



# The Impact of COVID-19 on Consumer Purchase Behavior

---

# Today's speakers



**John Owen**

Associate Director,  
Food and Retail



**Amanda Topper**

 @amandatopper  
Associate Director,  
Foodservice Research

# Our expertise



**Mintel Reports** is a one-stop online source of consumer and market intelligence. Combining primary and secondary research, it gives you a complete view of consumer markets, trends and behavior.



**Mintel Menu Insights** tracks foodservice trends on a daily basis, in chain restaurants, beverage-centric outlets and the most innovative independent places to dine, including top chef establishments.

# Agenda

## The COVID-19 Impact on Food and Drink & Foodservice

- Rise of e-commerce
- Retail and foodservice blurring
- Comfort food trends up
- Think local, stay global
- It's all about value

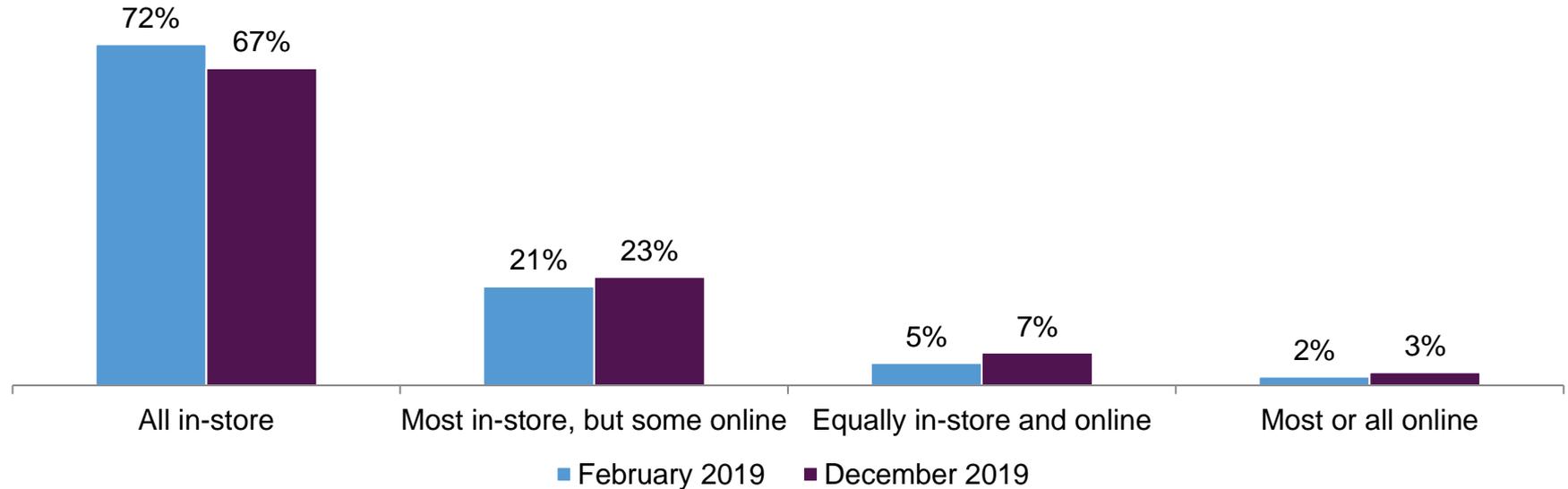
## Key Implications for the Spice Industry

A close-up photograph of a person wearing a bright yellow sweater. They are holding a blue credit card over a silver laptop keyboard. The person's left hand is holding the card, while their right hand is positioned over the keyboard. The background is softly blurred, showing a wooden desk and a white mug. A blue rectangular banner is overlaid on the left side of the image, containing the text 'RISE OF E-COMMERCE'.

# RISE OF E-COMMERCE

# Pre-COVID-19, a slow, steady rise in online grocery shopping

“How do you typically shop for groceries?”



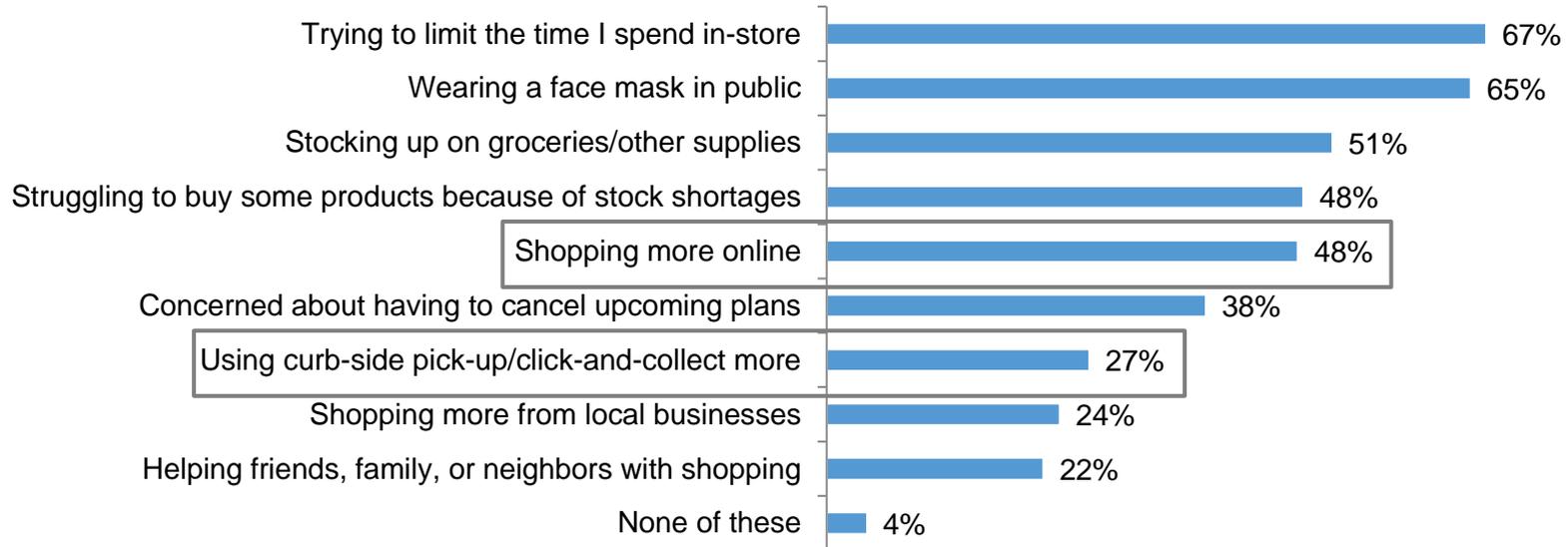
Base: internet users aged 18+ who are responsible for grocery shopping in household: 1,952 in February, 1,963 in December

Source: Lightspeed/Mintel



# Consumers using online solutions in wake of pandemic

“Due to COVID-19, I am currently...”



Base: 2,000 US internet users aged 18+

Source: Mintel's Global COVID-19 Tracker, April 16-24, 2020; Lightspeed/Mintel



# Grocery retailers ramp up eCommerce capabilities



Amazon announces plans to hire up to 100,000



Kroger and others convert stores to pickup only



H-E-B launches Favor Express: 2 hour delivery with 25 item limit

# Consumers are ready for off-premise food options

23%

of diners (and 36% of Millennials) want restaurants to focus on offering more delivery options in 2020

22%

of diners would order from a delivery-only restaurant (ie does not have dine-in service)

31%

of diners want to see restaurants offer more convenient to-go options in 2020



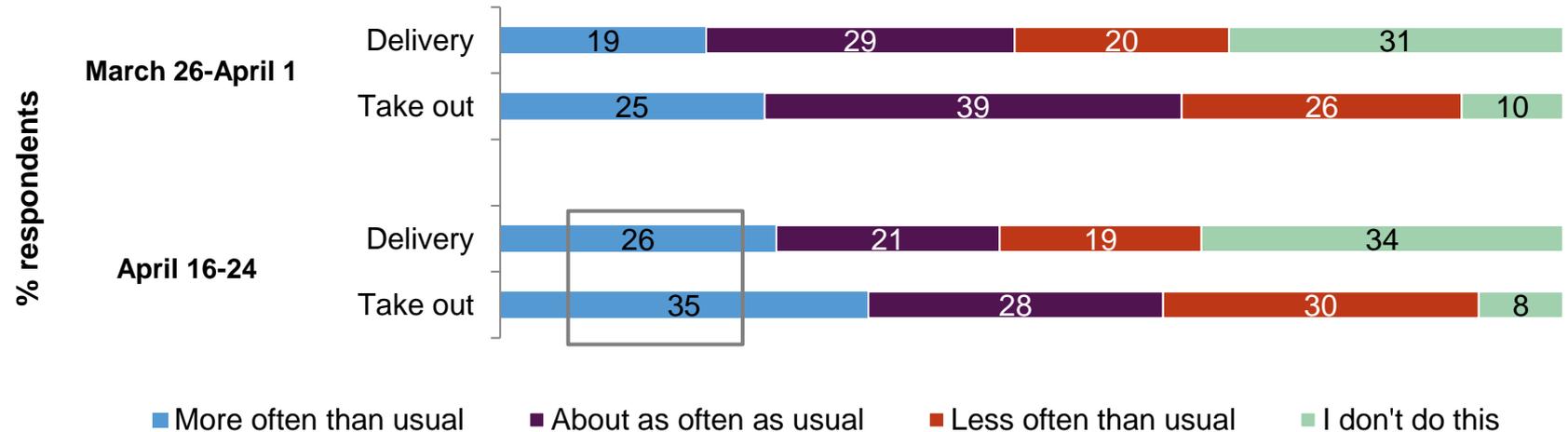
**Base:** 1,882 internet users aged 18+ who dined out in the past three months

**Source:** Lightspeed/Mintel



# Off-premise dining is the only option as restaurants close dining rooms

“Are you ordering take out from restaurants...” “Are you ordering delivery from restaurants...”



*Base:* March 26-April 1, 2020, 1,913 internet users aged 18+ who have ordered (dine-in, take out, or delivery) from a restaurant in the past three months;  
April 16-24, 2020, 1,851 internet users aged 18+ who have ordered (dine-in, take out, or delivery) from a restaurant in the past three months

*Source:* Lightspeed/Mintel



# Ghost restaurant rollouts speed up

Delivery-only ghost restaurants were starting to ramp up just before the COVID-19 outbreak, with new ghost restaurant launches from third-party delivery companies and restaurant hospitality groups alike. Now, more than ever, they are positioned for success as a **lower-overhead and lower-contact way to meet consumers where they are (at home).**

As a result, some operators have quickly launched new ghost concepts from within their original restaurants with halted dine-in service. The hot dog chain Dog Haus launched a variety of ghost concepts in March, including **Bad Mutha Clucka, with chicken sandwiches; Plant B, with plant-based burgers and sausages; and Bad-Ass Breakfast Burritos, serving morning and late-night burritos.**



# Contactless delivery, walk-up windows and curbside pickup offer safe solutions



**Domino's (Chain)**  
Contactless & custom drop off points



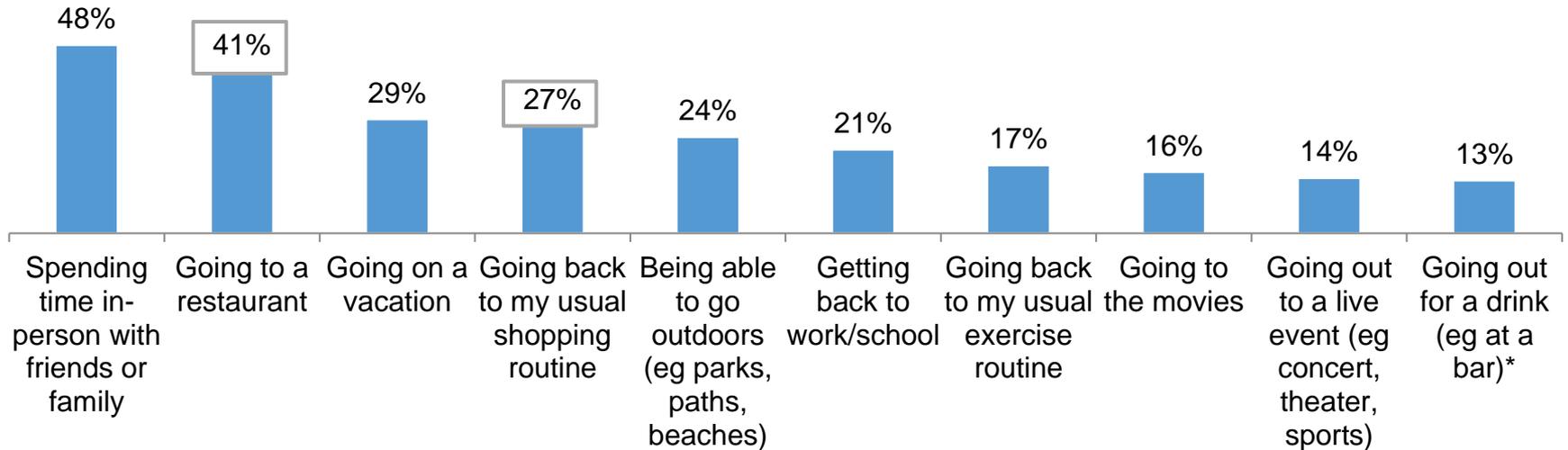
**Creator (San Francisco, CA)**  
Pressurized, sanitized window



**Texas Roadhouse (Chain)**  
Temporary drive-thru & pick up

# Some consumers will return to pre-pandemic habits

“What are you most looking forward to doing once the current social distancing measures are relaxed?”



Base: 2,000 US internet users aged 18+; \*1,857 US internet users aged 22+

Source: Mintel's Global COVID-19 Tracker, April 16-24, 2020; Lightspeed/Mintel



# Will new online grocery shoppers stay online post-COVID-19?

While COVID-19 is accelerating trial of online grocery shopping, many new online shoppers may long to get back to the store post-crisis.

## Reasons for not shopping online, December 2019



Base: 1,321 internet users aged 18+ who currently purchase groceries exclusively in-store

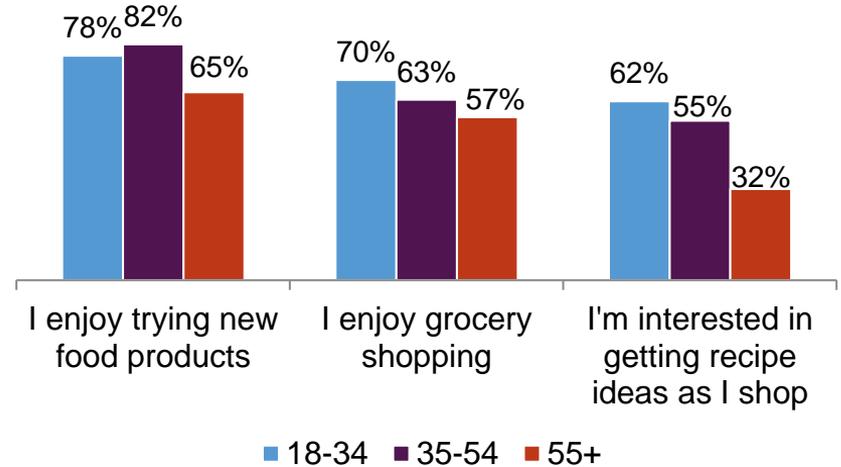
Source: Lightspeed/Mintel



# Pre-COVID-19 retailer focus on shopping experience



“How much do you agree or disagree with the following statements?”



Base: 1,953 internet users aged 18+ who do at least some of their grocery shopping in-store

Source: Lightspeed/Mintel



# A quick shift from spontaneity to stocking up

DECLINING TRIP  
FREQUENCY

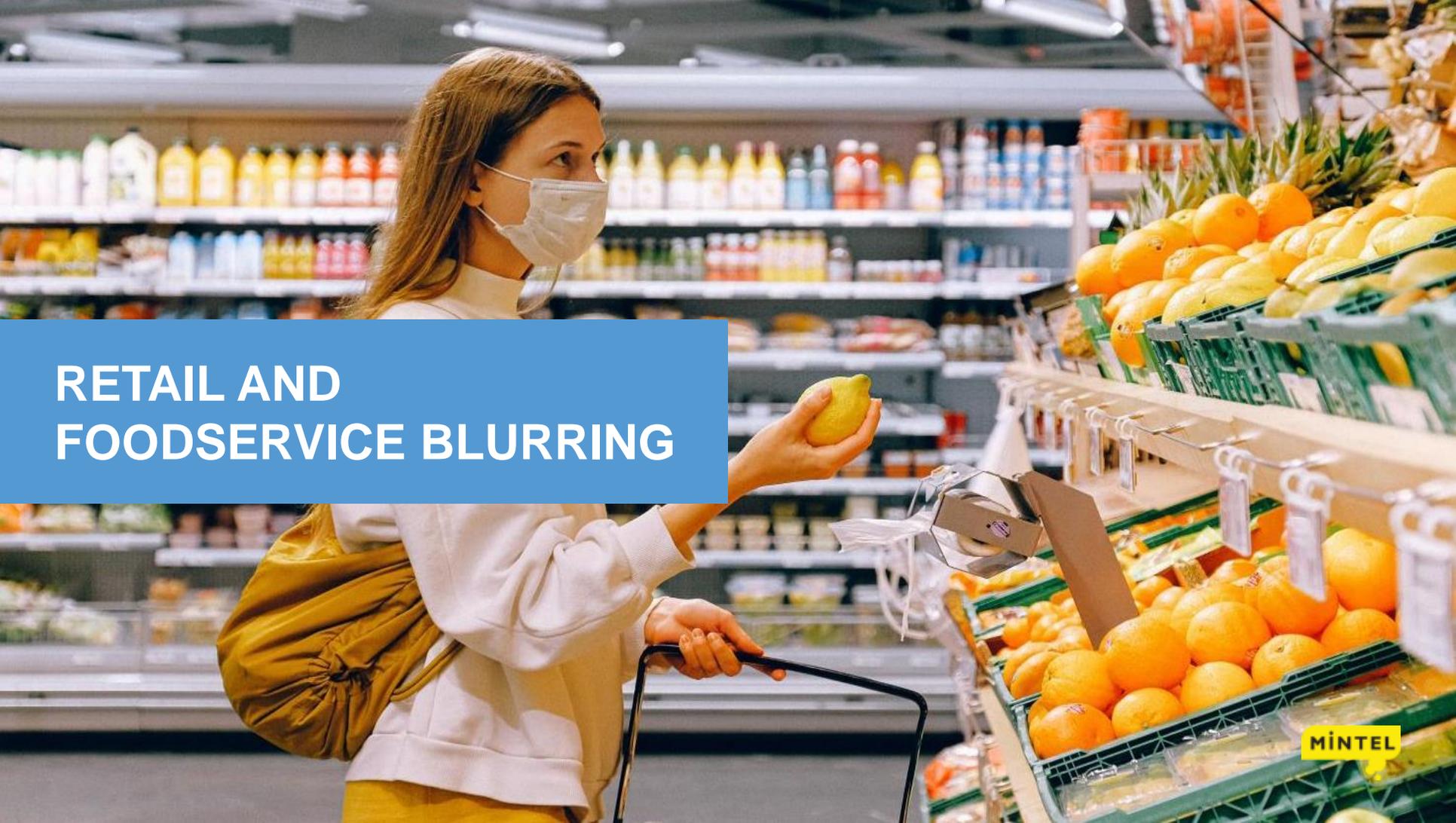
**-13%**

Number of trips to  
supermarkets and drug  
stores in last two weeks of  
March vs year ago

INCREASING BASKET  
SIZE

**+31%**

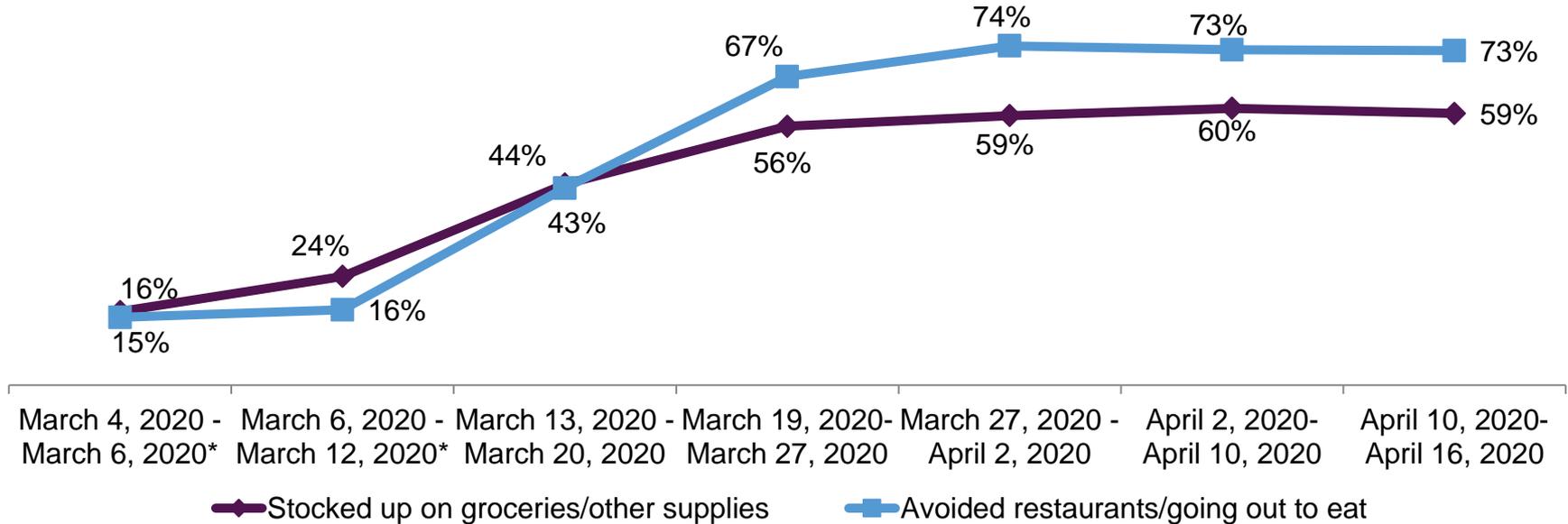
Amount spent  
per trip



# RETAIL AND FOODSERVICE BLURRING

# Food dollars shift from foodservice to grocery retail

“Have you or your family made any changes as a result of the COVID-19/coronavirus outbreak?”



**Base:** \*This data is weighted; 650 internet users aged 18+, March 4-6, 2020; 1,100 internet users aged 18+, March 6-12, 2020; 2,000 internet users aged 18+, March 13-20, March 19-27, March 27-April 2, April 2-10, April 10-16, 2020

**Source:** Mintel's Global COVID-19 Tracker; Lightspeed/Mintel



# Grocers sell restaurant meals



## H-E-B (Texas)

Select H-E-B stores sell ready-made meals from local restaurant partners with proceeds going directly to the restaurants



## SpartanNash (Michigan)

Testing the sale of meals from restaurants in western Michigan



## Mariano's Meet Ups (Chicago)

Online platform connecting shoppers with local restaurant chefs for cooking classes, wine tastings, and mixology sessions

# Restaurants sell groceries



**Just Grocery by Just Salad (Chain)**  
Produce and DIY meal kits



**Super Fat Rice Mart (Chicago, IL)**  
Sells meal kits and grocery goods



**CPK Market (Chain)**  
Meal kits, pantry items and alcohol

A close-up photograph of a burger with melted cheese, a pickle spear, and fries on a white plate. The burger is the central focus, with a wooden skewer through the top bun. The cheese is melted and dripping, and the pickle is bright green. The fries are golden brown and piled to the right. The background is dark and out of focus, showing a person's arm in a dark shirt.

# COMFORT FOOD TRENDS UP

# Comforting, takeout-friendly foods will outlive the outbreak

PIZZA

**+25%**

Menu Dish Incidence (# of menu mentions)  
Q1 2017-Q1 2020

MAC & CHEESE

**+19%**

Menu Dish Incidence (# of menu mentions)  
Q1 2017-Q1 2020

FRIED CHICKEN

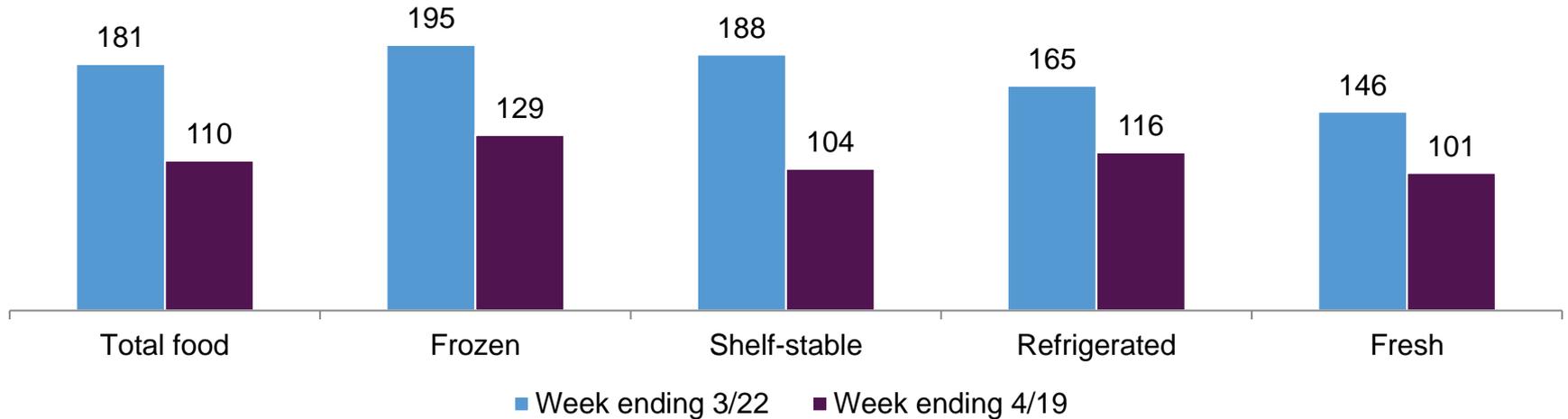
**+19%**

Menu Dish Incidence (# of menu mentions)  
Q1 2017-Q1 2020

MINTEL

# Frozen foods maintain momentum after initial stock-up as comfort categories help drive gains

Performance vs same period a year earlier



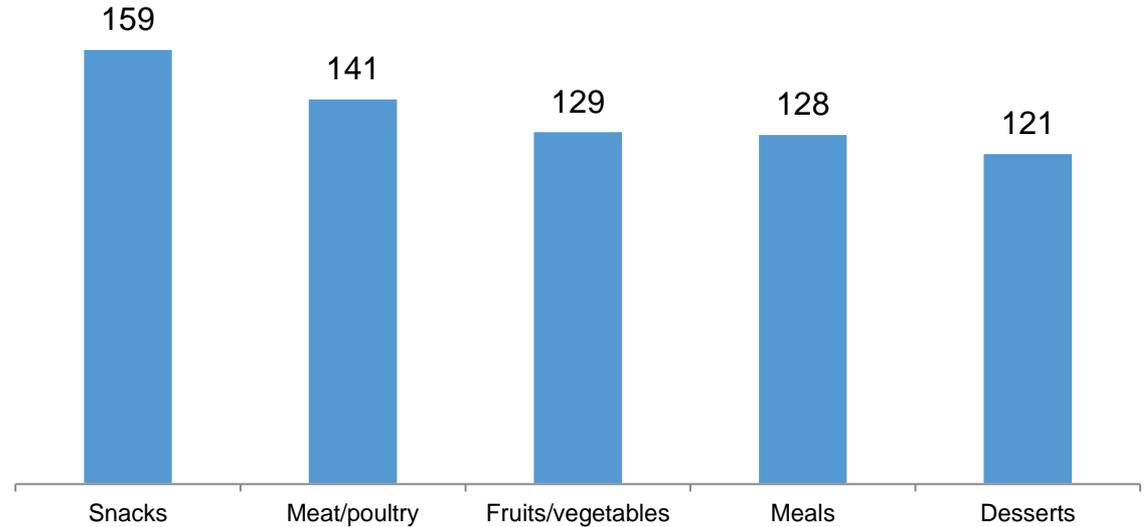
Multi-outlet sales performance vs same period a year earlier

Source: IRI CPG Demand Index™



# Snacks, meals and desserts among top frozen performers

Performance vs same period a year earlier for select frozen categories – week ending 4/19

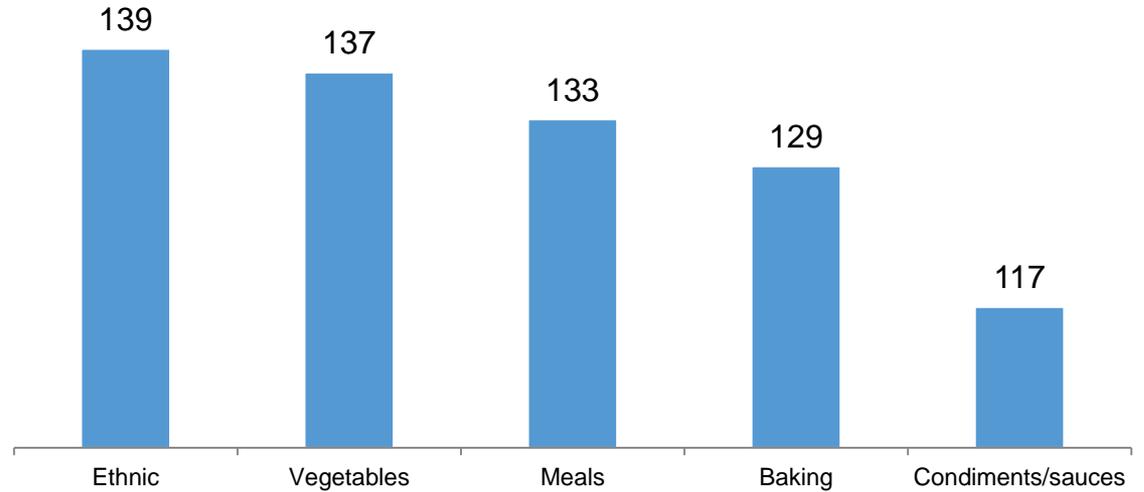


Multi-outlet sales performance vs same period a year earlier

Source: IRI CPG Demand Index™

# Sales remain strong for foods that facilitate home meal prep

Performance vs same period a year earlier for select shelf-stable categories – week ending 4/19

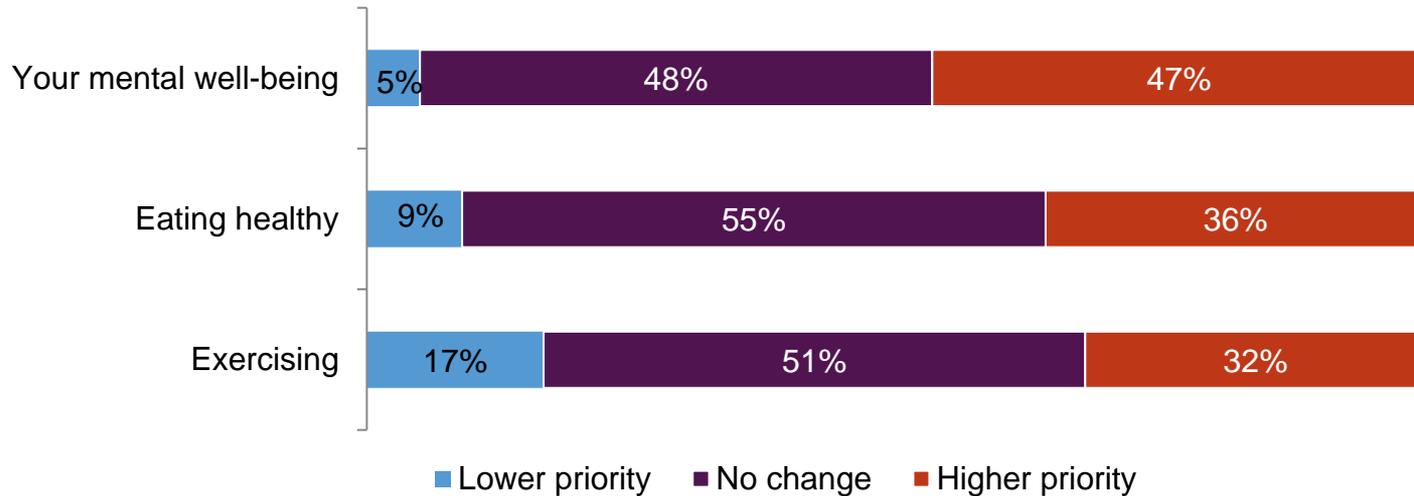


Multi-outlet sales performance vs same period a year earlier

Source: IRI CPG Demand Index™

## ...but mental, physical health a higher priority for some consumers

“Since the COVID-19 outbreak, how have your priorities changed for the following?”



Base: 2,000 US internet users aged 18+

Source: Mintel's Global COVID-19 Tracker, April 16-24, 2020; Lightspeed/Mintel

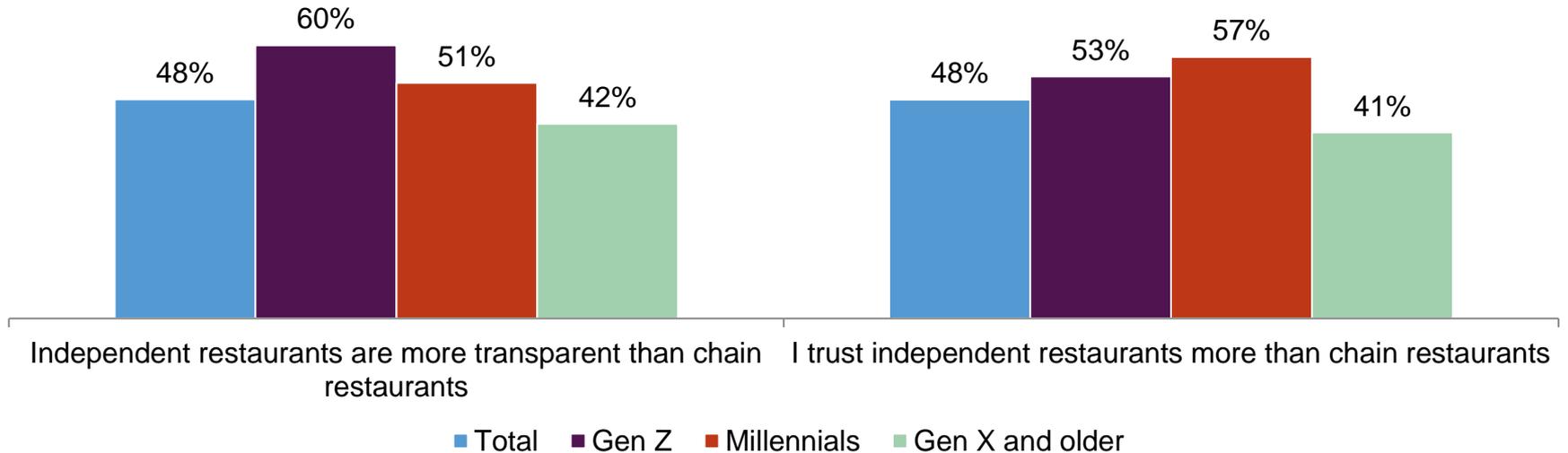




**THINK LOCAL,  
STAY GLOBAL**

# Independents feel the love

“How much do you agree or disagree with the following statements about restaurants?  
- NET - Agree”



Base: 1,913 internet users aged 18+ who have visited a restaurant in the past three months

Source: Lightspeed/Mintel



...but chains shouldn't be left out of the localism conversation



**Popeyes**  
NOLA Strong Family Meal

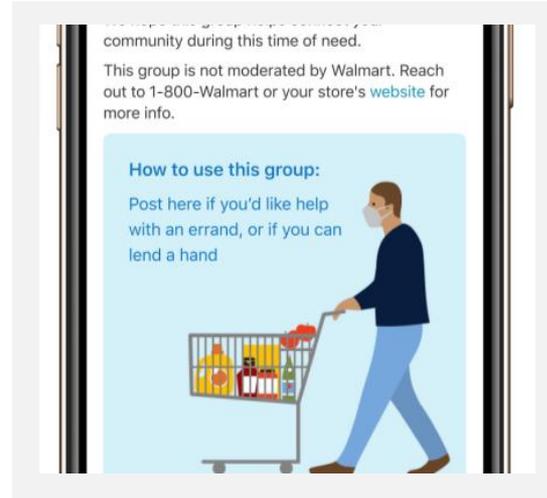


**Chick-fil-A**  
Community Relief Fund

# For grocery retailers, community support comes naturally



Kroger facilitates donations of surplus milk to local food banks

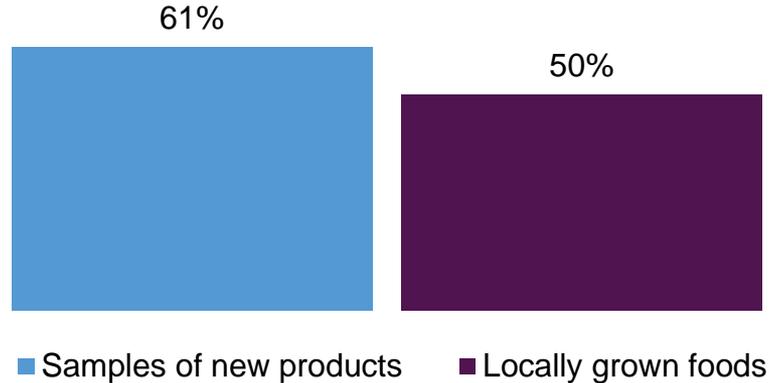


Walmart launches Neighbors Helping Neighbors program

# Grocery retailers' connection with the local community can extend to products as well

Locally grown or locally made signals quality and environmental responsibility. Amid COVID-19 it also conveys safety and can be a way to support favorite local businesses.

## Interest in grocery product concepts, December 2019



*Base: 1,953 internet users aged 18+ who do at least some of their grocery shopping in-store*

*Source: LightspeedMintel*



# Private label offers a platform for grocery retailers highlight their connection to the community



**Lunds & Byerlys**  
Minnesota Pancake Mix



**Giant Eagle Artisan Granola**  
Highlights Pennsylvania  
provenance



**H-E-B Texas Seasons**  
Floresville Peanut Sundae  
Ice Cream

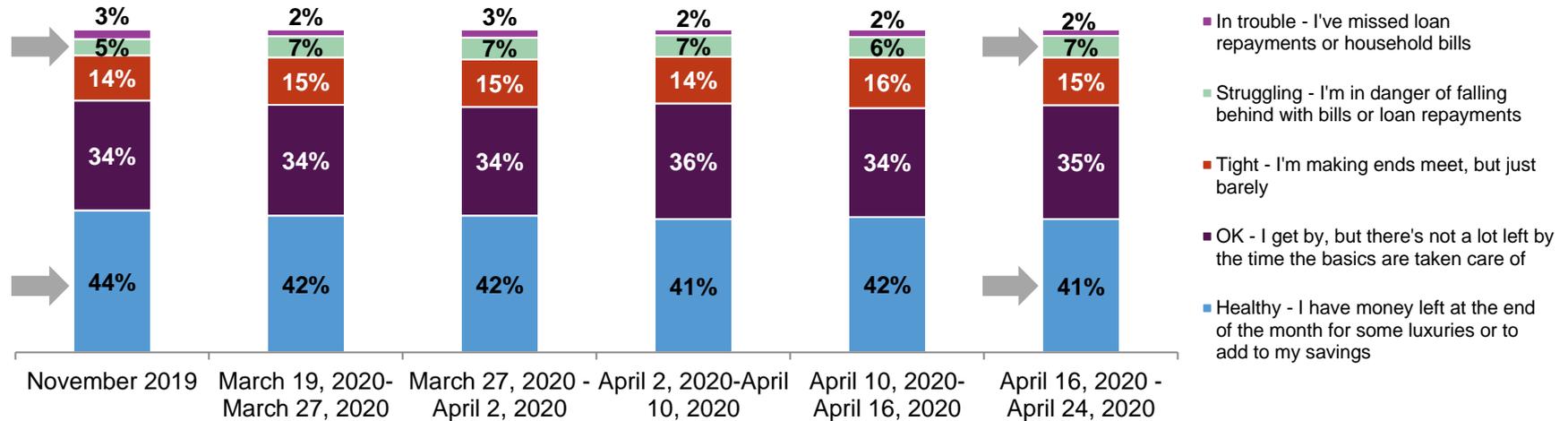
A close-up photograph of a person's hands counting stacks of US dollar bills. The person is wearing a dark blue t-shirt. The bills are fanned out in one hand and held in a small stack in the other. The background is dark and out of focus. A blue rectangular box is overlaid on the left side of the image, containing the text "IT'S ALL ABOUT VALUE".

**IT'S ALL  
ABOUT VALUE**

**MİNTEL**

# Consumers are worried about their financial health

“How would you generally describe your financial situation at the moment?”



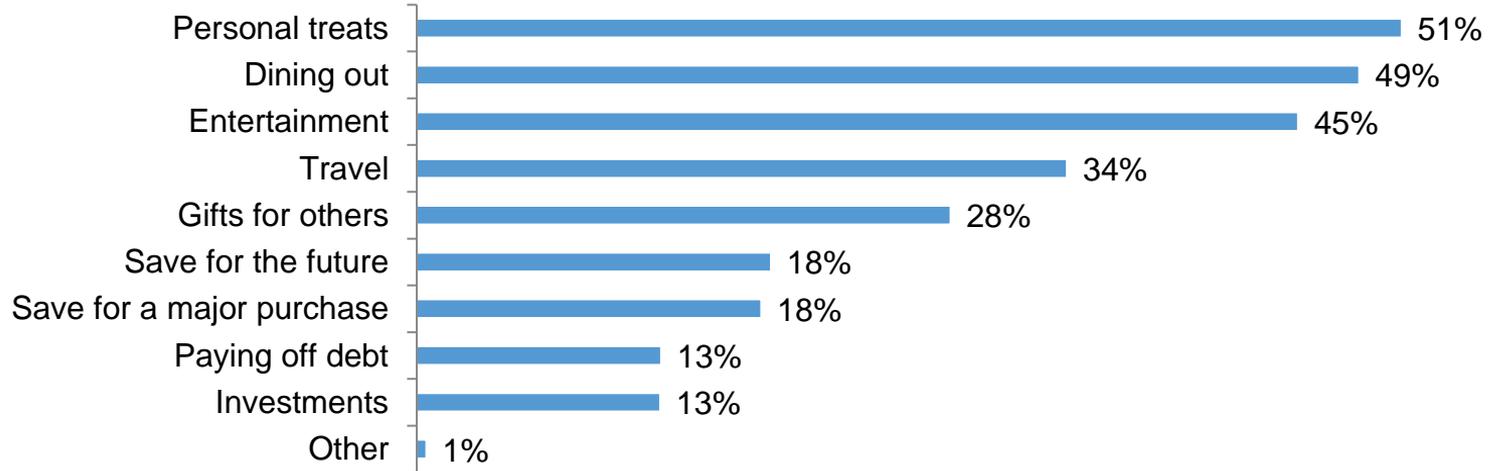
Base: 2,000 US internet users aged 18+

Source: Mintel's Global COVID-19 Tracker; Lightspeed/Mintel



# Discretionary categories are first to feel a consumer reduction in spending

“What top three spending areas would you eliminate if you lost your main source of income? - NET - Any rank”



Base: 2,000 US internet users aged 18+

Source: Lightspeed/Mintel



# Grocery spending a higher priority than foodservice

“Due to COVID-19, how have your spending priorities changed for the following categories?”

Ordering restaurant food  
(takeout or delivery)

27%

Higher priority

38%

Lower Priority

Groceries

59%

Higher priority

4%

Lower Priority

Base: 2,000 US internet users aged 18+

Source: Mintel's Global COVID-19 Tracker; Lightspeed/Mintel



# An economic recession and low consumer confidence will drive operators to focus heavily on value-based promotions

## VALUE MENUS

Mix-and-match menu items at various price tiers will be welcomed options for every budget, at QSRs and beyond

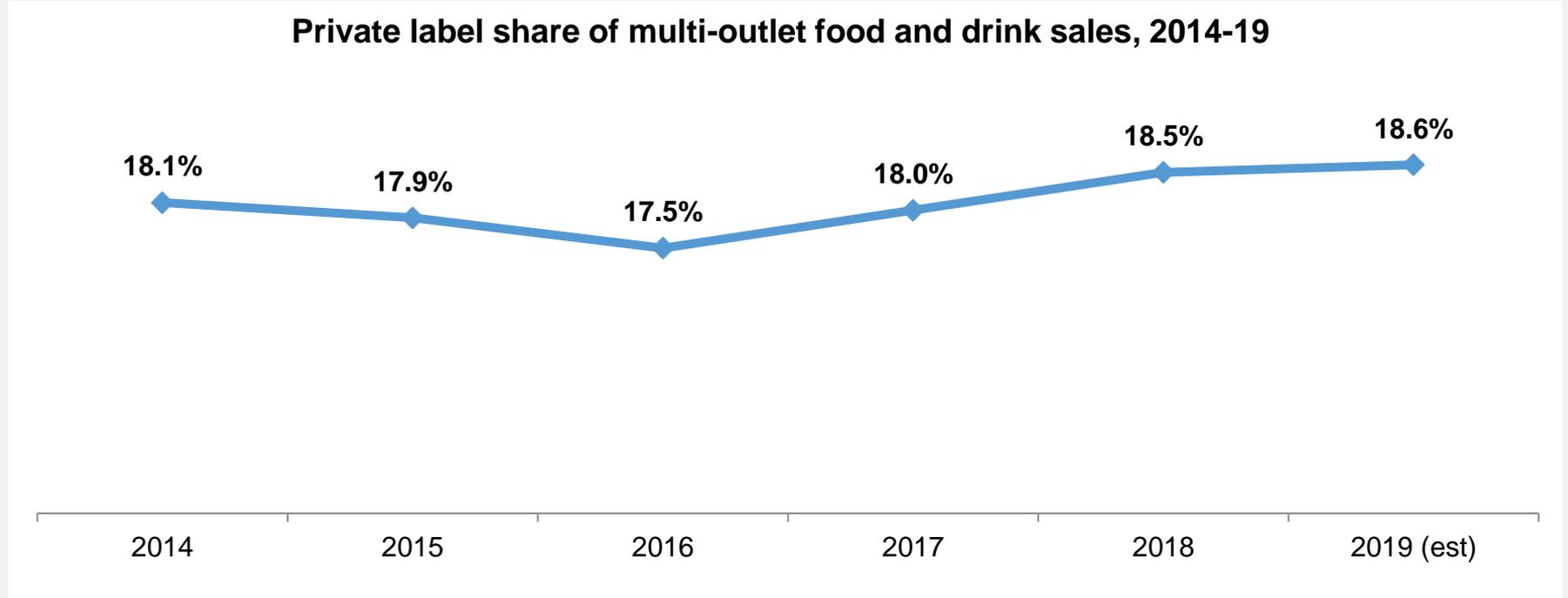
## FREEBIES

At full service restaurants, free appetizer or dessert promotions will be welcomed as diners are likely to cut back spending on these non-essential meal components

## FAMILY MEALS

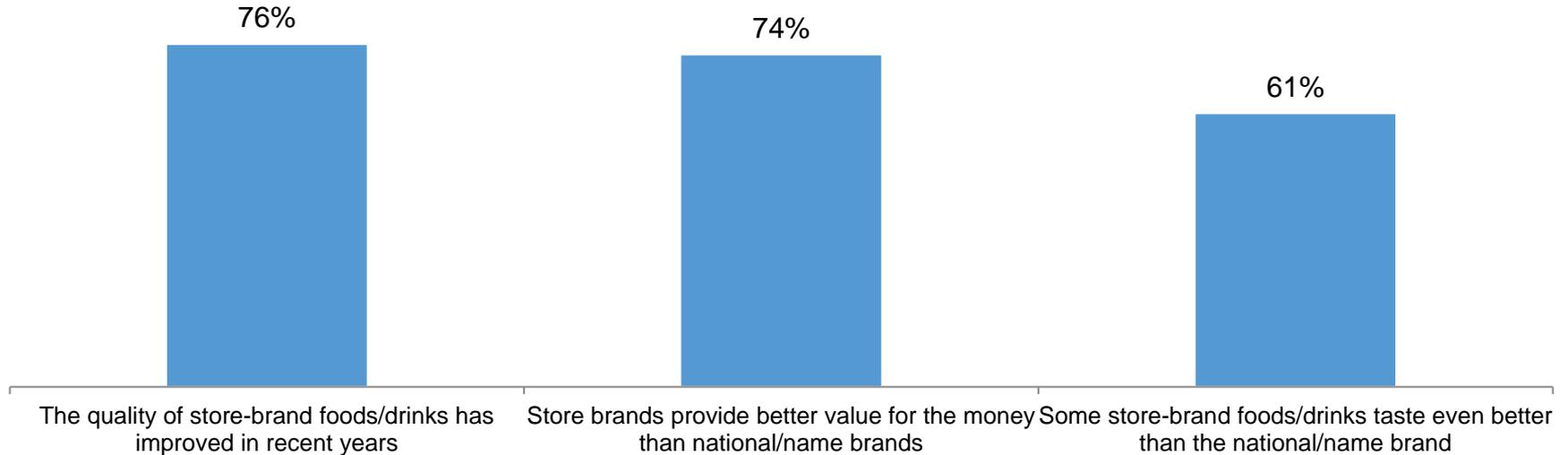
Operators can also emphasize per-person costs of family meals to highlight the value of such options, especially with competition from similar options from grocery retailers and meal kit companies

# Pre-COVID-19, private label grocery already on the rise



# Grocery shoppers' positive view of store brands will help fuel further gains in a recession

“How much do you agree or disagree with the following statements? - NET - Agree”



Base: 1,908 internet users aged 18+ who are responsible for grocery shopping

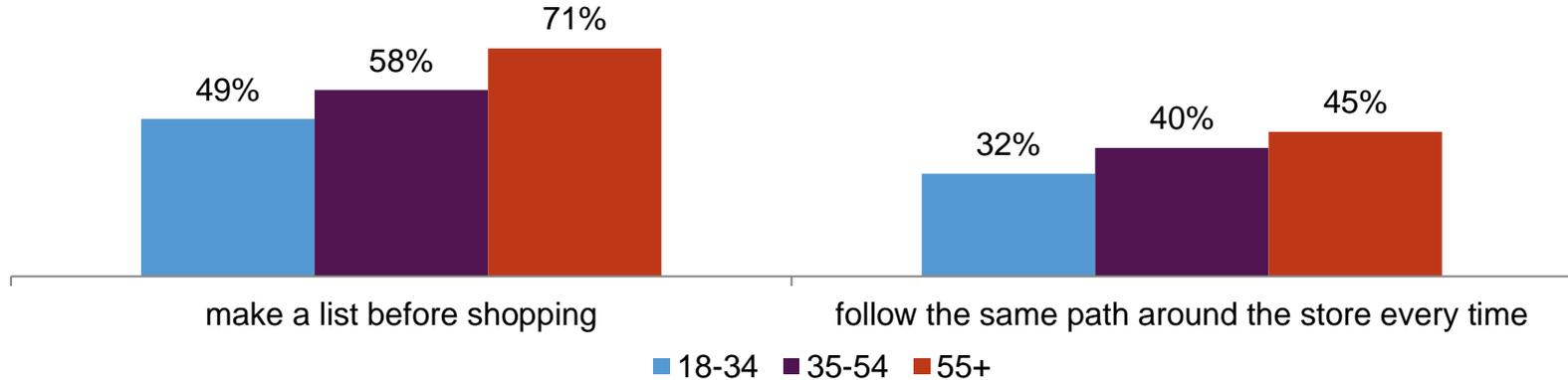
Source: Lightspeed/Mintel



# Post COVID-19, need to economize will keep shoppers focused on list-making, planning

Pre-COVID-19, many shopped without a list. Now it's more important than ever to get on the shopping list. There's also an opportunity to help shoppers with list-making and meal planning.

## Shopping behaviors, December 2019



*Base:* 1,953 internet users aged 18+ who do at least some of their grocery shopping in-store

*Source:* Lightspeed/Mintel



A close-up photograph of various spices. In the foreground, three silver spoons are filled with different ground spices: a reddish-brown powder, a yellowish-brown powder, and a dark red powder. To the left, a pile of small, light brown seeds is scattered on a dark surface. In the bottom left, there are some dark, irregularly shaped objects, possibly dried herbs or seeds. The background is dark and out of focus.

## KEY IMPLICATIONS FOR THE SPICES INDUSTRY

# Key Implications for the Spice Market

## Category blurring creates new opportunities

Foodservice and retail blurring will lead to increased innovation and channel distribution, and, in turn, more ways to reach consumers. Think beyond the confines of traditional foodservice and grocery retail toward convenient food and drink solutions consumers will need to feed themselves and their families.

## A global spin can be added to local favorites

Both healthy and indulgent foods can focus on regional flavors (eg Carolina BBQ, Louisiana Cajun) using globally-imported spices. Looking ahead, as more consumers shift toward eating for health and immunity, emphasize functional spices like turmeric, ginger and cinnamon.

## Value is multifaceted

Cost concerns will be heightened in a recession and will impact spending, whether at restaurants or retail. Operators and grocery retailers should emphasize how they are able to create value for consumers, whether that's related to saving time, saving money, or both.

# Thank you! Questions?



**Amanda Topper**

 @amandatopper

Associate Director,  
Foodservice Research



**John Owen**

Associate Director,  
Food and Retail

**The world's leading market  
intelligence agency**

Our expert analysis of the highest quality data and market research will help you grow your business.



**Experts in what  
consumers want  
and why**

