



Meal Kits: Retail Responds

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1. Which protein is the preferred among consumers?

According to the USDA, chicken is the protein most consumed on a per capita basis. Chicken is also the protein most commonly found on restaurant menus.

It's important to remember, though, that meal kits are a chance for consumers to explore new cuisines, so tailor your protein choices to what's appropriate for the recipes.

2. Lots of meal kits are cheap with meat and poultry portion. What should be the target? 4 ounces?

Most online meal kits offer 5-6 ounces of raw product per person dependent on the protein. Note that center of the plate, stand alone protein dishes- like steak and potatoes- are less frequently seen in kits, with meat often being used as a topper for pasta, grains, or salads.

3. Do you see a demand for Halal or Kosher meal solution products?

Consumers have a very broad need for meal solutions; kosher or halal products would address the need for specificity of diet that can make meal planning even more complicated.

4. What is the average shrink for displayed meal kits in the store?

With meal kits still relatively new at retail, there aren't a lot of benchmarks in the segment. The FMI reports that average fresh prepared foods shrink in 2016 was 9.4%; that can be used as a comp for meal kits.

5. Do you believe that customers are more willing to try cuts that increase utilization in meal kits vs in the case?

Meal kits are a resource for customers to learn to cook and can be an opportunity to get shoppers to try new cuts.

6. What is the interaction between all of the meal kit options? Are the in store options substitutable for the online versions? Do they carry the same level of perception around quality and variety?

It's still kind of early in the retail meal kits lifecycle to answer that. But we certainly see the same level of culinary choices at retail as online, with global cuisines offering exciting flavor choices for consumers- that's a good start.

7. Is there an opportunity for in store demos for meal kits as a way to educate the customer on simplicity and taste?

Absolutely! Demo should be a part of any in store kit program.

8. What does the switching look like among the online meal kit companies i.e. with all of the deep discounts to incent trial are consumers just moving back and forth between the companies and then abandoning after first round incentives run out? And is the repeat generated by these companies trying to get them back? What is the true consumer acquisition costs for these companies and are they sustainable?

That's data we just don't have access to in order to answer the question.

9. What is the opportunity in percentages for a brick and mortar chain to add such a program?

It's not what you have, it's what you do with it. Your chances of success all depend on the right product, placement, and promotion. Retailers need to be willing to test and adapt with their program to find the right mix for their customers.

10. Are you seeing anything interesting in meal kits or heat and eat that is frozen not fresh?

The fresh aspect is key to meal kit shoppers. There certainly are some great product in the frozen space- almost all are fully cooked- but that's a different customer.

11. What should be the shelf life of a retail meal kit?

Depends on your program, but you want to be sure shoppers have a good window to use the product once they get home- 5 days can be a target.

12. Do you predict that retailers will be more successful with preparing kits in store or utilizing a third party company?

Again, depends on the program. Retailers who already have committed labor in fresh departments, culinary knowledge, plus the ability to source and handle multiple ingredients, may be best served by in store prep. Third party companies can be ideal for retailers that don't fit that bill.

13. Should retail shy away from early discounted offerings to avoid the same issues online services have run into?

Discounts can certainly incentivize trial, but make sure your everyday price point hit the mark.

14. Why do you recommend to display the Meal Kits? In Meat/Seafood rather than Deli? Adjacent to Meals on the Go? I do agree with Front Display for a quick and easy check out. Would you have multiple displays within the store?

Shoppers looking for meals in the deli are often more focused on immediate consumption items, whereas meat/seafood shoppers are planning to cook with raw ingredients. Multiple display- if possible- can help spread the word on your program.

15. How can Meat and Poultry processors assist retailers with providing components for meal kits? Individually portioned product and/or marinated/seasoned product? What shelf life should one target?

The longer shelf life the better- at least 14 day can help retailers in executing at store level. Freezing these proportioned items to be slacked when placed in kits is certainly an option. Precut, proportioned and marinated, especially in packaged form- will be value added for retailers.

16. Do you see any opportunity for branded products in meal kits?

Absolutely. Plus these partnerships can help support marketing efforts and help with costs.