



Dumfries & Galloway Buying Intentions

June 2020

Overview

Covid changed how almost everyone shopped for food and drink during lockdown. In the main, people shopped less frequently, but more locally. The shift to buying local was partly down to necessity. When supermarkets closed their doors to new online orders, local businesses opened their doors wider – but our survey suggests that the swing to buying local is more than just a lockdown response.

84% of people said they'd like to buy more local food and drink than they do currently. When asked about their shopping priorities as lockdown eases, the top answer, cited by two thirds of respondents, was that they'd make a point of buying local more often, closely followed by people saying they'd buy direct from local producers at 50%. Local high streets are likely to see an increase in trade too, 'I'll use my local high street shops more' was the third most popular answer with 36% of respondents. Supermarkets and online shopping, perhaps surprisingly, came well down the list – only a quarter of people said they'd use supermarkets for most of their shopping, and only 21% prioritised shopping online.

There is clear tension between the concerns of local communities and the needs of Dumfries & Galloway's economy – and as a region we need to acknowledge and address that. 79% of people said they were worried about tourism bringing Covid-19 back to our region, but 38% said they would be happy to see tourism resume in July or August. Comments suggested that while there are concerns about people from other parts of the UK visiting our region, there's also widespread understanding that many communities, and local jobs, are economically dependent on tourism.

Businesses can help to alleviate concerns by changing how they trade in order to minimise risk. 79% of people said they'd feel safer with obvious physical distancing measures, 70% said they wanted to see visible increased hygiene and cleaning protocols and 64% of people wanted to see more delivery of local food and drink directly to holiday accommodation.

To sustain these 'buy local' purchasing habits the people of Dumfries & Galloway want it to be easier and more convenient to buy local food and drink. The industry needs to urgently find ways to collaborate on sales and distribution, and to solve some of the logistical challenges that our rural geography creates. Is digital the answer? Possibly, if it's made 'easy'. However, unlike more urban areas digital does not seem to be a driver of sales in D&G. What does come through from the comments in the survey is the importance of social and community interactions – we are a region that still likes to connect, to pick up the phone and talk to a real person. Our region's network of farmers' markets might be a solution to logistical challenges, as could a community focussed approach to distribution through a network of local food hubs.

The key message is this: if people in Dumfries & Galloway are serious about supporting local businesses, then businesses in Dumfries & Galloway need to get serious about making it easier for people to buy their produce. It's that simple.

There has never been a more important time to build sustainable local food and drink supply chains in Dumfries & Galloway. There is close alignment with the previously identified strategic priorities of the regional sector, and the recommendations of the Advisory Group on Covid-19 economic recovery. In particular, there are opportunities to capitalise on collaboration, place-based networks, innovation and a swift transition to a more circular local economy. This presents a number of opportunities for economic development and business support interventions that would assist local recovery from the economic impact of Covid-19.

Methodology

The Dumfries & Galloway consumer buying intentions survey ran from 2 – 11 June 2020. The survey was promoted via local social media community groups and pages, and through local papers and radio. A total of 1,450 people completed the survey.

The purpose of the survey was to inform business restart planning. In particular, local food, drink and hospitality businesses were keen to explore topics around post-covid product and service development, to check local consumer demand for digital sales channels and to identify longer term consumer priorities.

Survey Findings

Lockdown caused a change in shopping habits with a swing to buying locally

Of respondents whose shopping habits have changed:

61% are shopping less frequently.

41% are buying more locally produced food and drink.

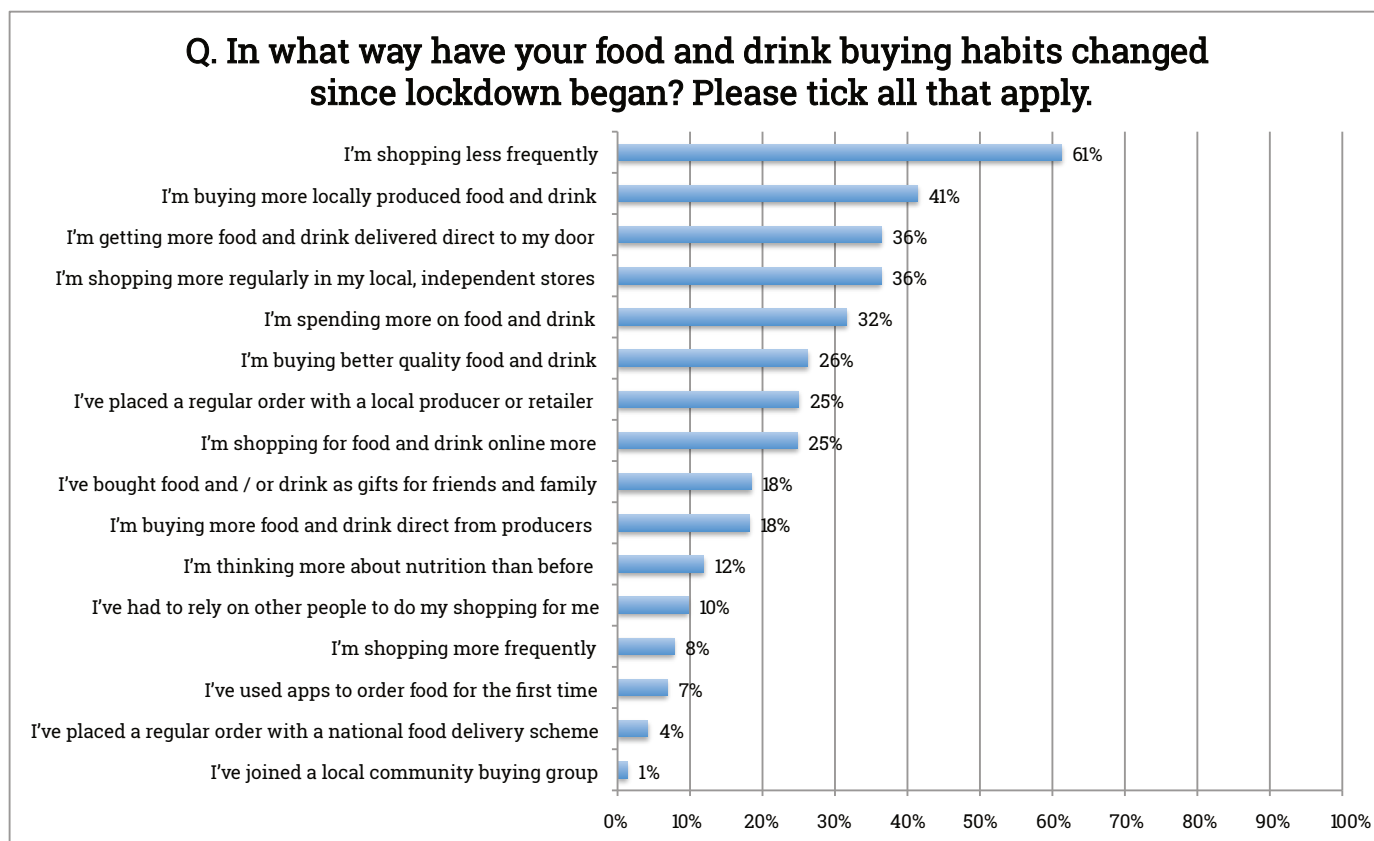
36% are getting more food and drink delivered to their door.

32% are spending more on food and drink.

26% are buying better quality food and drink.

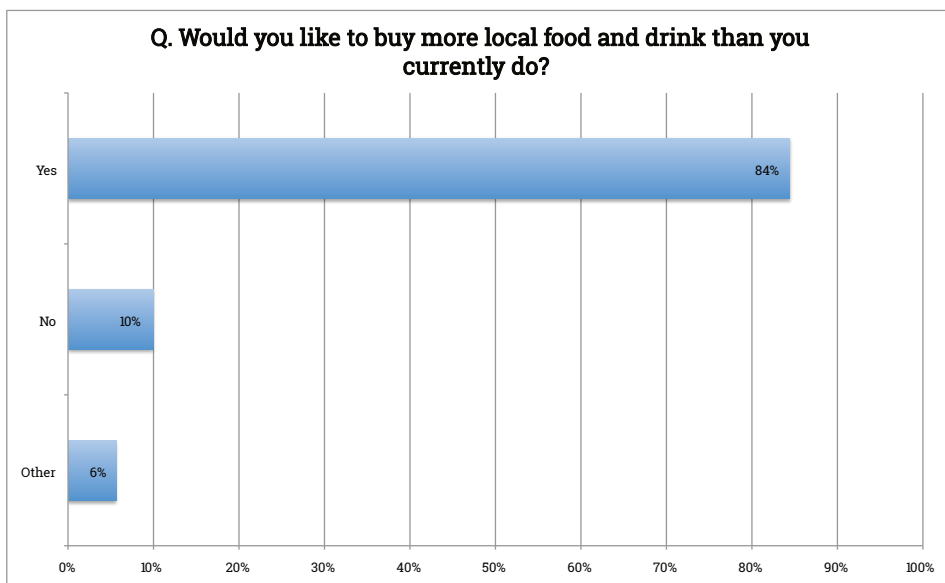
25% are shopping for food and drink online more.

10% are relying on others to do their shopping for them.



There is a desire to increase purchasing of local food and drink

84% of people said they'd like to buy more local food and drink than they do currently.



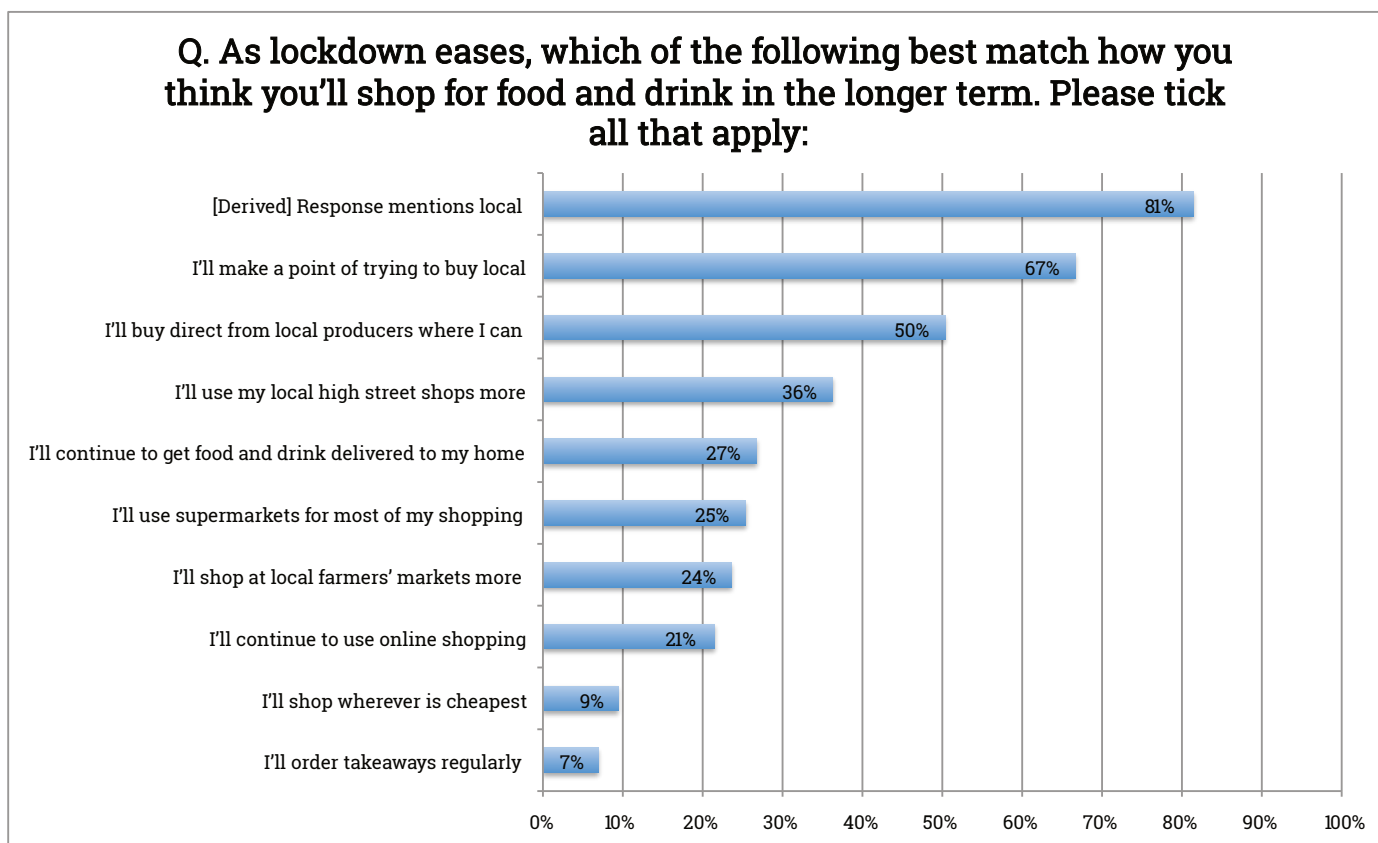
Over 80% of people responded with specific intentions to shop locally as lockdown eases. Two thirds of respondents said that they'd make a point of buying local more often.

50% would buy direct from local producers.

36% will use their local high street shops more.

Only a quarter of respondents said they will use supermarkets for most of their shopping.

Only 21% of respondents prioritised shopping online.



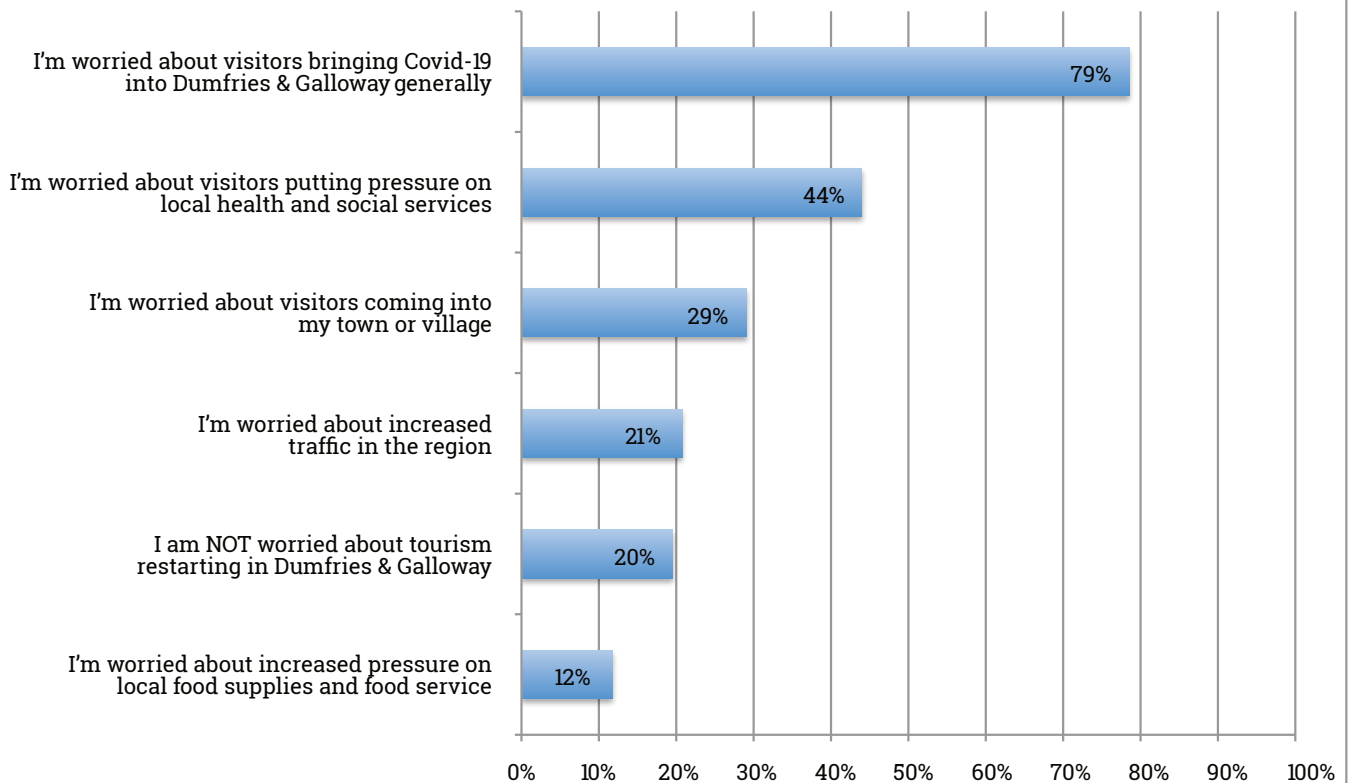
Respondents recognise tensions between the concerns of local communities and the needs of Dumfries & Galloway's economy

79% of people said they were worried about tourism bringing Covid-19 back to our region.

Around 20% of the population are not worried about the return of tourism.

Comments from the qualitative questions in the survey suggested that while there are concerns about people from other parts of the UK visiting our region, there's also widespread understanding that many communities, and local jobs, are economically dependent on tourism.

Q. Please tell us which of the following statements most closely match how you feel about tourists returning to Dumfries & Galloway. Please tick all that apply.

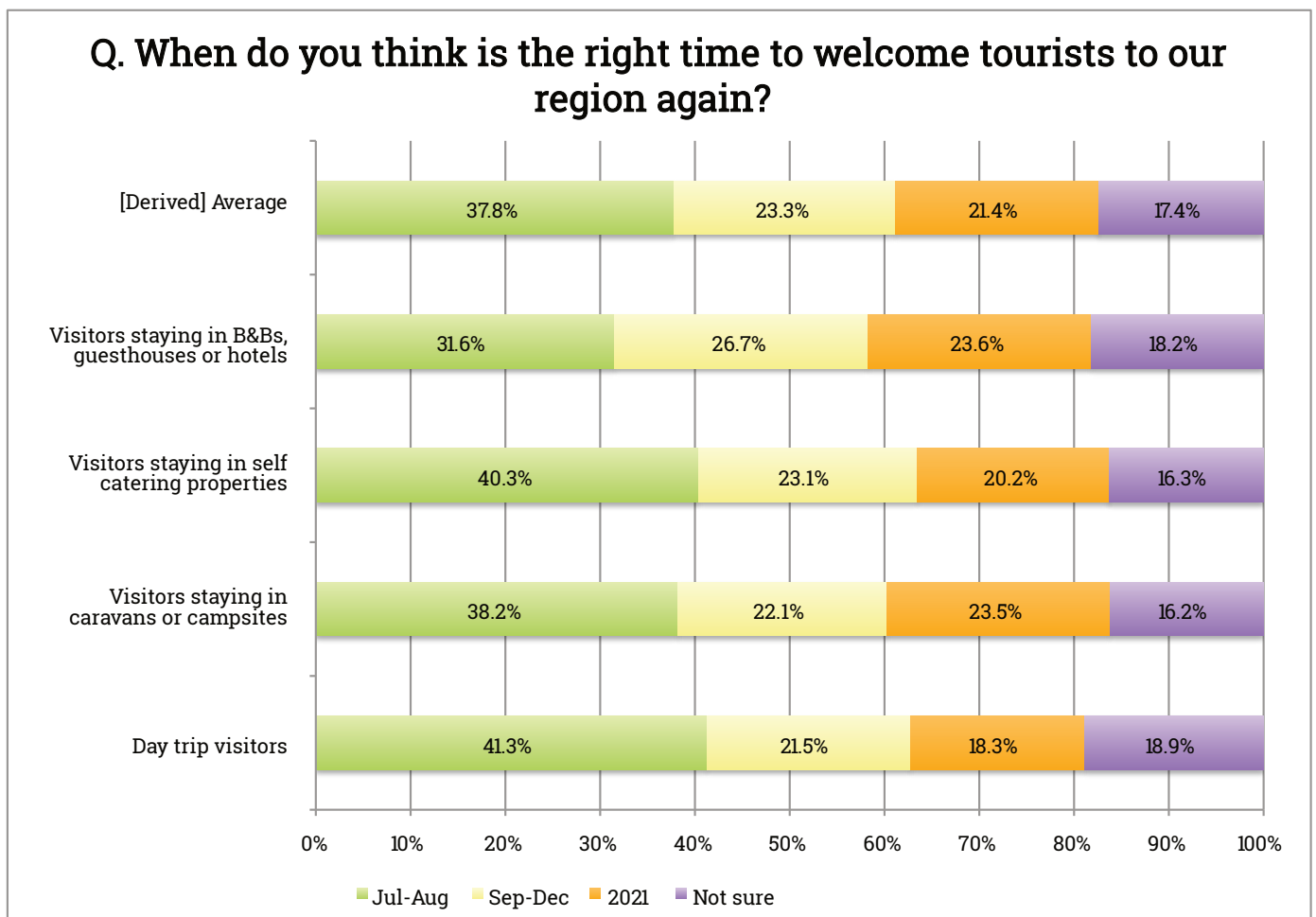


Around 38% of respondents said they would be happy to see tourism resume in July or August 2020.

This varies by tourism sector.

Just over 20% of respondents think 2021 is the right time to welcome tourists to Dumfries & Galloway.

NB: It should be noted that this survey opened prior to the announcement of the indicative tourism restart date of 15 July 2020 by the Scottish Government.



Businesses can help to alleviate concerns by changing how they trade in order to minimise risk

79% of people said they'd feel safer with obvious physical distancing measures.

70% said they wanted to see visible increased hygiene and cleaning protocols.

64% of people wanted to see more delivery of local food and drink directly to holiday accommodation.

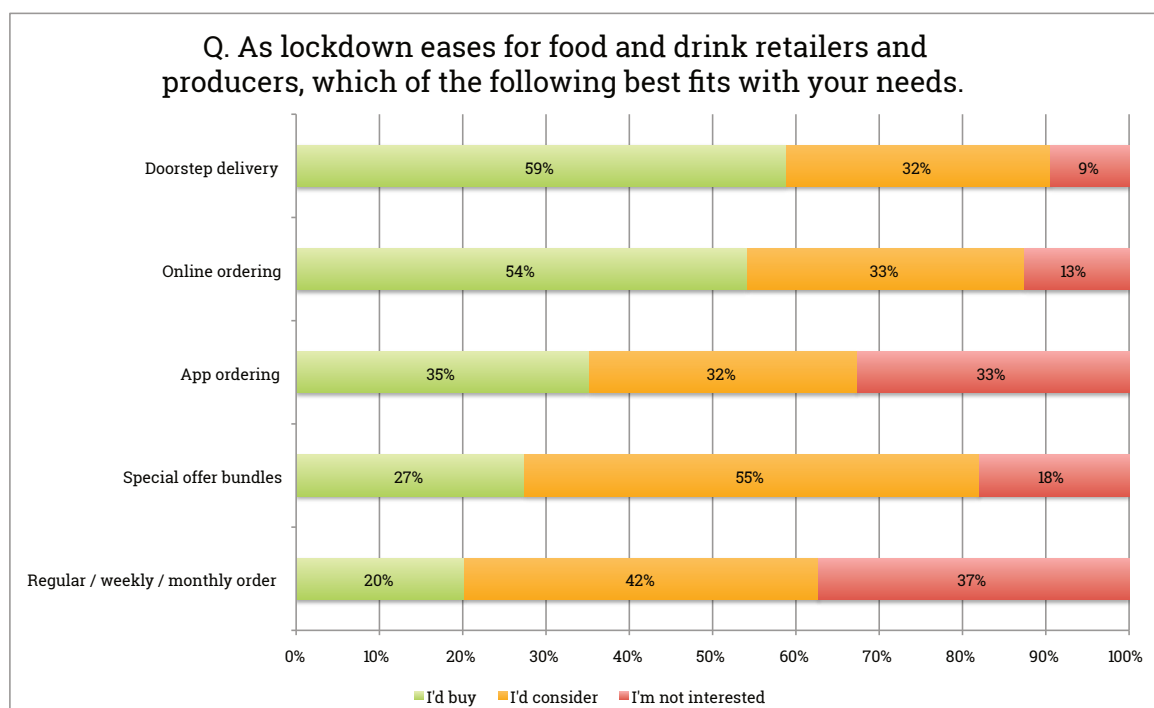


As lockdown eases, a large percentage of people still want deliveries to their home from local producers and retailers

59% of respondents want doorstep deliveries from local retailers and producers.

A further 32% would consider doorstep deliveries from local retailers and producers.

54% of respondents are likely to use online ordering for food and drink retail.

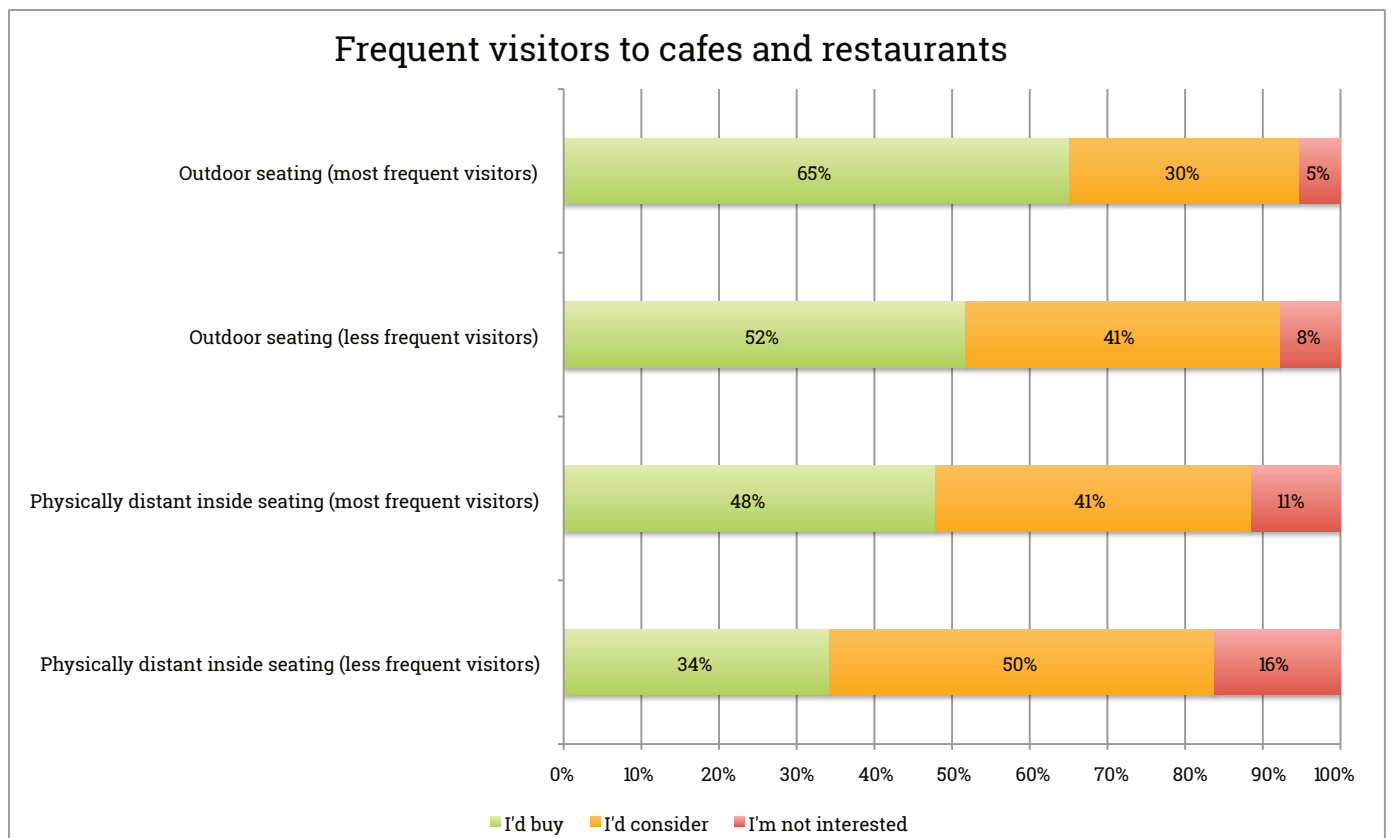
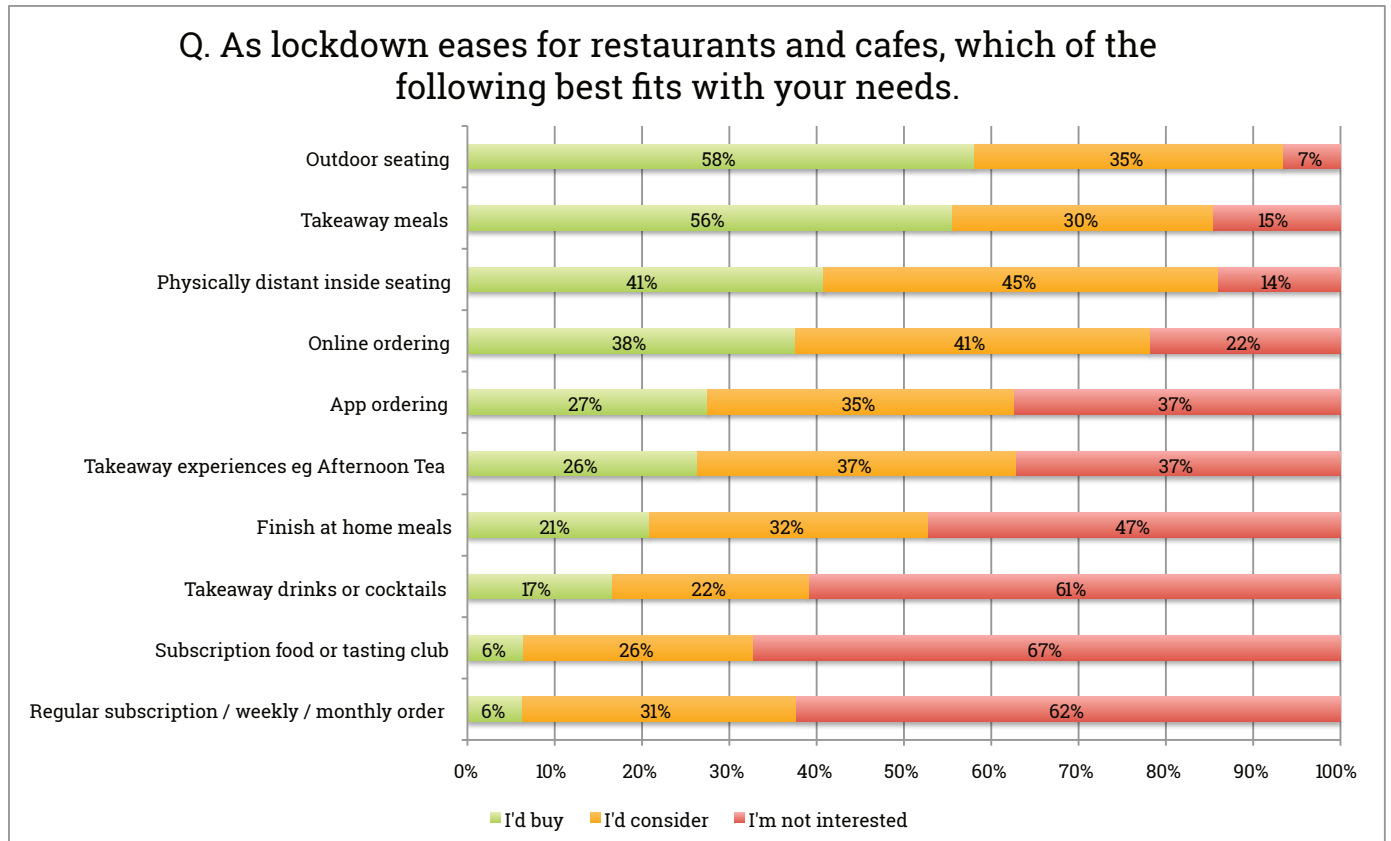


For restaurants and cafes, frequent customers are likely to return

Respondents who were frequent café and restaurant customers pre-lockdown (visiting cafes and/or restaurants at least weekly) are more likely to use outdoor seating and physically distant indoor seating.

86% of respondents would buy or consider buying takeaway meals.

63% of respondents would buy or consider buying takeaway experiences.

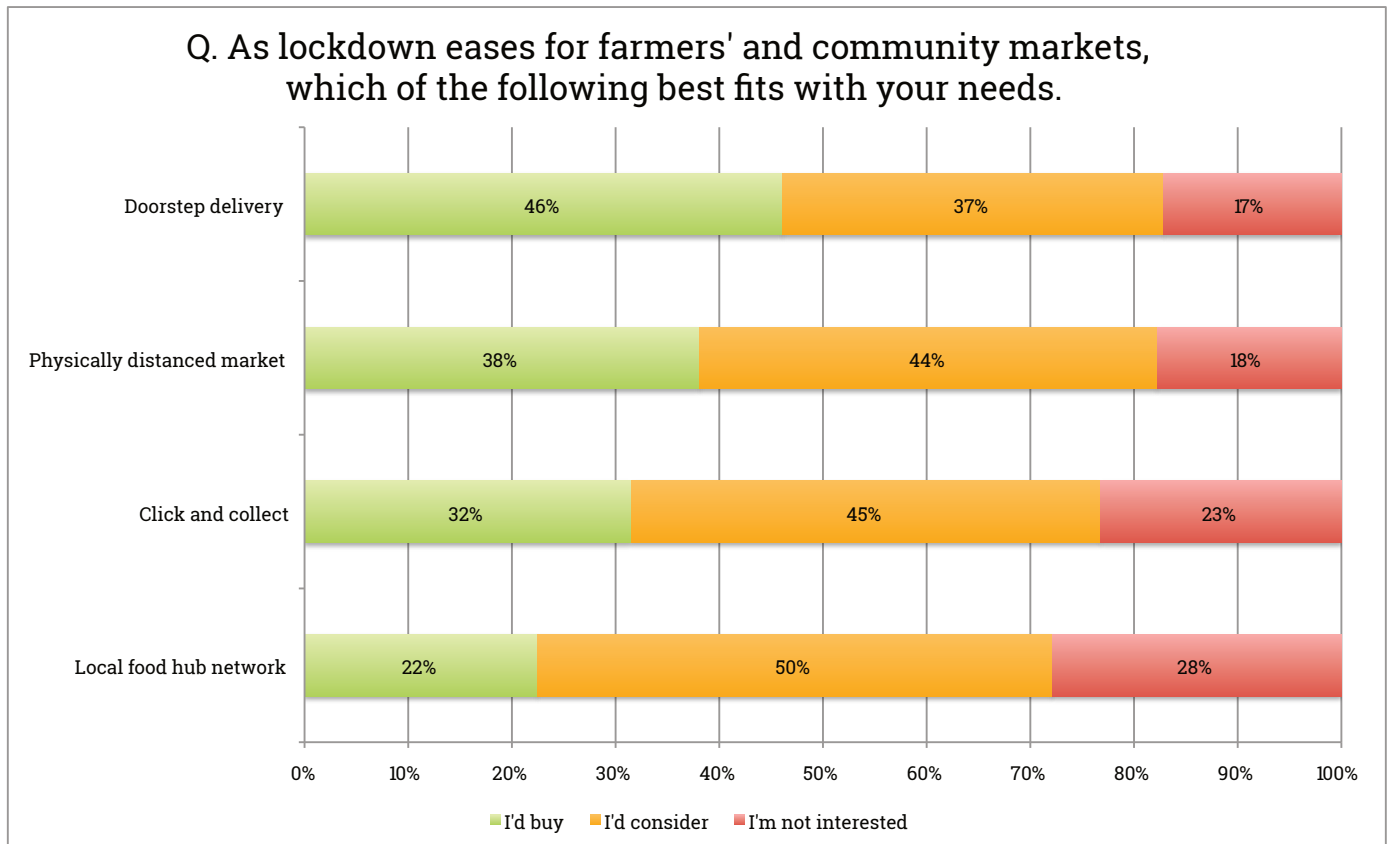


As lockdown eases respondents would like to purchase from farmers' and community markets

82% of respondents would buy or consider buying at a physically distanced market.

77% of respondents would buy or consider buying using click and collect.

83% of respondents would buy or consider buying using doorstep delivery.



What Has Changed?

People are shopping less frequently but buying much more locally – both purchasing direct from local producers and buying from local independent retailers. They are getting substantially more food and drink delivered direct to their home than previously. They are spending much more on food and drink and they are buying better quality food and drink than before lockdown.

People are cooking more from scratch and so are buying more basic produce and ingredients, much of it higher quality than normal. They are thinking more about food and drink than before – whether that's considering nutrition, quality, planning meals or scheduling shopping – food and drink has become a much higher priority for many people since lockdown began.

Around 10% of people need to rely on others to do their shopping for them, which is causing feelings of lack of choice for many. People are using food and drink to create and reinforce social connections with friends and family – for example, through sharing baking or buying food and drink gifts and experiences for others.

Many people commented that lockdown has given them the opportunity to enjoy food and drink more than before. These changes to shopping and cooking habits – slowing down, planning more, choosing more carefully, creating dishes – are likely to be key drivers behind the very high intentions to continue to buy local in the longer term.

How People Feel

Generally speaking people are pragmatic about balancing the risk of contagion and the need to restart economic activity. Around 20% of the population appear very relaxed about the risk of Covid-19, and a similar 20% of the population remain deeply concerned about the virus – these percentages cut across all age groups and all geographic areas.

People in Dumfries & Galloway generally want to know that their local needs are being given higher priority than the needs of visitors to the area by businesses in their communities. So, in the months ahead businesses might want to think about exclusive trading times for people who have been shielding, or for people who want to minimise their risk of exposure. Continuing with doorstep delivery will be looked upon favourably.

People clearly want 'the feeling that we matter' – that's a theme that emerged strongly from comments. Perhaps there's an opportunity for businesses to rethink their products and services from a more community focussed point of view?

Dumfries & Galloway is worried about visitors to the region increasing the risk of a resurgence of Covid-19. 79% of people agreed with this statement – this was the single most agreed with statement in the survey. Businesses need to understand these concerns and respond to them, and there are a range of actions that businesses could take to minimise community risk. Annandale & Eskdale and Dumfries are generally more comfortable with tourism restarting in the summer months than other areas of Dumfries & Galloway.

In terms of restarting, local people expect local businesses to be cautious – not just responsible, but actively careful – in introducing measures and adaptations to minimise risk. Businesses are perceived to be at the front line in defence against the virus. If in doubt, play it safe.

People really miss the social and leisure aspects of food and drink experiences. Around two thirds of people miss eating out in cafes and restaurants, around half miss enjoying a meal as part of a day trip and ‘just browsing’ in shops. Businesses might want to consider the social and relaxed pleasure elements of their products and services – how can you weave some of that feel-good-factor experience into your offering?

People want to support local businesses, they appreciate and value the quality of local food, and they understand that buying local is good for our rural communities. Communities in the Stewartry and in Annandale & Eskdale are particularly keen to buy local and to use local high street retailers. However, price, convenience and product range are potential barriers to purchase. High-end added-value is nice for a treat, but good quality, easy to access basics at a competitive price is where the volume local sales opportunities are.

What People Want

Digital? Perhaps. Ease? Absolutely. If you can make digital easy then you’re probably onto a winner – click and collect was mentioned frequently in comments. Respondents were very clear that they do not want to have to transact with a dozen different businesses to get everything they need. Shopping in a real high street – popping in and out of actual shops – is pleasurable. Shopping in a digital high street and going through multiple different online checkouts is a hassle that people can happily do without.

A very large percentage of people – 59% – still want deliveries to their home, so there’s an obvious collaborative opportunity for the region’s food and drink industry here.

People want experiences, not just products. The human and social side of shopping locally is so important, and Dumfries & Galloway’s small businesses have a real opportunity to continue to showcase that excellent, personal service, even whilst physical distancing remains in place. However, people like what’s familiar – be creative but don’t push them too far out of their comfort zone. Is an Afternoon Tea in a box popular because the concept is so very familiar? Probably.

To app or not to app? Well, respondents were less ‘warm’ to app based ordering than they were to online ordering, and digital preference was much higher for food retail than for food service. There was very little variation in digital preferences across the region. This probably reflects the current patterns of online purchasing in Dumfries & Galloway generally. Perhaps desire to use digital channels for food and drink shopping will change as more people become familiar with new digital systems.

At the moment, if you’re a small business in D&G, while digital and apps are a valuable tool and an increasingly important sales channel; for now don’t assume that they are the solution to your local sales and ordering challenges. People, especially in rural communities, like to have a conversation. So keep inviting people to contact you by phone and to connect with you in ways that allow social interaction, such as a blether via Facebook messenger..

For Foodservice Businesses

Your customers are likely to return

People who eat out in cafes and restaurants at least once a week are more likely than others to feel comfortable returning. However, since some may not feel comfortable with indoor seating in the short term, create options that allow your customers to buy from you in the way that best suits their comfort-level of risk.

Focus on your strengths

In a post-covid new normal, foodservice will be more restricted in how it can operate than most other sectors, so focus on the intrinsic strengths of you, your team and your business. If creativity and product innovation is something you're great at, focus on that. If customer service is your strength, then make that what you're all about.

Stay flexible and adapt

There is a very large proportion of people keen to buy quality food and drink as a takeaway experience. This might not be what you want for your business in the long term, but if it's what consumers want right now, provide it – and make it wonderful.

For Producers & Retailers

Keep it simple and make it easy

While people want to buy local, they want it to be convenient and easy for them to do so. Comfort with digital ordering and doorstep delivery was much higher for retail food and drink, than food service. If you are selling products direct to consumers, you should definitely think digital.

Communicate clearly and often

Cracking the consumer market is about clarity of communication. In everything you do, think about it from the customers' point of view – it's not what suits you, it's what suits your customers. The more you communicate directly with your customers, the better feel you'll have for what they want.

Collaborate, collaborate, collaborate

Dumfries & Galloway is an awfully big region – running around everywhere is rarely cost effective. Work with others wherever you can to share distribution and reduce costs. Explore collaborative marketing and cross selling, and at all times keep an eye on your margins.

For Businesses in General

Be seen to clean

Make covid hygiene and physical distancing adaptations very visible. From now on cleaning processes and hygiene measures need to be prominent – don't hide them away. People want to be reassured that you are being responsible; the easiest way to do this is to show them.

Be responsible about risk

Get it wrong and people will stay away, and they'll tell others. We all know how quickly news spreads in Dumfries & Galloway. So does reputational damage. Every business should be doing a full covid risk assessment before reopening to identify and mitigate risk.

Prioritise local

Make local people and local communities your priority, and they'll make your business their priority. There's a big opportunity for Dumfries & Galloway to rapidly move to a more circular, localised food and drink economy. For that to happen, everyone needs to prioritise local and community approaches.

Background

For more than a decade Dumfries & Galloway has invested in grassroots food and drink industry support, which has resulted in a highly networked, collaboratively-minded local industry; an industry that is well placed to rebound positively from the economic implications of Covid-19.

A local food and drink culture began to be established in the region in 2009/10 with the launch of an innovative industry-led approach to sector development through Savour the Flavours, which was funded for four years by LEADER and Dumfries and Galloway Council. This ground breaking project pioneered a dynamic and responsive approach to regional sector-based leadership, which established food tourism, farmers' market development and collaborative knowledge sharing as highly impactful assets. Savour the Flavours grew industry confidence and capacity, encouraged innovation and diversification, and supported a culture of food and drink business start-up across the region.

From 2014 sector based support was delivered largely via Economic Development Officers at the local authority, supported by a food and drink interface DG Food and Drink. In recent years Dumfries and Galloway Council led on the formation of a regional food and drink strategy, informed by consultation with local businesses and with national industry partners. The strategy set an ambition to double the size of the industry by 2030, it was formally adopted by the council and was officially published in 2019.

The regional food and drink strategy outlines a framework for long term sector development. It highlights brand positioning and product development as urgent sector needs and cites food tourism, localised supply chains, skills development and innovation as key opportunities. The strategy was underpinned by four core values – inclusive growth, collaboration, sustainability and resilience – all of which remain highly relevant in a post-covid economy. It is worth noting that the local food and drink strategy is particularly well aligned to the Report of the Advisory Group on Economic Recovery 'Towards a robust, resilient, wellbeing economy for Scotland', published on 22nd June 2020.

With the cessation of DG Food and Drink in March 2020, and local public agencies focussed on delivering urgent grant support, the industry identified a need to regroup around a trusted point of contact to enable local knowledge sharing and forward planning. The Savour the Flavours brand was relaunched on a voluntary basis by the team who delivered the previous project in response to industry demand. Savour the Flavours is now hosting weekly online meetings inclusive of the full supply chain – from field to fork – to discuss industry needs and emerging issues, and to share key information to public agencies and industry organisations.

Understanding likely changes to consumer buying behaviour was identified as an urgent requirement to inform recovery planning. While valuable market insight data tracking national trends is now being published regularly, it was recognised by participating businesses that local trends in our rural, low population density economy may differ from national consumer behaviour. A regional survey was identified as the best approach to identify local trends to inform recovery for local businesses.

Post-Covid Strategy Adaptations

While the Dumfries & Galloway Food and Drink Strategy remains highly relevant to post-covid trading, there is an opportunity to reprioritise actions to better reflect industry need and emerging opportunity.

The following needs are likely to become more urgent:

- Local Supply Chain Development
- Leadership & Brand Development
- Farmers' Markets & Food Hubs
- Business Support
- Product Development & Innovation

Immediate strategic priorities should focus on sustainability and resilience, in particular supporting existing businesses to remain viable in the short to medium term.

It is anticipated that job losses will lead to an increase in start-ups and self employment within the sector. Assisting new businesses get off to a solid start to maximise their likelihood of success, and assisting existing businesses to profitably adapt trading activities to the post-covid economy, will be important in ensuring local food and drink industry has strong foundations from which to plan for longer term growth and business development.

Investing in local infrastructure – physical, digital and interpersonal – will be important in supporting local economic and community resilience, while also building capacity for longer term growth.

Actions for the following themes will need to change to reflect new economic priorities:

- Food Tourism, Events & Festivals
- Ambassador & Mentoring
- Health & Wellbeing
- Resource Efficiency
- Public Procurement
- Education & Training

Physical and social distancing is likely to change how flagship segments, such as food tourism, are supported. Knowledge sharing and networking are likely to become more important than ambassadorial activities or top-down mentoring. The health and wellbeing of those working within the industry – mental health in particular – is likely to become a more urgent priority than nutritional needs or product reformulation.

There is an opportunity to align resource efficiency activities more closely with localised supply chains, circular economy development and waste management; and there may be an opportunity to use public procurement policies as a key driver for local supply chain development.

With job losses expected to be widespread within the industry, future training needs are likely to focus on retraining and upskilling – particularly in digital and marketing skills for micro businesses and self employed people – rather than training young people entering the industry.

The following opportunities are likely to become less urgent:

- Export
- Inward Investment
- Food & Drink Development Centre
- Naturally D&G / Food for Life

The high-value growth opportunities for Dumfries & Galloway will likely need to take a back seat for a while during the post-covid recovery period. While there will be opportunities for infrastructure development, capital expenditure and inward investment, so much is expected to change over the next 2-3 years within the sector that longer term investment opportunities remain undefined at this time.

While Dumfries & Galloway's low levels of food and drink export remain an issue worth addressing; the ongoing uncertainty around international markets as a result of both Covid-19 and Brexit should probably deprioritise export from economic development plans in the short term.

Next Steps

Savour the Flavours will continue to engage with the local industry to explore how these findings can be best responded to in the short and medium term by local businesses. In particular we will support businesses in exploring collaborative working, and assist with knowledge sharing in relation to the implications of social distancing on trading positions. We will also continue to engage with national partners, such as Scotland Food & Drink and Scottish Tourism Alliance, sharing our regional experiences and findings with the wider industry recovery planning groups.

There is an urgent need to clarify whether local food and drink will continue to be an economic development priority for Dumfries & Galloway and, if so, to determine whether this will be led by Dumfries and Galloway Council or by South of Scotland Enterprise.

While there is growing clarity around the longer term support for tourism with the establishment of the South of Scotland Destination Alliance, future economic development support remains unclear for food and drink. Given the co-dependent relationship between these two economic sectors in Dumfries & Galloway, and the significant economic and employment importance of each, there is a strong argument for resource parity between them, and an urgent need for clarity in ascertaining the shape and level of future industry support.

Understanding the longer term plans for food and drink economic development and business support by public agencies will determine the direction of travel for the Savour the Flavours brand.



This report has been compiled by Savour the Flavours at the request of businesses operating in the food and drink industry in Dumfries & Galloway to assist in informing business restart. While the results of this survey are specific to Dumfries & Galloway, our industry is happy for these findings to be shared freely to support and inform Covid-19 economic recovery.

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