globalwebindex

The future of food

An exploration of the food industry in a health-conscious era

TREND REPORT 2020

globalwebindex.com

What's inside?

Introduction

GlobalWebIndex Trend reports explore some of the most pressing topics for marketers, from traditional vs. digital media consumption to audience measurement issues. In this report, we place the spotlight on the **future of food** and provide a deep-dive into the crucial topics of the industry. We answer questions like:

- How did health-conscious lifestyles arise and what are the implications for consumers and brands?
- What are the challenges for the fast food industry?
- Who are the meat-free consumers and why are they cutting meat from their diets?
- How is the industry responding to emerging dietary requirements?
- Is alcohol consumption declining and how should brands respond?
- What gave rise to online food deliveries, and which services are leading the way?
- Is home delivery preferred to dining out at a restaurant?
- What can traditional restaurants do to stay competitive in an ever-changing landscape?

METHODOLOGY

All figures in this report are drawn from GlobalWebIndex's online research among internet users aged 16-64. We only interview respondents aged 16-64 and our figures are representative of the online populations of each market, not its total population. Note that in many markets in Latin America, the Middle-East and Africa, and the Asia-Pacific region, low internet penetration rates can mean online populations are more young, urban, affluent and educated than the total population.

Each year, GlobalWebIndex interviews over 688,000 internet users aged 16-64 via an online questionnaire for our Core dataset. A proportion of respondents complete a shorter version of this survey via mobile, hence the sample sizes presented in the charts throughout this report may differ as some will include all respondents and others will include only respondents who completed GlobalWebIndex's Core survey via PC/laptop/tablet.

When reading this report, please note that we use a mixture of global data from our ongoing quarterly global research, as well as data from a custom study conducted only in the U.S. and UK. This custom study's objective was to dig deeper into the future of food. In this study, we interviewed 1,585 respondents in the U.S. and 1,637 respondents in the UK.

Throughout this report we refer to indexes. Indexes are used to compare any given group against the average (1.00), which unless otherwise stated refers to the global average. For example, an index of "1.20" means that a given group is 20% above the global average, and an index of "0.80" means that an audience is 20% below the global average.

Key insights

01

Focus on health and fitness has reached an all-time high

From new dietary regimens to regular gym visits, people's physical health and wellbeing is now a priority. Monthly usage of health and fitness apps has grown from just 11% in 2012 to 27% in 2019. And although the ubiquity of smartphones is facilitating this trend, during the past year alone, the rate of going to the gym at least 2-3 times a week has increased by three percentage points. Meanwhile, health foods are now purchased more than frozen meals among Gen Z and millennials, with this appetite slowly spreading to older generations as well.

02

The fast food industry is under pressure to cater to health-conscious consumers

A custom survey run in November 2019 in the UK and U.S. showed that 35% of internet users say they're committing to a healthier diet as a New Year's resolution. Consumers are demanding healthier options and governments are responding with new calorie count regulations. In the face of growing competition from delivery providers and healthier alternatives on the market, visits and purchases from fast food chains have declined in the past couple of years, with pizza brands being affected the most.

03

Once-niche regimens are joining the mainstream

Not-for-profit organization, Veganuary, estimated **400,000** sign-ups for the challenge worldwide, up from 250,000 in 2019. According to our ongoing research, almost a quarter of internet users in the UK and U.S. say they have an interest in vegan or vegetarian food. However, our follow-up custom survey showed that it's only 5% who actually follow a meat-free diet in these countries. Although still a niche consumer segment, the demand for plant-based alternatives stretches well beyond those already on the diet. In fact, a quarter of meat-eating adults said they want plant-based protein alternatives from brands, but affordability and taste remain the biggest barriers to wider adoption.

04

Online food delivery is about to overtake restaurant dining as a weekly activity

Digital food delivery is rapidly catching up with dining out, with just over 3 in 10 internet users now saying they eat out at a restaurant at least weekly, compared to 28% who order food online for home delivery. This is a market projected to reach **$164.5 billion** by 2024, which makes it a lucrative opportunity for an increasing number of companies lining up for a slice of the pie.

05

The role of the restaurant is changing

Even though there is clearly a consumer demand for cloud kitchens, it's unlikely that they will ever replace the social experience of eating out. But in order to stay competitive and attract younger generations, restaurants will have to be more than just places to eat. With millennials being 20% more likely than average to say live entertainment is important to them when choosing a restaurant, immersive dining and the overall atmosphere are playing an ever-bigger role in the current industry landscape.

01

The future of food

Healthy food vs. junk food: global overview

Health-conscious lifestyles

According to the World Health Organization, worldwide obesity has nearly **tripled** since 1975. In 2016, more than 1.9 billion adults, 18 years and older, were overweight, with 650 million of these individuals being categorized as obese. An obesity pandemic started sprawling across the globe which resulted in increasing concerns over an array of health conditions such as diabetes.

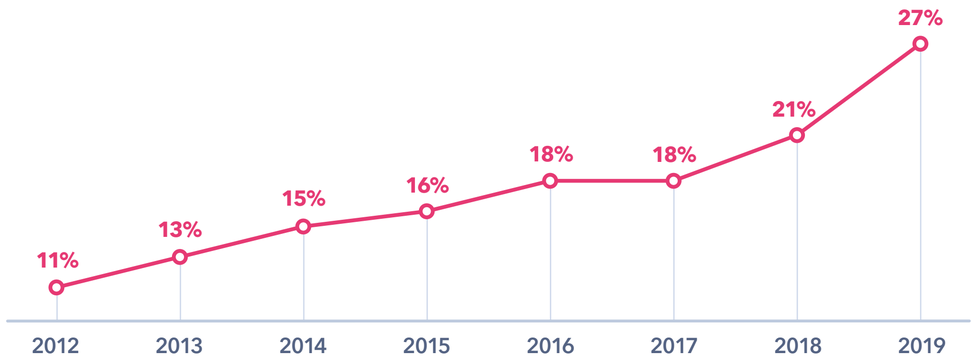
Our global data shows that **today only 5% of internet users report having diabetes**, a figure that has remained unchanged for almost a year now. However, this rises to 15% when we asked about the situation in the whole household, down from 17% in Q4 2018. Although a modest decline, this could signal that the growing unease about personal health and desire for more natural and environmentally friendly lifestyles has started to create a change. In fact, according to a **report** by Centers for Disease Control and Prevention, **after a 20-year increase, new cases of diagnosed diabetes in the U.S. decreased by 35%**.

A major contributing factor has been the rise of health-conscious lifestyles. From new dietary regimens to regular gym visits, for many people, their physical health and wellbeing is now a priority. Just looking at our trended data, it's plain to see that consumers have become more physically active, and they're increasingly using tools to help them achieve their goals. **Monthly usage of health and fitness apps has grown from just 11% in 2012 to 27% in 2019**. And although the ubiquity of smartphones is facilitating this trend, we can also see that during the past year alone, the rate of going to the gym at least 2-3 times a week has increased by three percentage points. **Almost 4 in 10 of these regular gym visitors rely on health, fitness and nutrition apps, showing that technology is also fueling the healthy living trend**.

3 in 10 internet users go to a gym regularly

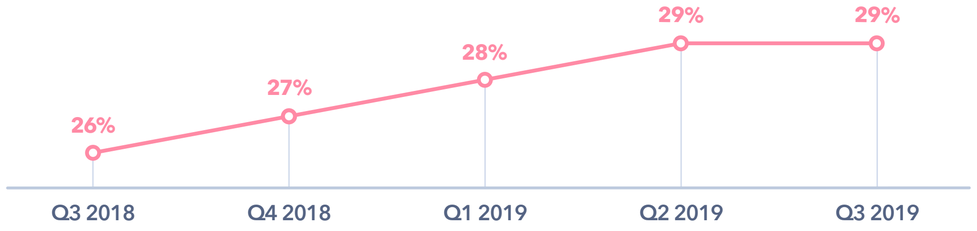
THE RISE OF HEALTH-CONSCIOUS LIFESTYLES*

% of internet users globally who say they have used health and fitness apps in the last month



*Please note that the data point "Health and Fitness" apps was changed to "Health, Fitness and Nutrition" apps in Q2 2019.

% of internet users globally who regularly** go to a gym



"Regularly" is defined as at least 2-3 times a week. To find out more about our Lifestyle Segmentation, click **here.

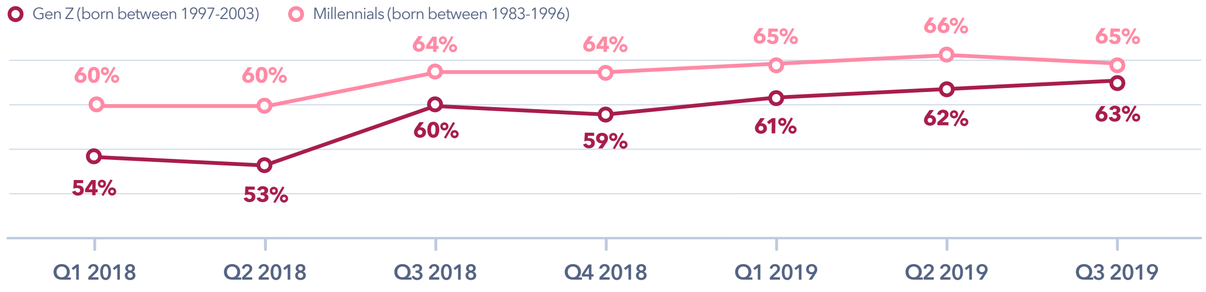
Question: In the last month, which of these app types have you used? (Health and fitness (to Q1 2019)/Health, Fitness and Nutrition (since Q2 2019) **Source:** GlobalWebIndex 2012-2019 (averages of waves conducted between Q2 2012-Q3 2019) **Base:** 61,196 (2012), 156,876 (2013), 168,045 (2014), 197,734 (2015) 211,023 (2016), 370,051 (2017), 474,573 (2018) and 424,326 (2019) internet users aged 16-64

Question: How often do you typically go to a gym? (Regulars) **Source:** GlobalWebIndex Q3 2018-Q3 2019 **Base:** 93,803 (Q3 2018), 115,393 (Q4 2018), 114,973 (Q1 2019), 115,963 (Q2 2019), 120,303 (Q3 2019) internet users aged 16-64

Health-conscious lifestyles

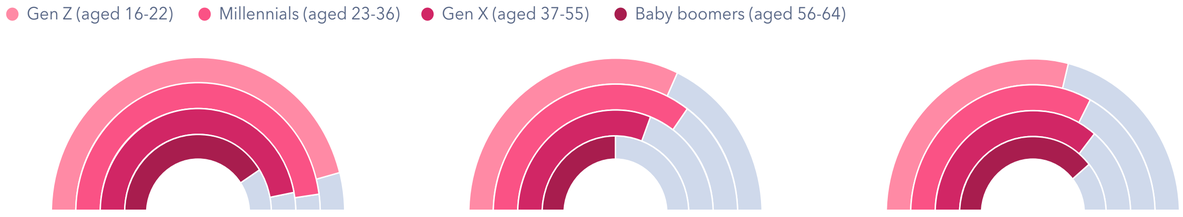
APPETITE FOR HEALTHY PRODUCTS

% of internet users in the following groups globally who try to buy natural/organic products



Trended data accounts for year-on-year aging of the sample.

% of internet users in the following groups globally who say they…



46% | 48% | 47% | 41%

Have interest in health foods/drinks

32% | 35% | 31% | 25%

Purchased health foods in the last month

29% | 33% | 36% | 39%

Purchased frozen food/ready meals in the last month

Younger consumers are at the forefront of the health-conscious trend. **The appetite for organic products is increasingly more prevalent, especially among Gen Z and millennials.** The number of individuals saying they try to buy natural or organic products has risen by nine and five percentage points, respectively, for these two consumer groups. **This is a truly cross-demographic trend though**; 6 in 10 Gen X and half of baby boomers agree with this statement too.

But the high price tags of these products are still affecting purchases, especially for older consumers. **When it comes to actually purchasing healthy foods each month, around a third of Gen Z and millennials have done so, going down to only a quarter of baby boomers**. Comparing this to frozen food and ready meals, we can see that although marginally, **health foods are now purchased more than frozen meals among younger groups**, but we expect this gap to grow in the future.

Monthly purchases of health foods are now higher than frozen and ready meals for Gen Z and millennials

Question: To what extent do you either agree or strongly agree with the statements below? (I try to buy natural/organic products)
Source: GlobalWebIndex Q1 2018-Q3 2019
Base: 11,047 (Q1 2018), 11,690 (Q2 2018), 12,338 (Q3 2018), 14,252 (Q4 2018), 15,814 (Q1 2019), 15,702 (Q2 2019), 17,879 (Q3 2019) internet users born between 1997-2003 and 34,567 (Q1 2018), 33,578 (Q2 2018), 35,221 (Q3 2018), 42,018 (Q4 2018), 41,633 (Q1 2019), 42,330 (Q2 2019), 43,228 (Q3 2019) internet users born between 1983-1996

Question: Which of these things are you interested in? (Health foods/drinks) | In the last month, which of these have you or your household purchased? Which of these items did you purchase online? (Health foods, Frozen food/ready meals)
Source: GlobalWebIndex Q3 2019 **Base:** 145,271 internet users aged 16-64

How many diets are too many diets?

The link between diet and health has been established a long time ago, but what constitutes a healthy diet for each individual still remains inconsistent and unclear. From high-fat, low-carb dieting to low-sugar and calorie counting, new diet types are gaining popularity every day. A custom survey run in November 2019 in the UK and U.S. showed that **53% of internet users have tried for a month or longer at least one of the diets listed on the chart**.

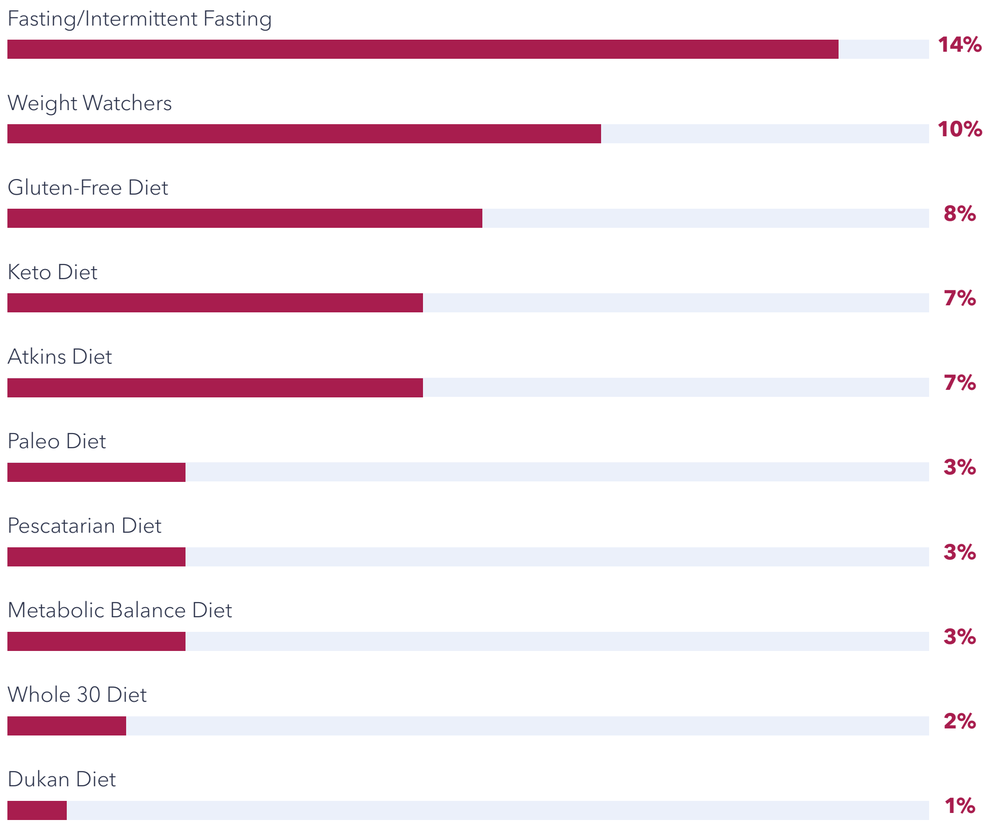
When it comes to awareness, organizations like Weight Watchers, which help people to lose weight and maintain it, are the most popular. Weight Watchers is known by almost 7 in 10 individuals, but only 10% have actually tried its dieting programmes. However, when it comes to specific diets, **fasting is the most-tried diet in the UK and U.S. at 14%.** In fact, intermittent fasting was Google's **top** diet search for 2019, with popular figures like Jennifer Aniston promoting it. It appears that when testing a diet, consumers are more likely to respond to how trendy it is, rather than how suitable it is for their body type; but personalized nutrition could be a game-changer.

Personalized nutrition refers to receiving nutritional advice tailored to one's unique genetic profile. As this trend is increasingly supplemented by emerging technology and gains more traction due to rising frustration with ineffective diets, personalized nutrition is likely to become more affordable and penetrate our lives at scale. **With health foodies globally being 60% more likely than average to want brands to offer personalized products, this market is set to reach $64 billion by 2040**.

35% of internet users in the UK and U.S. say they're committing to a healthier diet as a New Year's resolution

DIET TYPES

% of internet users in the UK and U.S. who have tried the following diets for 1 month or longer

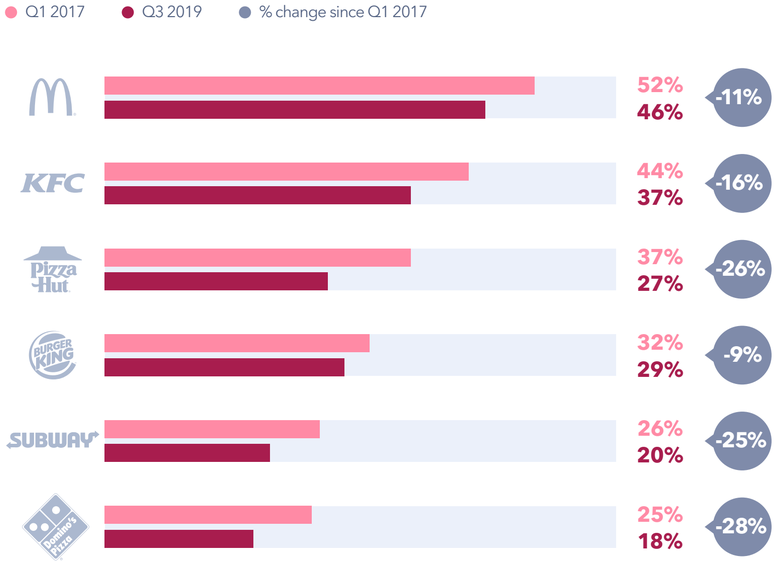


Question: Which of the following diets have you tried (1 month or longer) before?
Source: GlobalWebIndex November 2019
Base: 1,399 (U.S.) and 1,650 (UK) internet users aged 16-64

The global fast food market

DECLINING FAST FOOD PURCHASES

% of internet users globally who normally visit/buy something from the following places



In line with the health-conscious lifestyles trend, QSRs (Quick Service Restaurants) are increasingly faced with a challenge to keep up with consumer demand for healthier options and emerging dietary requirements. Although a lot has been done in that space as we cover later in the report, **we still see a noticeable decline in the number of consumers visiting and purchasing from fast food chains**.

Our data shows that pizza brands have been affected the most. In the face of growing competition from delivery providers and healthier alternatives on the market, **Domino's and Pizza Hut show 28% and 26% decline in visits/purchases since Q1 2017, respectively**.

But that's not the full story; the industry has largely been shaken up by the legislation introduced in 2018 in the U.S., whereby all restaurant chains with 20 or more locations had to post calorie information on their menus. This meant that rather than opting for lower-calorie meals, customers were actually purchasing fewer items, resulting in a **decrease** of 60 calories per transaction.

No fast food business was immune to the change; two of the most notable QSRs in the country – Mc Donald's and KFC – both show decline in visits and purchases since the beginning of 2017. This has been met with various health-promoting campaigns and meat-free menu additions. **McDonalds**, for example, made its first-ever vegan burger a permanent option, while **Burger King** reduced the price of its Impossible Whopper. **Plant-based meat alternatives are entering the fast food market at scale, making once-niche regimens join the mainstream**.

Question: Which of these places would you normally visit/buy something from?
Source: GlobalWebIndex Q1 2017 & Q3 2019
Base: 72,892 (Q1 2017) and 120,303 (Q3 2019) internet users aged 16-64

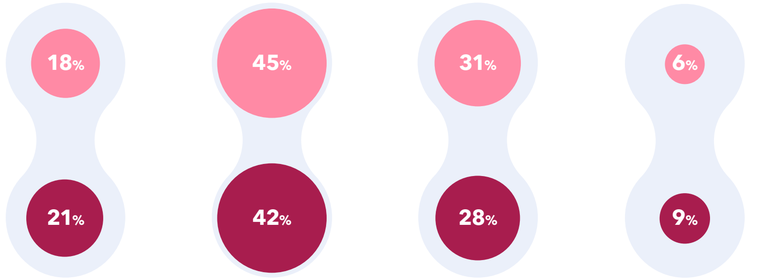
Health foodies vs. fast foodies

Health foodies **Fast foodies**

- 55% of health foodies use social media to research products (Index 1.86), but TV ads are still more popular than social media ads for brand discovery
- Consumer reviews (37%) are more influential than social media (33%) for fast foodies' product research
- Two-thirds of health foodies want brands to be socially responsible, compared to only a third of fast foodies
- Both groups are over 30% more likely than average to cite fast delivery as a purchase driver

GENERATION

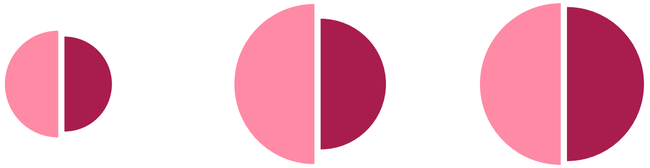
% of health/fast foodies globally who fall into these generational groups



Gen Z (aged 16-22) | Millennials (aged 23-36) | Gen X (aged 37-55) | Baby boomers (aged 56-64)

DEMOGRAPHIC PROFILE

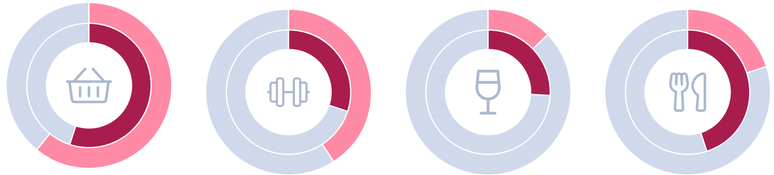
% of health/fast foodies globally who fall into the following groups



	Health foodies	Fast foodies
Top 25% income bracket	24%	19%
Female	54%	36%
Working full-time	55%	50%

LIFESTYLE PROFILE

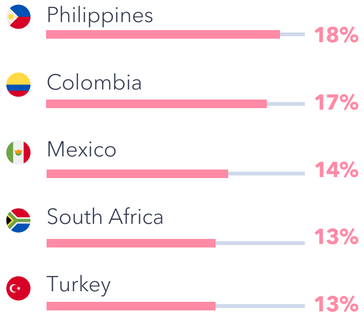
% of health/fast foodies globally who fall into the following groups



	Health foodies	Fast foodies
Main responsibility for food shopping	61%	55%
Regularly go to a gym	41%	30%
Regularly drink alcohol	13%	26%
Regularly eat out at a restaurant	20%	45%

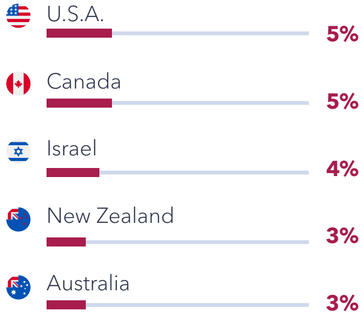
THE WORLD'S LEADING HEALTH FOODIES

% in each country who are health foodies



THE WORLD'S LEADING FAST FOODIES

% in each country who are fast foodies



Health foodies are defined as internet users who:

- Are interested in health foods/drinks
- Have purchased in the last month or researched online health foods
- Strongly agree with the statement "I try to buy natural/organic products"

Fast Foodies are defined as internet users who:

- Eat fast food more than once a week
- Somehwat/strongly disagree with the statement "I try to buy natural/organic products"

Source: GlobalWebIndex Q3 2019 **Base:** 2,145 fast foodies and 7,793 health foodies aged 16-64

02

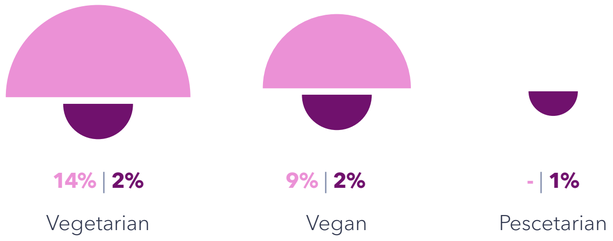
The future of food

Low-alcohol, meat-free and vegan diets: deep dive

Profiling meat-free consumers

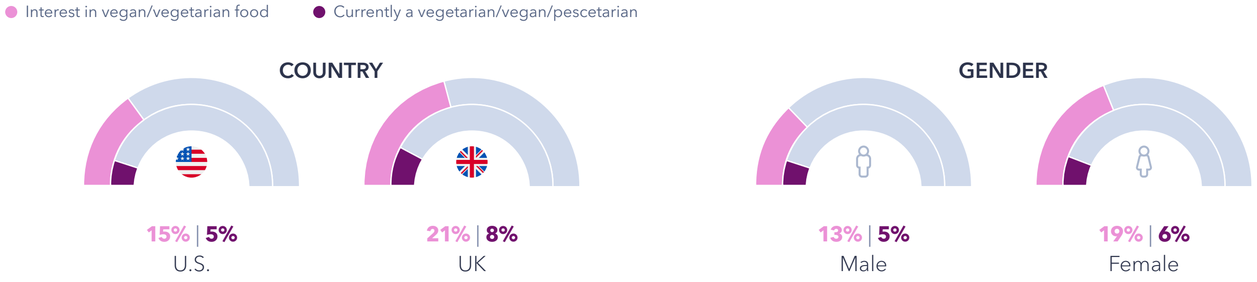
MEAT-FREE* DIETS

% of internet users in the UK and U.S. who fall into the following groups



COUNTRY AND GEGNDER BREAKDOWN

% of internet users in the following groups who have an interest in meat-free food/currently don't eat meat



Meat-free alternatives and veganism gained considerable traction throughout 2019, marking the year as **"the year of the vegan"**. This was the year which broke the records for people signing up for Veganuary – a challenge encouraging meat-eaters and those with already vegetarian and pescatarian diets to cut all animal-based products for a month. Participant numbers have been growing each year, but the 2020 impact is unprecedented. **Non-for-profit organization, Veganuary, estimated 400,000 sign-ups for the challenge worldwide, up from 250,000 in 2019**. This is **estimated** to have saved the carbon dioxide equivalent of 450,000 flights from London to Berlin and more than one million animals.

Although gaining popularity, it's important to note that those on meat-free diets are still a niche consumer segment. According to our ongoing research, almost a quarter of internet users in the UK and U.S. say they have an interest in vegan or vegetarian food. However, **we ran a follow-up custom survey in December 2019 which showed that it's only 5% who actually follow a meat-free diet in these countries**. This figure is evenly split between vegans and vegetarians (each at 2%), while pescatarians (those who eat fish) command only 1% of the internet population.

Those in the UK have a higher interest in vegan or vegetarian food and a higher likelihood to follow a meat-free diet compared to their U.S. counterparts. When it comes to gender, **it's females who have a higher interest, but the proportion of those who don't eat meat at the moment is similar to that of males**. With 36% of females in the UK and U.S. having a healthier diet as their New Year's resolution, it's only a matter of time until that interest translates further into their diet.

*Meat-free consumers are defined as vegetarian, vegan or pescetarian internet users.

Question: Do you currently eat meat? **Source:** GlobalWebIndex December 2019 **Base:** 2,657 (UK) and 2,578 (U.S.) internet users aged 16-64

Question: Which of these things are you interested in? (Vegan food/Vegetarian food) **Source:** GlobalWebIndex Q3 2019 **Base:** 10,115 (UK) and 24,813 (U.S.) internet users aged 16-64

Meat-free consumerism

The two most popular reasons why consumers in the UK and U.S. choose not to eat meat are actually not directly linked to their diet or health. **Animal welfare and environmental concerns are what primarily drive individuals to stop eating meat, with 45% and 37%, respectively saying this**. Animal cruelty and environment protection are now at the forefront of the conscious consumer's mind, especially in the UK where these figures soar to 67% and 46%.

When it comes to health reasons, there's little difference in opinion across the key demographics. **Around a third of meat-free internet users say eating meat is not healthy for them**, and this figure remains stable across both the UK and U.S., as well as among men and women. A similar number also feel that this is just the right thing to do, regardless of whether it's for ethical, environmental or health reasons.

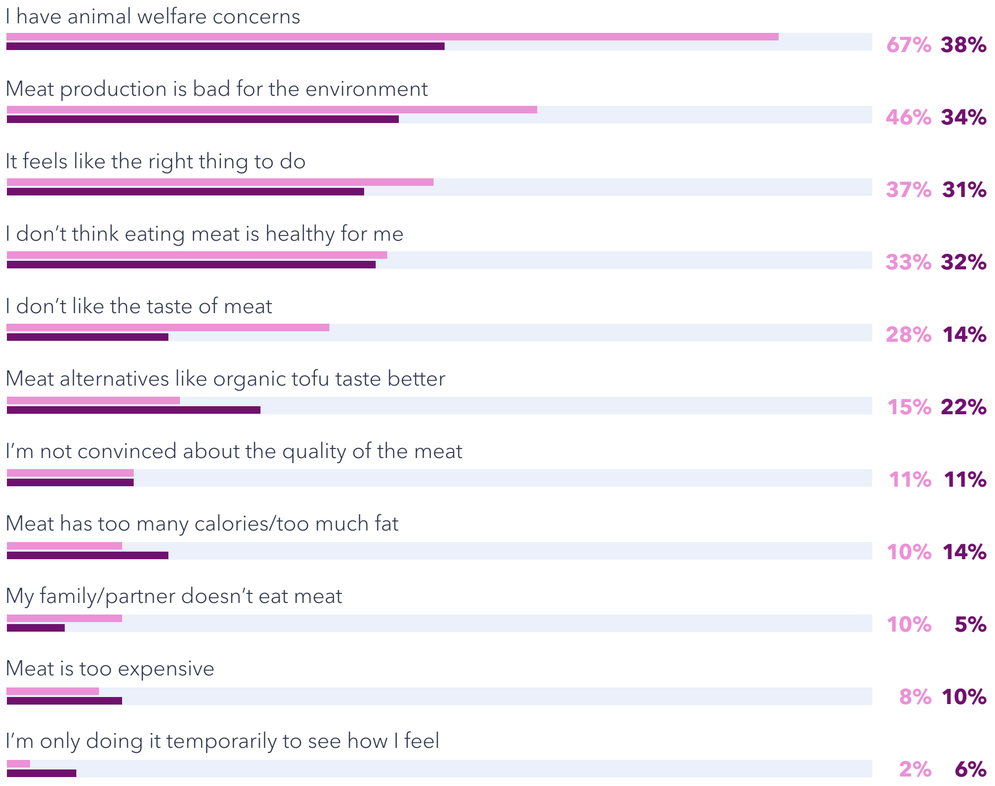
Interestingly, **a fifth of consumers think that meat alternatives actually taste better than meat itself**, and this is one area where those in the U.S. tend to agree more than the UK. In fact, retail sales of plant-based foods in the U.S. **increased** by 31% between 2017 and 2019. This surge was attributed to retailers' efforts to make these options easier to find in stores. But also plant-based products like Impossible Burger entered the grocery stores in the U.S., with supermarket chain Gelson's having **sold** "more Impossible Burger than all types of ground beef from cows".

Clearly, **the line between what's considered good for the consumer, the environment, and the animals has become increasingly blurred**. Changing consumer demands mean that the food industry is under pressure to innovate.

Animal and environmental concerns are the main reasons why consumers don't eat meat

REASONS FOR HAVING A MEAT-FREE DIET

% of meat-free internet users in the UK and U.S. who say the following best describe why they currently don't eat meat



Question: You said you currently don't eat meat. Which of the following best describes why that is? Please select all that apply **Source:** GlobalWebIndex December 2019 **Base:** 118 (U.S.) and 240 (UK) meat-free internet users aged 16-64

What if no animals were harmed?

It is from these consumer attitudes that cultured meat production has emerged as one of the top trends for the year ahead, **according to** the International Food Information Council Foundation. Cultured meat is produced in a lab by extracting animal cells which, if fed correctly, grow into muscle and tissue cells. Regulation is being formed in this space which means that any lab-grown product that is derived from animals will be inspected to ensure that it's safe and labeled accordingly. The opportunity for innovation is immense as the global market is **projected** to be worth around $214 million in 2025, rising almost threefold by 2032. In order to enter the mainstream, however, the industry needs to raise awareness among consumers, especially when perceptions around lab-made food could prove more controversial than anticipated.

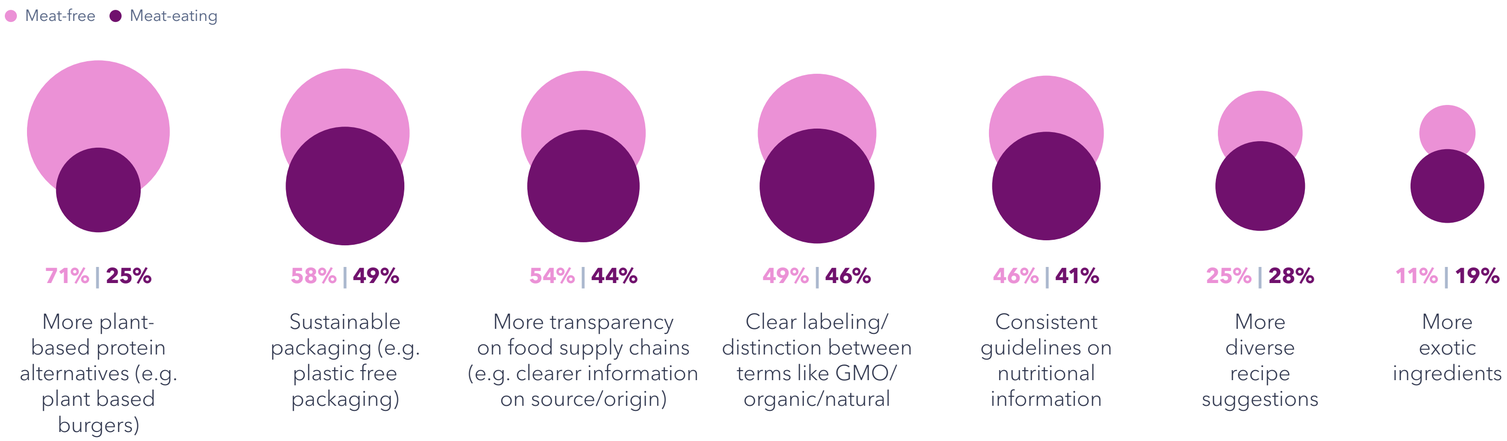
Consumers are demanding products that are more sustainable, provide animal wellbeing, are safe from pandemic risks, and are healthy in order to avoid obesity and other illnesses.

Inigo Charola, co-founder and CEO of Biotech Foods

Meat-free consumerism

WHAT CAN BRANDS DO TO CATER?

% of internet users in the UK and U.S. who say they would like to see the following things from food brands



> **The dramatic trend with the huge spike we are seeing is meat eaters also want to try [vegetarian products], whereas they may not even want to try those old-school veggie burgers at restaurants.**
>
> Christina Donahue, president of Dining Alliance

Meat-free or not, consumers now buy from sustainable and transparent brands. **Sustainable packaging** is desired by 58% of meat-free consumers and 49% of meat-eating consumers, meaning that the trend will be truly mainstream going into 2020. Importantly, this is no longer just a consumer-driven trend, it's now a priority for governments too. The UK Government just **opened** a "Smart and Sustainable Packaging" fund of £1million, encouraging innovation in consumer product packaging with the aim of reducing plastic waste going into the environment.

Another finding from our data is **the desire for plant-based protein alternatives by a quarter of meat-eating individuals in the UK and U.S.** This rises to 47% among those adults still consuming meat but trying to reduce its levels (flexitarians), meaning that there's a huge market opportunity yet to be taken advantage of. **With this growing demand, the days when plant-based alternatives were targeted at niche consumer groups are gone.** New challengers are entering the industry seeking to redefine what meat is and provide new flavors and textures.

But taste is only half the story. Although the demand is there, most offerings are still premium-priced, which is one of the biggest barriers to mainstream adoption. For example, **only 35% of fast foodies globally say they tend to buy the premium version of a product, compared to 75% of health foodies**. Affordability will be a key requirement for those seeking to move beyond the health-conscious segment of the population.

For more information on the topic, please see our Corporate Social Responsibility **report**.

Question: What would you like to see more of from food brands? Please select all that apply **Source:** GlobalWebIndex December 2019 **Base:** 118 (U.S.) and 240 (UK) meat-free, and 2,417 (U.S.) and 2,417 (UK) meat-eating internet users aged 16-64

More carrot, less stick

Our custom survey indicates that only 4% in the U.S. and UK have a vegetarian or vegan diet. Yet, this statistic reveals a small part of the whole picture and fails to do justice to the rising influence of plant-based alternatives.

Social media ensures that information about plant-based diets, and reasons for considering them, are ubiquitous. The global plant-based food market is **predicted** to reach $80 billion by 2024 – a figure driven by the world's flexitarians and Veganuary enthusiasts. Throughout 2019, various restaurants have tested or adopted plant-based alternatives, and seen great success – most notably **KFC** and **McDonald's**. We can expect this trend to continue throughout 2020, as the race to deliver the tastiest and most convincing meat alternatives gets underway.

What's more, while animal welfare as a motivation for veganism incentivizes a select few, this cultural shift toward flexitarianism has facilitated the elevation of ethical veganism. Recently **enshrined** in law as a philosophical belief, its proponents (ethical vegans) are now protected against discrimination. Won in Veganuary, this landmark case has brought veganism into the foreground and forced abstainers to take notice of the plant-based movement. Flexitarians and ethical vegans alike will continue to disrupt the meat industry and determine what's on the menu in the future.

13% of those interested in vegetarian/vegan food globally eat fast food at least once a week

The "Nolo" revolution

Between 2015 and 2017, our data showed that an increasing number of young adults were turning their backs on alcohol and were looking for no- or low-alcohol (or "nolo") beverages instead. **In 2015, 56% of Gen Z of drinking age outside the U.S. said they drink alcohol less often or never. In 2017, this number grew to 63%.** Since then though, we noticed a decline to 58% suggesting that youngsters are eventually embracing alcohol in the same way as their older counterparts.

This doesn't mean that brands should shy away from capitalizing on the opportunity to target youngsters though. Despite the fact that we're seeing a pattern whereby Gen Z doesn't seem to give up alcohol in the ways we thought they were in the past couple of years, **they are still much more likely than their older counterparts to be limiting their alcohol consumption.** For example, Scottish pub chain, Brewdog, opened what they called "the world's first alcohol-free beer bar" in early January after it saw a 50% increase in no-and low-alcohol drink purchases in 2019.

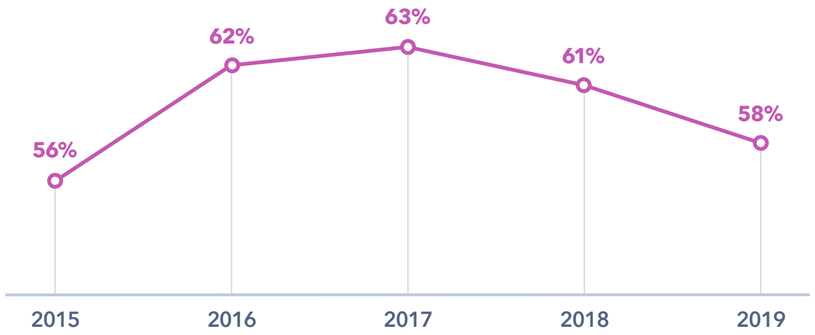
Our custom research from December 2019 also confirmed that there is currently a nolo market that extends beyond non-drinkers or youngsters. We found that **27% of the UK/U.S. online population want more alcohol-free alternatives from drink brands and 25% want clear guidelines on non-alcohol vs. low alcohol drinks.** Males are more insistent on both of these expectations than females, while females are more likely to want sustainable packaging (49% vs. 42% for males) and transparent allergen information (25% vs. 21% for males).

We're also seeing links between meat-free diets and nolo lifestyles. **Meat-free consumers are much more likely than meat-eaters to want more alcohol-free alternatives from brands (37% vs. 27%).** Healthier drink options are also more desired by those that don't eat meat (53% vs. 34%), suggesting that vegetarians and vegans would be a profitable target segment for brands innovating in that space.

Gen Z of drinking age (born between 1997-2001) outside the U.S. are 38% more likely than the average internet user of drinking age to say they drink alcohol less often or never

ARE YOUNG PEOPLE REALLY ABONDONING ALCOHOL?

% of Gen Z (born between 1997-2001) outside the U.S. who say they drink alcohol less often than once a month or never



Note that drinking alcohol is not asked in Egypt, Saudi Arabia or UAE.
Trended data accounts for year-on-year aging of the sample.

Question: On average, how often would you say you drink alcohol? (Less often/Never) **Source:** GlobalWebIndex 2015-2019 (averages of waves conducted between Q4 2015-Q3 2019) **Base:** 1,040 (2015), 9,286 (2016), 19,091 (2017), 36,580 (2018), 39,586 (2019) internet users outside U.S. at legal drinking age born between 1997-2001

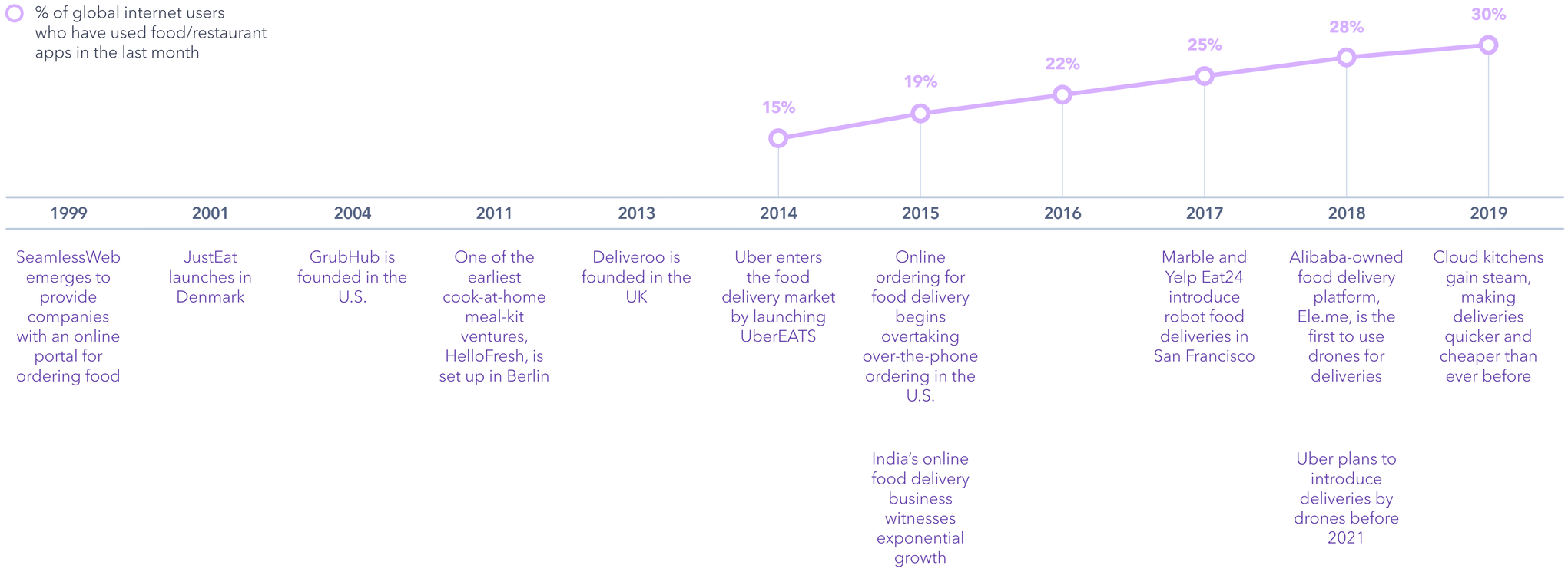
03

The future of food

Online food: saturation or opportunity?

The rise of online food delivery

THE EVOLUTION OF FOOD APPS



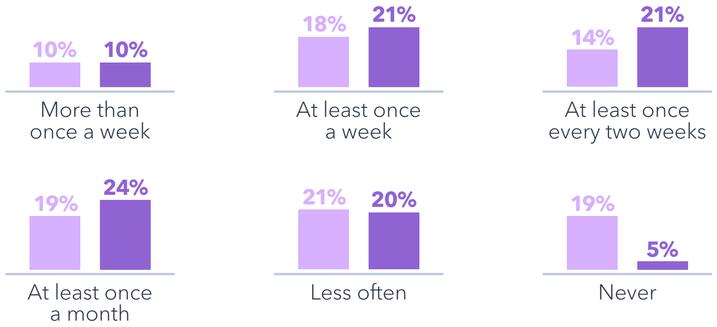
Question: In the last month, which of these app types have you used? (Food/restaurant) **Source:** GlobalWebIndex 2014-2019 (averages of waves conducted between Q1 2014-Q3 2019) **Base:** 168,045 (2014), 197,734 (2015) 211,023 (2016), 370,051 (2017), 474,573 (2018) and 424,326 (2019) internet users aged 16-64

The rise of online food delivery

Takeaway Restaurant

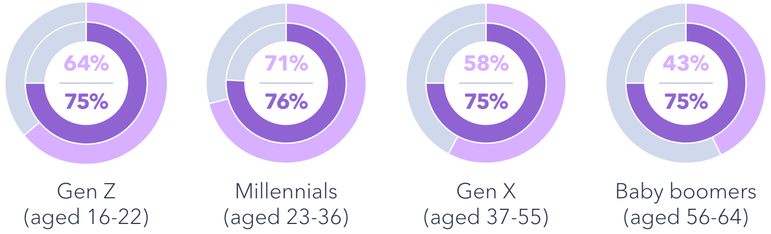
FREQUENCY OF TAKEAWAY VS. RESTAURANT DINING

% of internet users in the UK and U.S. who order takeaway food online for home delivery/ eat out at a restaurant



GENERATION

% of internet users in the UK and U.S. in each generation who order takeaway food online for home delivery/eat out at a restaurant at least once a month



In recent years the rise of takeaway delivery services has completely disrupted the way we eat and order food. It's now easier than ever to enjoy restaurant food from our sofas while streaming Netflix on our TVs. In fact, **digital delivery sales are projected to grow at an annual rate of 22% in the next three years** and make a significant proportion of restaurant revenue. This growth has been underpinned by four major factors:

- Universal smartphone ownership and internet access
- Increased urbanization
- A surge in the number of food delivery platforms
- The rise of the gig economy (independent contracting for short-term engagements)

The industry quickly came to the realization that a restaurant doesn't necessarily need a back- and a front-end to be profitable, and food delivery laid the groundwork for this. **Cloud kitchens (restaurants that only have an online presence) removed a substantial cost associated with front of house building and maintenance, while catering to a key consumer expectation – food on demand**. This resulted in a growing number of market entrants, increased competition in the space, as well as posed significant challenges to the traditional restaurant businesses.

Comparing eating out to takeaway food delivery in the UK and U.S. reveals that the latter has rapidly caught up with the former. **31% of internet users now say they eat out at a restaurant at least weekly, compared to 28% who order food online for home delivery**. It won't be long until more people start to order takeaway than going out on a weekly basis. In relative terms though, **restaurant dining is still a more popular activity**, with only 5% of consumers saying they never go out, compared to 19% who never order takeaway.

When we look at monthly engagement across the generations, we see that **this is a millennial-driven trend, with 71% of millennials ordering takeaway at least monthly**. Restaurant dining, on the other hand, has a stable rate of around 75% for each age group. So even though there is clearly a consumer demand for cloud kitchens, it's unlikely that they will ever replace the social experience of eating out so deeply ingrained in consumer psychology and culture in the UK and U.S.

Question: On average, how often would you say you order takeaway food online for home delivery? **Source:** GlobalWebIndex December 2019 **Base:** 2,657 (UK) and 2,578 (U.S.) internet users aged 16-64

Question: On average, how often would you say you do the following things? (Eat out at a restaurant) **Source:** GlobalWebIndex Q3 2019 **Base:** 10,115 (UK) and 24,813 (U.S.) internet users aged 16-64

Online food delivery around the world

The online food delivery market stretches well beyond the UK and the U.S. **Currently, Indonesia is the largest online food delivery market we track, with 76% of internet users here ordering takeaway food for delivery each month**. It's therefore unsurprising that two of the largest platform-to-consumer businesses in Southeast Asia, Grab and Go-Jek, have both joined the race to dominate this space, with Indonesia remaining their **priority**.

The market showing the highest growth since Q2 2018, however, is Portugal where usage of these services has risen by 60%. Although the takeaway culture in Portugal is still nascent, compared to other markets we track, it's starting to show potential, with global market entrants like **Uber EATS** looking to secure smaller and independent restaurants.

COUNTRY BREAKDOWN

% of internet users in the following countries who have used an app/website to order takeaway food for delivery in the past month

% change since Q2 2018

		+/-
Indonesia	76%	+17%
China	67%	+4%
Saudi Arabia	62%	+18%
India	61%	+11%
Malaysia	58%	+34%
Thailand	57%	+16%
UAE	57%	-2%
Singapore	55%	+25%
Brazil	55%	+35%
Philippines	55%	+23%
Vietnam	53%	+16%
Mexico	53%	+37%
South Africa	51%	+20%
Colombia	50%	+20%
Turkey	50%	+4%
Poland	45%	+23%
South Korea	44%	+31%
Taiwan	44%	+22%
Ireland	43%	+20%
Hong Kong	43%	+19%
Spain	42%	+27%
Australia	40%	+21%
Argentina	40%	+43%
Egypt	39%	+6%
UK	37%	0%
New Zealand	37%	+16%
Denmark	36%	+15%
Israel*	35%	-
U.S.A.	34%	+8%
Romania*	33%	-
Netherlands	32%	+29%
Portugal	32%	+60%
Canada	32%	+7%
Italy	30%	+33%
Austria	30%	+7%
Sweden	27%	+8%
Belgium	26%	+27%
Switzerland	25%	+28%
Germany	24%	+27%
France	24%	+38%
Russia	24%	+27%
Japan	12%	+12%

* Please note we didn't track these countries in Q2 2018

Question: In the past month, which of the following things have you done on the internet via any device? (Used an app/website to order hot / take-away food for delivery)
Source: GlobalWebIndex Q3 2019 **Base:** 120,303 internet users aged 16-64

Foreign food for thought

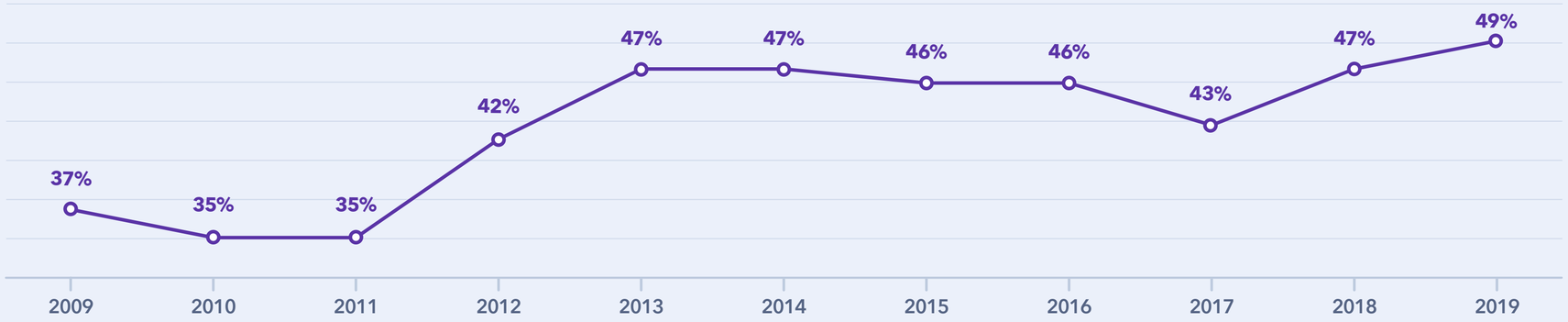
In the past 10 years we've seen an increasing number of people opening up to new tastes from all over the world. Trying international cuisine is now a regular endeavor of almost half of the global online population, up from 37% in 2009. This is a trend primarily driven by millennials, with 54% of them agreeing to the statement; but it's also been facilitated by the growth of online food delivery services which removed the middleman between restaurants and consumers, and enabled independent and niche takeaway businesses to reach a vast consumer base online.

According to our research, those who order takeaway food for delivery are 21% more likely than average to say they regularly try new food from other countries, suggesting that takeaway lovers are on a quest for newer and finer flavors. A glimpse at Uber EATS **predictions** for 2020 based on accelerating food searches confirms that exotic flavors and ingredients are what consumers are after today. From starfruit to squid ink and collagen, adventurous eating is here to stay.

Those interested in trying foreign food are 33% more likely than average to say that other people view them as adventurous

THE RISE OF ADVENTUROUS EATING

% of internet users globally who agree they regularly try new food from other countries

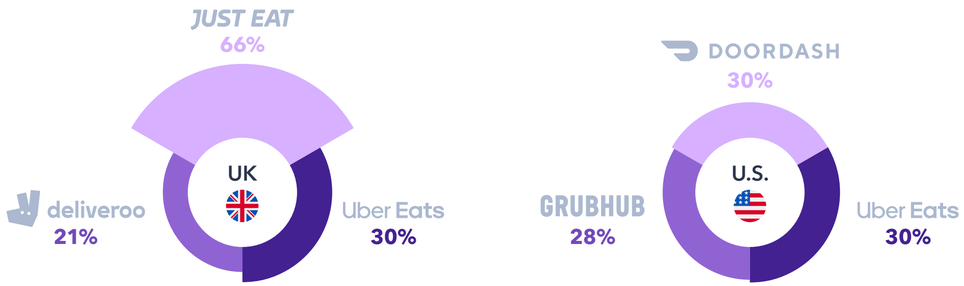


Question: To what extent do you either agree or strongly agree with the statements below? (I regularly try new foods from other countries) **Source:** GlobalWebIndex 2009-2019 (averages of waves conducted between Q2 2019-Q3 2019) **Base:** 16,776 (2009), 33,736 (2010), 71,827 (2011), 61,196 (2012), 156,876 (2013), 168,045 (2014), 197,734 (2015) 211,023 (2016), 370,051 (2017), 474,573 (2018) and 424,326 (2019) internet users aged 16-64

Food delivery services

TOP 3 FOOD DELIVERY SERVICES BY COUNTRY

% of takeaway lovers* in the UK and U.S. who say they use the following food delivery/service apps or websites



> **The success of Uber Eats, DoorDash and others suggests there is a demographic shift towards consumption of prepared meals at home. The time is now to try and stand up supply that is more efficient against that demand.**
>
> Michael Ronen, managing partner at SoftBank Investment Advisers

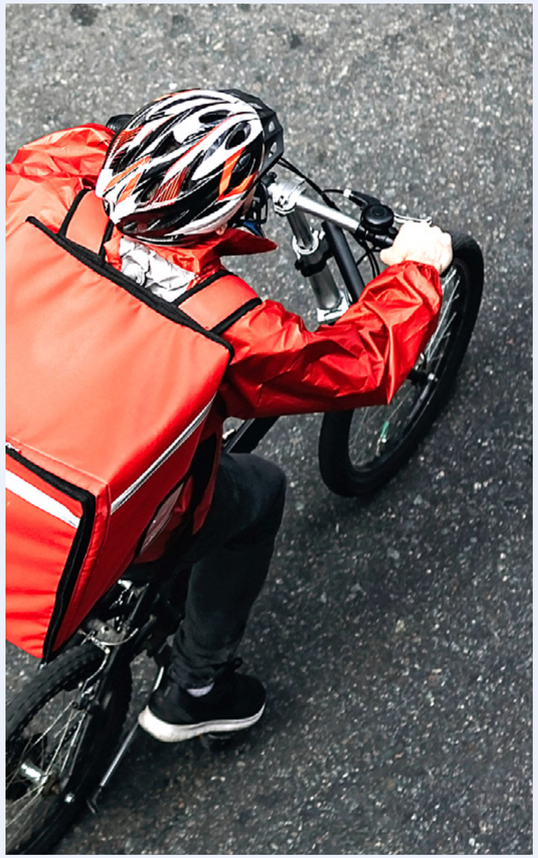
The fight for dominance over a market projected to reach **$164.5 billion** by 2024 is deepening. Food delivery services are faced with growing competition from all over the world, with tech investors pouring over **$20 billion** into the industry.

According to our data, there is a clear market leader in the UK, while no service really stands out in the U.S. **Just Eat commands 66% of consumer use among takeaway lovers in the UK**, with the second-most prominent service here being Uber EATS, at only 30%. Just Eat was recently **acquired** by Dutch food delivery brand Takeaway.com in a £6.2 billion deal, which further consolidated the company's position on the market. **But what makes Just Eat truly stand out from its competitors and take an ever-bigger share of the UK food delivery market, is its ability to operate with local restaurants in rural areas by giving them the chance to fulfil their own orders**. However, with Uber EATS also opening up its platform to restaurants that don't want to outsource the delivery, it directly overlaps with Just Eat's initial business proposition, meaning it's well-poised to start stealing JustEat's market share. This fierce competition and uncertainty stretch way beyond the UK. In the U.S., Grubhub – currently used by 28% of takeaway lovers in the country – is **considering** a possible sale after a recent decline in its shares. Just two years ago, Grubhub was the most popular provider in the country. Fast forward to today, and services like DoorDash and Uber EATS have taken most of its customer base, which highlights just how challenging and competitive the landscape has become in the West. **The solution for some has been to turn to Asia's fast-growing online population**.

*Takeaway lovers are defined as internet users who order takeaway at least monthly

Question: You said you order food at least once a month. Which food delivery/service apps or websites do you use the most?
Source: GlobalWebIndex December 2019
Base: 1,585 (U.S.) and 1,637 (UK) internet users who order takeaway at least monthly aged 16-64

India: survival of the fittest



With the second largest-population in the world and an enormous social media user base, India represents a very promising market for companies looking to prevail in the online food delivery space. According to **Deloitte**, the country has the largest online food delivery revenue in APAC (excluding China) at $7,092 billion, three times that of the second-largest market – Japan. Although these are all good starting points, more is needed for Western players to take a slice of the pie in the presence of home-grown services.

Uber Eats (one of the first to introduce cloud kitchens in India) has been struggling to compete with domestic delivery platforms like Zomato and Swiggy, who have since invested in this strategy. As a response to the competitive landscape, the American company **joined** forces with Zomato after estimating a loss of around $107.5 million for its business in the country for the second half of 2019. Yet, Amazon's **intention** to penetrate the cloud kitchen segment by launching private food brands in Bengaluru will only cause further disruption and add fuel to the existing fire.

This illustration adequately captures the food delivery scene across Southeast Asia – as cloud kitchens continue to distort the traditional restaurant model, and competitors race to invest in them.

What makes online food delivery appealing?

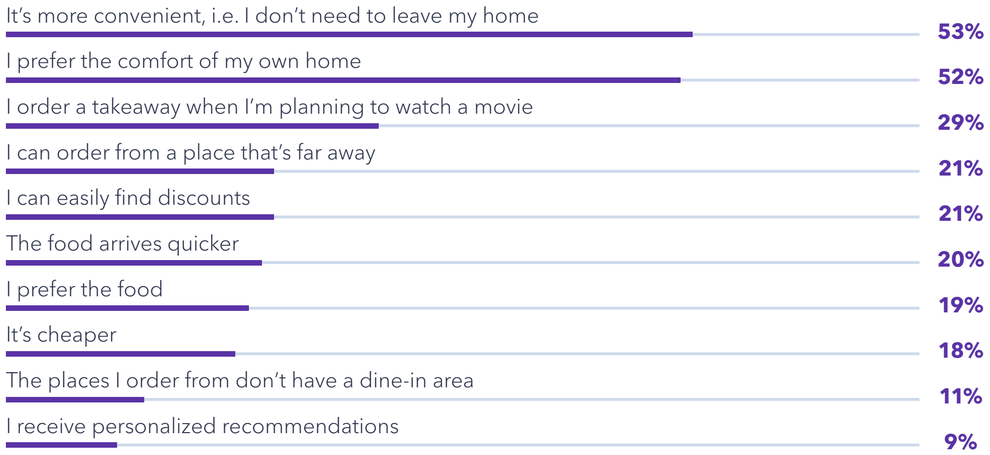
For those who sometimes prefer ordering takeaway at home to going out to a restaurant, it's mainly because it's a more convenient option that aligns perfectly with their busy lifestyles. **More than half of takeaway lovers in the UK and U.S. say they order food because it's either more convenient or they prefer to stay at home**. This remains relatively stable across markets and age breaks, while it's more prevalent among females (59%) than males (47%).

A big facilitator of food deliveries has also been home entertainment and the rise of streaming services like Netflix. **Internet users in the UK and U.S. today spend a total of 4h 14m watching online and broadcast TV each day; and 29% of them order takeaway when they plan to watch a movie**. In a custom survey from November 2018 we also **found** that 54% of takeaway lovers watch online TV when they eat takeaway food. Clearly, **this industry goes hand-in-hand with entertainment** and the big role TV plays for this segment presents great opportunities for advertisers and marketers to reach audiences, whether that's through on-demand or traditional TV.

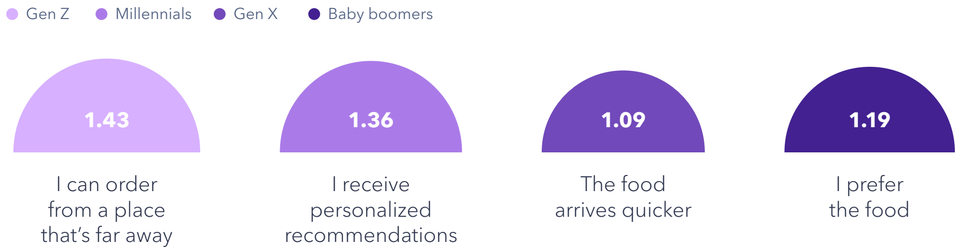
Factors relating to price and proximity is where we see the largest market differences. **A quarter of UK takeaway lovers say it's cheaper to order takeaway than to dine out, compared to 16% of U.S.** This could be because of the standard eat-in and service charges imposed by most coffee shops and restaurants in the UK, while the only extra expense associated with takeaway order is the delivery charge. **For those in the U.S, on the other hand, a bigger advantage is that they can order from a place that's far away (22%)**. This is also very important to younger audiences like Gen Z (Index 1.43), while millennials are especially attracted by the idea of receiving personalized recommendations (Index 1.36). Personalization is now an ingrained part of consumer life more broadly, and the takeaway industry is no exception. **With customers increasingly seeking to balance indulgence with health-conscious diets, personalization will become a greater expectation**.

THE BENEFITS OF TAKEAWAY FOOD

% of takeaway lovers in the UK and U.S. who say the following are their main reasons why they sometimes prefer to order takeaway food for home rather than go out to a restaurant



HIGHEST OVER-INDEX* BY GENERATION



*Indexes are against the average internet user in the UK and U.S.

Question: Which of the following are the main reasons why you sometimes prefer to order takeaway food for home rather than go out to a restaurant? **Source:** GlobalWebIndex December 2019 **Base:** 1,585 (U.S.) and 1,637 (UK) internet users who order takeaway at least monthly aged 16-64

It's more than just food delivery

Although it's been argued that online food delivery is an enemy to restaurants, this is not always the case. In fact, third-party platforms have enabled an expansion in the restaurant sector, with 69% of restaurants in London **reporting** an increase in sales after joining Uber EATS.

In Asia, we're even starting to see these third-party platforms empowering restaurants by not only giving them an online marketplace and fulfilment options, but also physical space to operate in. Ride-hailing service Grab recently **opened** its first cloud kitchen in Singapore, offering its partners support with utility management on top of space to innovate. Grab's ambition is essentially to move beyond the "super-app" model and become "the Alibaba of food", or a one-stop-shop for all things a restaurant would need. The company is very well-placed to achieve this with its cloud kitchen expansion and new merchant platform GrabFood, which gives users access to GrabFood, Grab Financial Group, and GrabAds services among others.

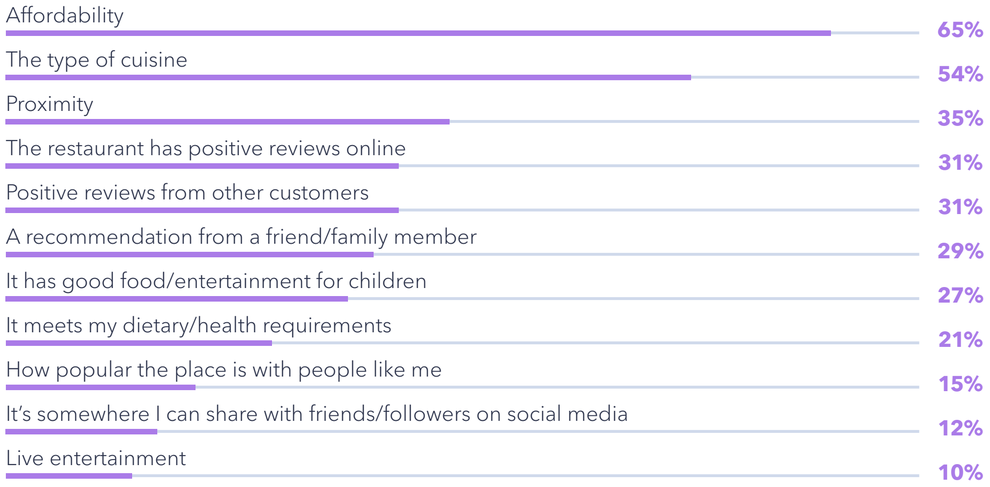
2019 was about expansion and becoming consumers' most preferred service. In 2020, we'll combine our capabilities across food delivery, financial, and advertising services, and provide merchants with the tools of the trade that will take their businesses to new heights.

Lim Kell Jay, GrabFood regional head

How can restaurants compete?

CONSUMERS HAVE HIGH EXPECTATIONS FROM RESTAURANTS

% of internet users in the UK and U.S. who say the following are most important to them when choosing a restaurant



TOP 3 OVER-INDEXES*

Gen Z

The restaurant has positive reviews online	**1.30**
It's somewhere I can share with friends/followers on social media	**1.16**
Positive reviews from other customers	**1.11**

Millennials

It's somewhere I can share with friends/followers on social media	**1.22**
Live entertainment	**1.20**
It has good food/entertainment for children	**1.16**

Traditional restaurants have a big cultural role in our lives and it's unlikely that any digitally-progressive trend will take this away. But in order to stay competitive and attract younger generations, they'll have to be more than just places to eat.

The reputation of the place, how "Instagrammable" the food is, and entertainment are key for attracting Gen Z and millennials today. Food images are now a new type of social media currency and it's a way of not only promoting your food online, but also getting other people to do it for you. In fact, **15% of Instagrammers globally have posted their opinion about food or restaurants online** in the last month, rising to 26% among health foodies. The trade-off is clear – if it's worth sharing, it's worth going.

Entertainment and immersive experiences are also coming to the fore. **Millennials are 20% more likely than average to say live entertainment is important to them when choosing a restaurant to dine in**. So, it's not only the taste of the food and its aesthetics, but also the atmosphere of the place that makes a big difference. New dining concepts are increasingly coming to the market to try and serve this consumer need. For example, **Gingerline** in London combines theater and food to create the perfect immersive and gamified dining experience for its customers. With over 3 in 10 millennials attending live music concerts today, it's clear that entertainment is a must-have for food brands targeting this group.

> **Attitudes towards dining have also changed. People want more from their nights out, with food becoming a far more fundamental part of the evening. It's no longer about grabbing a quick bite to eat.**
>
> Suz Mountfort, co-founder of Gingerline

*Indexes are against the average internet user in the UK and U.S.

Question: Thinking about dining out, which of the following are most important to you when choosing the restaurant?
Source: GlobalWebIndex December 2019
Base: 2,657 (UK) and 2,578 (U.S.) internet users aged 16-64

Notes on methodology

All figures in this report are drawn from **GlobalWebIndex's online research among internet users aged 16-64**. Please note that we only interview respondents aged 16-64 and our figures are representative of the online populations of each market, not its total population.

OUR RESEARCH

Each year, GlobalWebIndex interviews over 688,000 internet users aged 16-64 across 46 markets. Respondents complete an **online questionnaire** that asks them a wide range of questions about their lives, lifestyles and digital behaviors. **We source these respondents in partnership with a number of industry-leading panel providers.** Each respondent who takes a GlobalWebIndex survey is assigned a unique and persistent identifier regardless of the site/panel to which they belong and **no respondent can participate in our survey more than once a year** (with the exception of internet users in Egypt, Saudi Arabia and the UAE, where respondents are allowed to complete the survey at 6-month intervals).

OUR QUOTAS

To ensure that **our research is reflective of the online population in each market**, we set appropriate **quotas on age, gender, and education** – meaning that we interview representative numbers of men vs women, of 16-24s, 25-34s, 35-44s, 45-54s and 55-64s, and of people with secondary vs tertiary education.
To do this, we conduct research across a range of international and national sources, including the World Bank, the ITU, the International Labour Organization, the CIA Factbook, Eurostat, the US Bureau of Labor Statistics as well as a range of national statistics sources, government departments and other credible and robust third-party sources.

This research is also used to calculate the 'weight' of each respondent; that is, approximately how many people (of the same gender, age, and educational attainment) are represented by their responses.

GLOBALWEBINDEX SAMPLE SIZE BY MARKET

This report draws insights from GlobalWebIndex's Q3 2019 wave of research across 46 countries, with a global sample of 145,271 respondents.

Argentina	1,544	Morocco	983
Australia	4,036	Netherlands	1,329
Austria	1,282	New Zealand	1,297
Belgium	1,277	Nigeria	1,009
Brazil	2,320	Philippines	1,618
Canada	2,288	Poland	1,856
China	15,320	Portugal	1,270
Colombia	1,343	Romania	1,304
Denmark	1275	Russia	3,488
Egypt	1,852	Saudi Arabia	1,523
France	5,113	Singapore	2,730
Germany	5,093	South Africa	1,528
Ghana	973	South Korea	1,287
Hong Kong	1,821	Spain	5,068
India	7,673	Sweden	1,304
Indonesia	1,882	Switzerland	1,282
Ireland	1,266	Taiwan	2,277
Israel	1,286	Thailand	2,989
Italy	5,151	Turkey	2,033
Japan	1,822	UAE	1,784
Kenya	1,028	UK	10,115
Malaysia	1,540	U.S.A.	24,813
Mexico	2,633	Vietnam	2,566

Notes on methodology

ACROSS GLOBALWEBINDEX'S MARKETS

GlobalWebIndex's research focuses exclusively on the internet population and because internet penetration rates can vary significantly between countries (from a high of 90%+ in parts of Europe to lows of c.20% in parts of APAC), the nature of our samples is impacted accordingly.

Where a market has a high internet penetration rate, its online population will be relatively similar to its total population and hence we will see good representation across all age, gender and education breaks. This is typically the case across North America, Western Europe and parts of Asia Pacific such as Japan, Australia and New Zealand. Where a market has a medium to low internet penetration, its online population can be very different to its total population; broadly speaking, the **lower the country's overall internet penetration rate, the more likely it is that its internet users will be young, urban, affluent and educated**. This is the case throughout much of LatAm, MEA and Asia Pacific.

This table provides GlobalWebIndex forecasts on internet penetration (defined as the number of internet users per 100 people) in 2019. This forecasted data is based upon the latest internet penetration estimates from the International Telecommunication Union (ITU) for each market that GlobalWebIndex conducts online research in.

GLOBALWEBINDEX VERSUS ITU FIGURES

As GlobalWebIndex's Core Research is conducted among 16-64 year-olds, we supplement the internet penetration forecasts for a country's total population (reproduced above) with internet penetration forecasts for 16-64s specifically.

Forecasts for 16-64s will be higher than our forecasts for total population, since 16-64s are the most likely age groups to be using the internet.

MOBILE SURVEY RESPONDENTS

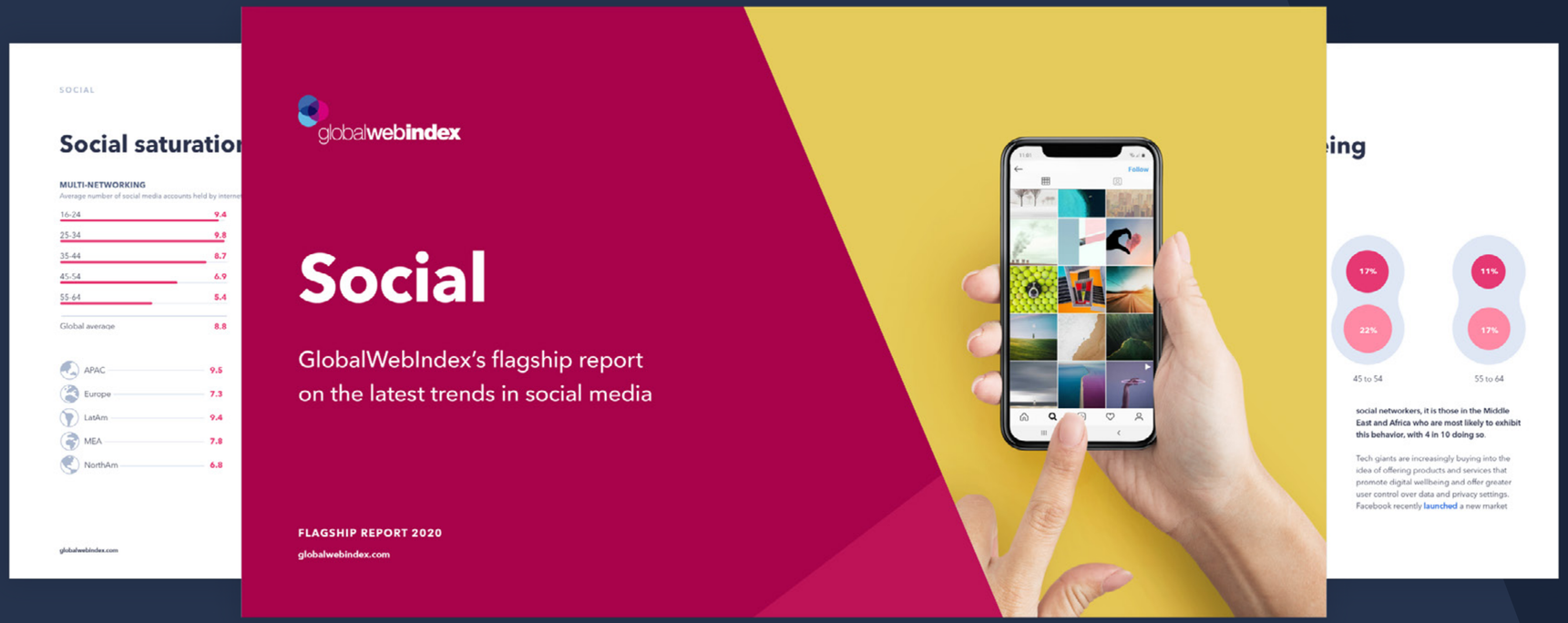
From Q1 2017 on, GlobalWebIndex has offered our Core survey on mobile. This allows us to survey internet users who prefer using a mobile or are mobile-only (who use a mobile to get online but do not use or own any other device). Mobile respondents complete a shorter version of our Core survey, answering 50 questions, all carefully adapted to be compatible with mobile screens.

Please note that the sample sizes presented in the charts throughout this report may differ as some will include both mobile and PC/laptop/tablet respondents and others will include only respondents who completed GWI's Core survey via PC/laptop/tablet. For more details on our methodology for mobile surveys and the questions asked to mobile respondents, please download this **document**.

INTERNET PENETRATION RATES

Table below refers to the total population in each market

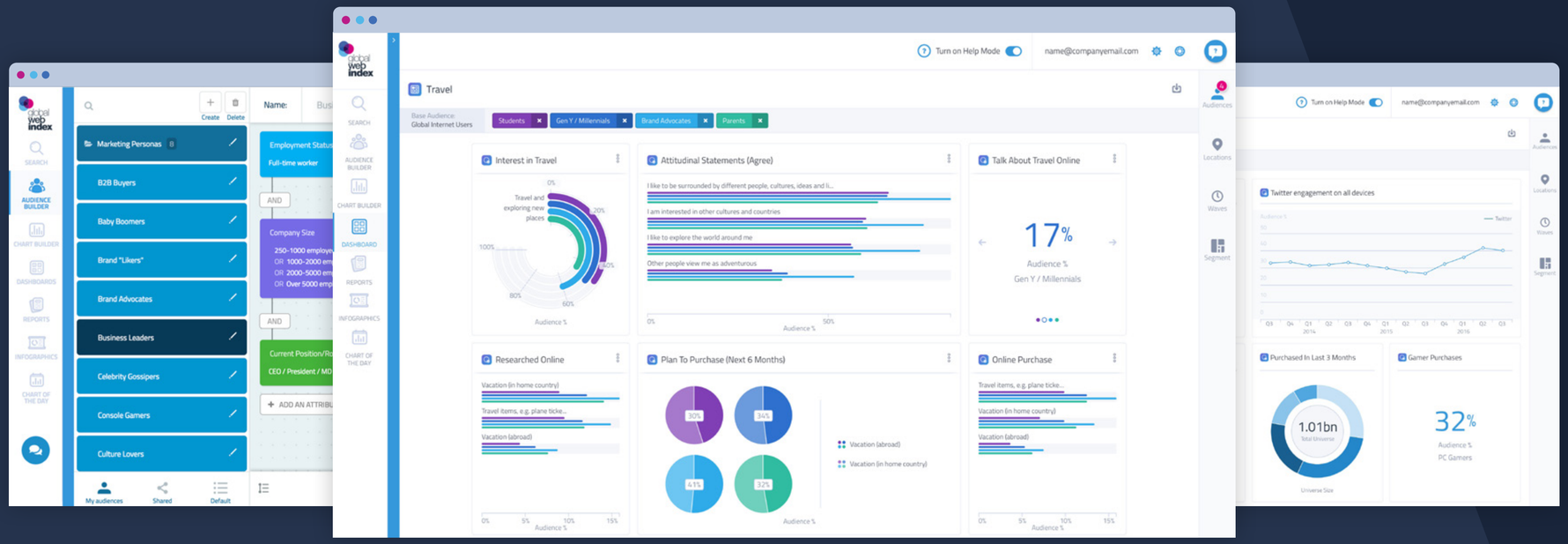
Argentina	78%	Netherlands	93%
Australia	88%	New Zealand	93%
Austria	88%	Nigeria	36%
Belgium	89%	Philippines	64%
Brazil	71%	Poland	79%
Canada	94%	Portugal	78%
China	59%	Romania	72%
Colombia	66%	Russia	80%
Denmark	97%	Saudi Arabia	83%
Egypt	54%	Singapore	85%
France	85%	South Africa	62%
Germany	88%	South Korea	95%
Ghana	48%	Spain	87%
Hong Kong	91%	Sweden	96%
India	42%	Switzerland	96%
Indonesia	39%	Taiwan	83%
Ireland	87%	Thailand	58%
Italy	62%	Turkey	71%
Japan	92%	UAE	95%
Kenya	43%	UK	96%
Malaysia	83%	U.S.A.	80%
Mexico	69%	Vietnam	55%
Morocco	69%		



Like what you've read?

There's plenty more where that came from. Browse our latest reports and infographics examining key consumer trends across markets.

Access more reports



Get more from your data

Run your own custom studies using our panel of 22 million consumers, and get instant access to insight tailored to your business needs.

Request custom research

Jason Mander
Chief Research Officer

jason@globalwebindex.com

Chase Buckle
Trends Manager

chase@globalwebindex.com

Viktoriya Trifonova
Senior Insights Analyst & Writer

viktoriya@globalwebindex.com

www.globalwebindex.com