulgence is rare but welcome and needed. Shift to private label means branded products have to work hard to win over Survivors in the recession.



**SAVVY  
SHOPPERS**



Treats come in the form of home comforts, specialty and indulgent items. An enjoyment is being found within this segment, by reconnecting with simpler, core values that reassure rather than tempt.



**EASY  
LIFERS**



Local produce is important to Easy Lifers as they display Local Loyalty behaviours. Seeking out the reassurance of locally-sourced produce.

# Convenience

Fluctuating demands and fears across the board press home the need for simplicity and safety.



[\[back to index\]](#)

# Convenience

**What's  
happening?**

The pandemic has seen a normalising of delivery culture, as people work from home more and get used to spending less time in physical shops.

**What does  
this mean?**

Daytime eating is adapting to WFH culture, and people are looking closer to home to safely do their physical shops.

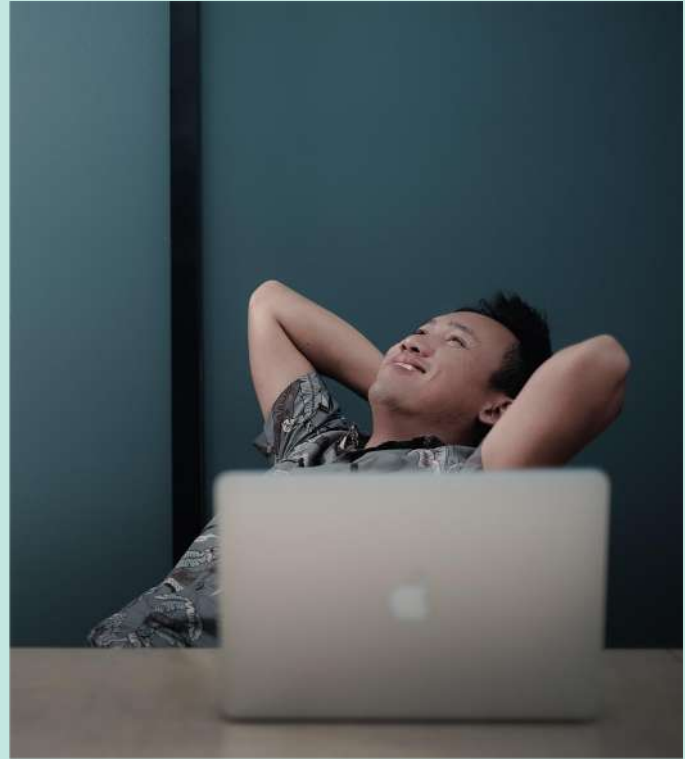
**What are the  
opportunities?**

Daytime eating occasions are being reimagined as people look for a different kind of quick fix meal at home, and people are looking for more seamless bricks 'n' mortar experiences

## Convenience

# What's happening?

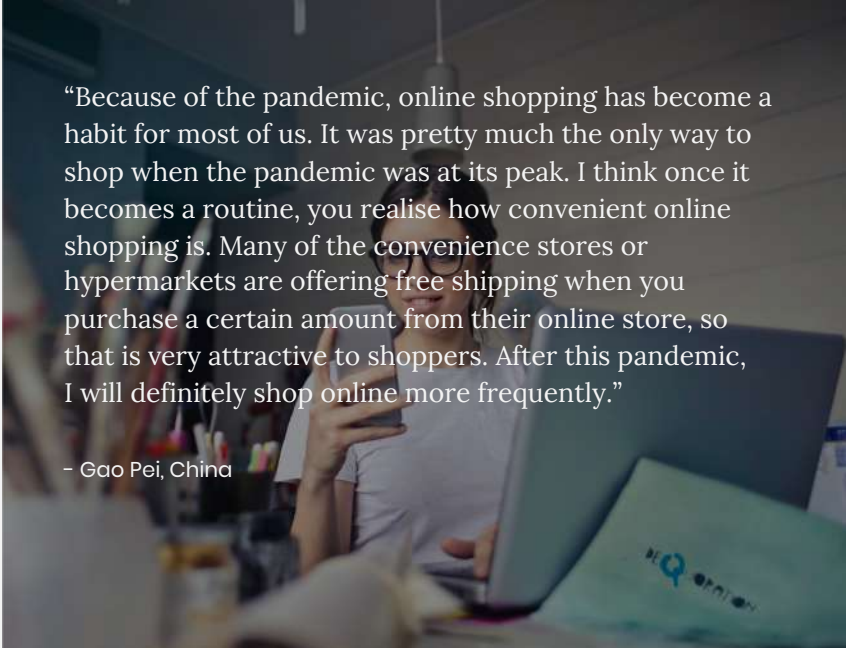
It's never been easier to access food and drink digitally, with online shopping, click and collect and takeaway deliveries surging in popularity over lockdown. As the pandemic accelerated a trend that was already on the up, a need for convenient options is changing where people shop as well as how they feel about what they eat.



## What's happening?

COVID-19 has transformed people's shopping experience in physical and digital stores. As more people consider online food shopping, physical retail is *seemingly* under threat with **32% of global consumers visiting grocery stores less**. Supermarkets are likewise being seen as unsafe as people's concerns around hygiene heighten as **28% visit them less often or have cut them out completely** from their shopping routine. Equally, the convenience of digital shopping platforms as well as an ever-expanding range of touch-of-a-button takeaway options presents a multitude of safer options for getting food.

However, this is creating its own challenges. Some have no choice but to shop in physical stores. At the same time, more online shopping is making people better meal planners and budgeters, so impulse buying, especially during daytime meals, could be going down.



“Because of the pandemic, online shopping has become a habit for most of us. It was pretty much the only way to shop when the pandemic was at its peak. I think once it becomes a routine, you realise how convenient online shopping is. Many of the convenience stores or hypermarkets are offering free shipping when you purchase a certain amount from their online store, so that is very attractive to shoppers. After this pandemic, I will definitely shop online more frequently.”

– Gao Pei, China

# 1-in-5

(23%) of people are buying more groceries online for delivery, while 32% of people are visiting grocery stores less in recent months (59% of whom are doing so because of COVID-19).



“

I used to love going into grocery stores, looking around deals and everything. That was my idea of a fun day or something to do on the weekend. But that has completely stopped because of the virus, for my own safety and also because of all the restrictions going on. Unfortunately, now I just don't see the point to walk around a store anymore.”

- Mindy, USA

# What does this mean?

With safety a top priority, and more people getting used to online food deliveries, convenience is a matter of providing more than just the fastest option.

And as people change up their favoured supermarkets to shop in, those providing a safe, seamless and closer-to-home option are winning out.

## Microtrends

07

### Daytime Disruption

People are rethinking how daytime eating fits around their new WFH reality

08

### Seamless Shoppers


People are taking an efficient, yet safety-first approach to food shopping

## 07 Daytime Disruption

People are rethinking how daytime eating fits around their new WFH reality

Pre-pandemic the UK's Food To Go Market Report of 2019 found that **12% of all trips for convenience were driven by a food-to-go need** and was estimated to be worth £12.9bn in 2019. However, with the acceleration of working from home, people no longer have the need to make a dash for a quick meal deal in their lunch breaks or pick up a coffee on the way in to work.

As commuting has nosedived, so has the eating culture that comes with it. Grab 'n' go lunches and ready meals have both seen a dip in sales. **Sandwich sales fell by 60% in the last three weeks of April** and with lunchtimes and coffee breaks becoming an at-home affair, these routined eating occasions are prompting people to create new habits at home and within their local area.



"I'm eating lots more food at home, breakfast, lunch and dinner for the whole family, seven days a week."

– Graham, Ireland

55%

Of US shoppers are eating at home far more often than in the past.

(Acosta, 2020)

## 07 Daytime Disruption

Food-to-go has fallen out of favour with consumers as they spend less time travelling or being in city centres for work



**42%**

US workers now work from home full-time.  
[source: [Stanford University](#)]



**40%**

Global consumers are buying less or have stopped buying coffee to-go.



**£1.3 bn**

Lost sandwich sales during the pandemic compared to the same period last year.  
[source: [The Guardian](#)]

## 07 Daytime Disruption

People are rethinking how daytime eating fits around their new WFH reality

However, keen for a quick-and-easy food fix, many have turned to takeaways at lunch, with **Just Eat recording an 80% jump in lunch and 50% in breakfast orders**. No longer picking up breakfast from a bakery on the morning commute, regular commute stop-offs like **Pret-A-Manger global takings fell to 15%** of their usual amount. As people pivot away from popping into cafes and casual eateries for quick bites, they are instead getting them delivered.

Despite this, people still crave the social side of lunch. Eateries and brands that have quickly offered convenient lunching options with a social aspect are proving popular. For example, US food chain [Chipotle](#) begun hosting virtual lunchtime hangouts with celeb Q&As for its home-diners providing much-needed connection to lonely lunchtimes. Elsewhere, Michelin-starred restaurant [Aquavit](#) helped premium diners come together through their specialty picnic baskets for socially-distanced outdoor lunching.



“The need for convenience and ready-to-serve food has dissipated because I have more time at home to prepare meals and I am working from home.”

– Peter, US

# –61%

Of people globally have completely stopped or are spending less time in cafes and casual eateries. **70%** are doing so because of COVID-19.

## 08 Seamless Shoppers

### People want an efficient yet safety-first approach to physical retail

People are being extra cautious when food shopping as click-and-collect or visiting closer, local stores become increasingly popular. While online delivery has its benefits, click-and-collect and shopping at local stores has the benefit of convenience *and* visible reassurance. As local stores play a more prominent role they are having to demonstrate greater variety alongside essentials.

However, despite mainstream supermarket visits dipping overall, some people are still keen to prioritise physical retail over online. For discounters, shoppers are looking for the reassurance of safety and hygiene – **14% don't visit them for hygiene reasons**. For those visiting mainstream supermarkets, they are looking for a more seamless approach to the big shop. [Walmart recently redesigned their store to be an app-led](#), contactless experience, discouraging browsing as people look to get in and out quickly. Convenience is changing as shops become more functional and safer, potentially impacting time spent with products as casual browsing falls.



“My husband used to go into the grocery store and just pick out whatever he wanted, but we don't do that anymore. We're very strategic when we shop now, and we are going to do Walmart pickup.”

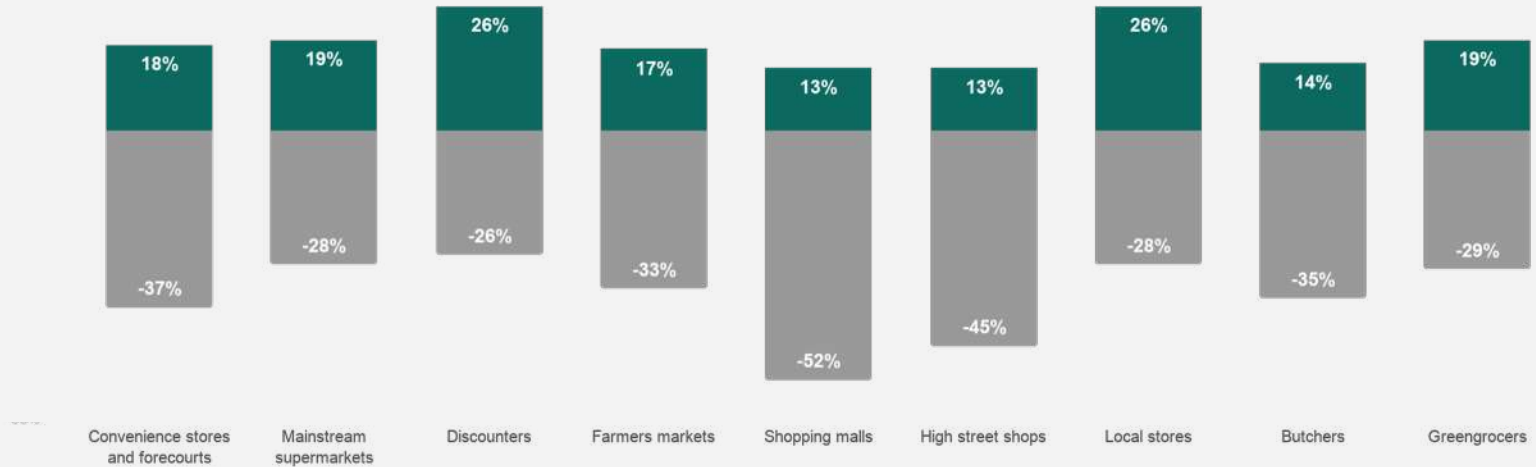
- Lauren, US

# 1-in-4

(26%) of people are shopping at local stores more and 22% are buying more groceries online to collect in person.

## Physical retail visits are generally down but discounters and local stores are providing stability, affordability and convenience

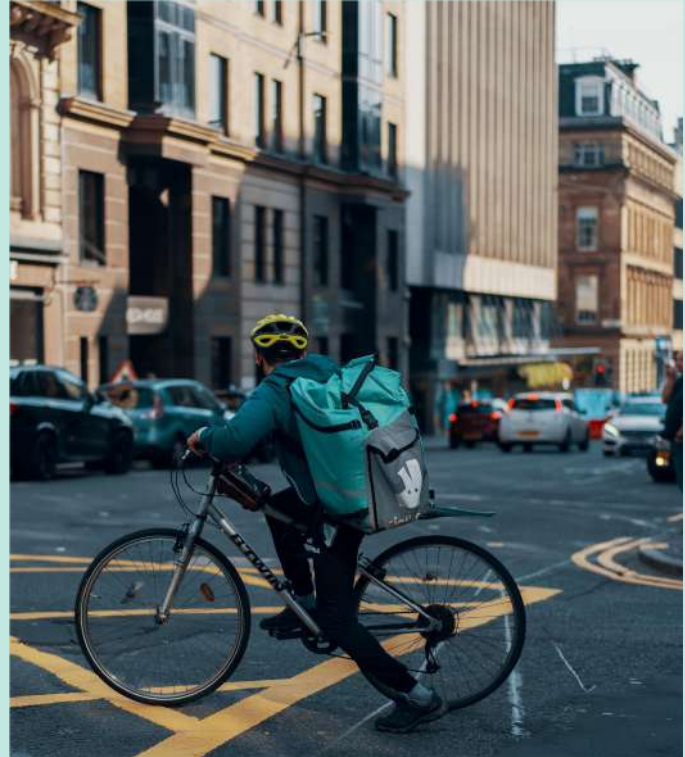
% shopping in these locations more, or less often than in the past



## Convenience

# What are the opportunities?

The location and the methods in which people are buying food and beverages has changed. Brands need to recognise these shifts rapidly, and move into these new spaces and modes of purchasing.



## What's working for brands?

With people seeking out convenience in the kitchen amid the anxiety of avoiding crowded supermarkets, they're changing perceptions of their local stores, and the reframing of daytime deliveries has opened up new sales points and opportunities for brands.

Given that over **a quarter of consumers are turning to local stores and discounters more**, the space that food offerings need to be in is likewise expanding. From earning shelf space in newsagents to segueing into the functionality of the new-look of mainstream stores, brands need to be savvier with where they can be found by consumers and their demands for a safe and fuss-free experience.

The spike in convenience hunters offers both an opportunity to develop a wider range of retail touchpoints and a threat to established sales routes.



“I’m definitely shopping much more locally and much less in big supermarkets.”

– Evelyn, UK

## What's working for brands?

# Changing to meet new consumer needs



### Pret Coffee Subscriptions

As more people worked from home, and Pret stores shut in the city, commuter and residential locations are playing a more major role for the brand. Pret's subscription coffee service tapped into the value-convenience paradigm as people needed a good reason to revisit the city worker lunchtime favourite.

**16,500**

The number of coffee subscriptions Pret saw in the first day after announcing the service.

Source: [Big Hospitality](#)

## What's working for brands?

# Recognising a new definition of convenience



70%

of adults relied on their local convenience store for food and other goods during lockdown.

Source: [Co-op](#)

### Case study: Co-op

Local shops have been thriving during the pandemic as people have stayed within their communities and avoided bigger supermarkets. As people adjust to living locally, the Co-op is expanding its chain of smaller convenience stores to serve the needs of local shoppers.

1,000

new jobs will be created as Co-op looks to open 50 additional stores this year.

Source: [BBC](#)



x2

Walmart's e-commerce sales nearly doubled in Q2, largely thanks to curbside pick-up.

Source: [Fortune](#)

### Case study: Walmart

As shoppers put safety first, supermarkets are adapting to consumer demands for a more hygienic and streamlined in-store experience. Walmart's functional app-led store redesign reconfigures grocery shopping away from the experiential to a more seamless, touch-free and functional experience.

200

Walmart stores will adopt the new design this year, adding 800 more next year.

Source: [Fortune](#)

## Convenience



# Thought starters for strategy, innovation, & marketing

As daytime eating becomes a home fixture how can brands tap into the benefits of this new eating occasion and adapt formats accordingly?

As people look to their local areas for both shopping fixes and eating options, how are brands best positioned for grab 'n' go mindsets?

As people look for a more seamless way to shop for food, how can brands make their journeys simpler for customers before they hit the shops?

---

E.g Lunch ranges for cooking at home that tap into convenience, new flavour ranges and unique shared experiences.

E.g Looking at distribution strategies to understand where brands and products fit in local stores and what partnerships can be made with delivery providers.

E.g. As the meaning of convenience changes, focus on new methods of getting produce directly into the home with as few touchpoints as possible.

## Who should you be talking to about 'convenience'?



Willing to pay for convenience during this time and many are experimenting with new services such as veg boxes and meal kits. Have become accustomed to click and collect and see this as being something they continue doing after the pandemic



Online is a key channel for Savvy Shoppers who are increasingly drawn to it but more about pragmatism than about pure quick convenience. Could tap into ways of offering some more seamless pre-shop.



A values-led segment, who are looking for quality and to support their local producers than relying too heavily on convenience. Is there opportunity to encourage a rethink of convenience for this segment in local stores?



Routines aren't being disrupted for Easy Lifers who are looking to retain the same shopping habits as pre-pandemic. However, retained interest in convenience foods like ready meals could mean they are a target for new convenient food ranges.



Simplifying their shopping needs and spend. Looking to discounters more than mainstream supermarkets now, and cutting back on takeaways. However, as discounters move online, there could be opportunities in this space

# Creativity

People are being forced to get creative, both in their spending and in their cooking, as wallets get squeezed and home cooking takes on greater significance.



[\[back to index\]](#)

# Creativity

**What's  
happening?**

With finances squeezed and more free time, people are being forced into creative solutions to everyday problems, like money and eating.

**What does  
this mean?**

People are seeking out new ways to leverage a new-found resourcefulness in spend and in cooking.

**What are the  
opportunities?**

Brands that help people maintain this creative momentum with simple ideas for complex problems are winning favour.

# What's happening?

As people have been forced to adapt to new ways of living, whether that's being indoors more or reassessing what essential means as spending shrinks, they are having to make more of less. As a result, people are becoming savvier when it comes to spending, but also more creative in their approach to cooking too.



## What's happening?

Food is playing a pivotal role in people's lives right now. As spend on leisure, travel and going out dips, scratch-cooking, baking and at-home drinking is on the up, filling a void for emotional satisfaction and general boredom.

Equally, as budgets get squeezed, financial upheaval means working with a stricter budget and within tighter constraints. Creative ways to make your money go further are, unsurprisingly, high on the agenda too.

Making more of less, whether it's food or money, requires both inner motivation as well as external inspiration. For those facing financial hardship it's about maximising budgets and finding creative hacks in the kitchen, for those with more to spend, it's a time to explore new depths of their relationship with cooking.



# 39%

Of people have cut back on buying takeaways, 41% because of COVID-19, 31% because of finances and 22% because of a decrease in interest.

“

Of course, because we've now been experimenting quite a lot as a society. People are making things from scratch for the first time in a very long time, we've got a taste for it and realised it's not that hard and we save money a lot of the time. I think this kind of homely aspect will continue, especially for those who suffer more financially. I think they will look to alternatives that they perhaps otherwise wouldn't have done before.”

– Cathrine Jansson-Boyd, Consumer Psychologist

# What does this mean?

With potentially less money to work with and food and drink becoming more central in their lives, people are tapping into their creativity more often. While the 2008 recession may have given rise to discounters and own label eats, this time around, people's approach to food has been coloured by a homeliness, forced creativity and renewed respect for being resourceful.

## Microtrends

09

### Food Hobbyists

People are taking a DIY approach to new-found foodiness

10

### Getting Thrifty

People are not only looking to cut costs, but be resourceful

11

### Spiritual Awakening

People are turning to the adventure of spirits for drinking at-home

## 09 Food Hobbyists

People are taking a DIY approach to new-found foodiness

For many, the pandemic has cut short a number of personal interests and hobbies as people are forced to spend more time indoors and less time socialising with others. However, food and drink has emerged as a saving grace, providing not only an outlet for simple pleasures, but also a place for personal expression, experimentation and learning.

Across the globe, **42% of consumers took up more scratch-cooking**, discovering new ingredients and new ways of cooking while **38% of people reported doing more baking** at home too. This new relationship with food has been supported by an increase in other pastimes such as **gardening (+9pts)** and **homegrown produce (+6pts)**, tapping into a sense of self-sufficiency and ongoing discovery.



# +28 pts

42% of people are doing more scratch-cooking than before.

+42%

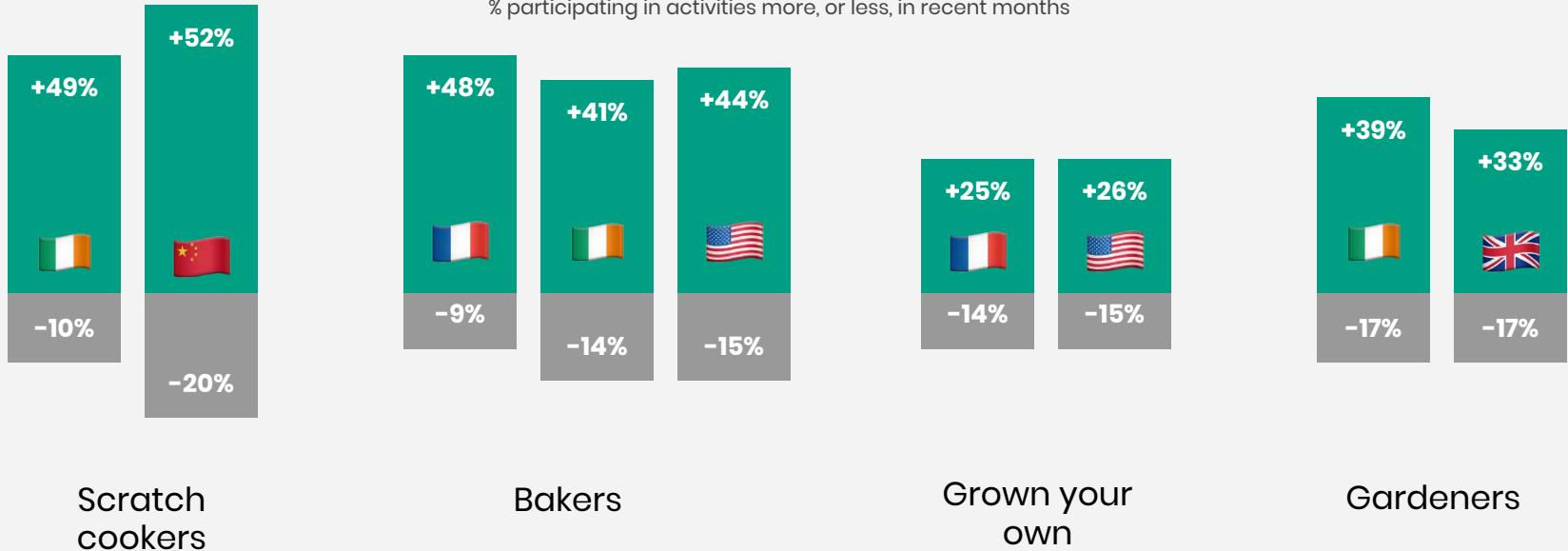
39%  
unchanged

-14%

## 09 Food Hobbyists

Widespread enthusiasm for food discoveries should be leveraged in Ireland, France and the US in particular

% participating in activities more, or less, in recent months



“

We stopped buying ready-made meals because we have had more time to cook at home. We decided to refocus on basic items, because of price, availability and our culinary knowledge. To do this we bought more essential products like pasta and items like flour so that we could make things ourselves from scratch. For example, we made our own pizzas instead of buying them.”

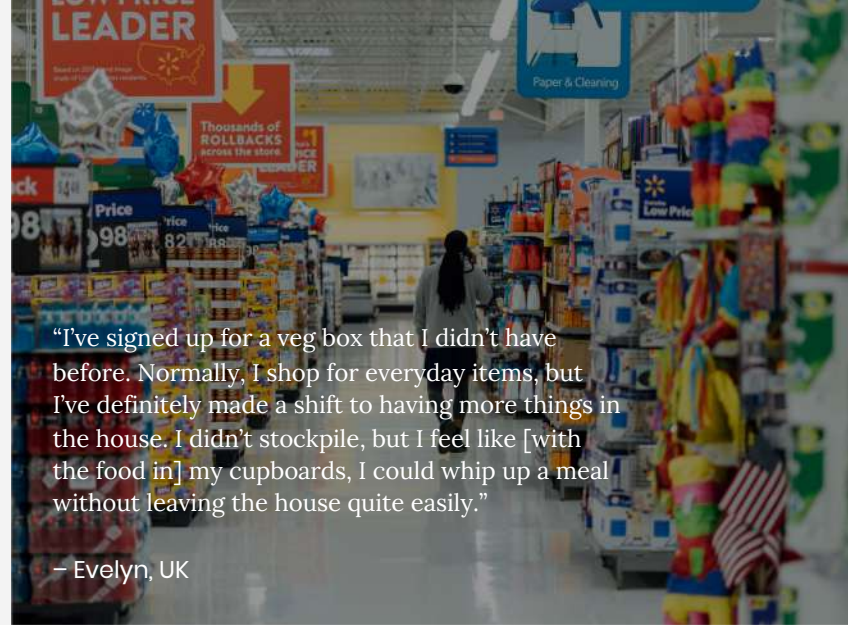
- Frederic, France

# 10 Getting Thrifty

People are not only looking to cut costs but to be more resourceful

Making your money go further comes as no surprise given the expected tightening of purse strings, yet while an increase in looking for **lower cost options (40%)** is to be expected, combined with **people buying less treats for themselves or their families (31%)** and many doing so because of a **change in their finances (41%)** people are also looking for ways to **minimise their food waste at home (40%)**. As people think about making their money go further, they also want products that provide a sense of versatility too, ensuring less waste, and better value.

As a result, shoppers could be paying more attention to how certain foods and ingredients can be used across several different meals as they carefully consider any excesses in their shopping. As they look to trim the fat from their shopping lists, ingredients are having to work hard to stay relevant and demonstrate their use for multiple dishes or as a longer-term store cupboard staple.



“I’ve signed up for a veg box that I didn’t have before. Normally, I shop for everyday items, but I’ve definitely made a shift to having more things in the house. I didn’t stockpile, but I feel like [with the food in] my cupboards, I could whip up a meal without leaving the house quite easily.”

– Evelyn, UK

# 40%

Of global consumers consider options that help them minimise food waste to be more important now.

## 10 Getting Thrifty

While we expect price to be a key factor in decision-making, people still continue to weigh up how their choices can be more environmentally-friendly

**Accessible**  
+  
**environmental**

1. Quality of product
2. **Competitive price**
3. Nutritional content
4. Healthiness (calories, salt, fat and sugar)
5. **That it is environmentally-friendly**

## 10 Getting Thrifty

Despite affordability being a driving factor during a recession, people still see sustainable and eco-friendly options as increasingly important, as they see it as their own personal responsibility to help

% more or less importance when buying groceries recently



“

I'd been through the first recession, so it prepared me to deal with this situation. Because at that time, even though I was working, I made money and I functioned the way I do now [saving where I can]. So it was all about adaptability.”

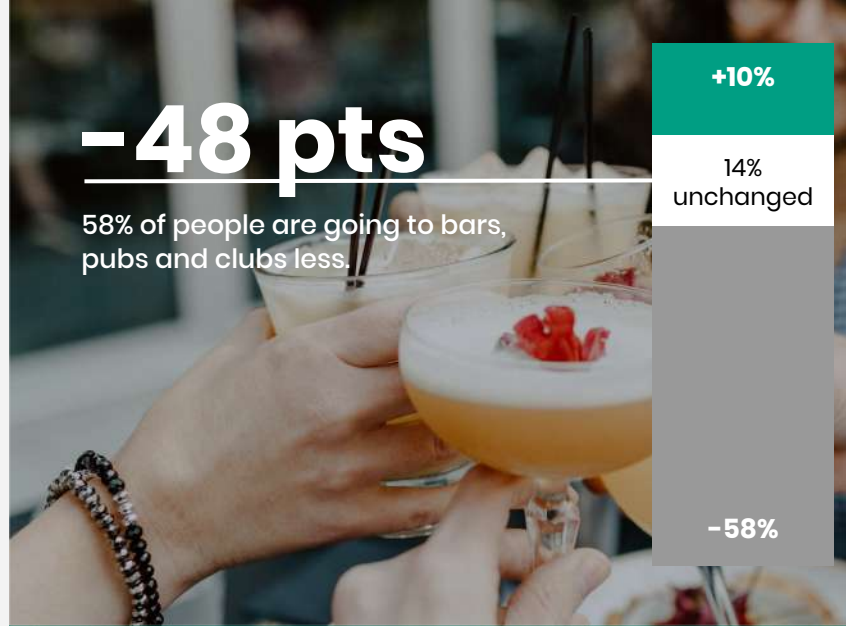
- Nes, USA

# 11 Spiritual Awakenings

People are turning to the adventure of spirits for drinking at home

It's no surprise that people have seen their drinking at bars and pubs dip due to lockdown restrictions. The first wave saw the 'Quarantini' surface as a way for people to cope without access to pubs and bars in a DIY manner at home as alcohol subscriptions saw D2C strategies keep people topped up with delivered beer and wine sets. At the same time, food brands partnered with breweries such as [Signature Brew](#) to help people recreate nights out at home.

While overall **drinking at home is down with 19%** spending more and **35% buying less** there are plenty of opportunities for alcohol brands, especially spirits, to play a vital role. Spirits saw a **75% growth in the week leading up to March 2020 in the UK** compared to the same period in 2019.\* Because they last longer *and* provide versatility to get creative, spirits satisfy both a functional and emotional purpose.



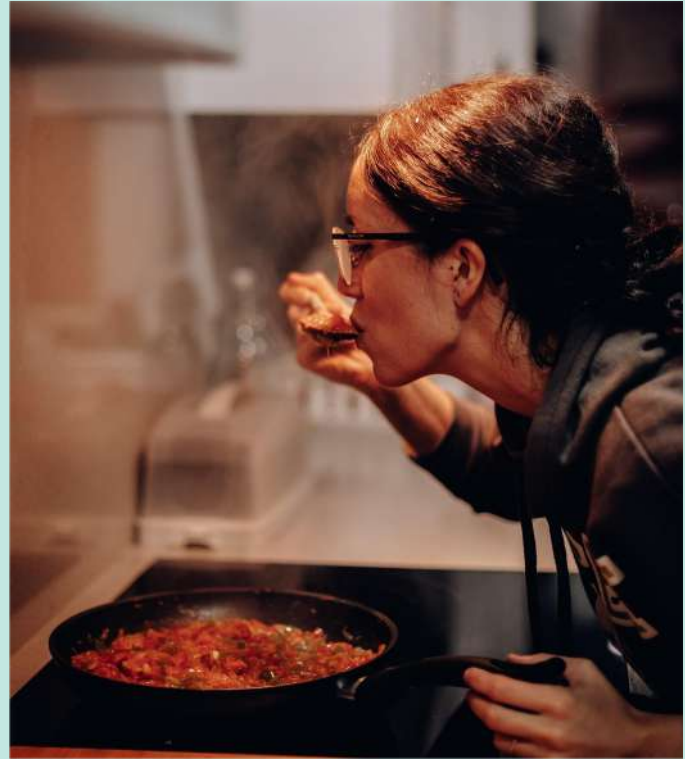
“During the pandemic, I drank more because I spent much more time at home compared to before. I don’t drink out of habit, but it is a form of leisure for me.”

– Chen, China

## Creativity

# What are the opportunities?

Whether it's a need to be resourceful or to entertain themselves at home, people are now looking for more inspiration to maintain a new-found connection they have with food and drink. As everyone is forced to become a home cook, there's an opportunity to maintain that positive feeling people now have for getting creative.



## What are the opportunities?

Brands that have done well during the pandemic are the ones who have empowered and inspired home cooks, not only by providing them with new ideas but showing how even basic ingredients can go a long way. Equally, brands that have kept things simple have allowed creative impulses to flourish.

While people are looking for novel ideas, they don't want to feel overwhelmed or add to the burden of financial hardship. For many, home cooking can quickly become a chore, especially as more meals are being prepared at home, so simple inspiration and showing the versatility of products should help alleviate that pressure to be cooking all the time.



# 40%

The number of UK consumers who say they enjoy cooking more than before.

(OnePoll, 2020)

## What's working for brands?

# Empowering creativity from home



**NEW YORK COOKIE  
KIT**

£18.00



**RAINBOW CAKE BAKING KIT**

£44.95

### Crumbs & Doilies 'Bake at Home' Kits

Popular London-based cookie, cupcake, and cake bakery Crumbs & Doilies launched a line of 'Bake at Home' kits to allow people to experiment and flex their creative muscles at home. By delivering a kit packed with everything people would need to make everything from New York-style cookies to rainbow cakes, Crumbs & Doilies is giving people an opportunity to get creative without sacrificing convenience.

**2.02m**

Cupcake Jemma, the YouTube personality behind Crumbs & Doilies, has amassed over 2 million followers on her channel. Her videos guide people through using the bakery's Bake at Home kits from the comfort of their own kitchen.

Source: [YouTube](#)

## What's working for brands?

# Brands need to be a source of easy inspiration



### Food Influencers

Celebrity chefs and foodie influencers are pivoting to provide 'scarcity-themed content'. Alton Brown, host of TV show *Good Eats*, has launched **Pantry Raid**, a YouTube series on making the most of staples such as rice and lentils.

59%

Sales of Campbell's soup were 59% higher in March 2020 than in March 2019, as people stocked up on pantry essentials.

Source: [Wall Street Journal](#)



100,000

Meals a day are distributed across 14 European countries via the Too Good To Go app. With it launching its first foray into the US in New York in September, 2020

### Too Good To Go

Too Good To Go is an app that teams up with local retailers and eateries to help them sell perishable products to consumers at reduced prices before they are binned. The app, which is free, allows retailers to sell products that would have otherwise been wasted, with savvy users saving money and food from waste.

Source: [Wall Street Journey](#)

## Creativity



# Thought starters for strategy, innovation, & marketing

How can food and drinks brands maintain people's new-found food creativity and better recognise people's desire for home cooking at different skill levels?

E.g. Teaming up with recipe channels showing simple food hacks or creating masterclasses for those who show more interest.

How can brands reposition their products to showcase versatility as well as ease of use?

E.g. If people are buying less coffee to-go or making lunches at home, how can Irish food and drinks products play a more pivotal role in these mealtimes?

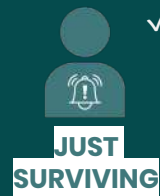
How can brands create new, limited-edition flavours to drum up excitement about their current ranges and stay top of mind amongst their audience?

E.g. Limited-edition spirits that have specific cocktails made from them. Thinking about the broader role of spirits outside of drinking and in cooking moments.

## Who should you be talking to about 'creativity'?



A segment defined by their ability to get creative and be thrifty in uncertain times. Many have found joy in finding ways to save money, considered a return to simpler times.



With almost half only able to afford the essentials, over half cut back on deliveries, is there an opportunity to introduce new dishes and other ways of being creative through showing product versatility?



Have the time, money and optimism to be enjoying cooking and being food hobbyists. Actively seeking out the inspiration and momentum to keep up creative food hobbies.



Creative when thinking about spending, buying a few high-quality products and supplementing these with more affordable, private label products. Is there opportunity to be more creative in the kitchen for a segment relying on nostalgic, home comforts?



Not wanting to rock the boat, Easy Lifers are less likely to be interested in foodie or money-saving inspiration.

# What's next?

# Summary: COVID-19 recessionary microtrends

## Control

**01 Defence Mode**  
People are seeing healthy eating as a form of personal safeguarding

**02 Survival Instinct**  
People are using pragmatic shopping as a route to future certainty

**03 Categorical Eating**  
People are recognising the new financial necessity of meal planning

## Comfort

**04 Creature Comforts**  
People are replacing the treat of dining out for the treat of dining in

**05 Selective Shops**  
People are reassured by private label, presenting a threat to branded goods

**06 Local Loyalty**  
People are seeing locally-sourced as a proxy for food safety

## Convenience

**07 Daytime Disruption**  
People are rethinking how daytime eating fits in with their new WFH reality

**08 Seamless Shoppers**  
People are taking an efficient, yet safety-first approach to food shopping

## Creativity

**09 Food Hobbyists**  
People are taking a DIY approach to new-found foodiness

**10 Getting Thrifty**  
People are not only looking to cut costs but be resourceful

**11 Spiritual Awakening**  
People are turning to the adventure and versatility of spirits for at-home drinking

# Summary: Thought Starter checklist

## Control

- As people pay more attention to healthy foods, are functional ingredients and claims playing a significant role in your current product range?
- As people look for the reassurance of long-life are you making the most of the appeal of frozen?
- As people plan out their meals, how can brands celebrate and empower new-found pragmatism? If shopping lists are becoming a 'guestlist' how can brands ensure they are relevant for across more occasions?

## Comfort

- How can brands double-down on the emotional resonance of their brand at a time when private label looks like the better alternative?
- How are food and drink brands playing to the indulgence of new nights in?
- How can food and drink brands play up provenance in their messaging and labelling to reassure on quality?

# Summary: Thought Starter checklist

## Convenience

- As daytime eating becomes a home fixture, how can brands tap into the benefits of this new eating occasion and adapt formats accordingly?
- As people look to their local areas for both shopping fixes and eating options, how are brands best positioned in these point of sales?
- As people look for a more seamless way to shop for food, how can brands make their journeys simpler for customers?

## Creativity

- As people's relationship with food deepens, how can food and drinks brands maintain people's new-found food creativity as well as recognise people's desire for home-cooking at different skill levels?
- As people expect their money to go further, how can brands reposition their products to showcase versatility as well as ease of use?
- As people look to create their own novelty, how can drinks brands provide more inspiration and tap into a sense of discovery around spirits in particular?

# Looking ahead...

## US ELECTION

A looming US election has already impacted both people's outlooks as well as the global economy at large. Whichever way the election goes will certainly make waves amongst both consumers and businesses around the globe.

## BREXIT

With the potential impact of Brexit already weighing on people's minds – particularly in Ireland and the UK – the changes, both personal and economic, will undoubtedly take a toll on the consumer landscape.

## VACCINE?

The promise of a vaccine carries hopes that it will bring people some sense of "normalcy". But the reality of whether or not it'll happen remains unclear – it has the potential to kickstart the economy, but could also prolong the recession.

## DEEPENING DIVIDES

The pandemic and its recession have impacted people disproportionately, with those in higher-income jobs more able to work remotely than others. Waning government support means divides will only deepen and expose more fissures in society.

# Key needs over the next 6+ months

## Control

### In the next 6 months:

Food-safety expectations will evolve and reach new heights as people look for greater transparency, traceability and reassurance.

## Comfort

### In the next 6 months:

Christmas, Thanksgiving, New Year (Chinese and Western) will see food play an even more central role as people look to let off steam and find joy in traditional calendar gatherings.

## Convenience

### In the next 6 months:

Plans for the '15-minute city' will begin in earnest as commuter towns become hubs for business and leisure, and people travel less for food, work and entertainment.

## Creativity

### In the next 6 months:

People's relationship with food and drink will deepen and diversify, potentially turning hobbies into professions.

# What's in the pipeline?

## Workshop Toolkit

Activate your brand planning with a workshop toolkit that will include exercises for getting the most out of 11 Feeling The Pinch trends.

## Consumer Profiles

A deeper dive report into the consumer segmentation with specific recommendations for engaging and tapping into new consumer need.

## Feeling the Pinch Wave 2

2nd wave tracking the evolving behaviours of our key consumer segments.

# Thank you.

October 2020

BORD BIA  
Thinking  
House

CANVAS8



# Appendix



# Image sources:

- Slide 1: [Jacek Dyląg \(2018\)](#)  
Slide 3: [Jack Sparrow \(2020\)](#)  
Slide 11: [Christophe Meyer \(2020\)](#)  
Slide 12: [Klara Kulikova \(2020\)](#)  
Slide 27: [Vino Li \(2020\)](#)  
Slide 29: [Dapiki Moto \(2020\)](#)  
Slide 31: [Eduardo Soares \(2020\)](#)  
Slide 32: [Richard Burlton \(2020\)](#)  
Slide 34: [Kate Trifo \(2020\)](#)  
Slide 36: [Anna Shvets \(2020\)](#)  
Slide 38: [Maddi Bazzocco \(2018\)](#)  
Slide 41: [Eduardo Soares \(2020\)](#)  
Slide 43: [Eduardo Soares \(2020\)](#)  
Slide 44: [Vlada Karpovich \(2020\)](#)  
Slide 45: [Ketut Subiyanto \(2020\)](#)  
Slide 46: [Norma Mortenson \(2020\)](#)  
Slide 47: [Ketut Subiyanto \(2020\)](#)  
Slide 48: [Tonic Health \(2020\)](#)  
Slide 49: [Heinz To Home \(2020\)](#)  
[Matthieu Joannon \(2020\)](#)  
Slide 50: [Ketut Subiyanto \(2020\)](#)  
Slide 53: [Cottobro \(2020\)](#)  
Slide 55: [Ogo \(2020\)](#)  
Slide 56: [Jasper Garratt \(2020\)](#)  
Slide 57: [The Creative Exchange \(2020\)](#)  
Slide 60: [Marcel Heil \(2018\)](#)  
Slide 63: [Helena Lopes \(2017\)](#)  
Slide 64/100: [Hanson Lu \(2018\)](#)  
Slide 66/67: [Kenny Luo \(2019\)](#)  
Slide 69: [Oliver Sjöström \(2018\)](#)  
Slide 70: [Budweiser \(2020\)](#)  
Slide 36: [Anna Shvets \(2020\)](#)  
Slide 71: [Amie Johnson \(2019\)](#)  
[Oliver Sjöström \(2018\)](#)  
Slide 74: [Taylor Wilcox \(2019\)](#)  
Slide 76: [Ali Yahya \(2018\)](#)  
Slide 77: [Bruce Mars \(2018\)](#)  
Slide 78: [Julian Wan \(2020\)](#)  
Slide 80/82: [Charles Deluvio \(2019\)](#)  
Slide 83: [Daniel von Appen \(2017\)](#)  
Slide 85: [Ross Sneddon \(2019\)](#)  
Slide 86: [RF...studio \(2020\)](#)  
Slide 87: [Pret \(2020\)](#)  
Slide 88: [Co-op \(2020\)](#)  
[Walmart \(2020\)](#)  
Slide 91: [Vita Marija Murenaite \(2017\)](#)  
Slide 93: [Kari Shea \(2016\)](#)  
Slide 94: [Max Delsid \(2017\)](#)  
Slide 95: [Cottonbro \(2020\)](#)  
Slide 97: [Taylor Kiser \(2017\)](#)  
Slide 99/103: [Becca Tapert \(2019\)](#)  
Slide 104: [Kelly Sikkema \(2019\)](#)  
Slide 105: [Juan Pablo Serrano Arenas \(2018\)](#)  
Slide 106: [Daria Shevtsova \(2020\)](#)  
Slide 107: [Crumbs and Doilies \(2020\)](#)  
Slide 108: [Alton Brown \(2020\)](#)  
[Too Good To Go \(2020\)](#)  
Slide 111: [Brooke Cagle \(2020\)](#)  
Slide 118: [Giuseppe Argenziano \(2020\)](#)  
Slide 119: [Alex Lee \(2019\)](#)  
Slide 120/132/133/136/138: [Yanny Mishchuk \(2020\)](#)  
Slide 142: [Arthur Brognoli \(2019\)](#)