

THE MEAL KIT OPPORTUNITY

eBook



INTRODUCTION

In this eBook, we'll dig into the what, who and how behind meal kits—pre-portioned ingredients and recipe instructions for a complete meal you prepare and cook yourself at home. Read on to learn how valuable the retail opportunity is for meal kits today. This e-book explores:

- Who's buying them
- What consumers think makes a good meal kit
- How to take advantage of this market-shifting innovation



Look for this symbol for valuable ideas on growing your business with meal kits

A SMALL CATEGORY WITH BIG POTENTIAL

9% **OF CONSUMERS**
have purchased a meal kit either online or in-store in the last 6 months



THAT'S EQUIVALENT TO
10.5 **MILLION**
HOUSEHOLDS

25% **OF CONSUMERS**
would consider buying an online/in-store meal kit in the next 6 months



THAT'S EQUIVALENT TO
30.1 **MILLION**
HOUSEHOLDS

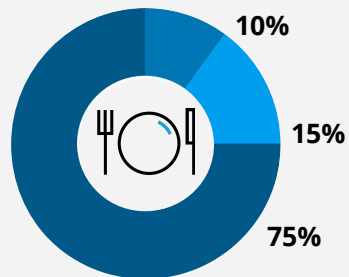
IN-STORE & ONLINE MEAL KITS SERVE DIFFERENT FUNCTIONS

Although the majority of meal kits are purchased from online subscription services, in-store meal kit sales grew rapidly in the past year, **up 26.5% to \$154.6 million.**

In today's stagnant market, in-store kits can be a powerful source of growth, and a demonstration of how retailers and suppliers can and are changing with the times. They also have unique advantages over subscription services. In-store kits require less commitment than a paid subscription and offer more flexibility for retailers and suppliers to experiment with components and "levels" of convenience that keep consumers coming back.

Today there are three types of in-store kits:

DOLLAR CONTRIBUTION TO TOTAL IN-STORE MEAL KIT* SALES BY TYPE



FULL KITS Includes all components, prep requires several steps

STARTER KITS Have most but not all components of a meal kit.

QUICK KITS Have all components but take 1-2 steps

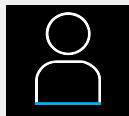
*All items must have a fresh component to be included.



To successfully invest in meal kits, determine what price, prep-time/level of difficulty, quantity and quality of meal kit make sense for your shopper.

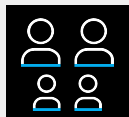
TIME-STRAPPED YOUNG CONSUMERS GRAVITATE TOWARD KITS

But single, urban-dwelling Millennials aren't the only ones buying kits. In-store meal kits index highly with:



YOUNG TRANSITIONALS

Under 35 years old, unmarried, no children, living in **urban, suburban and rural** areas



YOUNG FAMILIES

Living in urban, **suburban and rural** areas

COOKING STYLES OF MEAL KIT BUYERS

Today, meal kits over-index for U.S. households that identify their cooking style as **“gourmet cooks,”** but opportunities exist with **young families and singles that enjoy cooking and trying new recipes**, which make up roughly 44% of U.S. households. These households are often strapped for time and could be enticed to purchase with further customization - for example, offering a meal kit with appropriate family portions or exciting new recipes that are also healthy.



Before launching a meal kit strategy, get to know your potential consumer—if they're already buying, hone your development and marketing strategies by understanding their cooking habits, hobbies and media consumption. If they aren't currently purchasing, assess how you can overcome their meal kit misgivings by providing further value.

CONSUMERS ARE CLEAR ON WHAT THEY WANT IN A KIT

Almost 60% of meal kit buyers say value for the money is extremely important. So what do consumers value in their meal kits? Of consumers purchasing meal kits in-store **and** online:



76%

are satisfied with
produce quality



72%

like meal kits
because they
allow them to try
ethnic foods



24%

would add wine if
it was an option



29%

say they eat more
seafood with a kit



36%

say the availability of
diet-specific foods is extremely
important in their decision to
purchase a meal kit

In order to fine tune your strategies, get an understanding of how meal kit preferences differ between online and in-store consumers.



To overcome consumer concerns with meal kit affordability/value get a sense of what consumers would be willing to pay for a meal kit *and* what they value most beyond price.

WHAT'S NEXT FOR MEAL KITS AND YOU?

MEET FOUNDATIONAL REQUIREMENTS—THEN BUILD

Full meal kits, like those in online subscription services, only account for 10% of in-store meal kit sales. It's important to understand what function meal kits serve for your time-strapped consumers, so you can meet those needs and build on them with the right combination of pricing, convenience and quantity.

GET TO KNOW THE MEAL KIT CONSUMER

Although young transitionals are an important consumer group for meal kits, young families and those that are strapped for time represent a huge opportunity, and they're not just located in cities. Getting a deeper understanding of the consumers that present a high dollar opportunity for kits is important for honing development and marketing strategies.

DIFFERENTIATE WITH ADDED VALUE

What shoppers value in meal kits motivates them to buy beyond price—meeting their needs can also provide retailers and suppliers key partnership opportunities to elevate sales across the store. Understand what options or qualities are most important to stand-out and innovate in this increasingly crowded field.



**FOR MORE INFORMATION ON THE FULL MEAL KIT LANDSCAPE AND YOUR OPPORTUNITY,
CONTACT YOUR NIELSEN REPRESENTATIVE TODAY, OR [CLICK HERE](#).**

The background of the slide is a solid blue color with a pattern of continuous, flowing, wavy lines that create a sense of depth and movement, resembling ocean waves or a topographical map.

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