

ANNUAL  
**MEAT** 2019  
CONFERENCE



March 3-5, 2019 | Hilton Anatole | Dallas, TX



FOUNDATION FOR  
MEAT & POULTRY  
RESEARCH & EDUCATION

[www.meatconference.com](http://www.meatconference.com)

# MEAL KITS: WHERE ARE WE NOW?

*Meagan Nelson, Nielsen Fresh Growth & Strategy*



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## Agenda

**Where have we been?**

**Where are we now?**

**Where could it go?**

Panel Discussion

*Uwe Voss, Chief Operating Officer & Managing Director, HelloFresh US*

*Ashli Blumenfeld, Co-President & Owner, Standard Meat*

**Your questions answered!**

# WHERE HAVE WE BEEN?

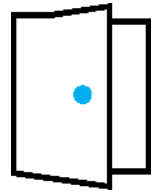
# MEAL KITS MERGED FRESH & ONLINE

What made it unique?

## NONE OF THESE ASPECTS NEW



Online



Doorstep Delivery



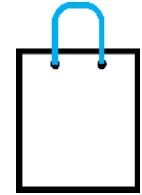
Products

## MEAL KITS SOLVED A NEED STATE

SOLVING



What's for dinner?



Do I have everything I need?

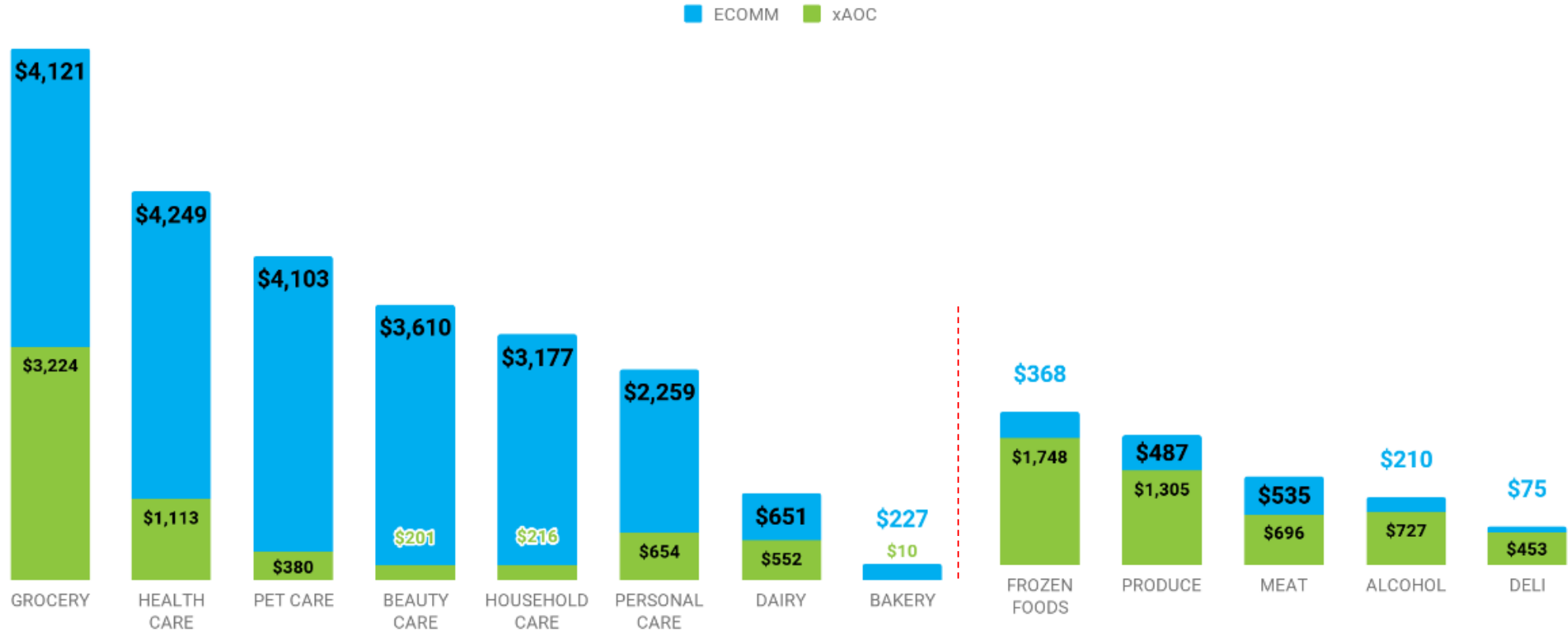


I'm stuck in a rut for dinner!

# WHY IS THIS NECESSARY?

## FRESH SLOWER TO MOVE ONLINE

Dollar Sales Growth By Department

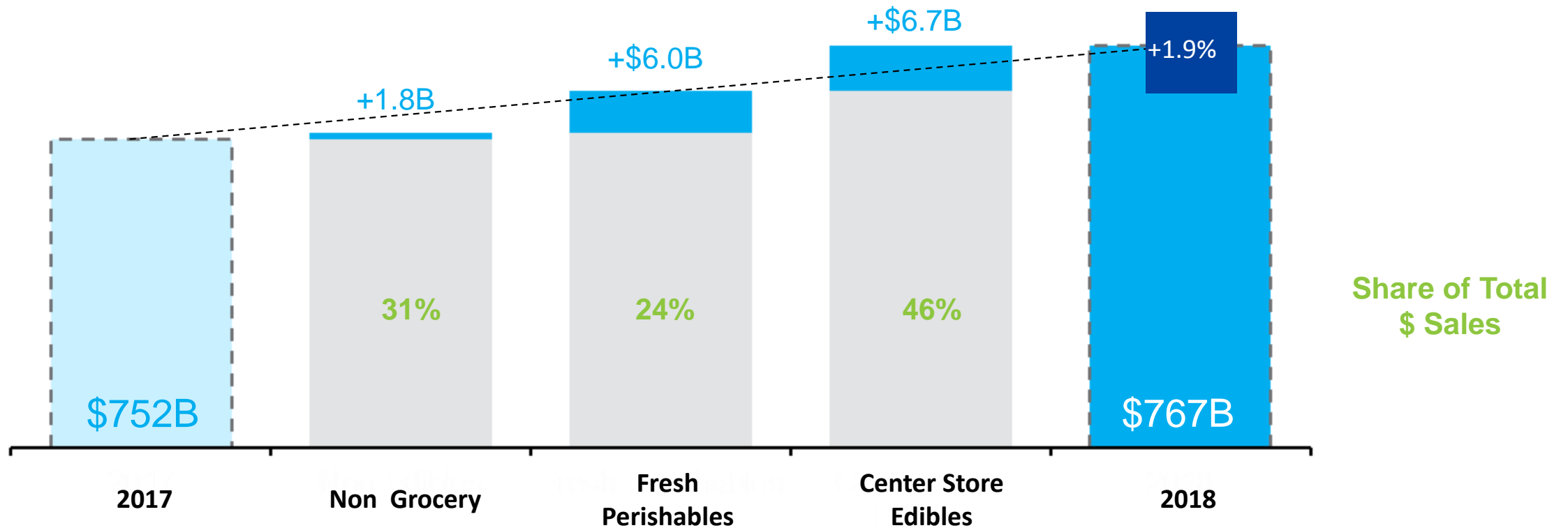


xAOC:	1.5%	2.6%	1.9%	1.2%	0.4%	1.6%	0.9%	0.0%	3.3%	4.4%	2.6%	2.1%	6.2%
eCommerce:	67.1%	67.6%	68.8%	54.2%	56.2%	44.5%	85.5%	88.7%	67.6%	91.1%	117.5%	66.4%	88.5%

Source: Nielsen Total Store Report, 52 weeks ended 9/29/18

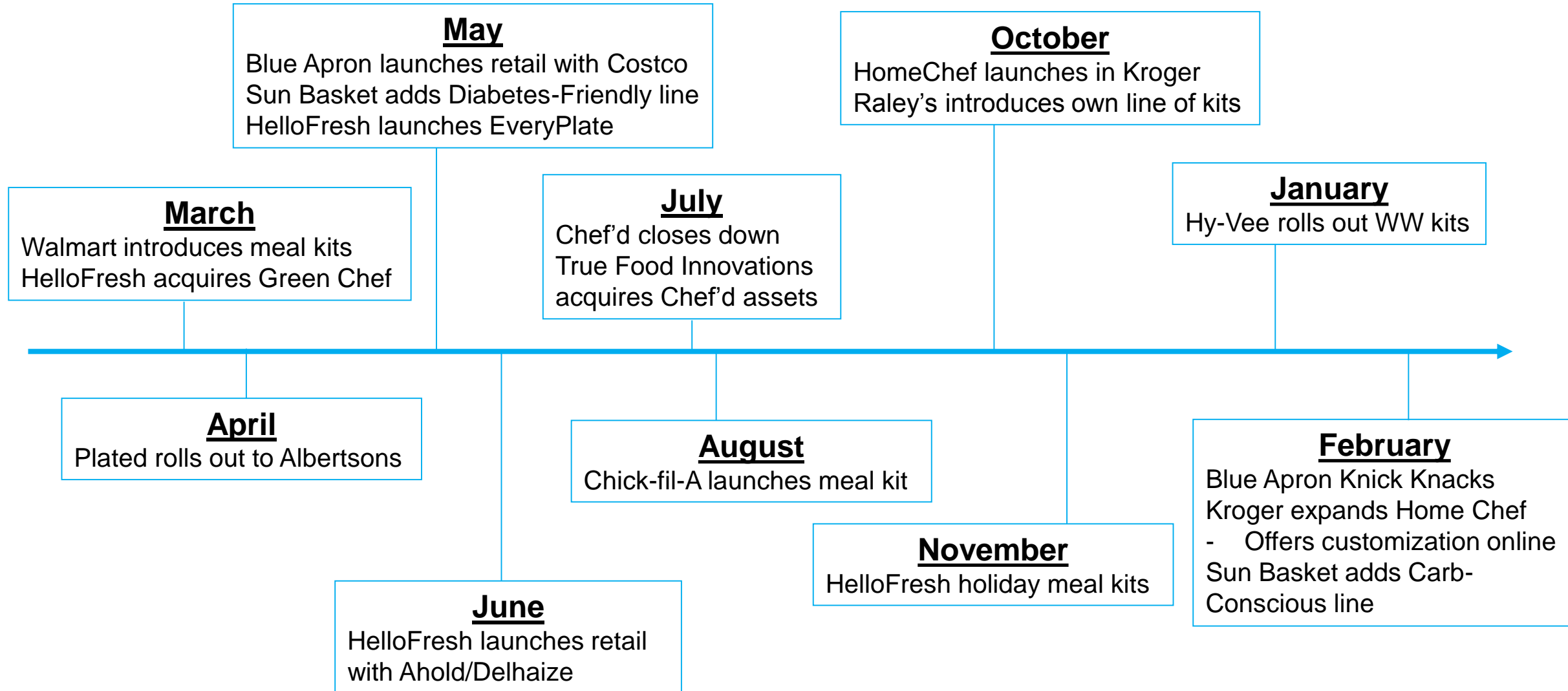
# FRESH DRIVING IN-STORE SUCCESS

## BRICK & MORTAR DRIVERS OF GROWTH – CONSUMER PACKAGED GOODS (CPG)



# MEAL KITS: A YEAR IN REVIEW

AMC 2018





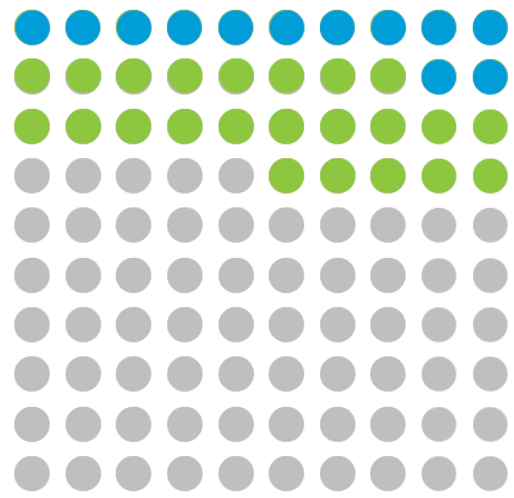
# WHERE ARE WE NOW?

# MEAL KITS: 36% GROWTH IN JUST UNDER A YEAR

**12%**  
of total consumers have  
purchased a meal kit in last  
six months

**14.3M HOUSEHOLDS**

**2019: 9%**



**23%**  
of total consumers would  
consider trying a kit in next  
six months

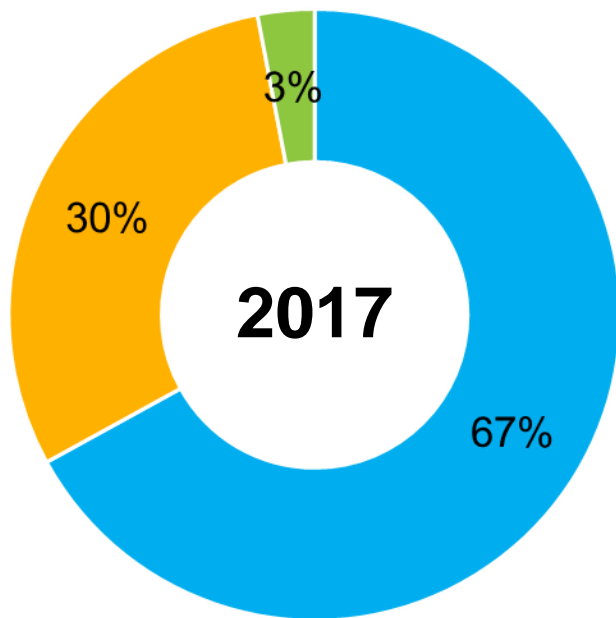
**27.6M HOUSEHOLDS**

**2019: 25%**

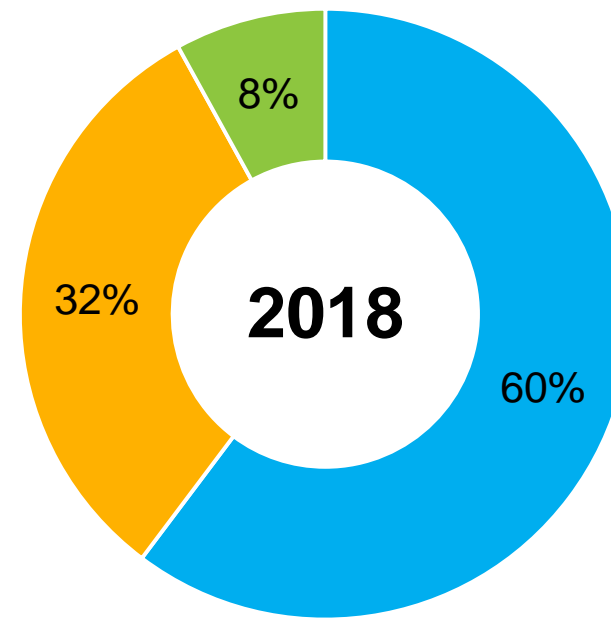
Additional 3.8M households purchasing meal kits

# CONSUMERS SHIFTING INTO IN-STORE PURCHASE

Meal Kit User Types



- Exclusive Online
- Exclusive In-Store
- Online & Instore

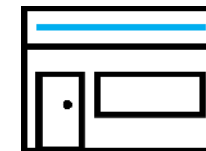


In-Store meal kit users accounted for nearly 60% of growth

# EVOLUTION OCCURRING IN WHO'S PURCHASING



Online



In Store



INCOME

**\$100K+: 44%; +6.1**

**\$70-99K: 19%; -0.4**

**\$50K-70K: 13%; -2.1**

**\$100K+: 28%; +9.0**

**\$70-99K: 15%; +2.7**

**\$50K-70K: 13%; +0.2**



AGE

**35-44: 29%; +4.3**

**25-34: 27%; -2.7**

**45-54: 18%; -2.8**

**35-44: 27%; +9.2**

**25-34: 21%; +2.8**

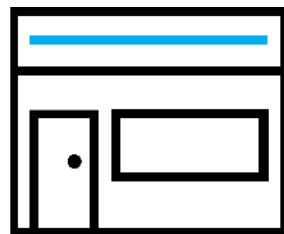
**45-54: 20%; -7.0**

# IN-STORE GROWTH A REALITY

## 2018 Sales

**\$93M**

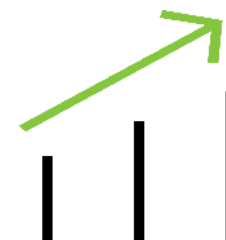
**7.3M Units**



## % Change Prior Year

**+51%**

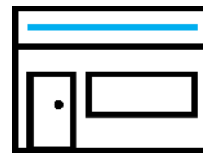
**+42%**



# MEAL KIT USERS SPEND DIFFERENTLY



Average Consumer




In-Store Meal Kit Buyer



Online Meal Kit Buyer

**Total Food**

\$3,080

\$3,232 

\$3,070 

**Meat**

\$389

\$378 

\$360 

# MEAT A CRITICAL COMPONENT OF KITS

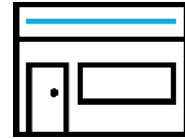


**74%**

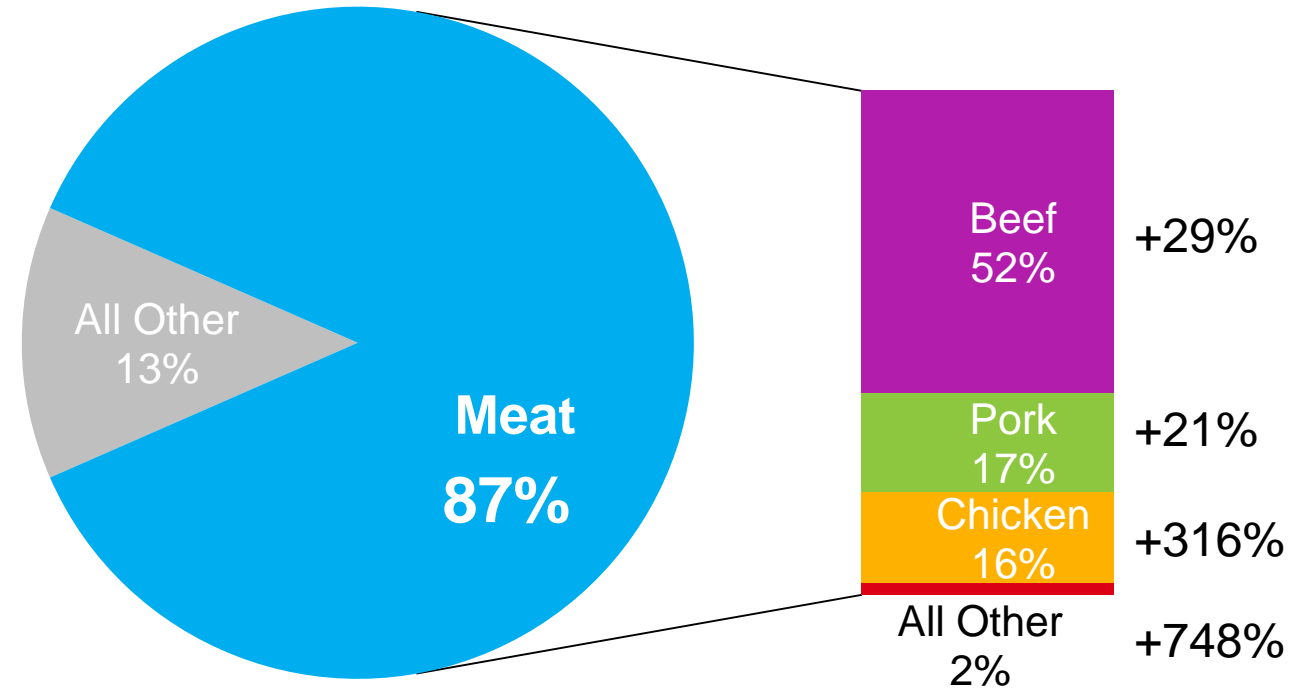
satisfied with fresh  
meat packaging

**61%**

satisfied with regular  
(i.e. not organic) meat



**87%** of in-store meal kits have meat

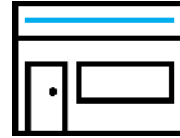


# SEAFOOD A GROWING OPPORTUNITY

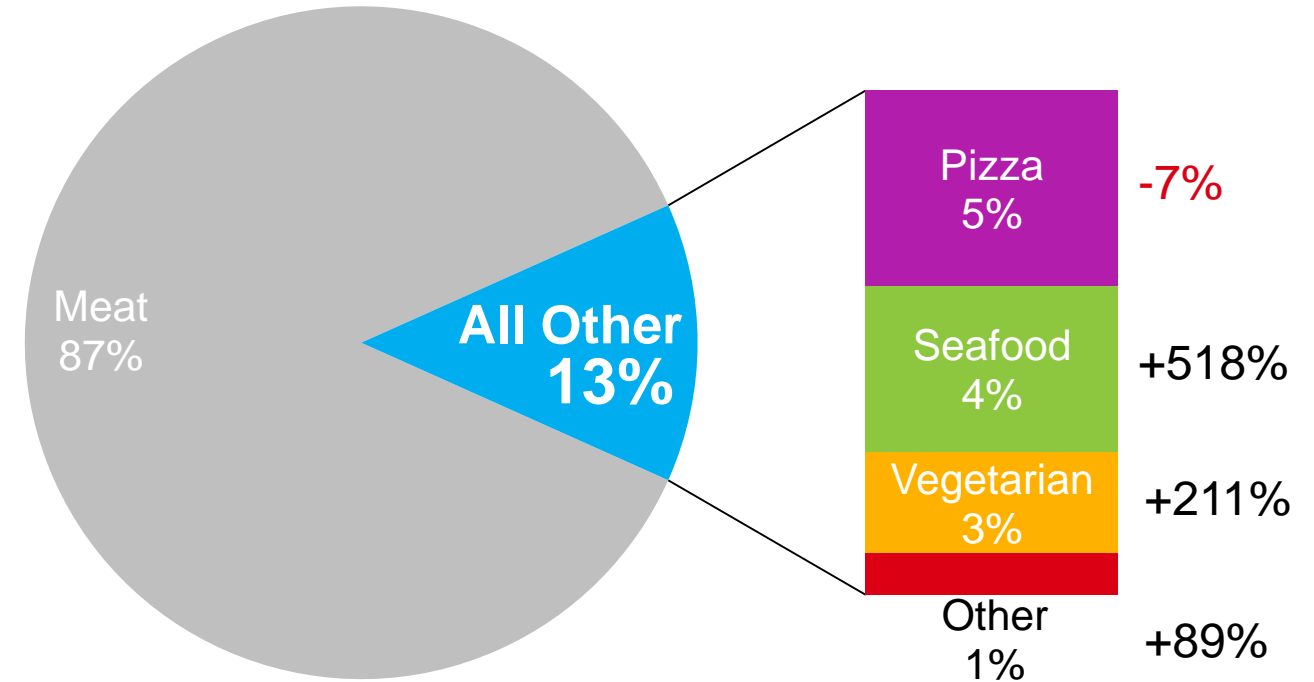


**27%**

eat seafood more often with a kit



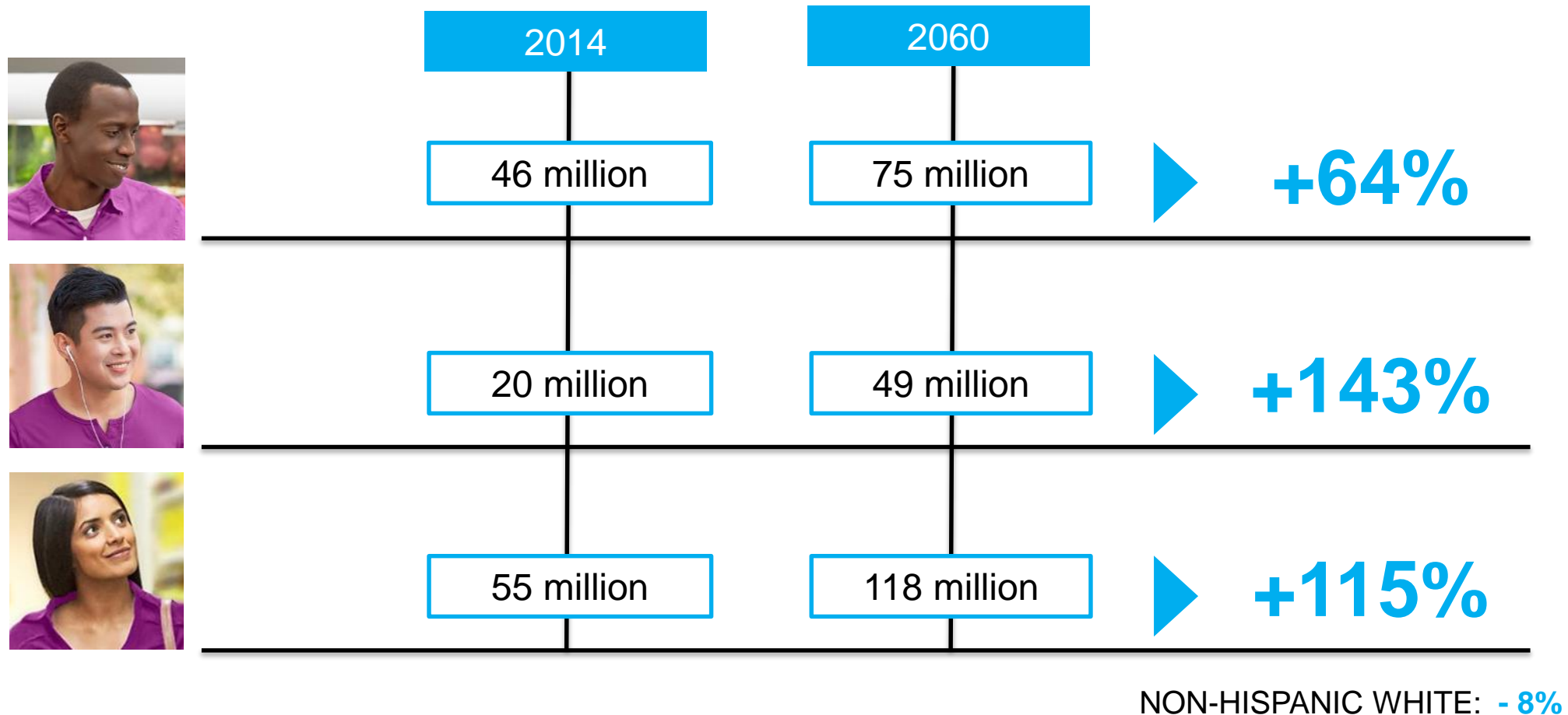
In-store meal kits





# CONSUMER MAKEUP IS CHANGING

And will continue to do so

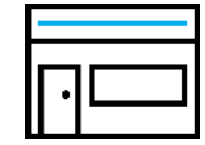


# IMPORTANT TO DELIGHT THEIR TASTEBUDS



**72%**  
enables me to  
try new recipes

**72%**  
allows me to try  
different ethnic foods



In-store meal kits



**American**  
79% of sales  
+31%



**Asian**  
8% of sales  
+342%



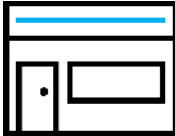
**Mexican/Latin**  
6% of sales  
+101%



**Italian**  
5% of sales  
+717%

Source: Nielsen Homescan Panel Custom Survey, October 22-November 12, 2018  
Nielsen Total Store View, Total U.S. xAOC 52 Weeks Ending 12/29/18, UPC and random-weight/Non-UPC coded product

# HEALTH PERCEPTION FOR MEAL KITS



**In-Store Foodservice**

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**55%**

meal kits are healthier than prepared food from **restaurant**

**43%**

meal kits are healthier than prepared food from **grocery store**

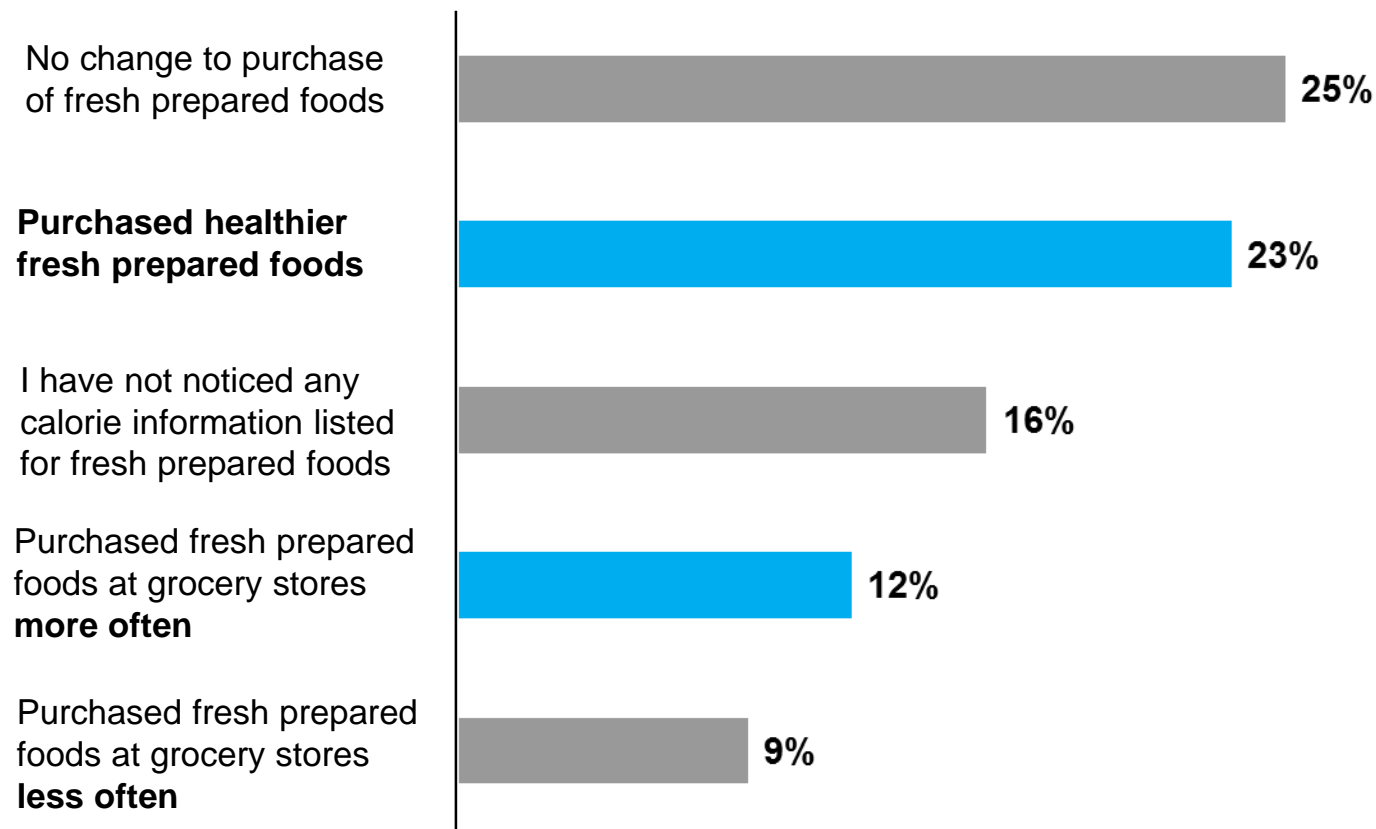
**\$19.9B**

**+7.2%**

Source: Nielsen Homescan Panel Custom Survey, October 22-November 12, 2018  
Nielsen Total Store View, Total U.S. xAOC 52 Weeks Ending 11/24/18, UPC and random-weight/Non-UPC coded product

# HEALTHY OPTIONS IMPORTANT TO CONSUMERS

How has listing calorie information for fresh prepared foods impacted your purchase intent?



**72%** of Americans say they try to eat healthy, but can't always do it



**76%** important that a meal kit has healthy recipes

# REINVIGORATION OF OLD STANDBY'S

**Frozen**



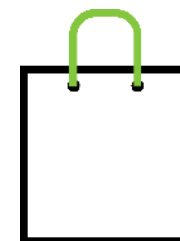
**Shelf-Stable**



# MEAL STARTER KITS

## Meal Starter Kit Definition

A meal starter kit is a product where you would still have to purchase the fresh ingredients, typically meat, produce and/or dairy to complete the meal. They can be refrigerated or able to be stored in your pantry/cupboards and most commonly provide starch (pasta, rice, grain, tortillas) with spices or sauce.



## PURCHASE MEAL STARTER KITS

Total Respondents: 6%

- Online Meal Kit Users: 9%
- In-Store Meal Kit Users: 25%

Meal kit buyers more likely to engage with meal starter kits

# BIG SALES WITH SPECIFIC GROWTH SECTORS

## Meal Starter Kits Performance

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**\$494M**

**+4.5%**

## What's Driving Growth?

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Breakfast

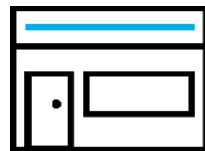


Global Flavors

# MEAL STARTER KIT BUYERS STRONG MEAT BUYERS



Average Consumer



In-Store Meal Kit Buyer



Online Meal Kit Buyer



Meal Starter Kit Buyer

**Total Food**

\$3,080

\$3,232 ↑

\$3,070 ↓

\$3,327 ↑

**Meat**

\$389

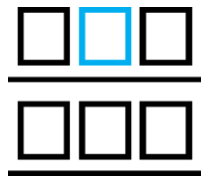
\$378 ↓

\$360 ↓

\$413 ↑



# TAKE ACTION TODAY



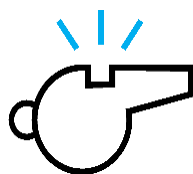
**MAKE SPACE IN-STORE FOR MEAL KITS**



**VARIETY, HEALTH, AND CONVENIENCE KEEP THEM ENGAGED**



**CONSUMERS SOURCING MEAT OUTSIDE THE MEAT DEPARTMENT, CROSS-DEPARTMENT COOPERATION**



**ENGAGE IN CROSS-MERCHANDISING WITH MEAL KIT STARTERS TO CREATE MEAL SOLUTION**

# WHERE COULD IT GO?

## *Panel Discussion*

# UWE VOSS

*Chief Operating Officer & Managing Director, HelloFresh US*



Meal kit company operating in 11 markets, delivering over 46 million meals globally, with over 22 million meals in the US alone (as of November 2018).

# ASHLI BLUMENFELD

*Co-President and Owner*



Specializes in custom protein portioning.

*THANK YOU!*

*Meagan Nelson, [Meagan.Nelson@Nielsen.com](mailto:Meagan.Nelson@Nielsen.com)*



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