



Food Trends Report

Innovating for changing consumer needs

The Philippines 2020/2021

Hot Insights	100%
Fresh Data	100%
Sweet Innovations	100%

A taste of **what's to come**



If you're reading this, you're probably someone who works in the F&B industry, or intending to open an F&B establishment. Meaning you know how our relationship with food has changed: people are staying in more and eating out less. But they're all just as hungry for good food.

This has led to food delivery becoming a bigger part of daily life than ever before. So now, having a safe and reliable way of delivering food is hugely important for F&B businesses, whether for big or small establishments.

Your business is a valuable part of your community. So to help you innovate and keep going, this report will share what's next for the food industry: key insights, trends, and suggestions for making food delivery a strong part of your business. We've even included tips that you can start putting into practice right away. Hope you're ready to dig in!

Bon appétit!

What's on the menu

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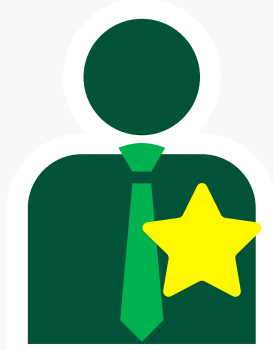
Why join GrabFood? 25

Methodology used to prepare this report

The Grab Next: Food Trends Report 2020/2021 is based on research conducted by NielsenIQ and includes interviews with food industry professionals, restaurateurs, consumer surveys, and focus groups. The report also includes insights derived from Grab's internal database between 2019–2020.



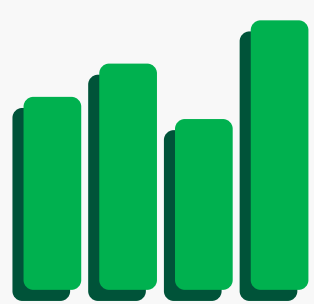
Primary research*
(consumer surveys & consumption diaries)



Expert interviews**



Consumer focus groups***



Internal Grab data
(2019, 2020)



Social listening

***Primary research:** Conducted online by NielsenIQ for Grab in Singapore, Malaysia, Indonesia, Philippines, Thailand, and Vietnam. Data collection was from April 15 to May 10 2021. Total number of interviews was n=12,937 including consumer surveys and consumption diaries.

****Expert interviews:** Expert interviews Conducted by NielsenIQ for Grab in Singapore, Malaysia, Indonesia, Philippines, Thailand, and Vietnam. Data collection was from April 15 to May 10 2021. Total number of interviews was n=14 among KOLs, food bloggers, merchants and chefs.

*****Consumer focus groups:** Consumer focus groups: Conducted by NielsenIQ for Grab in Singapore, Malaysia, Indonesia, Philippines, Thailand, and Vietnam. Data collection was from April 15 to May 10 2021. Total number was n=14 online consumer focus groups

Unless indicated otherwise, data for the Philippines report is derived from Nielsen IQ data and Grab Internal data (2019, 2020). All statistics are derived from urban Philippines cities served by food delivery services, and excludes rural areas.

Data collection methodology in the Philippines by NielsenIQ:

- NielsenIQ expert in-depth interviews n=2 and consumer focus groups n=2 (Apr–May 2021)
- NielsenIQ consumption diaries n=1,050 (Apr–May 2021)
- NielsenIQ online consumer surveys, n=1,000 amongst consumers aged 18–50 within the Philippines (Apr–May 2021)

Other references:

1. (2021) 2020 Census of Population and Housing (2020 CPH) Population Counts Declared Official by the President, Philippine Statistics Authority, Republic of the Philippines, July-7 [online]. Available at: <https://psa.gov.ph/content/2020-census-population-and-housing-2020-cph-population-counts-declared-official-president> (Accessed 6 Aug 2021)
2. (2017) Philippine Population Surpassed the 100 Million Mark (Results from the 2015 Census of Population), Philippine Statistics Authority, Republic of the Philippines, Jun-30 [online]. Available at: <https://psa.gov.ph/population-and-housing/node/120080> (Accessed 3 Jun 2021)
3. Sabillo, K. (2020) Philippines confirms first case of new coronavirus, ABS-CBN News, Jan-30 [online]. Available at: <https://news.abs-cbn.com/news/01/30/20/philippines-confirms-first-case-of-new-coronavirus> (Accessed 3 Jun 2021)

A taste of Southeast Asia

Most popular local dishes ordered via GrabFood



What's the F&B scene like in SEA?

Southeast Asia (SEA), home to 8.6% of the global population, is rich in history, religion, culture...and, of course, food. It's also a region that takes food seriously, with a big appetite for food delivery. **In 2020, the total expenditure on food delivery for the 6 SEA countries above is estimated to be around US\$9.4 billion.¹**

Fun Fact

While Filipinos love pork chop with rice (especially in Manila, Cebu, and Pampanga), chicken BBQ with rice is more popular in Davao



Food delivery expenditure in the Philippines alone contributed an estimated US\$1.1 billion¹

Filipinos love to eat. Food options are abundant for the country's 109 million people, with numerous restaurants, fast food chains, street stalls and food kiosks. There's also a mix of cuisines available, influenced by neighbouring Southeast Asian countries.

¹ Euromonitor International estimates from desk research and trade interviews with leading market players and relevant industry stakeholders in the prepared meal industry, May 2021



COVID-19 changed where and how we ate

On Jan 30, 2020, the Philippines saw its first coronavirus case; the start of a chain of events that led to unprecedented restrictions and closures. With restriction measures in place, more people turned to food delivery as a way of sorting out their meals.

On GrabFood alone, the number of **monthly active users in the Philippines doubled** in 2020 compared to 2019.

Cooking at home and food delivery orders went up



Home-cooked meals

+14%

Increase in food consumed/ordered by different methods before vs during COVID-19



Meals ordered using delivery services

+14%



The number of self pick-up orders on GrabFood grew by **72%** from Apr–Dec 2020

34% of meals consumed in the Philippines are via dining out, delivery, or takeaway. Of which, almost 3 in 10 are via food delivery!



Food delivery

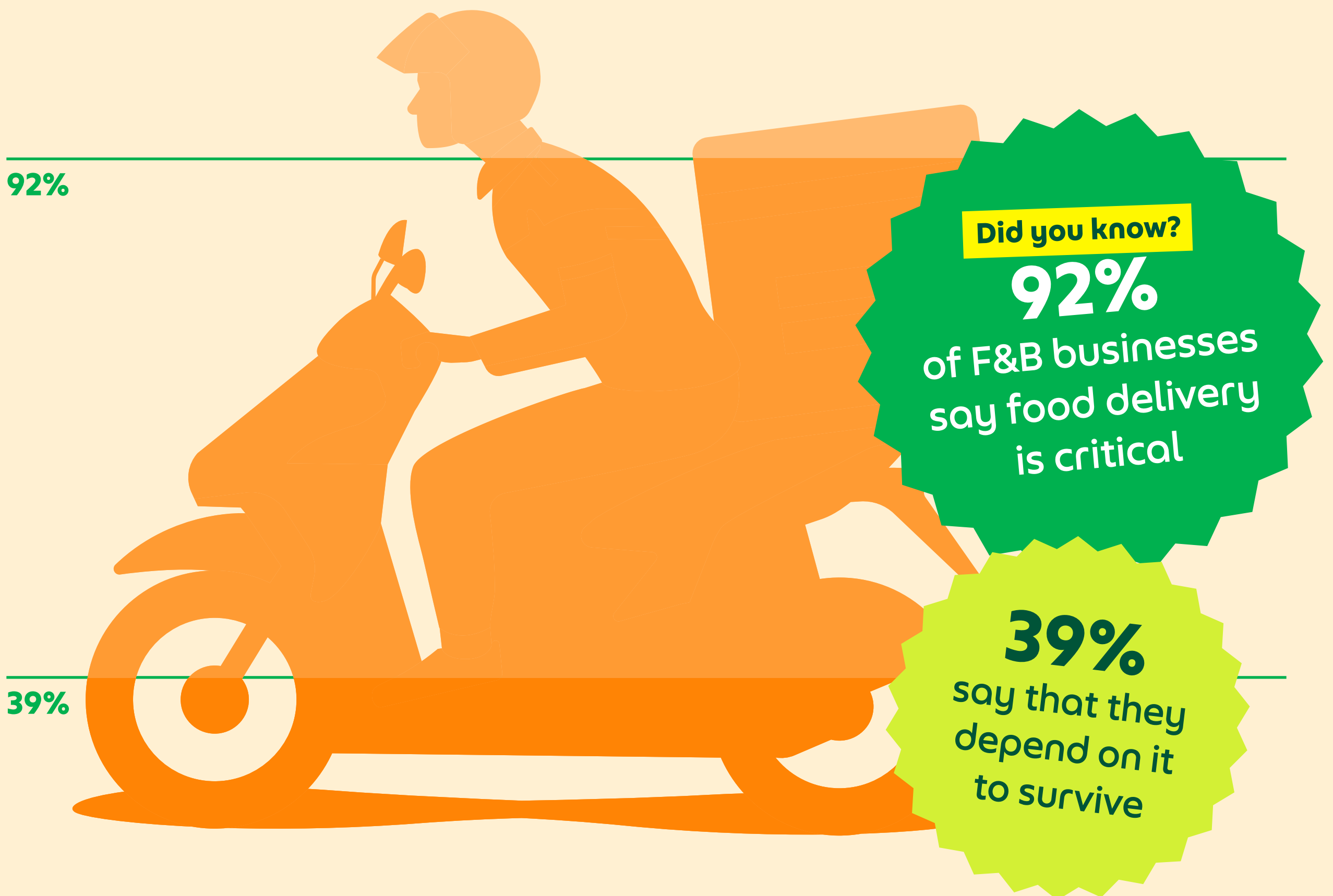
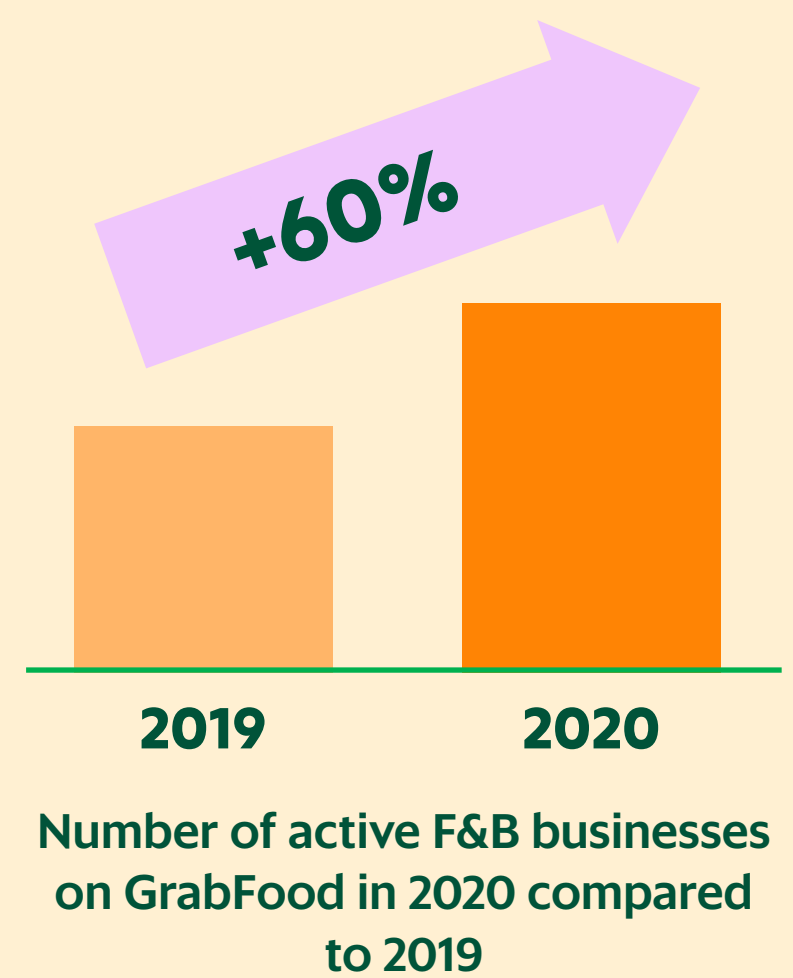
Dine out + Takeaway

The split between non-home-cooked food occasions

More F&B businesses decided to give GrabFood a shot

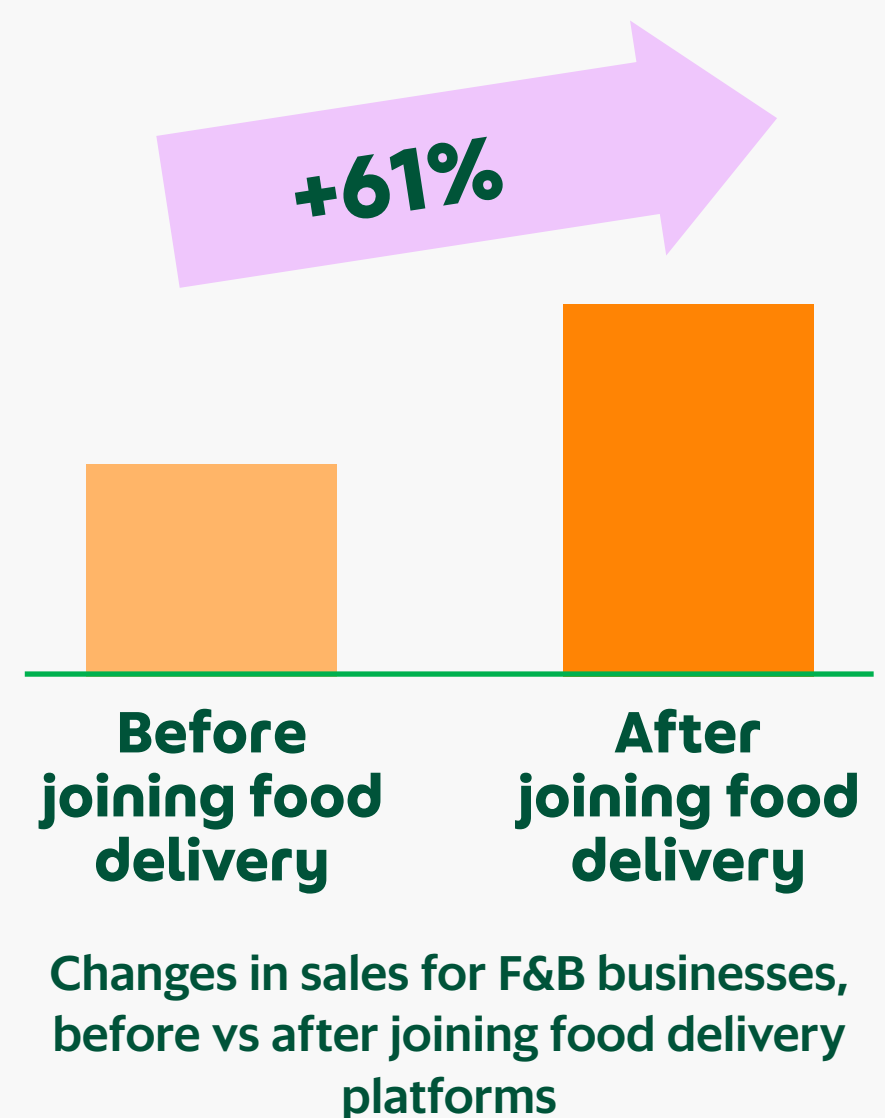
The COVID-19 pandemic further accelerated the adoption of food delivery platforms, because F&B businesses saw it as a vital way to sustain and even grow in these new circumstances.

On GrabFood, monthly active F&B businesses in the Philippines grew by **more than 60% in 2020**.



F&B businesses that joined food delivery platforms in 2020 reported a 61% growth in total sales even with dine-in restrictions²

Food delivery attracts more consumers, more F&B businesses, and brings more revenue to the restaurant ecosystem.



² Online survey conducted amongst 100 GrabFood SMB merchants in the Philippines, Aug 2020



**The
many
delicious**

opportunities

**of food
delivery**

What do people want from food delivery? Here's how you can make your offerings more appealing to them.

Understanding the Philippines' food delivery scene

Families with children are the main consumers of food delivery services

Young families welcome the convenience of food delivery, which saves them the hassle of meal prep and cleaning up, especially on busy weekdays.



Key demographics of food delivery users

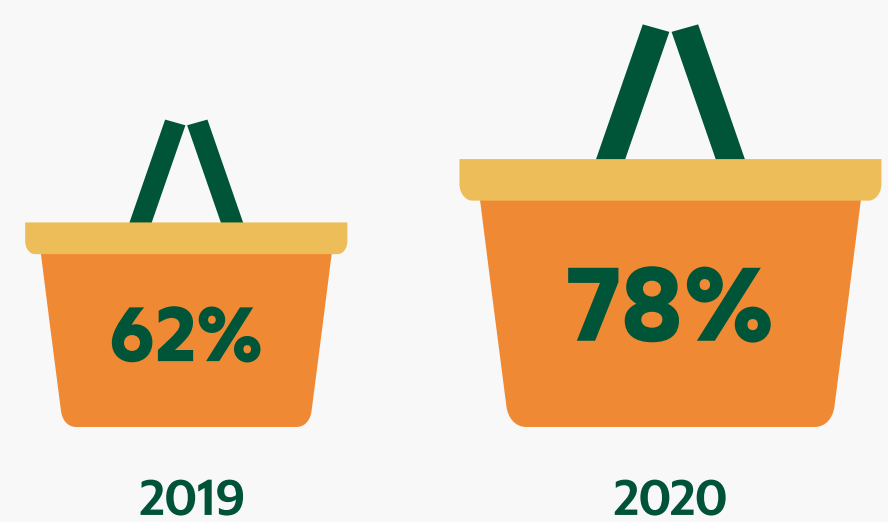
Top reasons for ordering food delivery³

- 1 To satisfy cravings for food I can't cook
- 2 No time to cook
- 3 No need to worry about traffic/parking

Basket sizes also grew, with more shared orders

Many consumers also placed orders for other members of their households during COVID-19, leading to an increase in order value. The number of consumers spending an average of >PHP 497 per order grew the most on GrabFood in 2020.

More people are ordering for family⁴

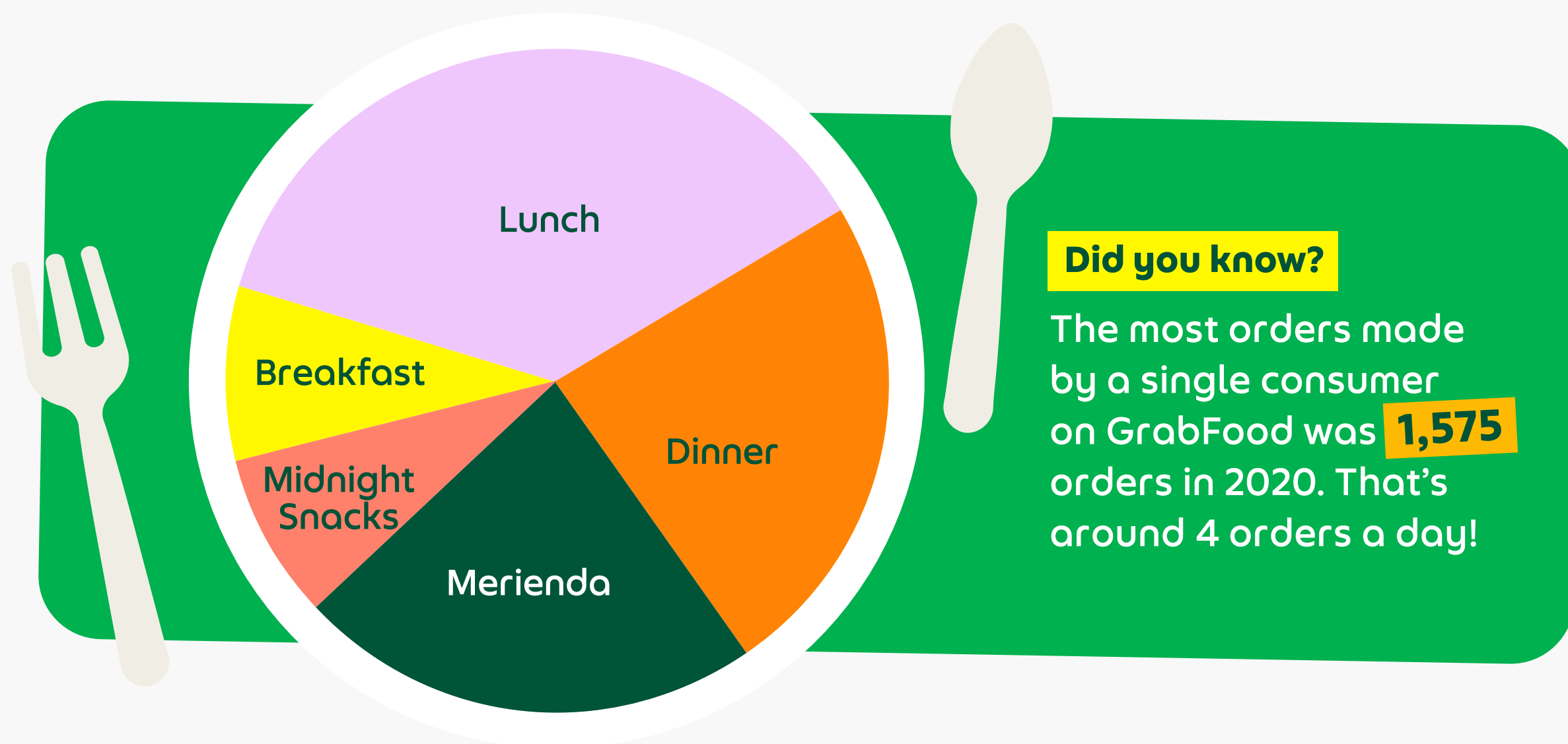


Number of consumers who ordered on behalf of family members in 2019 vs 2020

³ Kantar online survey amongst 1,283 food delivery consumers in the Philippines, Sep 2020–Mar 2021

⁴ Online survey amongst 504 active GrabFood consumers in the Philippines, Mar 2020

The most orders were made for dinner, lunch, and teatime



Share of GrabFood orders by time of day

Did you know?

The most orders made by a single consumer on GrabFood was **1,575** orders in 2020. That's around 4 orders a day!

Apart from fast food, Filipinos also enjoyed baked treats like cakes and doughnuts

Top 10 food categories searched on GrabFood

Fast food	Doughnuts
Pizza	Milk tea
Cake	Burgers
Bakery	Coffee
Chinese	Chicken

Fun Fact

Filipinos love their cake! Cake orders grew by 2.6x in 2020 compared to 2019



Did you know?

85% of consumers (especially those aged 18–34) have claimed that they will keep ordering food delivery in future

Top Tips:

- Introduce some kid-friendly dishes and family bundles into your menu for families with young kids
- Offer a variety of menu items in general, so the whole family can order from you
- Look out for food trends that work with your menu, and introduce limited time offers or seasonal menu items in line with what's trending

Find opportunities within healthy eating

In recent years, consumers have become more health-conscious. This includes the way they think about food: 3 in 4 Filipinos want to eat healthier. And of that number, **60% are even willing to pay more for healthier food.**



3 in 4 consumers want to eat healthy food regularly

Did you know?

Orders from healthy F&B businesses increased by **4x** in 2020 vs 2019 on GrabFood

The average basket size for healthy meals increased by **31%** too

When it comes to healthy food, consumers think of...

Organic/natural ingredients

Nutrition monitoring

Less salt/sugar/oil

Immunity boosters

Fresh, high grade ingredients

Digestion friendly

Consumers' definitions of healthy foods

Healthy foods consumers love

Salad



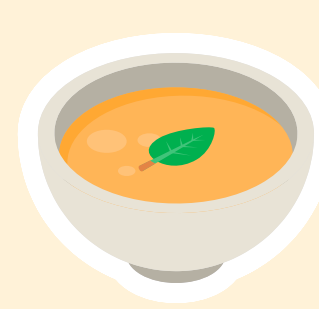
Sandwiches



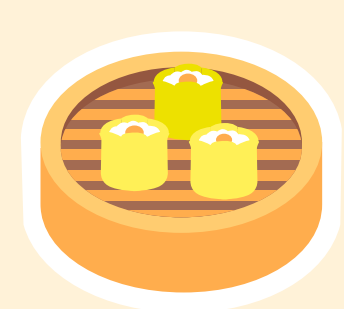
Smoothies



Soup



Steamed food



Consumers' preferred healthy food options

Top Tips:

- Try promoting foods with organic/natural ingredients or less salt/sugar/oil
- Communicate the nutritional value or calories of food items where possible
- Bundle food orders with side salads, sandwiches, or smoothies as consumers will perceive these bundles to be healthier, and be willing to pay more

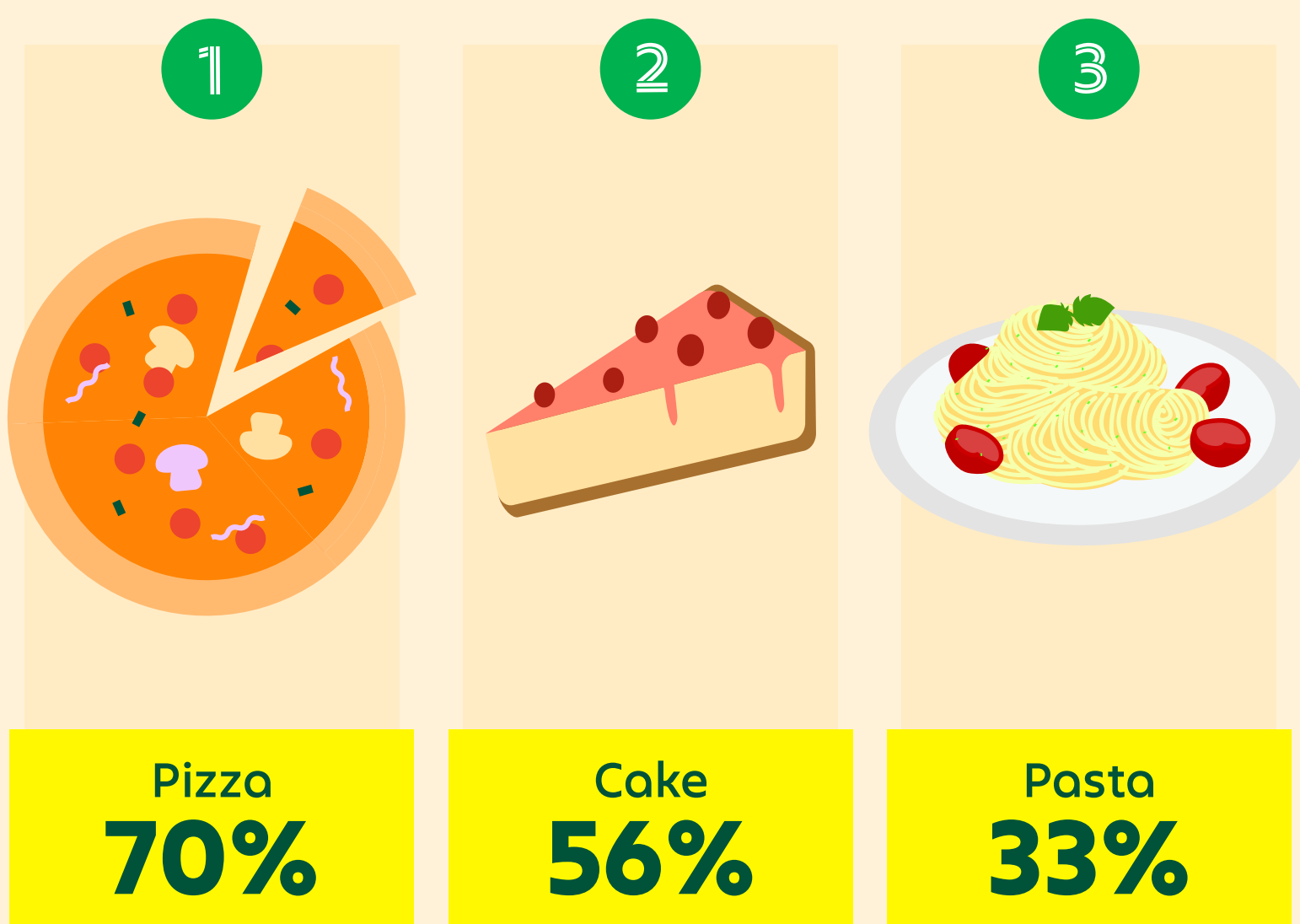
Want to get more people to try your food? Win over the home cooks

Despite the growing trend of food delivery, **home cooking is still the most common method of preparing food** in Philippines. There are 67 million home-cooked meals made in the Philippines per week! So there's a big opportunity for food delivery to become a more appealing alternative to home cooks.

Home cooks care about what goes into their food, and are concerned with **freshness, quality of ingredients, and healthy preparation** for meals.



What are some favourite meals that consumers are not able to cook at home?



Why?

Time-consuming

Lack the necessary equipment at home

Difficult to cook at home

Fun Fact

Pizza was searched for **>6,000,000** times on GrabFood in 2020!

Top Tips:

- Offer items that consumers love, but which are difficult to replicate at home
- Offer meal kits that enable consumers to whip up tasty and high quality meals in the comfort of their own homes
- Share content around food preparation, COVID-19 SOPs, and ingredient quality to build trust amongst potential customers
- Have rave customer reviews? Publicise them where possible



**A winning
recipe**

for food delivery

How do you get more people to give your restaurant a try? Here are some tips on how to bring in more sales.

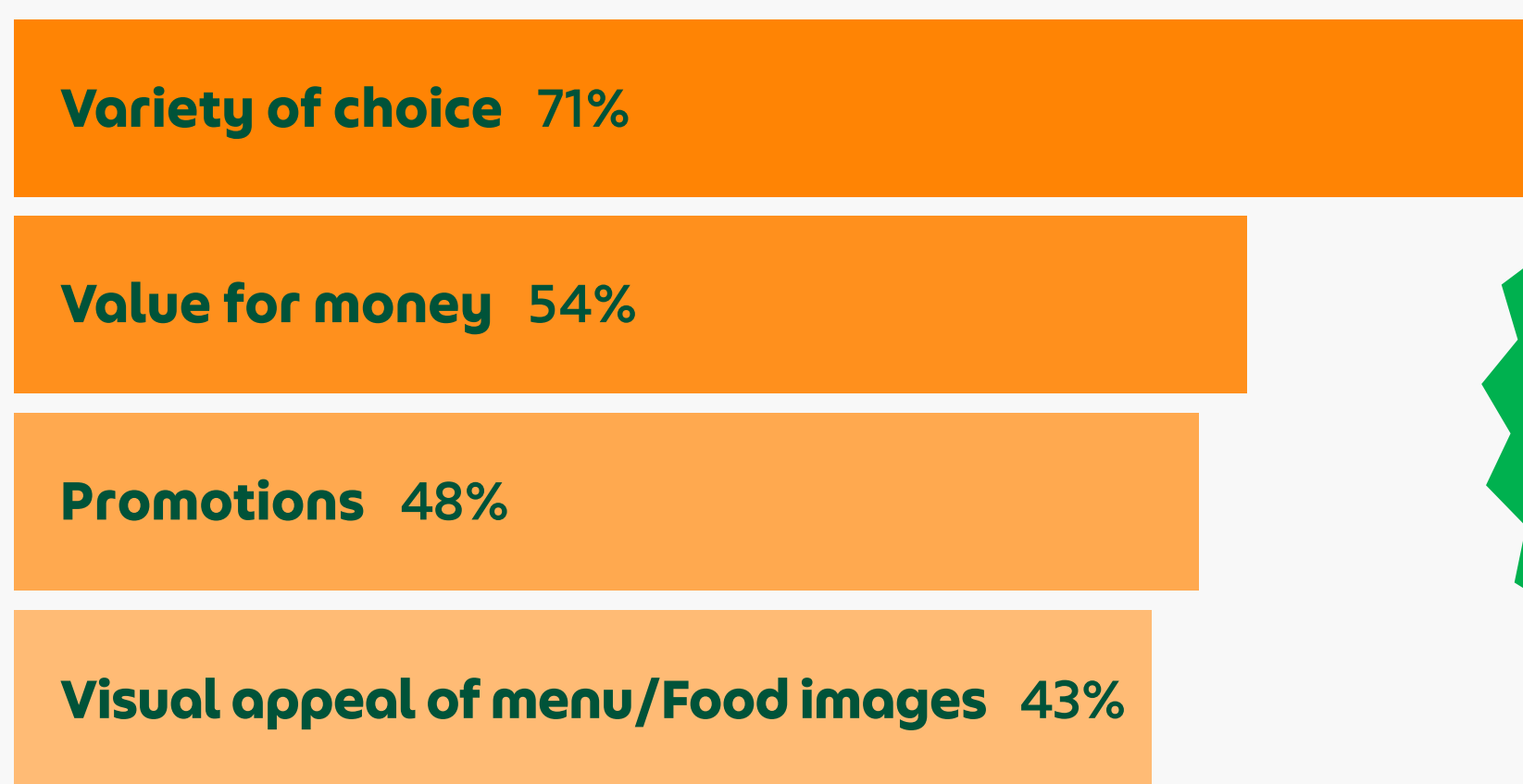
Life's biggest dilemma: what to eat?

Getting a consumer to pick your restaurant over dozens of other options can be tricky. Let's take a look at what consumers care about. How do they decide what to eat?



What drives Filipinos to try new restaurants?

The way you market and price your food is key



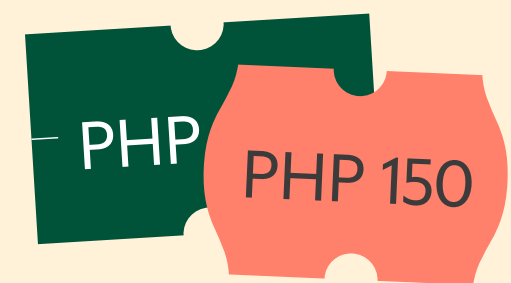
Top factors that drive trial for F&B businesses



7 ways to get people to order (and reorder) from you on GrabFood

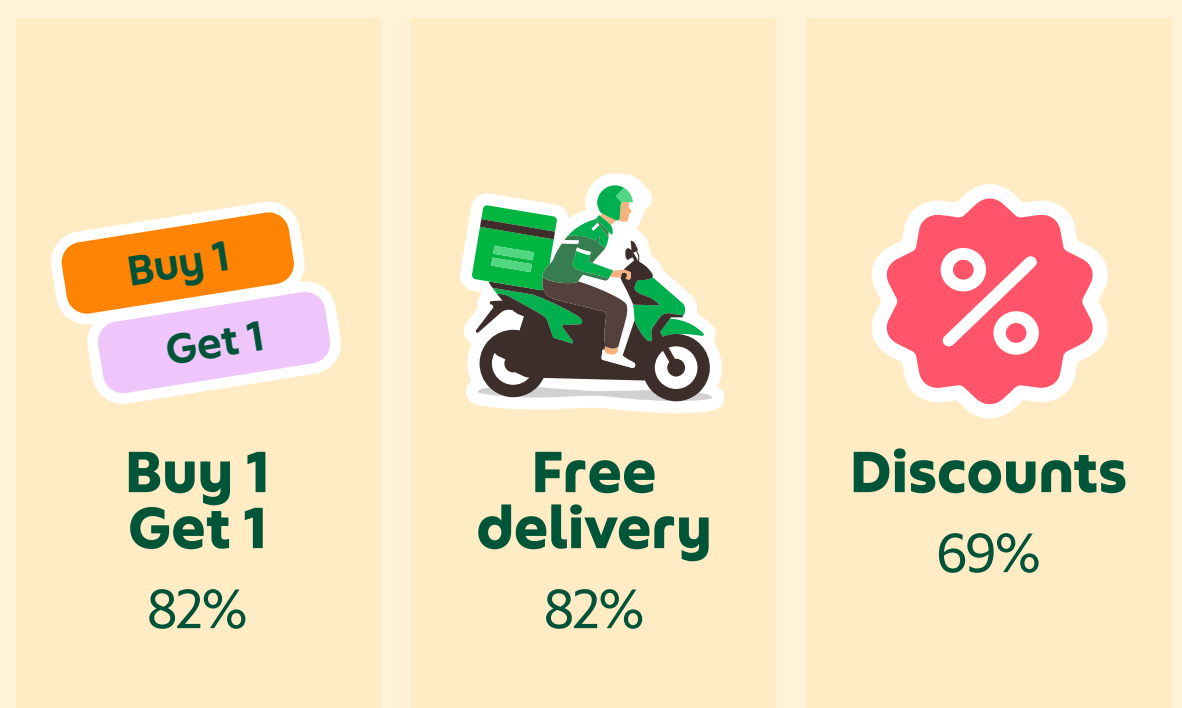
1 Pricing it right

- Having more **lower priced items** can lead **consumers to buy more in a single order**
- Try to list your items for each category in **ascending price order** (low to high) to drive bigger orders



2 Use promotions to get them interested

- When it comes to promos, **consumers prefer Buy 1 Get 1**. If you have the marketing budget to spare, take part in such promo campaigns where possible
- F&B businesses that run promos on GrabFood can see up to **20-30% increase in sales**



Top 3 promotions consumers want

3 Put together great combos

- Combo sets are a proven strategy to increase basket size, and can grow
- the number of items ordered by 50%
- Include items that are usually bought together in your combo set to drive sales

Top 3 preferred add-ons by Filipinos

- 1 Drinks
- 2 Dessert
- 3 Appetisers and side dishes



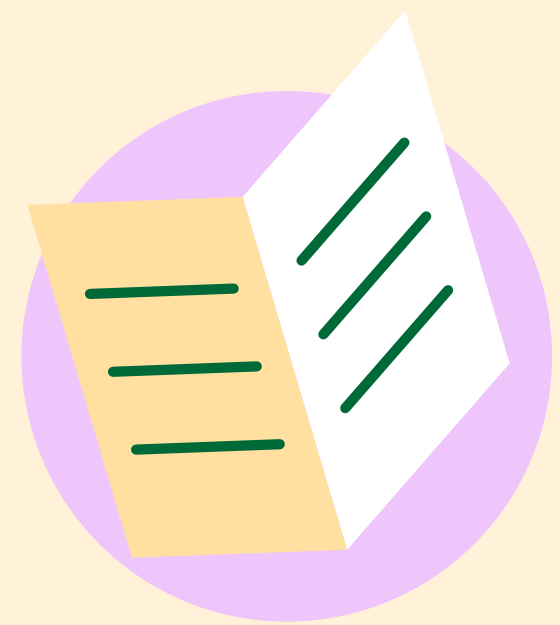
Tip from



Consumers want to know exactly what they will receive! Clearly indicate your drinks using the following naming convention: **Brand – variant – pack size – pack format – price**

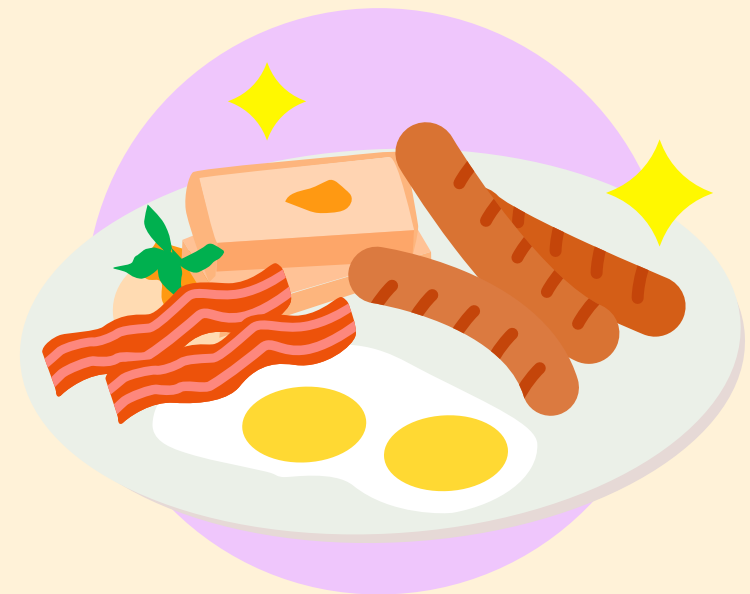
4 A short menu is a better menu

- Put your most important items at the top of your menu, as items lower down sell less well
- Keep your menu short and feature menu items that are suitable for food delivery



5 Make your food look great

- Food items with photos saw a **2x increase in orders** compared to items without!
- Stores with photos showed as high as **3x growth in sales**



6 Make your food sound great too

- “Fried chicken”, “Crispy fried chicken” or “Grandma’s favourite fried chicken”?
- Mouthwatering item descriptions like ‘crispy’ or ‘tender’ in your item name **can lead to an average of 60% more sales!**



7 Send out great meals on time, exactly as ordered

- Offer food items that are easy to pack for delivery and still taste great when served at room temperature
- Understand the optimal number of orders your store can handle to ensure excellent consumer experiences
- Consumers that experience issues with food safety or quality are **70% less likely to return to a store!**



≥4.8
consumer rating



≤20
minutes of prep time from booking



0%
safety- or quality-related incidents/cancellations due to incorrect details

GrabFood consumers' perception of an excellent F&B business

**Changing
with the**

times



**What does the future of F&B
look like? Understanding the
trends and innovations you
can leverage.**



Stand out with digital marketing

These days, digitally savvy people in the Philippines mainly discover new restaurants through food delivery apps. Investing in these digital platforms will help you reach more people, which will drive more sales for your business.

62%
of consumers discover new restaurants via food delivery apps



More food businesses are using GrabAds to drive greater awareness and conversions



“GrabAds gives small businesses who might be time-strapped and have a limited budget the ability to reach new customers on GrabFood. By running targeted ads based on consumer browsing behaviour, business owners can be more efficient with their marketing spend and be able to review campaign performance to improve future campaigns.”

– **Margaret Chang, Regional Head of SMB, GrabAds**



GrabAds offer a variety of ad options that fit our brand’s needs, such as the Banner or Search Ad, which we paired with attractive offers for the best results. The additional awareness within the app led to an average **8X** growth in sales for Papa John’s!

– **Marifi Serafin, Operations & Marketing Director, Papa John’s Pizza Philippines**





Scaling with cloud kitchens

Cloud kitchens **house several F&B businesses under one roof**. This helps businesses focus more on food delivery and run their operations **without needing their own physical store**.

It's a win-win for businesses and consumers:

Businesses

Introduce an extended variety of food and reach a wider area to gain a competitive edge at a low cost.

Consumers

Convenience of ordering food that has not commonly been available in their current location.

Did you know?

Cloud kitchens like GrabKitchen can help reduce F&B businesses' upfront cost outlay

Launch lead times in new locations can also be reduced by more than half

With over 60 GrabKitchen outlets in SEA today, Grab can help F&B businesses adapt to changing consumer needs quickly



"The success of GrabKitchen lies in our ability to distill consumer data and help F&B businesses with their expansion blueprint, taking away the heavy lifting of running a restaurant, and allowing them to focus on what they do best: cook up delicious food."

– **Demi Yu, Regional Head of GrabFood and GrabMart**



Our sales in some outlets were impacted due to the pandemic. Thankfully we were able to partner with GrabKitchen during this time. They managed most of the heavy lifting and all we needed to do was move in and set up our operations. This helped us reduced our expansion overheads by 70% while producing the same amount of sales as a full service restaurant.

– **Eduardo Emmanuel Q. Firmalo, President, Frankie's, Philippines**





Going green is good for business

Consumers today care more about the environment and want to play their part to help reduce waste when it comes to food delivery.

Consumers

Close to **7 in 10 consumers want to reduce waste**, mainly by opting out of items such as plastic bags, tissues, or sauces.

1 in 2 indicated willingness to pay up to **PHP 15** extra for eco-friendly packaging!⁵

Did you know?

Close to **380 million** plastic cutlery sets were saved in 2020 when GrabFood introduced a no-cutlery option

F&B businesses

9 in 10 F&B merchants are concerned about environmental issues, and reducing single-use plastic is top of mind.⁶

What have F&B businesses done about it?



Changed packaging to be more eco-friendly
65%



Reduced single-use plastic usage
43%

Top initiatives from F&B businesses concerned about environmental issues

Building a sustainable future for the F&B industry



“We recognise that the rising popularity of food deliveries presents a unique challenge to the problem of plastic pollution. We are committed to innovating on sustainable packaging solutions for our deliveries business and will introduce a range of measures to support merchant-partners in becoming more sustainable in their packaging.”

– **Cheryl Goh, Group Head of Marketing and Sustainability**

As part of our initiatives to reduce our carbon footprint, we introduced the MICHELIN Green Star with the aim of building awareness and shining a spotlight on restaurants who seek to preserve natural resources, protect ecological diversity, implement sustainable gastronomy, as well as reduce food waste.

– **Manuel Montana, Managing Director Michelin East Asia & Oceania**



5 Online survey conducted amongst 1,609 active GrabFood consumers in the Philippines, Apr 2021
6 Online survey conducted amongst 200 active GrabFood merchants in the Philippines, May 2021



Digital payments are now a “must-have”

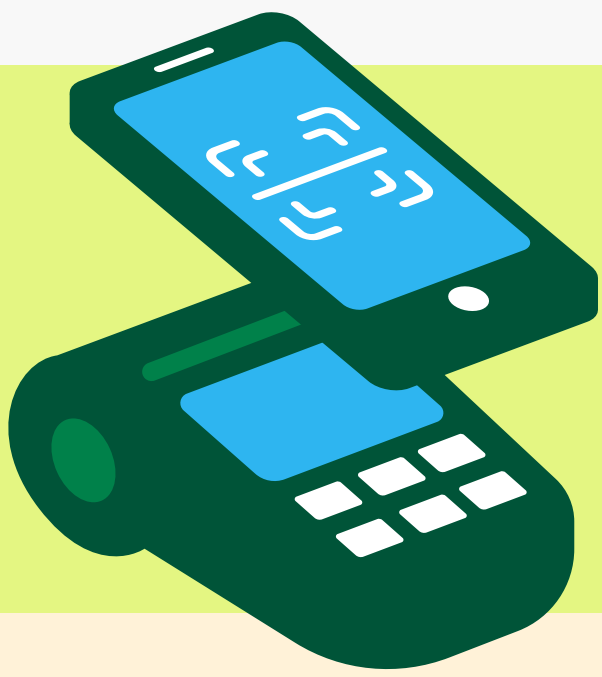
Paying via e-wallet is the 2nd most preferred method, after cash.

73%

of consumers felt that digital payments are a must-have in restaurants/ food stores

Convenience and security are instrumental to this growing adoption of e-wallets, with close to **4 in 5 Filipinos intending to use them even more in the next year.**

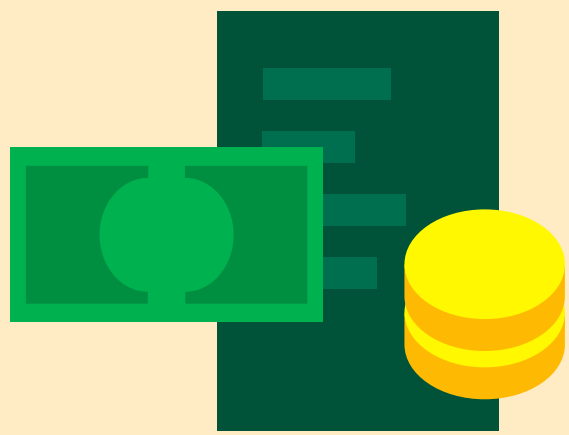
In this COVID-19 environment, digital payments also help eliminate the physical exchange of money and reduce the risk of virus exposure, making it safer for businesses to handle daily financial transactions while offering convenience to consumers.



Close to **4 in 5** Filipinos intend to use e-wallets even more in the next year.

More F&B businesses now choose GrabPay as a payment option. Here’s why:

1



Businesses can keep track of payments automatically, with a consolidated view of total sales

2



They can monitor their sales performance and identify trends to shape their business strategy

3



Reduces worry of theft or fraud

Grow your

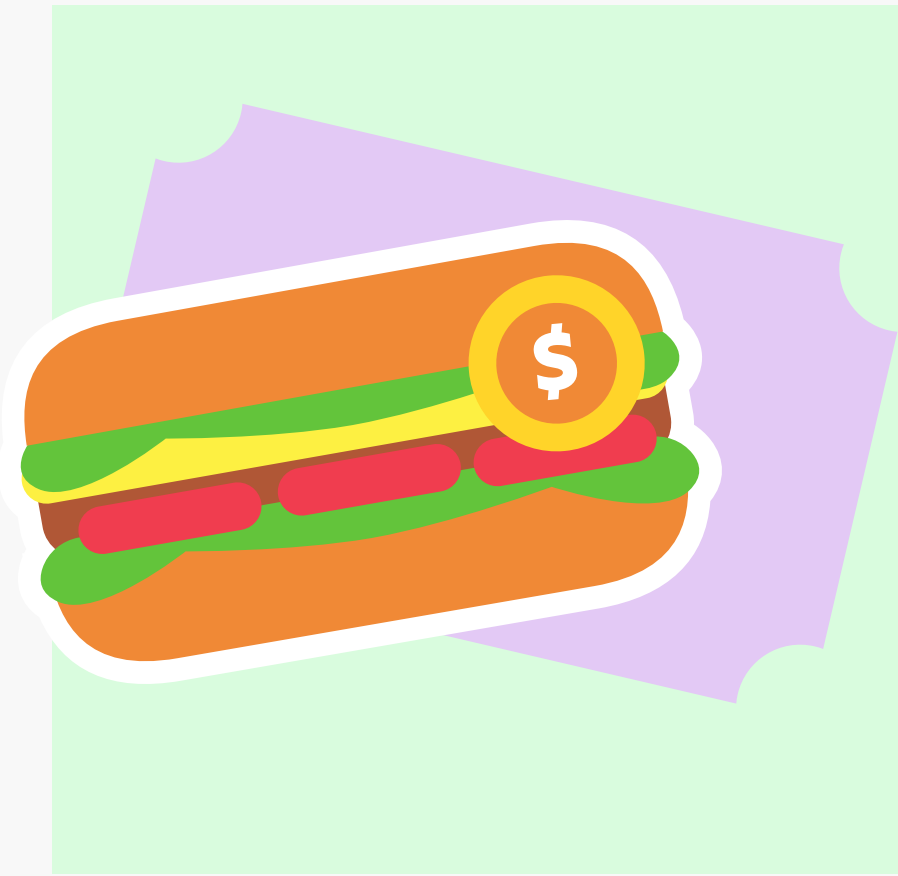
business

with

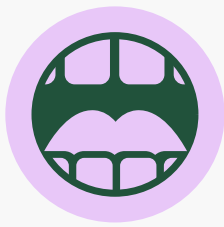
Grab
Food

We distill the key learnings, tips, and Grab tools that can help make it easier for you to grow your business.

The Success Sandwich



Ingredients



Hunger for success



Appetite for experimentation

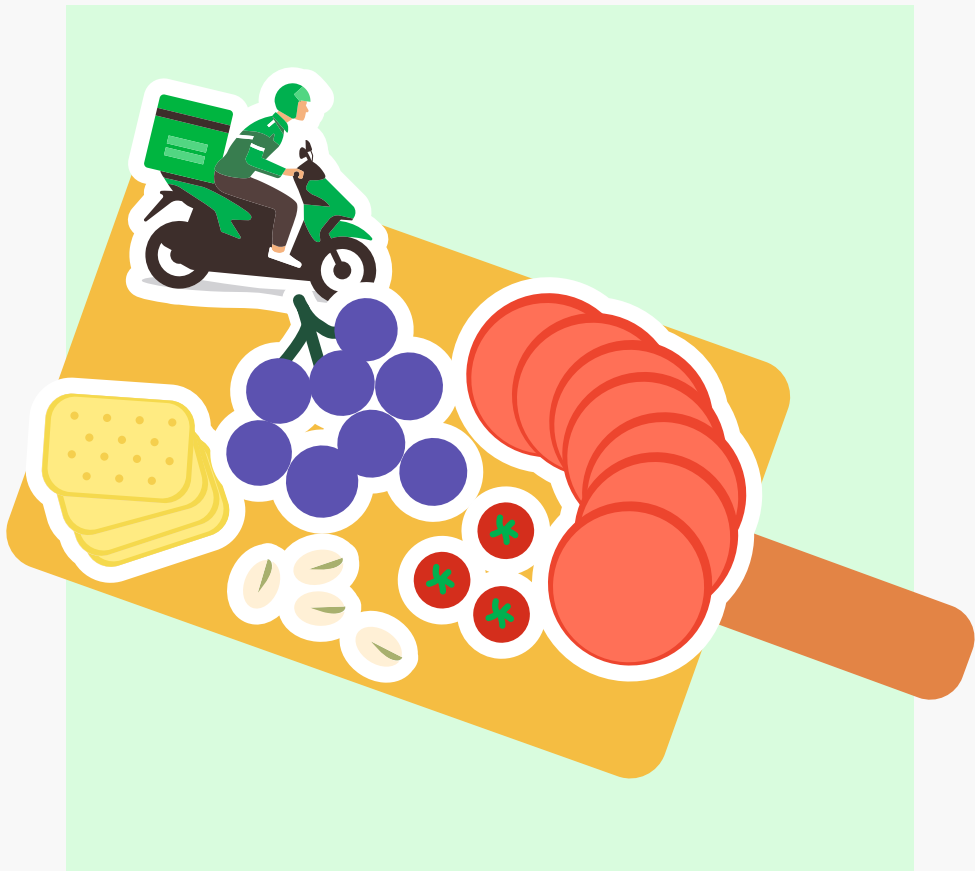


Never-give-up attitude

Time to grow your appetite and consumer base

- 1 Try introducing some kid-friendly dishes into your menu to cater to young families
- 2 Consider incorporating food trends into your menu by introducing limited time offers or seasonal menu items
- 3 Try promoting foods with organic/natural ingredients and less salt/sugar/oil and communicate the number of calories in food items where possible to appeal to the health-conscious
- 4 Bundle food orders with side salads, sandwiches, or smoothies as consumers think of these foods as healthier, and will be willing to pay more
- 5 Win over home cooks: offer items that consumers love, but which are difficult to replicate at home
- 6 To appeal to home cooks even more: consider offering meal kits that can be whipped up at home
- 7 Share content around safety protocols and ingredient quality to build consumer trust
- 8 Run Buy 1 Get 1 promos to appeal to new consumers and encourage repeat orders
- 9 Share positive reviews on social media to encourage consumers to order from you
- 10 Use Grab Marketing Solutions and GrabAds to reach new consumers and run targeted campaigns to stand out from competitors

Food Delivery Snack Platter



Ingredients



Agility



Collaboration



Always wanting to improve

Some food delivery tidbits to boost your sales further

- 1 Have more lower priced items, and list the items for each category in ascending price order to drive larger basket sizes
- 2 Introduce combos with best performing dishes and include drinks, dessert, or appetisers and side dishes to grow orders of multiple items
- 3 For drinks, clearly indicate brand, variant, pack size, pack format, and price for consumer clarity
- 4 Include photos and food descriptions on food items to drive more click throughs and sales
- 5 Keep menus short, as sales tend to decline for items further down the list. Focus on what sells best
- 6 Consider reducing menu items with long prep times (>20 mins), or items that don't travel as well
- 7 Always check that meals are accurately packed to ensure consumer satisfaction and repeat orders
- 8 When packing foods (especially those with liquids), ensure they are well-sealed, or use spill-free containers to avoid spillage during delivery
- 9 Keep cold and hot foods separate to ensure optimal temperature during consumption
- 10 Go green with your packaging as consumers prefer eco-friendly packaging and are willing to pay up to PHP 15 for it

Whip up a recipe for success with these GrabFood tools

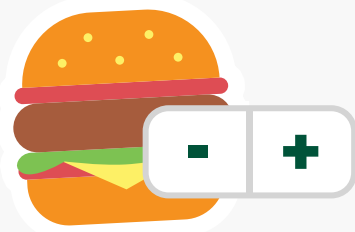
Improve efficiency



Merchant Menu Editor

Make first impressions count with your menu

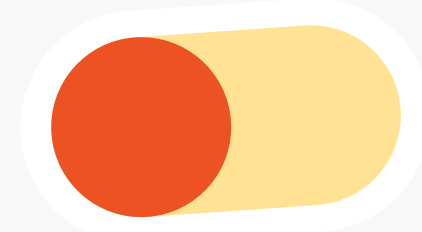
Keep your offerings updated and improve your sales! Make changes to your menu easily, directly, and instantly with Menu Editor.



Set Sales Limits

Manage your inventory the effortless way

Set sales limits for top-selling items to manage inventory, or set them to reset automatically on a regular basis.



Busy Store Status

Stay efficient, even when things get busy

Manage your peak hour operations by setting your Store Status to 'Busy' if you need more time to prepare orders. This will delay driver allocation to minimise their wait time as well as slow down orders to your store.

Accelerate growth



Promotions

Drive more sales through promotions

Opt in to promotional campaigns on GrabFood, or create your own discounts to drive more sales.



Insights

Drive growth by learning about your business performance

With the Insights tool, you can empower your team to grow your business by understanding your sales performance and consumer behaviour better.



Ads

Shine the spotlight on your business with Ads Manager

In as little as 5 minutes, you can set up banner ads and search ads to attract consumers to your store. You're only charged when someone clicks on the ad.



Social Media Sharing

Use your unique Grab store link on social channels

Your unique Grab store link allows you to direct consumers to your order page. You can use it in your social media posts, emails, WhatsApp messages, and more!



GrabAcademy

The best way to grow is by learning

Find online resources to help you master and get the most out of GrabMerchant tools, plus learn the basics of branding, creating promotions, and social media management.

Not yet on **GrabFood**?



Grab is the leading superapp platform in Southeast Asia, providing everyday services such as mobility, food, package and grocery delivery services, mobile payments, and financial services to millions of Southeast Asians.

Over
214 million
app downloads

Across
428 cities
in 8 countries

Over 9 million
drivers, merchants,
and agents in our
network

Don't miss out on these tools & services, or the growth you could get as a GrabFood merchant-partner. Sign up today & be onboarded in as little as 3 days.

Sign up here.

Why be a Grab merchant-partner?



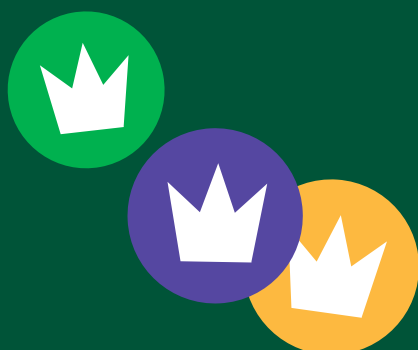
Market to our consumers

Grow your business by tapping on our marketing channels to reach millions of hungry Grab consumers.



No extra staff

With the largest delivery fleet in Southeast Asia, you get your own delivery service without adding to your headcount.



Keep them coming back

Reward and retain your consumers by leveraging on the GrabRewards loyalty programme.



Know your consumers

Get access to tools that help you track, analyse, and improve your business online.

