

The Curated Dinner Solution: Meal Kits' Emergence at Supermarkets

By Charlie Baggs - 09/12/2018



When it comes to meal kits, it's the whole package that resonates

As the transformation of food retail strategy continues, supermarket operators have an extraordinary opportunity to capture more meal occasions – for the simple reason that meal preparation at home is on the upswing.

In fact, according to Hartman Group's "Foodways of the Younger Generations" study, 71 percent of Millennials would prefer a home-cooked meal over any other option, and 63 percent of them say they truly enjoy cooking.

Validating this insight, The NPD Group finds that 83 percent of Millennial consumers are cooking more at home and making fewer restaurant visits.

Food purchases are largely symbolic – like holding up a mirror to reveal what we want the world around us to know about ourselves and what we care about.

What's at Work Here?

The surging interest in home cooking is an outgrowth of efforts to assert greater control over ingredient quality, preparations and portion sizes, along with the ability to better manage household food spending.

There's also another explanation: The consumer's growing love affair with food and culinary inspiration continues. The desire to exercise that creative calling in the kitchen is strong, as it fulfills the No. 1 driver for food purchase and consumption: healthy lifestyle. Consumers tacitly believe that home-cooked food is healthier and better for them.

Additionally, at the most fundamental level, food choice is an expression of a person's identity, beliefs and desires, as well as a tool to manage wellness. In short, it's super-important to people. Thus, food purchases are largely symbolic – like holding up a mirror to reveal what we want the world around us to know about ourselves and what we care about.

Time, menu selection and ease of preparation remain as real barriers to what people want. Supermarkets can help solve this dilemma with the curated selection and simplified choice provided by meal kits.

Insight to Behavior = Sound Business Strategy

Armed with this understanding, retailers can optimize their own strategic plans to place more emphasis on fresh products, sourcing stories and in-store experiences that fuel the desire for cooking at home.

But time, menu selection and ease of preparation remain as real barriers to what people want. Supermarkets can help solve this dilemma with the curated selection and simplified choice provided by meal kits.

While there's been mixed reviews for the meal-kit ecommerce subscription and delivery model, the case for kits at retail is compelling. The upside business opportunities are significant.

Statista research reveals that the meal-kit category surpassed \$4.65 billion in sales in 2017, and is forecasted to reach \$11.6 billion by 2022. Separately, Nielsen is tracking performance at food retail and recently reported that in-store meal kits generated \$154.6 million in sales last

year – leaving lots of headroom for growth.

Consumer complaints about onerous subscription models aside, the battle for share of this expanding business is on. That’s why Albertsons acquired Plated, Kroger bought Home Chef, and Walmart revealed its intentions to bring meal-kit products to 2,000 of its stores by the close of 2018.

With grab-and-go ease, properly priced to convey great value, meal kits can become an effective supermarket banner voice around the commitment to high quality, fresh food ingredients and healthier menus in a convenient form.

Food Adventures in a Box

Nielsen’s [“Meal Kit Opportunity” ebook](#) notes that 72 percent of Millennial consumers like the meal-kit concept because it lowers the risk for trying ethnic dishes.

It’s the whole package that resonates:

- A curated menu requiring no added thinking or planning ahead
- Assembled from high-quality, fresh ingredients portioned to eliminate waste
- Step-by-step instructions to ease preparation
- Portable and fast for last-minute dinner decisions
- Affording low-risk experimentation with different cuisines
- The treasure hunt of culinary assortments
- Great storytelling around ingredients and sources of fresh items

Meal kits at food retail are an incremental business-generating category that beautifully solves an important and daily dilemma for shoppers: what to have for dinner, the most important meal decision of the day.

With grab-and-go ease, properly priced to convey great value, meal kits can become an effective supermarket banner voice around the commitment to high quality, fresh food ingredients and healthier menus in a convenient form.

While some comfort-food standards might be in the mix, the demographics for meal-kit preference suggest that early adopters will be more culinarily driven and interested in experimentation. Don’t be shy about menu innovations. After all, the future of meal kits is at food retail.