

HOW BRITAIN

FOOD AND DRINK EDITION



* The data throughout this report is from OnePoll research, conducted on behalf of Waitrose, July 2020, completed by 2000 nationally representative UK adults. The report is supported with sales data from Waitrose, and online search statistics. The comparative 2019 figures are according to survey data reported in the Waitrose Food and Drink Report 2019-2020



JAMES BAILEY
Executive Director, Waitrose

THE WRITING WAS ON THE WALL

Even before the Covid-19 pandemic, there are few retailers that wouldn't have predicted the continued growth of e-commerce relative to physical shops.

But what would have previously been a gradual upward climb in demand has - with the outbreak of Covid-19 - turned into a trajectory more reminiscent of scaling Everest. The growth curve - representing the uplift in customer demand - has been steep and rapid, challenging all retailers' resources. Businesses have been forced to speedily face into the ascent and scale up their operations or face a slippery slide downwards.

Because online shopping quickly becomes habitual - these changes are unlikely to reverse. One in four of us now do a grocery shop online at least once a week - double the amount in 2019. And with our growing propensity to 'click' in preference to stepping outside our homes to seek out what we



want, shopping behaviours have changed profoundly. From the growth of online services like fast delivery and in-store collection, to the convenience of sending gifts to loved ones we can't see in person, this report takes a look at the monumental shifts in how we shop online.

[Waitrose.com](https://www.waitrose.com) plays a hugely important part in our future business growth; sales could soon account for 20% of our total business, rising from 6% only last year. Since accelerating our online expansion in light of Covid-19, we've added more than 100,000 customer order slots to the website, and currently have more than 160,000 slots available on a weekly basis.

While the first half of 2020 has seen more shoppers than ever before experience the convenience of online grocery shopping, this is only the start of the climb.

There's still a lot of ground to cover in order to meet demand. But we've made rapid progress and have our sights firmly set on the summit.

77%

OF PEOPLE NOW
DO AT LEAST SOME
OF THEIR GROCERY
SHOPPING ONLINE,
COMPARED TO 61%
A YEAR AGO

SHOPS ONLINE

ONLINE GROCERY SHOPPING IN 2020

A look at how Britain's online food and drink shopping habits have changed since the start of the year



HOW HAVE DIFFERENT AGE GROUPS RESPONDED?

The most marked increase in online grocery shopping is within the over-55 age group, where regular online shoppers have nearly trebled (8% in 2019 to 23% in 2020)

Last year, less than half of over-55s (47%) did some of their food shopping online. Now 74% do. And 48% of this age group say they will shop more often for groceries online post-lockdown, compared to 40% of the general population.

There has also been a big shift in the shopping behaviours of 35-44 year-olds. 32% now do at least one online shop each week, compared to 16% in 2019.

2/3

OF PEOPLE SAY THIS IS BECAUSE THEY HAVE PREFERRED NOT GOING TO THE SHOPS

WHY HAVE THINGS CHANGED?

60% OF PEOPLE SHOP FOR GROCERIES ONLINE MORE SINCE THE PANDEMIC. OF THESE:

1/5

CITE EASIER BUDGET MANAGEMENT AS A REASON FOR ONLINE SHOPPING

20%

SAY THEY HADN'T CONSIDERED IT BEFORE

41%

SAY IT'S THE MORE CONVENIENT OPTION OVERALL

15%

OF PEOPLE SAY IT HELPS THEM PLAN FOR MEALS FOR THE WEEK



WHY DO WE SHOP FOR GROCERIES ONLINE?

Pre-coronavirus (2019), top three reasons why online shoppers liked buying their food online:

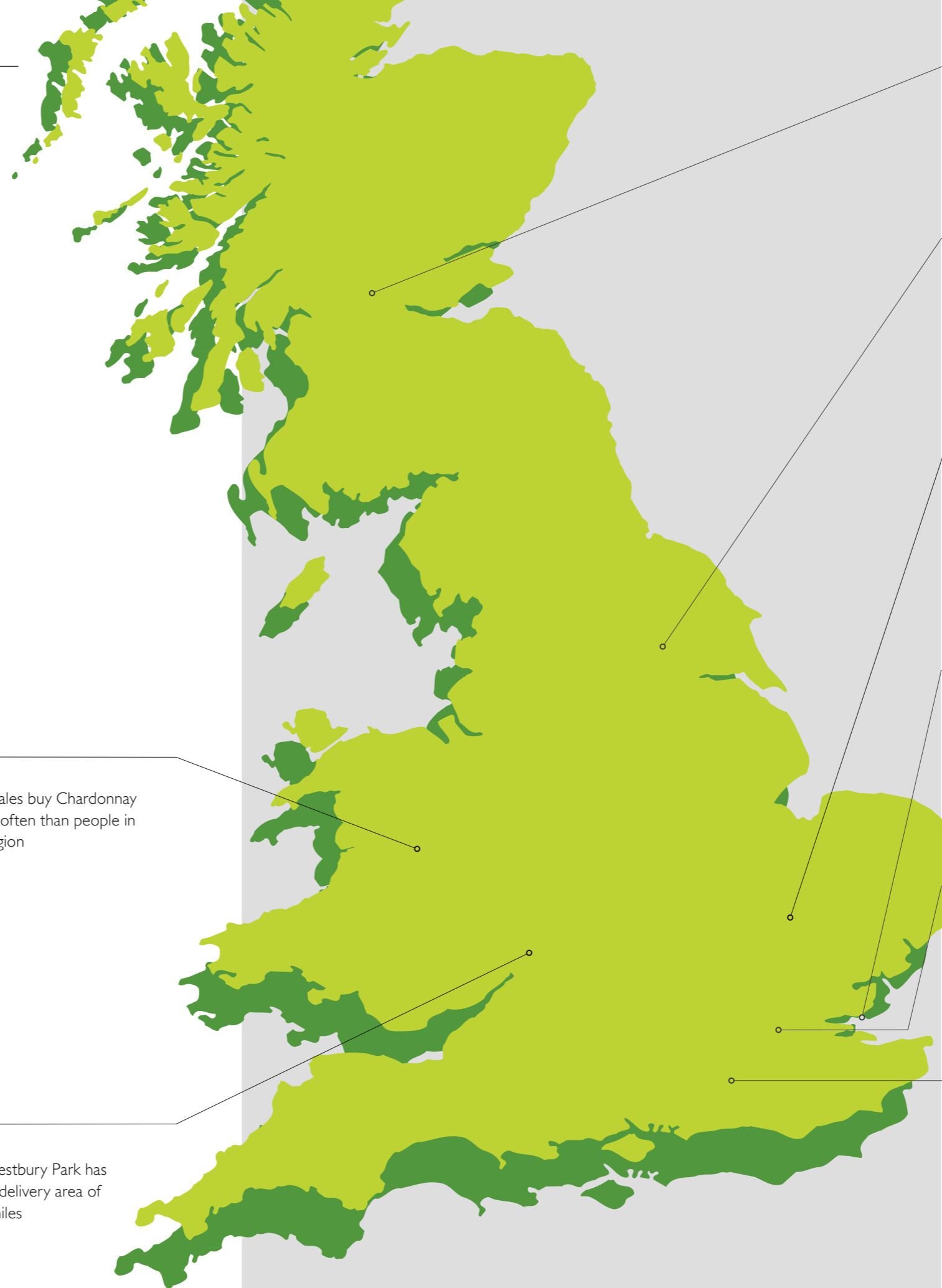
	THEN	NOW
1	It's simple	I don't want to go to the supermarket
2	Someone else carries the bulky stuff	Someone else carries the bulky stuff
3	It helps control my spending	It's simple

(Respondents were asked to choose three options)

* respondents chose from nine options

GROCERY SHOPPING MAP

A snapshot of the trends and variations of the nation's latest online shopping habits across the UK



Scotland

19% of people in Scotland say they have been buying wine online more since the pandemic, higher than the national average (17%)

Northern England

People in Northern England order more Waitrose wedding cakes online than anywhere else

North East

People in the North East are most likely to still never shop online, with a third of people saying this

Wales

Welsh shoppers are the most likely to say their online shopping habits will go back to how they were before Covid-19

East Midlands

After lockdown, people in the East Midlands say they are more likely to do bigger shops online than they are used to

West Midlands

The people of the West Midlands are the most frequent online shoppers, with 31% shopping online at least once a week

South East

60% of those in the South East say they shop online more in order to avoid supermarket queues and busy aisles

South West

Waitrose Mini Yorkshire Puddings are ordered more by customers in the South West than anywhere else

Wales

People in Wales buy Chardonnay online more often than people in any other region

Bristol

Waitrose Westbury Park has the smallest delivery area of 3.3 square miles



MORE THAN

JUST DELIVERY

THE RISE OF ONLINE SERVICES AND INSPIRATION



More people have moved online for services and inspiration since the pandemic, whether it be for groceries, organising a gift to be sent to a loved one or simply looking for inspiration for a weekday lunch at home

'Lockdown has seen some interesting trends for recipe searches, with lots of people searching for ideas for their herb gardens, 'grow your own' inspiration and lunch ideas. Comfort food recipes and baking were also huge trends for the first half of 2020, as people got stuck into learning new skills at home and making delicious, uplifting food. We have over 12,500 recipes online at Waitrose.com, and views have tripled over the last five years. [The Roast Guide](#) is consistently the most popular page, proving that a classic roast is still the most comforting and reliable meal to serve to the people closest to you, especially in uncertain times.'

KIRSTY ROLFE
Manager, Digital Content and Design



RECIPES

Lockdown has seen a huge increase in visitors to recipe pages online. According to Google searches in the UK:

2.3m
searches for 'healthy recipes' in June 2020 (vs. 1.4m in Sept 2019)

2.1m
searches for 'vegan recipes' in June 2020 (vs. 1.5m in Sept 2019)

SPEEDY SERVICE

Customer demand for delivery 'whenever and however' has taken off in 2020. The [Waitrose Rapid](#) service allows customers to purchase up to 25 items which will be delivered within two hours. It currently has over 23,000 customers - a three-fold increase compared to before the pandemic.

Most website visits:
Thursday between 9am - 12 noon

Friday is the busiest day for both deliveries and transactions

26% of alcohol is ordered between the hours of 11am and 12 noon for delivery later that day

Late Saturday night, the most popular products ordered are breakfast items like fresh fruit, eggs and milk

Fresh fruit is the most popular item to feature in Rapid orders



ONLINE FLORISTRY

Flowers and plants have been in high demand during lockdown as shoppers decorate their homes and send thoughtful gifts to loved ones:

From 23 March - 6 July 2020, Waitrose Florist volume sales for gifting more than doubled in comparison to last year

Searches were up:
315%[^]
for champagne

260%[^]
for chocolate

212%[^]
for hampers

Waitrose Florist [Letterbox Flowers](#) were also one of best sellers with searches increasing by 212%



WINE ONLINE

17% of people have been buying more wine online during lockdown:

23%
say it's due to there being a wider selection of wine online, in comparison to in store

11%
found there to be more information about the wines online, such as tasting notes and recommendations

22%
like the fact they didn't have to carry the wine themselves

238%[^]
DURING THE PANDEMIC, [WAITROSE CELLAR ORDERS](#) HAVE INCREASED BY +238%



ONLINE FAVOURITES

FOOD & DRINK

As the pace of online innovation continues to accelerate across the sector, listening to customer demand and reflecting the service, quality and choice of bricks and mortar shops has never been more crucial



ESSENTIAL
WAITROSE
& PARTNERS



'We have between 14,000 and 17,000 Waitrose own label products available in store and online throughout the year and from 1st September, they will only be available to order online via Waitrose.com. A huge proportion (94%) of Waitrose.com customers' baskets contain at least one Waitrose own label product, which is why it's a key focus for our innovation chefs and product developers. They are currently launching or redeveloping more than 5,000 of our own label products to ensure Waitrose.com offers only the best quality food and drink.'

NATALIE MITCHELL
Director of Technical, Quality, Innovation & Supplier Management

380 products

Since the pandemic, online volume sales of Duchy products are +89% year on year. Waitrose Duchy Organic is the UK's largest own label organic food and drink brand.

ON AVERAGE, WAITROSE.COM CUSTOMERS ORDER:

CARROTS	52 bags an hour
MILK	45 bottles an hour
BANANAS	39 bags an hour
EGGS	34 boxes an hour
BLUEBERRIES	34 punnets an hour

1100+ products

The most successful brand at Waitrose, Essential Waitrose accounts for 25% of own brand sales. Over 60% of Waitrose.com orders include at least one Essential Waitrose product.

ON AVERAGE, WAITROSE.COM CUSTOMERS ORDER:

CUCUMBERS	3 every minute
TOILET ROLL	1 pack every minute
BLUEBERRIES	2 punnets every minute
ONIONS	1 bag every minute

24 products

Waitrose is the only supermarket to have its own farm; the 2,800-acre Leckford Estate in Hampshire grows and produces mushrooms, apples, pears, cider, sparkling wine, apple juice, milk and flour for the retailer.

As part of its continued investment in English wine, Waitrose will launch new and exclusive Leckford wines on Waitrose Cellar by the end of this year.





600+ products

THE TOP THREE NO.1 PRODUCTS ON WAITROSE RAPID ARE:

- 1 NO.1 CORN FED FREE RANGE WHOLE CHICKEN
- 2 NO.1 YELLOW FIN TUNA STEAKS
- 3 NO.1 SCOTTISH SMOKED SALMON PEAT & HEATHER



'Waitrose Rapid customers like to treat themselves - on average they buy five times as many No.1 products as customers shopping on Waitrose.com. Whether these are impulse additions to their top up shop or supplies for last minute plans, these shoppers are opting to add some little luxuries to their orders.'

JAMES GOUGH
Product Lead, Waitrose Rapid



Waitrose COOKS' INGREDIENTS



400+ products

Lockdown has seen home cooks exploring world cuisines like never before and, at the same time, the comfort of baking has been a huge trend; online sales of the Waitrose Cooks' Ingredients range have more than doubled this year.

MOST POPULAR PRODUCTS ONLINE:

- 1 GARLIC
- 2 RED CHILLIES
- 3 CORIANDER

MOST POPULAR BAKING PRODUCTS ONLINE:

- 1 CORNFLOUR
- 2 BAKING POWDER
- 3 BICARBONATE OF SODA

LATEST ADDITIONS

SHICHIMI TOGARASHI

a Japanese spice blend



KETJAP MANIS

a sweet Indonesian soy sauce



ZHOUG

a Yemenite hot green chilli sauce



CONSCIOUS

HOW HAVE PRIORITIES CHANGED WHEN IT COMES TO CSR-RELATED TOPICS?

CONSUMERS



ANIMAL WELFARE

27%
of us are seeking out British products when shopping online

22%
of us are thinking more about animal welfare standards when grocery shopping in-store, compared to 13% when food shopping online

289%[▲]
Searches for British chicken on Waitrose.com +289% compared to last year (Jan-Jul)

889%[▲]
Searches for British beef on Waitrose.com +889% compared to last year (Jan-Jul)



'With 44% of us actively seeking out products online with less packaging, and searches for the [food waste page](#) on Waitrose.com up 94% compared to last year, it's clear that many of us are becoming increasingly aware of our impact on the environment and how sustainable we are within our own homes.'

GEORGE LEICESTER-THACKARA
Head of Corporate Responsibility

Waitrose has committed to ending the use of fossil fuels across its transport fleet by 2030, so from early 2021 the supermarket will be trialing electric vans for its Waitrose.com food deliveries

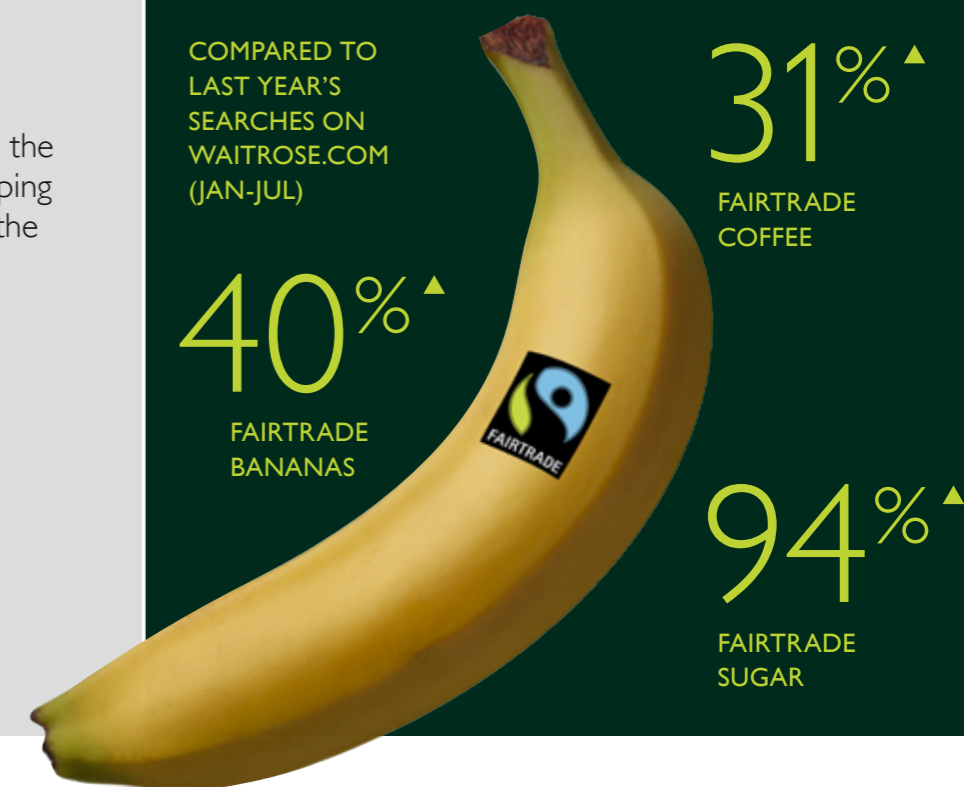


FAIRTRADE

27% of us are seeking out the Fairtrade logo when shopping online, particularly within the 18-24 age bracket

Waitrose has the largest range of Fairtrade confectionery, both online and in store

Waitrose was the first supermarket in the UK to sell Fairtrade bananas exclusively in 2007



TIMELINE

A LOOK BACK AT THE HISTORY OF WAITROSE.COM SINCE ITS CONCEPTION 20 YEARS AGO

2000

Launch of 'WaitroseDeliver' (the original name for Waitrose.com) pilot with 4 branches and 95 deliveries a week

July 2007

WaitroseDeliver is renamed Waitrose.com

June 2011

'We Shop Like You Shop' vans introduced. 150 shops now offer online shopping

Feb 2013

Click & Collect drive through opens in 5 shops

Jan 2015

Coulsdon fulfillment centre opens



Sept 2018

Launch of Rapid 2 hour delivery trial in London



2020

February 2020

24 more shops announced to join online delivery service

April 2020

20 more shops offer Rapid, trebling the number of orders to 7,000 per week and 10,000 grocery Click & Collect slots added.

May 2020

Enfield fulfillment centre opens, creating 850 jobs and doubling the number of grocery slots in London by September

June 2020

Waitrose.com reaches 150,000 orders a week



July 2020

150 new vans added to the Waitrose.com fleet and orders reach 160,000 a week

Sept 1st 2020

Waitrose.com is the only place to buy Waitrose products online.



Dec 2020

Greenford CFC will open, meaning 4x as many slots for Central London

THE FUTURE OF ONLINE SHOPPING

How will the pandemic shape the long term future of online grocery shopping?

19%

19% of people say they'll use a wider variety of online services (including fast delivery and Click & Collect) post-lockdown

40%

40% of people say they'll shop for groceries online more in the long term than pre-Covid 19

25%

25% of people say they'll do bigger grocery shops online in the future