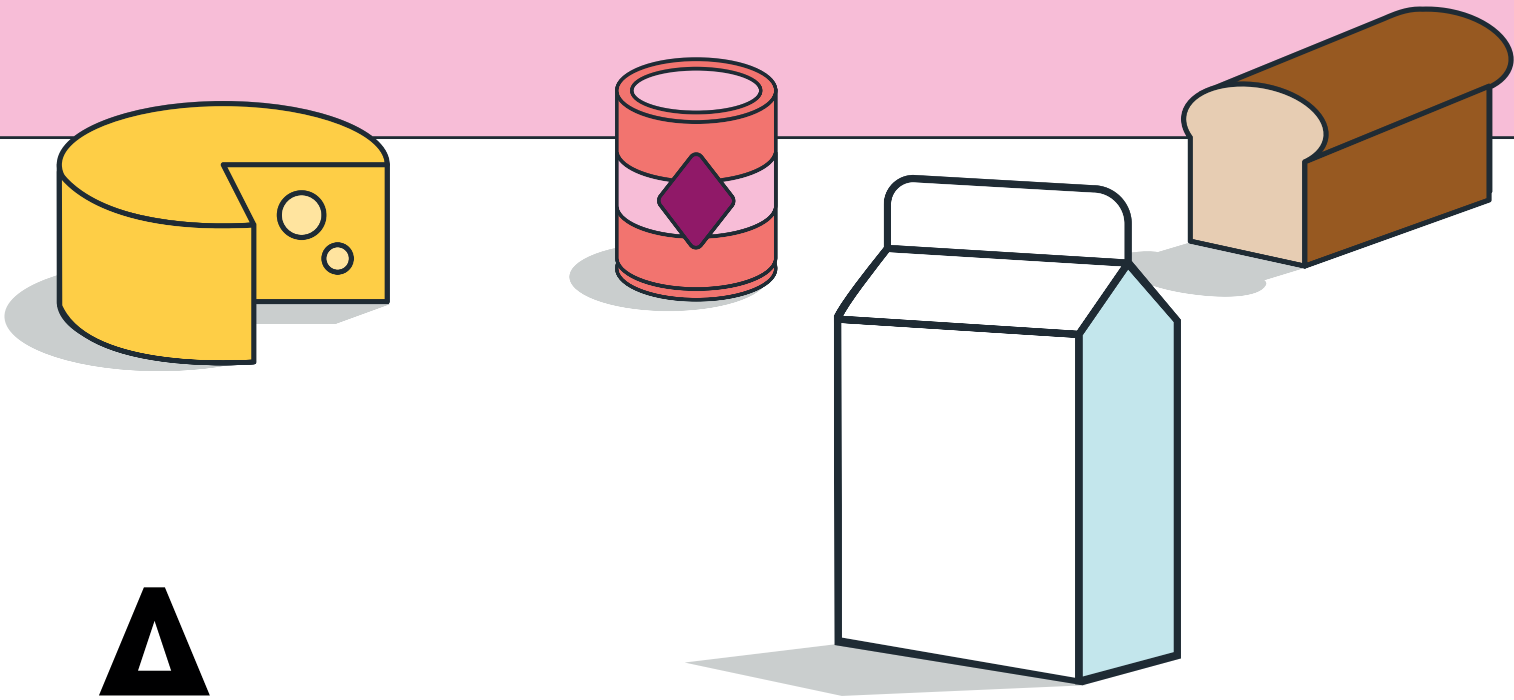
2023

Facing up to food insecurity

A guide to changing consumer behavior for F&B brands and retailers



Attest

Introduction

Inflation is cooling – now at its lowest rate since March 2021, according to the Consumer Price Index – yet US consumers are still struggling to put a meal on the table. Food prices remain stubbornly high, and our latest data shows nearly 60% of Americans are currently experiencing some level of difficulty affording food.

It's a stark statistic, which means F&B brands and retailers cannot rely on falling inflation alone to right the market. It's likely that the outlook will remain challenging for months to come, with the possibility that austerity eating behaviors will become embedded.

This report aims to provide a snapshot of consumer behavior during this period of relative food insecurity. You'll gain insight into people's grocery shopping habits, and learn how they're eating both inside and outside of the home – alongside tips to help you make the most of the trends.

Jeremy King
CEO & Founder, Attest

Sample

The data in this report comes from a nationally-representative survey of 2,000 working age US consumers, conducted on the Attest platform during July 2023. View the survey.

Part 1: Shopping for food

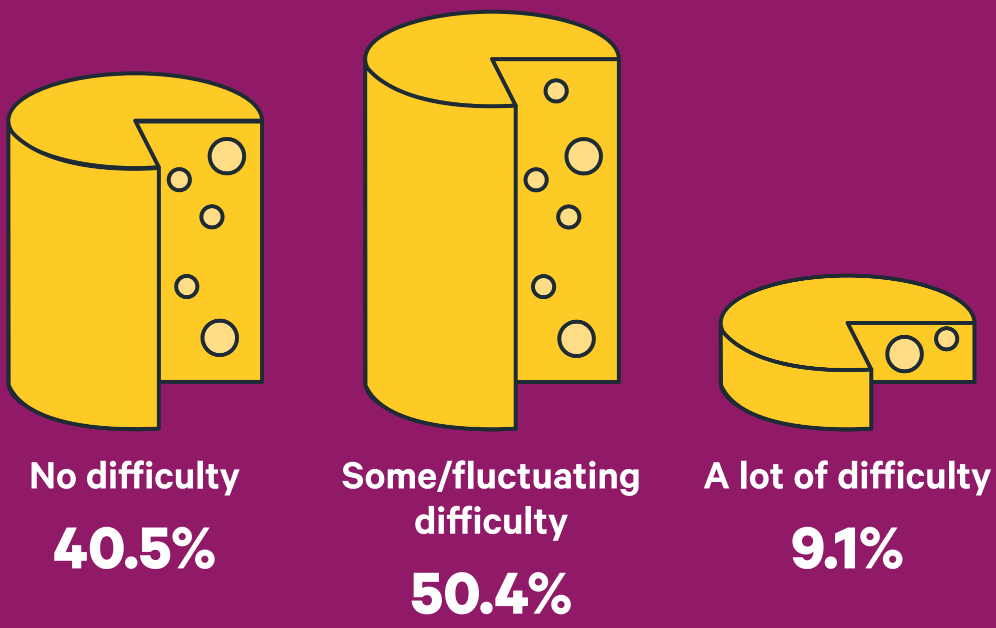
Who is struggling to afford food?

Less than half the population (40.5%) state they can comfortably afford food, with the remaining 59.5% struggling to varying degrees. Gen X are most likely to face food insecurity, with 12.4% having ‘a lot’ of difficulty affording groceries and 52.6% having ‘some’ or fluctuating difficulty. On the other hand, Boomers are the most comfortable: 47.4% have no difficulty affording food.

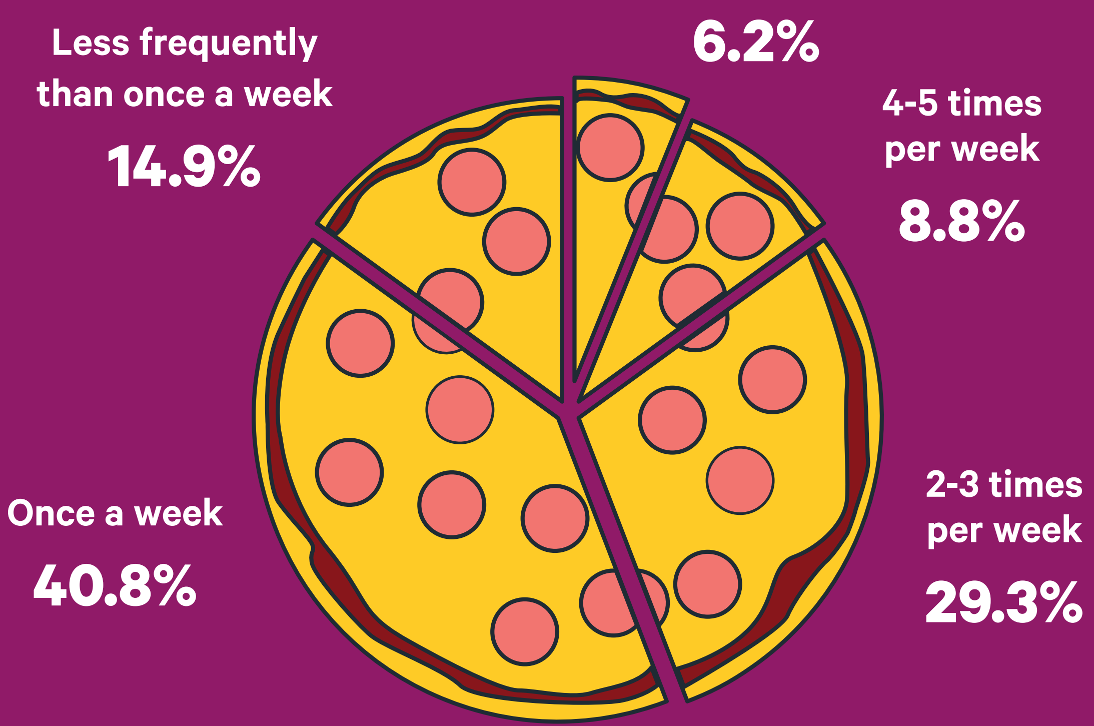
Tip

Difficulty affording food is most acute in the South (63.1%) and least in the West (53.2%). Carry out regional research to localize your strategy.

Difficulty affording food



Grocery shopping frequency



One big weekly shop

Whatever your income bracket, 'once a week' is the most popular shopping frequency. However, those who say they have no difficulty affording food over-index for shopping more frequently: 50.7% shop multiple times weekly versus 40.0% of less well off consumers. Meanwhile, those with the most difficulty affording food are 3x as likely to shop less often than once a week.

Tip

Millennials have the highest shopping frequency: 21.4% shop for groceries at least four times a week, making this demographic the best to target with in-store promotions.

Affluent consumers aren't as loyal

You might expect consumers who are struggling to afford food to shop around more than those who are better off. In fact, the reverse is true: 29.4% of people experiencing difficulty are loyal to one supermarket, versus 23.4% of comfortable consumers – although both groups are most likely to shop at 2-3 different supermarkets.

Tip

Well-off shoppers over-index for visiting multiple supermarkets in order to get specific products, while the main motivator for others is to get deals and use coupons.

Number of supermarkets used

Use of independent grocery retailers

Farmers' market	40.2%
Produce stores	24.0%
Butchers	14.9%
None	34.3%
Bakery	18.7%
Farm Store	12.9%

Independent retailers less accessible on a lower income

Shopping at independent butchers, produce stores, bakeries and farmers' markets is less common among consumers who are struggling than those who are not. For example, 43.9% of affluent consumers shop at farmers' markets versus 28.7% of the least well off. Age is also a factor, with Millennials significantly more engaged with independent retailers than Boomers.

Tip

There's an opportunity for independents to cast their nets wider by communicating on value and quality.

Part 2: Eating at home

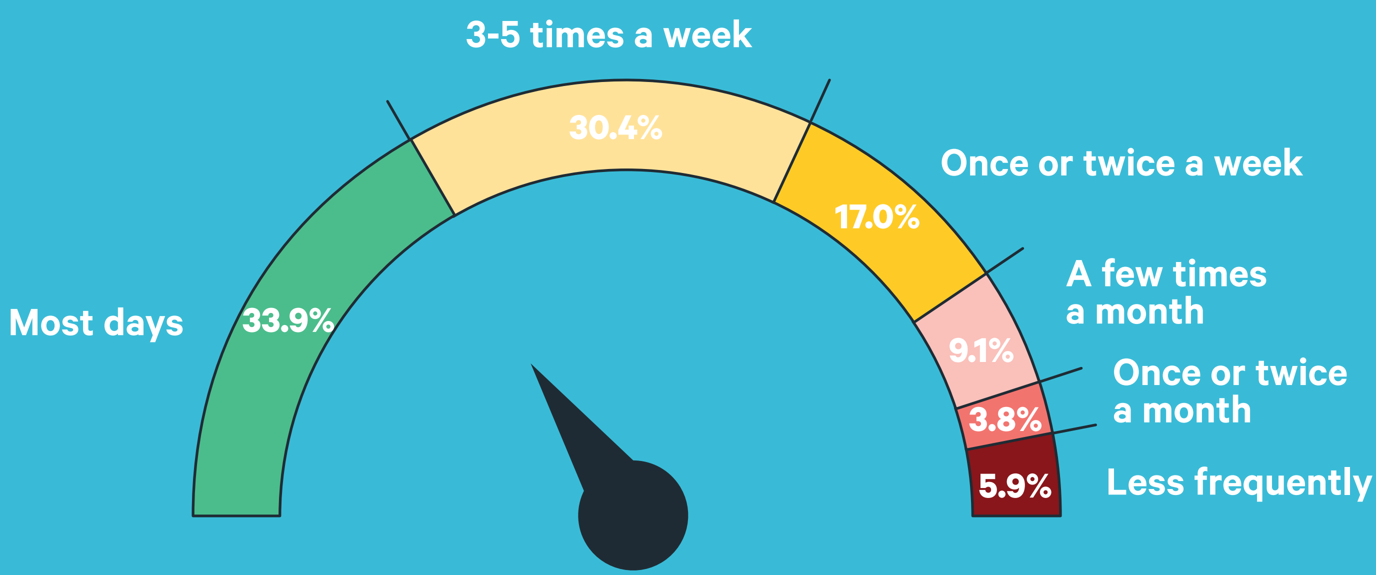
Rich and poor equally likely to cook

It's a myth that those on a lower income aren't cooking for their families. Around a third of those struggling to afford food say they cook from scratch most days – the same as the more affluent consumers. Looking at the data as a whole, a further 30.4% cook 3-5 times a week. This means 64.3% of Americans are regularly eating home-cooked meals, while the remaining 35.7% are largely reliant on pre-prepared food.

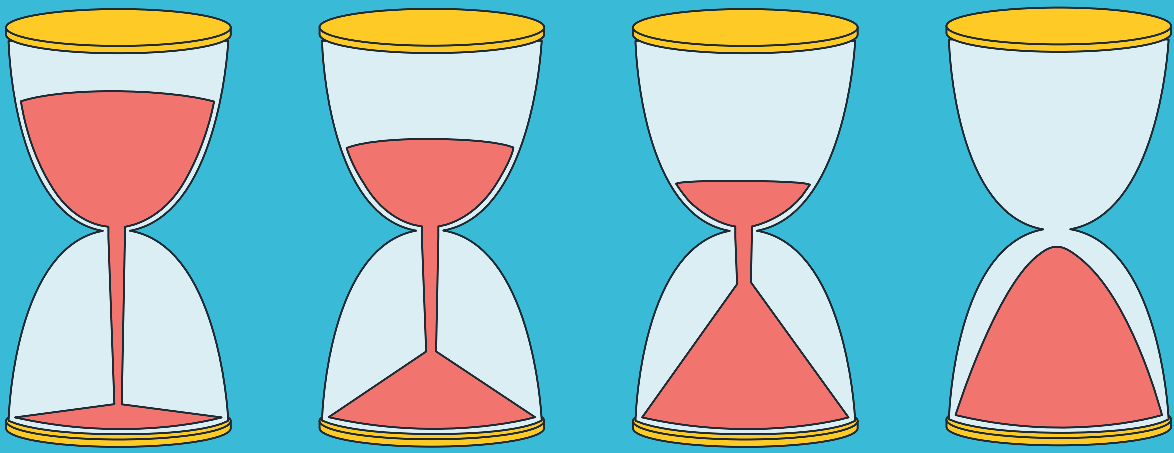
Tip

Gen Z are the biggest consumers of pre-prepared food: it makes up the staple diet for 41.0%.

Frequency of cooking from scratch



Time available for cooking



Lots of time	A reasonable amount of time	Not much time	No time
21.8%	54.9%	20.4%	2.9%

Consumers have both time and willingness to cook

Another misconception is that we're all too busy to cook – or simply don't want to. Only 14.6% of consumers say they don't like cooking and 23.3% don't have much time to do it. Regardless of age or income, most people have time to cook and enjoy doing it. Millennials are most enthusiastic, with 47.8% saying they 'love' cooking, while Boomers have the most time (37.2% have 'lots' of time to cook).

Tip

Gen Z claims to be the most pressed for time (29.6% struggle to find time to cook) highlighting an opportunity for brands to help with meal prep.

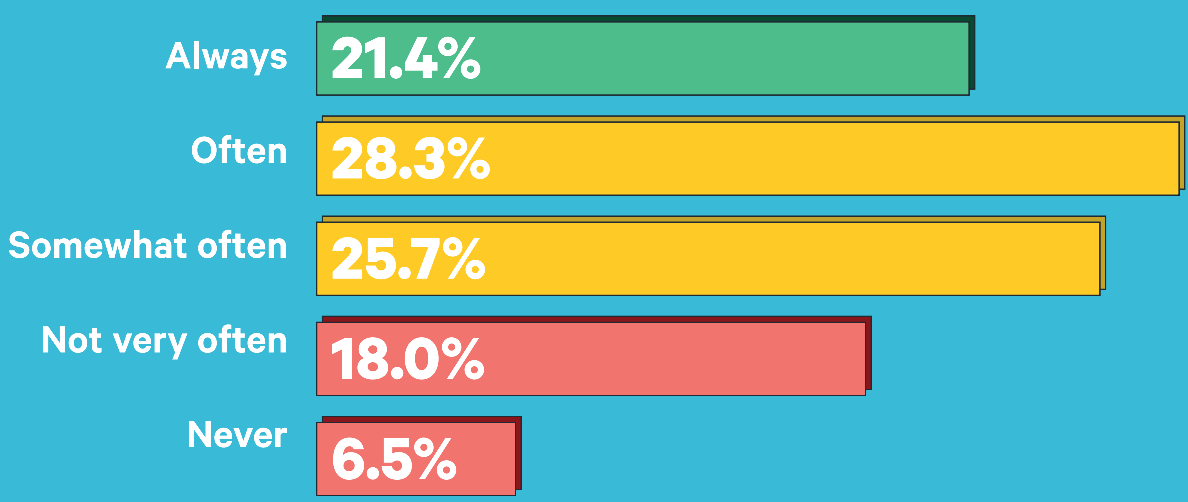
Affluent consumers more conscious about nutrition

Despite their equal propensity to cook, the data does indicate a dietary difference between those who are having difficulty affording food and those who are not. The less well off are less discriminating about the food they buy: 46.3% 'always or often' check nutritional values on products versus 55.3% of affluent consumers, while 46.0% check the ingredients list (versus 53.1%). The poorest consumers are 2x as likely to say they 'never' check.

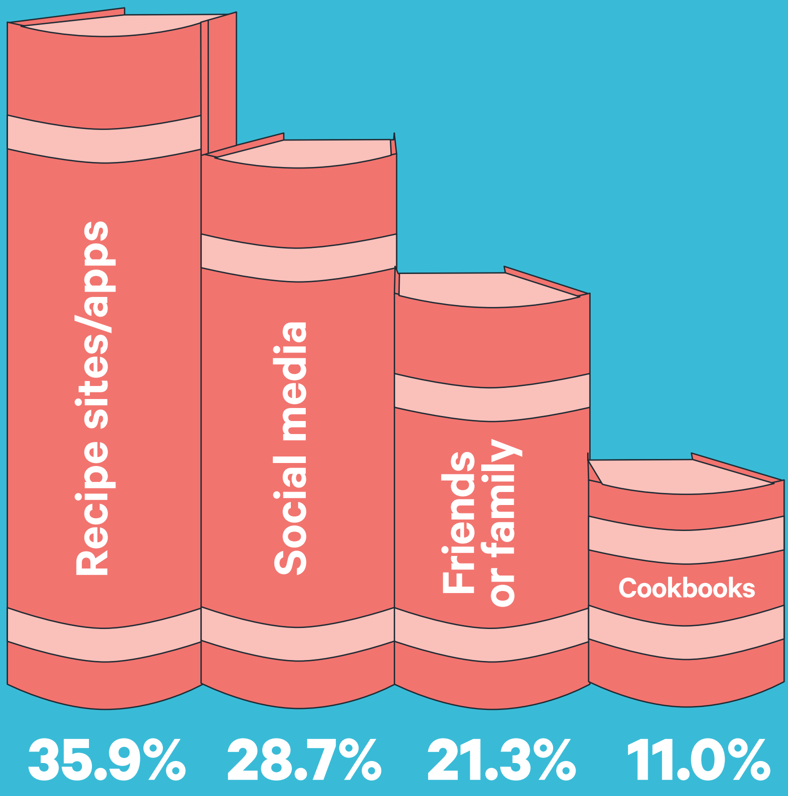
Tip

Millennials are the most conscious demographic – more than a quarter state they 'always' look at nutritional information.

Looking at nutritional values



Sources of recipe inspiration



Cookbooks are virtually dead

Just 11% of consumers turn to a cookbook when looking for meal inspiration – even Boomers are more likely to go online. While recipe sites remain most popular among all demographics, social media is growing as a source of inspiration. Nearly 32% of Gen Z would head there if they were looking for recipe ideas.

Tip

Video tutorials on platforms like TikTok are a key way to show younger consumers how your products can be used in recipes.

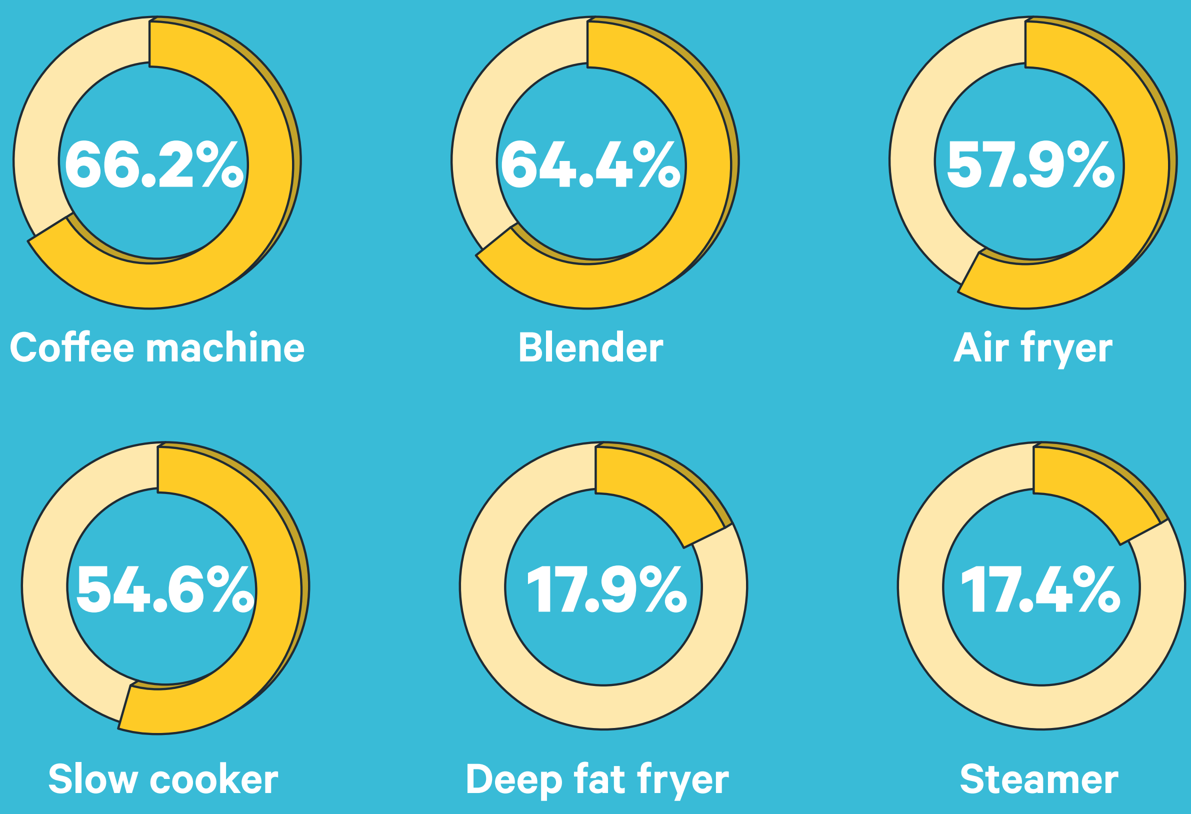
Even the affluent lack cooking appliances

Being able to comfortably afford food doesn't necessarily mean you have the means to whip up fancy meals. Ever-shrinking apartments often lack the space for fully equipped kitchens. The data shows that 24.2% of affluent consumers don't have a full-size oven, and 27.7% don't have a freezer. The most commonly owned cooking appliance among all US households is the microwave (85.3%).

Tip

Air fryers are increasingly common in US homes: 57.9% of consumers now own one, so creating air fryer-friendly recipes is an easy win.

Ownership of kitchen appliances



Part 3: Restaurants and takeouts

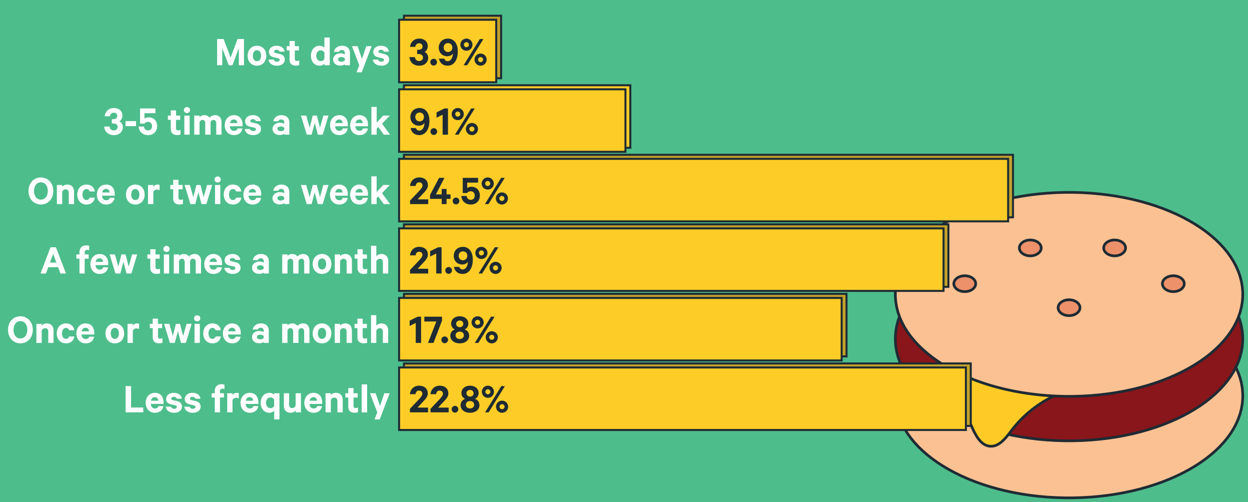
Dining out is out of reach for struggling consumers

Affluent consumers are most likely to say they eat at a restaurant or cafe once or twice a week (30.3%) – but those who are struggling to afford food are mostly likely to eat out less than once a month (28.2%). And among the least well off consumers, this figure rises to 41.9%. Eating out is far more habitual for younger consumers: Gen Z are 2x as likely as Boomers to do it regularly (45.7% versus 22.5%).

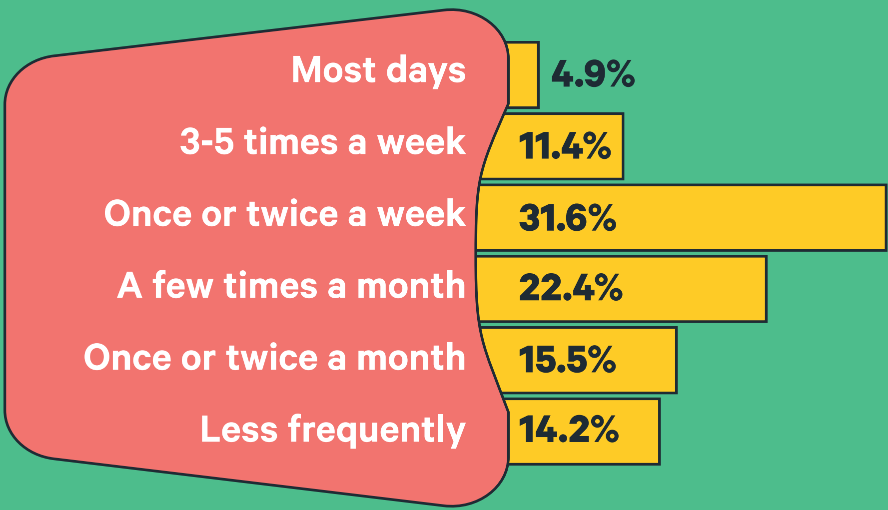
Tip

Men over-index for dining out regularly (44.8% versus 30.6%) suggesting that gender-targeted marketing could be effective.

Frequency of eating at a restaurant or cafe



Frequency of getting takeout food



Takeout food is more accessible

While restaurants might be an occasional treat, takeout food is enjoyed more frequently. Consumers facing difficulty affording food are most likely to say they get takeout once or twice a week (28.7%) but a further 14.1% do it more often. Meanwhile, consumers who have no difficulty affording food get takeouts even more frequently: 55.8% say they get one at least once a week. The biggest consumers of takeout food are Millennials and Gen Z: around 20% eat it more than twice a week.

Tip

Men have a bigger appetite for fast food: 21.0% get a takeout in excess of twice a week, in comparison to only 11.9% of women.

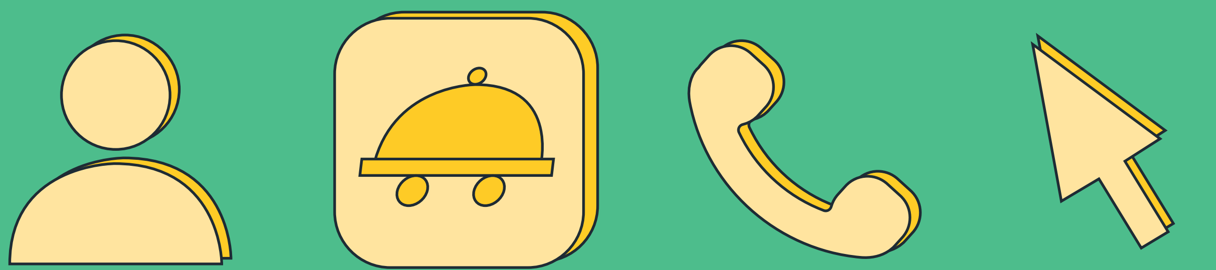
Food delivery apps a firm favorite with Gen Z

While older Americans still prefer to order takeout food in-person, younger consumers like to do it digitally. Gen Z are most likely to order via food delivery apps (38.7%), while Millennials show equal preference for food delivery apps and restaurants' own websites (both around 27%). Among those consumers who favor ordering via food delivery apps, Doordash is the most popular: 55% use it. This is followed by Uber Eats (29%), and – far behind – Grubhub (just 5%).

Tip

Only 11% of Gen Z prefer to call to place an order. Bear this in mind when you're promoting takeout services to different age groups.

Method of ordering a takeout



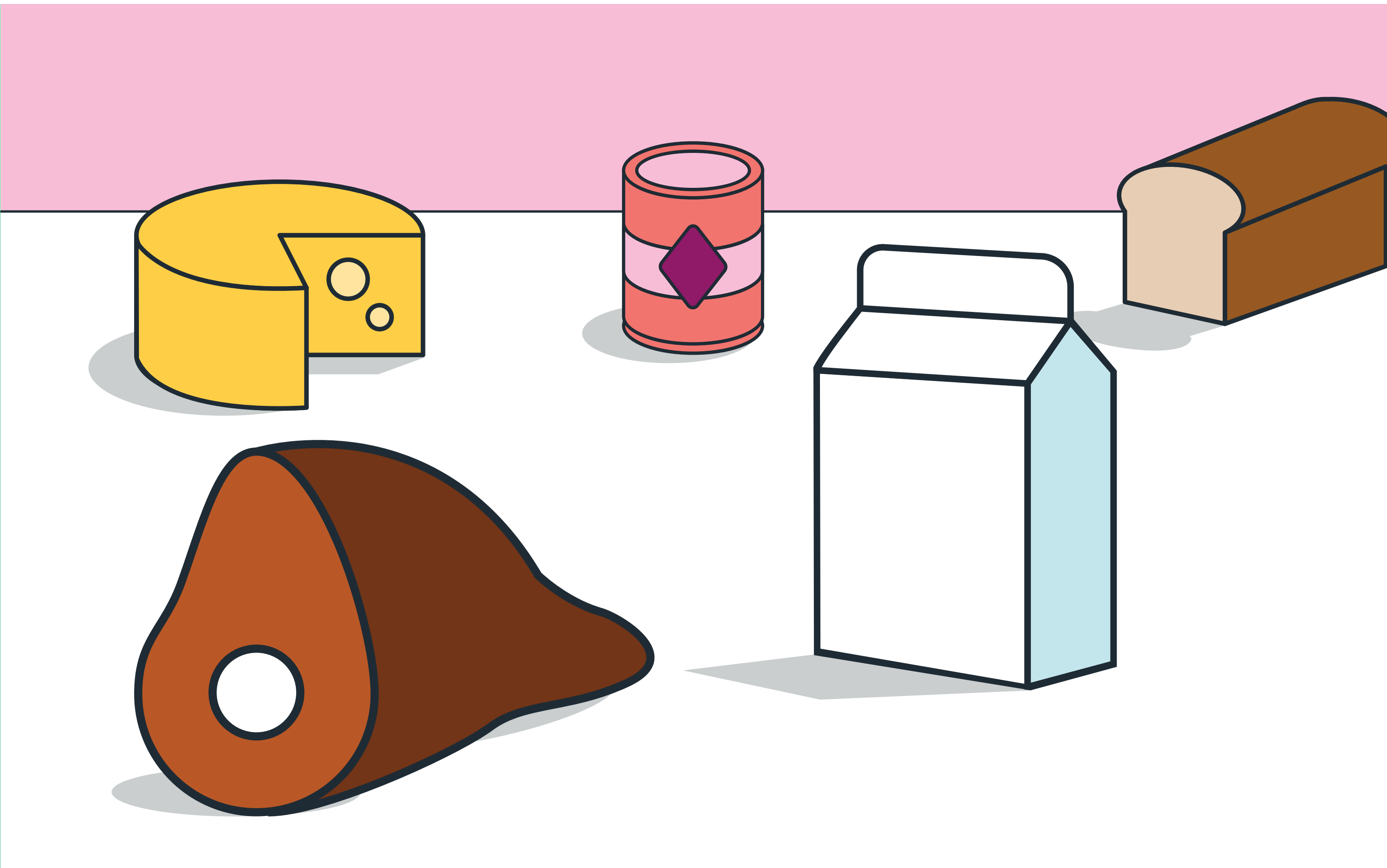
In-person at the restaurant	Food delivery app	Call the restaurant	Restaurant's website/app
32.8%	23.8%	19.3%	23.2%

In conclusion

Difficulty affording food means consumers shop for groceries less frequently, shop at a smaller variety of stores and eat out less often. This means brands have less access to consumers than when times are good.

However, there is a strong appetite for cooking and consumers are increasingly mobilized by access to online recipes and appliances like air fryers (even among the most hard up, 53.3% own one). Brands can seize this opportunity by engaging with consumers to help them create low cost meals.

Now is not the time to cut back on marketing – brands need to stay even more visible elsewhere when consumers aren't coming into the store as often. But they can also flex to the trend with things like bulk buy offers and longer shelf-life products.



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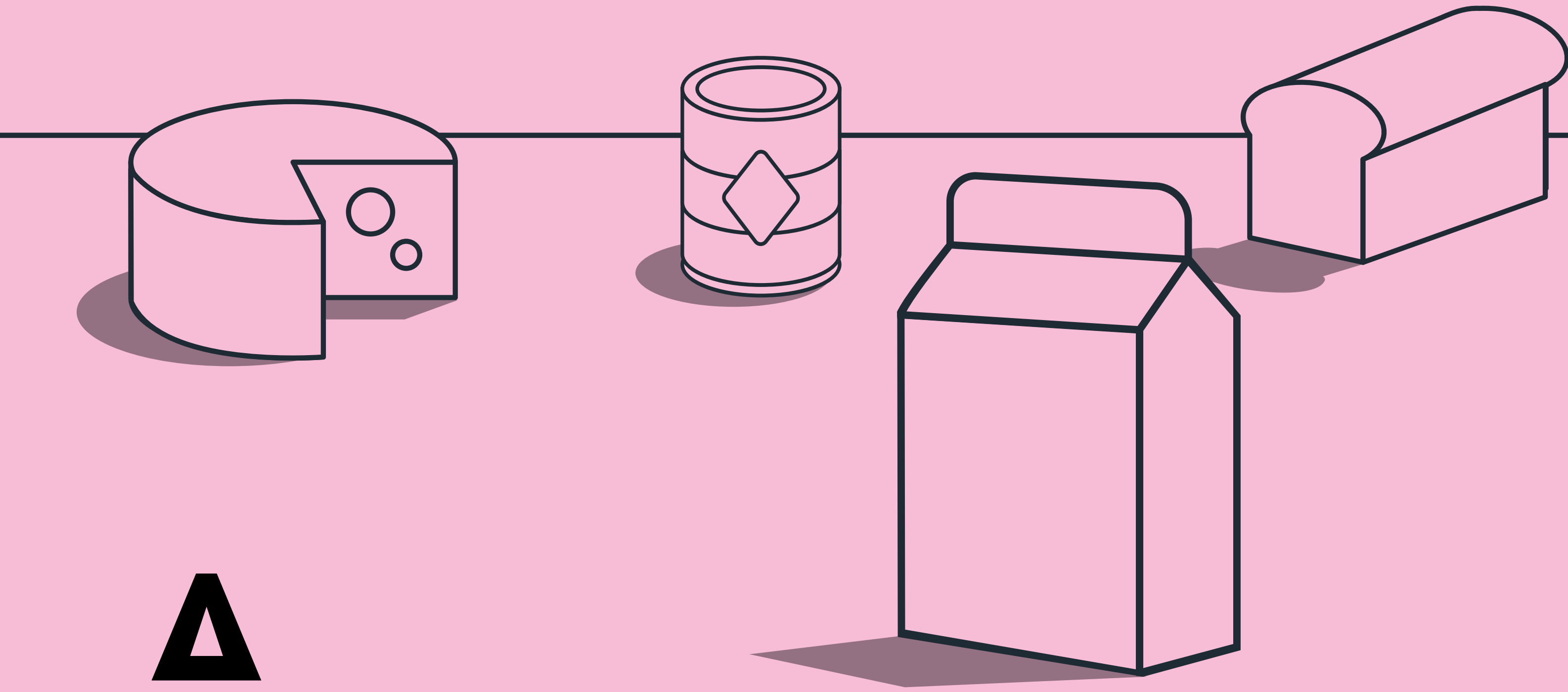

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