



On-the-Go

What to expect in 2021?

June 2021





Agenda

1 What was the impact of COVID on OTG consumption?

2 When & how could it recover?





What was the
impact of COVID on
OTG consumption?

On-the-Go

£5.7bn

(-19.4%, -£1.3bn)

Total FMCG, MAT to 27.03.2021

Worth **3.6%** of
FMCG Sales. Down
from **4.8%** Pre-Covid



Key categories impacted by On-the-Go decline

Soft Drinks singles

-£467m (-13.3%)

Fresh Sandwiches

-£573m (-33.0%)

Chocolate Singles

-£50.6m (-7.1%)

Bagged Snacks (exc Nuts)

-£150.9m (-26.5%)

Candy Singles

-£98.6m (-24.4%)

Cereal Bar Singles

-£33m (-39.3%)

On-the-go Cereals

-£2.6m (-3.0%)

Nuts

-£6.6m (-36.7%)

Yogurt Drinks

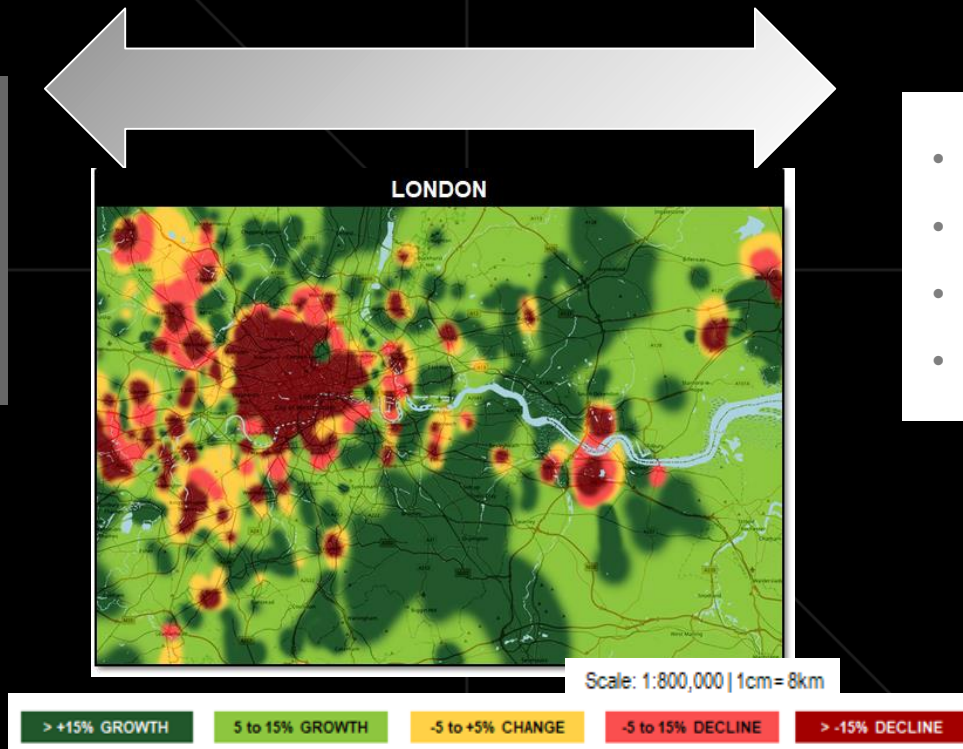
-£2.6m (-17.5%)

Restrictions & health concerns changed the FMCG location & mission

Adapting ranges quickly to cater to changed shopper missions will remain key

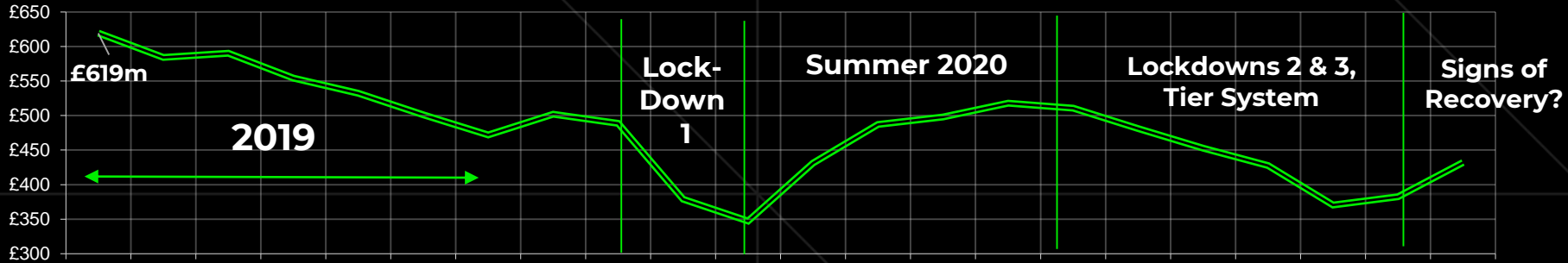
- On The Go
- Commuting
- Meal for tonight
- Working Lunch

- Top Up Shop
- Home Office
- Weekly Shops
- Online



After peaking in Summer 2019, trended OTG sales have mimicked the UK's mobility index since Lockdown 1

OTG SALES | 52W ROLLING | TOTAL FMCG



UK Mobility Index

Posterscope

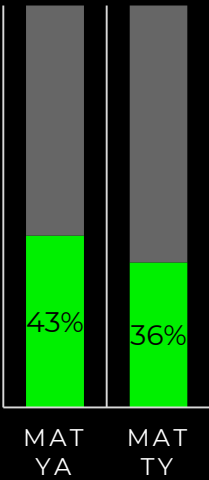
WE 19.03.2021



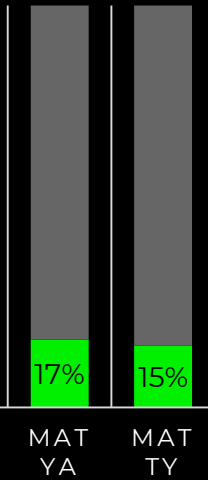
Manufacturers & retailers quickly switched to focus on bigger packs and sharing formats as people shopped less and stocked up

Singles Value % Share of Total Category

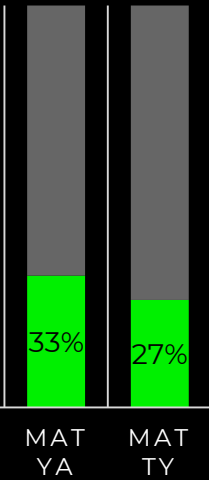
Soft Drinks



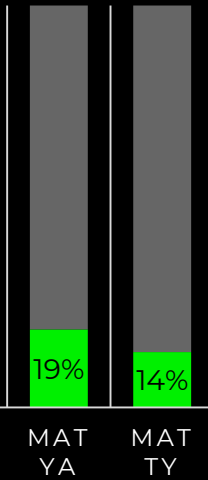
Chocolate



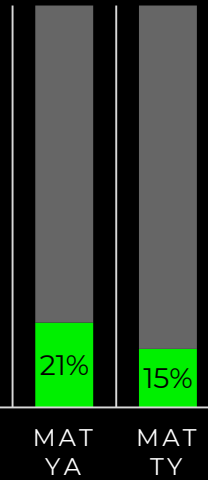
Sugar Confec



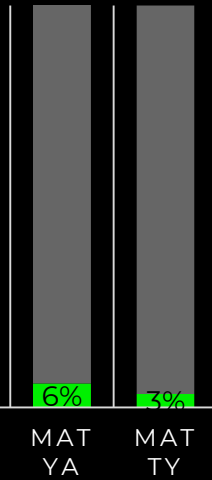
Bagged Snacks (excl Nuts)



Cereal Bars



Nuts



■ Singles % share ■ All Other

Within Chocolate, Tablets & Multipacks saw huge growth, offsetting declines within single bars

Single Chocolate Bars in decline

-£50.6m (-7.1%)

Single decline LY

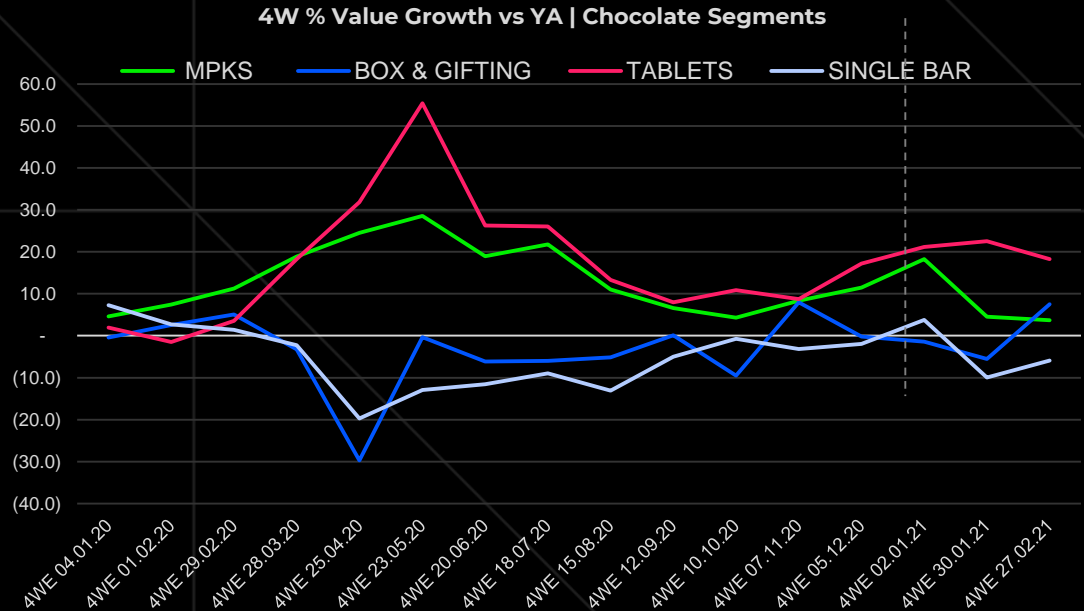
Chocolate category has grown through other formats

+£103.5m (+13.6%)

MPKS

+£129.0m (+20.7%)

Tablets



Cola was another category that turned to big packs to offset on-the-go woes

Within Cola, Multiserve growth has offset Single Declines this year, as the sector grew by 4.5% during the pandemic

Cola Singles decline

-£119.2m (-18.3%)

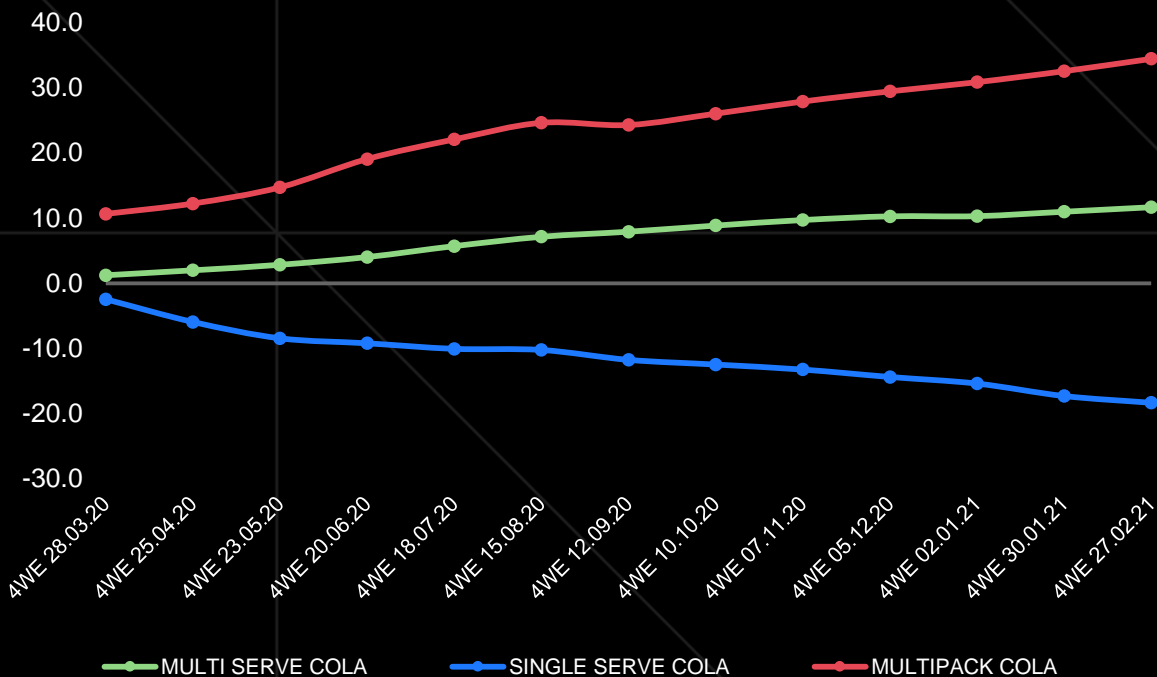
Cola Multiserve growth

+£312m (-18.3%)

Biggest Selling Pack

24 Pack **+£207m (+99%)**

GB Total Coverage - % Chg. Value vs. Year Ago - 13 Latest 4 Weeks (52 weeks rolling)
- WE 27 February 2021



Within Crisps, Snacks & Nuts, Price Marked Multipacks proved popular, particularly within the Convenience channel

This helped the CSN category grow by 3.4% in value during the last year

Crisps Handypacks decline

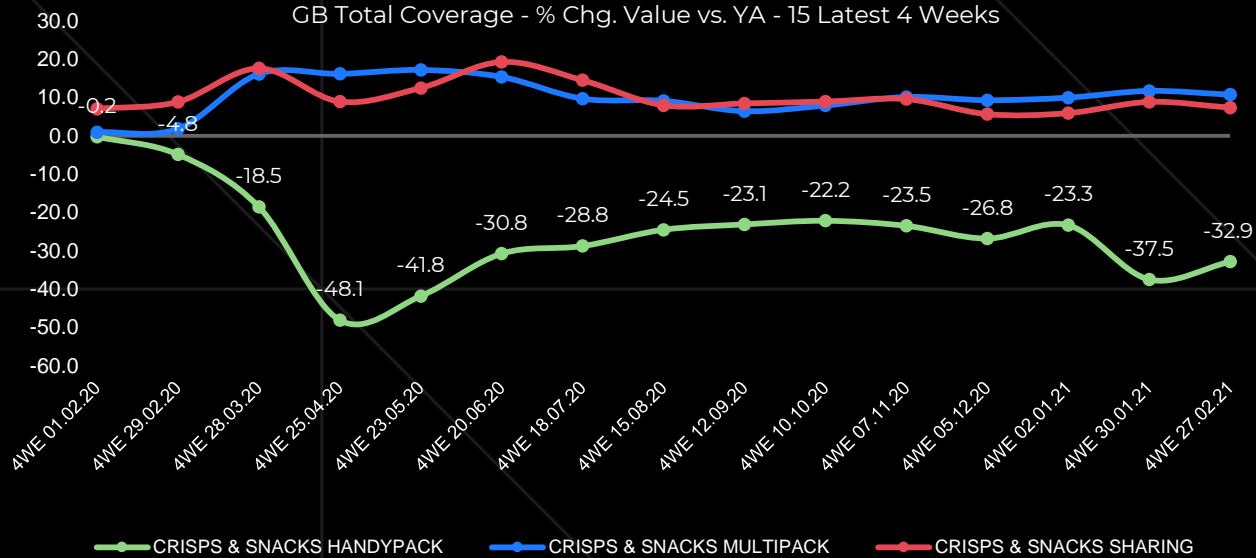
- £150.1m (-29.4%)

Crisps Multipacks

+ £123.2m (+11.6% vs YA)

Crisps Sharing

+ £121.2m (+10.3% vs YA)



Convenience Stores



+ 6.7%pts
% val Share CSN Sharing



Launch of price-marked Multipacks & Sharing formats exclusively for Convenience to offer better value for money & cater to changed shopper missions





What do we see in
terms of **recovery**
for OTG in 2021?

There is potential but with more flexible working, don't expect OTG to return to pre-COVID levels in the immediate future

61%

Of HHs in employment say that they won't be working from home post COVID restrictions



Companies taking polarised approach to working post COVID

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No full-time return to the office for over a million

By [Simon Read](#)
Business reporter, BBC News

Flexible working [+ Add to myFT](#)

Employers aim for hybrid working after Covid-19 pandemic

Companies anticipate workers permanently splitting time between home and office

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PwC says start when you like, leave when you like

31 March | [Comments](#)

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Goldman Sachs tells bankers to return to office in June

Opportunity for retailers & manufacturers to work together to cater to OTG need & drive additional occasions

45%
(vs 43% pre COVID)

Say they are not planning on take a lunch box to school or work post COVID



9%

Specifically look for convenient snacking NPD that can be eaten OTG

Real Life • Food Cornetto, Walls and Magnum release bite-sized ice cream snacks in time for summer

Cornetto, Magnum and Walls have launched a range of bite-sized snacks, including fan favourite Cornetto TIPS exclusively available at Tesco - perfect for warmer weather

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MARKET NEWS GROCERY PRODUCTS & PROMOTIONS

Higgidy Grows Food-To-Go Offering

24th March 2021



NEW PRODUCT DEVELOPMENT

Weetabix targets easing of Covid-19 restrictions with coffee NPD

By Henry Sandercock | 9 March 2021

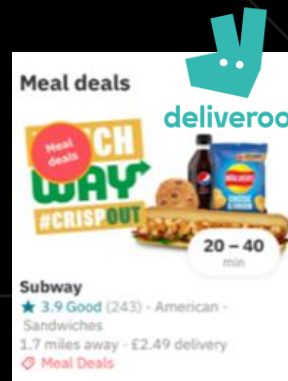
Sales of the brand's breakfast drinks have been hit by the decline in the on-the-go market during the pandemic



When wanting to drive new & existing OTG products focus on the **lunch occasion** & target **younger shoppers**

39%

Of shoppers say they are most likely to consume OTG at Lunch time



 **130i**

Target younger shoppers aged 16-34yrs who are more likely to consume OTG during lunch



KP Snacks is launching an on-pack promotion across its core range to help recover sales of single snacking products and revitalise the lunchtime occasion.



Supermarkets will be important for OTG - focus on the **right range & retail partnerships** to inspire shopper missions

When restrictions are lifted, GB shoppers planning to buy OTG from supermarkets most often



33%

Supermarkets

Once a week or more

Consider **partnerships & re-invent ranges** to inspire OTG

Sainsbury's

Sainsbury's will relaunch meal deal to "win trade from M&S and Pret"

Treating themselves **occasionally**

18%

Coffee Shops

15%

Sandwich Shops & Bakeries

14%

Convenience/Forecourts

★ **PRET** ★



TESCO

mfg
motor fuel group

Carluccio's
ITALIAN CAFFÈ • RESTAURANT • FOODSHOP



Sainsbury's

Source Nielsen SOTN survey 2021: Looking forward to when most restrictions have been lifted- how often do you expect to buy food or drinks to have on-the-go from each of the following type of outlets (e.g.- sandwiches- pasties- salads- sushi- coffee- tea- soft drinks- etc; *once a month or less

Whilst not forgetting about Convenience – there is a need to drive OTG missions, with **younger shoppers** providing a key opportunity

Only 8% GB shoppers currently choose a Convenience Store for OTG purchases

8%

To buy food to consume On the Go

Target younger shoppers who are more likely to buy food to consume OTG in Convenience



134i

16-34yrs

146i

35-44yrs

Index vs GB 'to buy food OTG'

Expand OTG offer with hot drinks for example to inspire Impulse purchasing

238i

16-34 yrs more likely to buy hot drinks for OTG in Convenience stores

Manufacturers need to get listings right & consider partnerships with savvy retailers to inspire OTG

Next level convenience



amazon fresh



With focus on OTG offering



Iceland

Focus on Meal Occasions



Partnerships continue



COSTA
EXPRESS

THE FRIDAYS

Whilst encouraging OTG & Impulse purchases with creative store layout

A summer of opportunity – but existing trends may not die out as soon as you think

Don't forget about the **in-home occasion!**

Sharing Packs will remain important as restrictions remain in-place and...

91%

Of shoppers prefer to watch sporting occasions at home



Though consumers are poised to spend another summer holidaying in the UK— this will bolster ‘on-the-go’ recovery



**A new study by Travelodge suggests that more than 80 per cent were planning a ‘staycation’ break this summer, mainly because of the impact on international travel of Covid-19.*

On the go in 2021

1

Whilst there will be an increase in OTG consumption when restrictions are lifted, 2021 is unlikely to see the recovery of OTG sales to pre-COVID levels.

4

Focusing on lunch occasions & targeting younger shoppers will be key to tap into the OTG opportunity.

2

Manufacturers & retailers adapted their ranges quickly & focused more on larger packs during COVID - now there is an opportunity to inspire OTG.

5

Whilst supermarkets will be key, only 8% will look to convenience for OTG. This shows the need to inspire impulse purchases – Think about hot beverages to entice consumers in-store

3

Post COVID, 45% of shoppers will want to buy OTG, with 9% of shoppers looking specifically for NPD which can be consumed OTG

6

A UK, sport filled summer may see potential for OTG, but don't lose sight of bigger packs that worked so hard for you in 2020 as people continue to plan purchases



Thank you.

Please contact your NielsenIQ team if you have any questions