

Annie Chun's *all natural*, shelf-stable Asian meal kits are made from high quality organic ingredients and contain no preservatives, trans fats, or MSG. Photo courtesy of Annie Chun's





# SERVING UP CONVENIENCE

New formulation, processing, and packaging strategies allow product developers to deliver innovative mealtime solutions for consumers eager to solve the daily dinnertime dilemma.

Millions of Americans ask the question every day: What's for dinner? Among those who must respond to the query and put a meal on the table, a growing number want it to involve something quick and easy to prepare. After all, 30 years ago, nearly three-quarters (72%) of main courses served at dinner were homemade, but by 2010, that total had declined to 59%, according to the NPD Group, which tracks consumer consumption patterns (NPD Group, 2010).

Americans' hectic lifestyles mean that convenience is a key driver when it comes to meal preparation, says Harry Balzer, Vice President of the NPD Group. "For the most part, it's been about convenience—almost convenience at any cost," says Balzer, although he notes that since the recession hit a couple of years ago, consumers have become thriftier, and price/value has assumed more importance to meal preparers.

Certainly, the impact of the recession has kept more people at home for mealtime. More than half (55%) of shoppers polled last year for a Food Marketing Institute (FMI) research project said they were preparing more meals at home than they had the prior year (FMI, 2010). On average, according to FMI data, consumers were making home-

cooked meals 5.1 times a week, with dining behavior on the other two nights split almost equally between eating out and takeout/ordering in/drive-through (FMI, 2010).

"Just because you're eating at home more doesn't mean you can cook," observes Bill Patterson, Senior Analyst for market research company Mintel International. Thus, according to Patterson and other industry watchers, the recession and the budget-consciousness it has engendered among consumers provide clear-cut opportunities for packaged foods developers to woo shoppers with convenient meal solutions that they can enjoy at home. Here's a look at how they're doing and what may be on the horizon in three product categories: frozen, shelf-stable, and refrigerated.

#### Convenient Options From the Freezer Case

A quest for convenience is precisely what drives consumers to the frozen food aisle, but marketers of products in this mature category may be losing ground as meal preparers opt for trendier alternatives ranging from pre-seasoned cuts of meat to shelf-stable meal kits, says Mintel Senior Analyst David Browne, author of the company's recently published report on frozen foods. "There are so many more [packaged foods]



Amy's Light & Lean low-fat, low-calorie entrees typically contain just 4 or 5 Weight Watchers Points and have a suggested retail price of \$4.89. Photo courtesy of Amy's Kitchen



Pumpkin Squash Ravioli was one of the new additions when ConAgra contemporized its Healthy Choice line in spring 2009.

options that have come up in the past 10 years," says Browne. Inexpensive fast-food meals also compete with frozen dinners and entrees, he adds.

Sales of frozen dinners/entrees in food, drug, and mass merchandise outlets, excluding Wal-mart (FDMx), declined by nearly 2.4% to \$6.2 billion for the 52-week period ending Nov. 28, 2010, according to data from Chicago-based market research firm SymphonyIRI Group. Meanwhile, product innovation has slipped as well as companies have rolled out fewer frozen meals. New product introductions declined from 400+ in both 2006 and 2007 to 330 in 2009 and just 160 for

the first half of 2010, Browne reports.

"Manufacturers have scaled back on innovation due to the recession," says Browne. He adds that there is some good news on this front, however, as "companies seem to have re-engaged in innovation" in the second half of 2010.

Product developers and marketers of frozen meals and entrees face a variety of challenges. For one thing, frozen food shoppers are very price driven; 53% of consumers report that price matters more to them than purchasing a particular brand (Mintel, 2010a). At the same time, frozen meal marketers have been challenged in the current economic climate to hold the line on prices as many ingredient costs have spiked upward, notes Browne.

Then there's the difficulty with targeting larger households. "Considering their busier home schedules, families would appear to be a primary target audience for frozen meals," says Browne. That's not the case, however. "Mintel's exclusive research finds that frozen meal consumption is actually lowest among this group, particularly for the larger households with two or more children," he continues.

Multi-serve frozen products such as skillet meals in stand-up bags are the hottest sub-segment within the frozen meals category. In the 52 weeks ending Nov. 28, 2010, FDMx sales of multi-serve frozen dinners and entrees climbed 5.7% to nearly \$1.4 billion, SymphonyIRI reports.

The surge in skillet meal sales prompted frozen food co-packer Request Foods to build a 230,000-sq-ft addition to its existing plant in Holland, Mich. The new facility, which will open its doors June 1, 2011, will allow the company to produce skillet meal products in gusseted, pillow, and four-corner bags in sizes ranging from 22 ounces to 96 ounces, says Jeff Gehres, Director of Sales and Product Development.

Both skillet meals and bagged products for in-the-oven preparation allow consumers to participate a bit in the meal making, thus giving them the feeling that "maybe this is a little closer to scratch cooking," says Gehres. Browne agrees with Gehres' take on the market. "Par-

ents concerned about nutrition are more likely to feel better about serving their family a meal that is at least somewhat freshly prepared," he says. "Products like *Stouffer's Easy Express Skillets* and *Bertolli Oven Bake Meals* may seem less processed than traditional frozen meals that are prepared in a microwave."

Overall sales of single-serve frozen entrees/dinners in FDMx declined 5.1% to slightly less than \$3.5 billion for the 52-week period ending Nov. 28, 2010, but there have been strong performers within this segment, perhaps most notably ConAgra Foods. ConAgra has succeeded by effectively positioning its brands—*Banquet* for value-seekers, *Marie Callender's* for those out for a more-premium meal experience, and *Healthy Choice* for fat- and calorie-conscious consumers (Mintel, 2010a).

The company has been working hard to ensure that the venerable *Healthy Choice* brand, which made its debut 20 years ago, addresses current consumer needs and expectations. "In April 2009, *Healthy Choice* completely reinvented the brand with revitalized packaging and branding, a new line of *All Natural Entrees*, and a makeover of its website," says John Lindell, *Healthy Choice* Brand Director.

Building on the success of its microwaveable *Café Steamers*, the brand late last summer unveiled eight new steaming entrees targeted to consumers looking for a fast, healthy, and tasty lunch. Lindell describes the meals as "ultra-convenient," thanks to a brand new film technology that features a seal to lock in steam and a vent that releases steam as the entree cooks, creating an optimal amount of pressure during the microwaving process and ensuring that there's no need to pause to stir the meal midway through the cooking.

The proliferation of products formulated with an ethnic or regional flavor, including many "crossovers" that combine more than one ethnic influence, represents a notable trend in the frozen entrée/dinner category (Packaged Facts, 2010a). Mintel's Browne notes a trend toward the rollout of authentically flavored ethnic products such as Asian frozen dinners and bagged

meal kits from Kahiki Foods or Indian entrees from Amy's Kitchen. This fall, Amy's, which bills itself as the nation's leading natural frozen food brand, added a new dimension to its healthful assortment with the launch of *Light & Lean* meals specifically targeted to calorie-conscious consumers.

Mintel predicts inflation-adjusted sales declines for the frozen meals category through 2015, but expects the declines to be less steep than in recent years. To further develop the market, "companies need to continue to focus on removing the image of processed foods, [perhaps] promoting the fact that they are made with fewer ingredients or are somehow fresher," Browne sug-

gests. He also sees an opportunity for food companies to continue to enhance appeal by licensing restaurant chain names for use on products (i.e., Unilever's *P.F. Chang's China Bistro* and Heinz's *Boston Market* meals) and by linking frozen brands to celebrity chefs.

**Putting More Shelf-Stable on the Table**

FDMx sales of shelf-stable dinners (not including dry packaged dinners) declined by 4.7% to slightly less than \$1.3 billion for the 52 weeks ending Nov. 28, 2010. Sales of dry packaged dinners were flat for the same period, totaling nearly \$1.5 billion.

Despite the market's less-than-stellar sales performance,

product developers have expanded and upgraded the options in shelf-stable meal solutions, and new products continue to proliferate, some very innovative or even a tad exotic. General Mills, for example, rolled out 30 new SKUs in 2009, says Mintel analyst Paterson, and Hormel Foods introduced 10 new items.

Last year, General Mills unveiled *Good Earth* shelf-stable meal kits inspired by the *Good Earth* tea brand. The premium meal kits, which retail for \$4.79, contain no artificial flavors or preservatives and, with the addition of chicken or shrimp, allow the cook to whip up dinner in about 20 minutes. Packages feature "chef-inspired tips" for customiz-

**Steamazing!™ Entrees: Restaurant Quality Is in the Bag**



**B**rown bagging it takes on a whole new meaning at pioneering frozen meal company Amazing Food Creations!, Schaumburg, Ill., where inventive French chef Eric Carré is producing all natural, restaurant-quality frozen entrees using a patented technology that involves packaging the meals in natural brown kraft paper pouches for later microwave or conventional oven preparation.

Carré and his American wife, Dari, who is also a chef, came up with a patented process they call *Steamazing!*, which combines the traditional French technique of *sous vide* vacuum cooking with the kind of laminated packaging technology used for microwave popcorn. At Amazing Food Creations, various meal components are assembled, flash-frozen with liquids of

different densities, and placed in the paper bag packaging.

When the consumer purchases one of the company's frozen meals and cooks it in a microwave or regular oven, a layer of liquid around the food first vaporizes and the steam puffs up the paper pouch, activating a process of steam cooking the meal. The meals cook in about four to eight minutes in a microwave (depending on serving size) and in about 30 to 35 minutes in a conventional oven. When the steaming is complete, the consumer simply cuts the pouch open and gently slides the food onto a plate.

With new *Steamazing! Chicken Pomodoro*, for example, ingredients such as extra virgin olive oil, Parmesan cheese, fresh tomatoes, and garlic are arranged in a very specific pattern on and around pre-cooked chicken and pasta. When the consumer places the product in the microwave, "the sauce is being made in the bag, literally," says Carré.

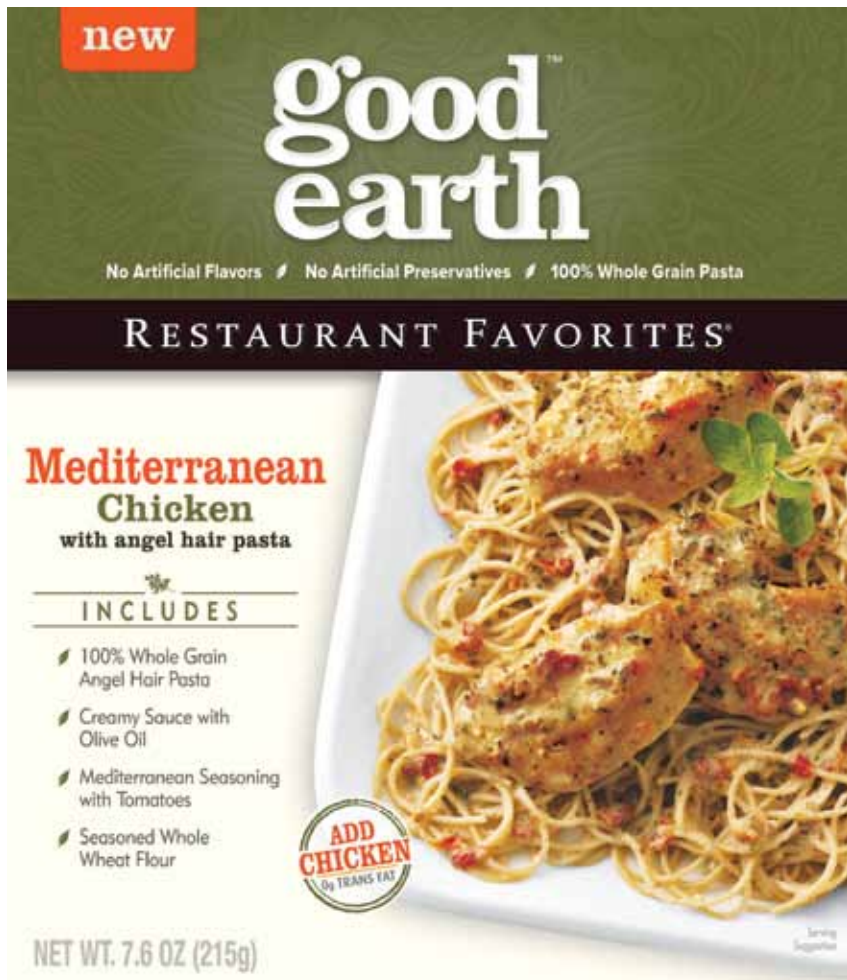
Steam cooking maintains flavor and requires no preservatives. "I totally refuse to try to enhance flavor in any artificial fashion," says Carré, a fourth-generation chef with a strong interest in science, who is a member of IFT and a founding member of the Research Chefs Association.

*Steamazing!* entrees are currently sold under the *French Meadow Bakery and Café™*

label in Whole Foods. Meals prepared with the technology are also sold through the home meal-delivery company Schwan's, and Carré expects them to be available in a number of supermarket chains this year, probably starting with Hannaford Brothers. The meals currently sell for \$3.99 to \$4.99 for a 10- to 12-ounce meal, says Carré, who adds that he eventually expects to offer some meals made with less costly ingredients and priced at \$2.99. Plans are also in the works to offer a multi-pack of three meals priced at less than \$9 in a leading club store chain. "2011 will be a big year," Carré predicts.

Although the *Steamazing!* meals have a shelf life of up to 12 months, Carré's goal is to have customers purchase products made much more recently than that. "We don't work off an inventory that is in a distribution center," he says. Instead, the company employs just-in-time manufacturing. "If you go to Whole Foods tomorrow, this meal was probably made two weeks to one month ago at the most," he says.

Amazing Food Creations was created to give consumers an opportunity to buy the sort of prepared entrée not available anywhere else, the chef explains. "We have created the company to make a difference in the market," says Carré. "Our food is so good that we call ourselves a restaurant on a conveyor belt," he adds.



General Mills counsels consumers to “stay in and go all out” with its new upscale Good Earth meal kits.  
Photo courtesy of General Mills

ing the meal kit with additions like fresh mushrooms or cannellini beans.

Also arriving on the market in 2010 were Annie Chun’s *Asian Meal Starters* from California-based CJ Foods; the meal kits retail for \$3.89. Other ethnic additions from a California-based company were *Thai Kitchen Rice Noodle Carts* from Simply Asia Foods. These microwaveable bowl meals made with pre-cooked rice noodles are free of gluten, MSG, and preservatives and have a suggested retail price of \$3.49.

The concept of upscale shelf-stable offerings boasting healthful ingredients makes sense. Mintel data show that more than 60% of shelf-stable meal users say they would like to see products with more vegetables as well as more whole-grain/higher-fiber products (Mintel, 2010b).

Marketers at ConAgra Foods pitched a wholesome formulation message to parents with the recent campaign for *Chef Boyardee* shelf-stable pasta meals themed “Obviously delicious. Secretly nutritious” (Wong, 2010). In one print ad, *Chef Boyardee Whole Grain Beefaroni* promoted the product’s whole-grain content with an image of an angelic-looking little girl cradling a sheaf of wheat.

For grown-up consumers, ConAgra enhanced the health profile of its *Healthy Choice Fresh Mixers* introduced late in 2008 by using *Ultragrain* whole-grain flour to formulate the pasta. The shelf-stable meals broke new ground in the category, thanks to innovative packaging that allows the user to add water to the package, cook the pasta in the microwave, and then strain it through

the package lid. A sauce packet is heated separately and then combined with the pasta, which helps to maintain the flavor and texture of both components, according to the company.

“When formulating microwaveable meals with pasta, food product developers must take into account color, texture, flavor, and cook time of pastas made with whole-grain ingredients,” says Elizabeth Arndt, Manager of Research & Development at ingredient company ConAgra Mills, developer of *Ultragrain*.

“For microwaveable meal, entrée, or side items that are formulated with dry pasta, it is important to achieve the optimal cooked pasta texture in the targeted cook time,” Arndt continues. “Factors that can be used to adjust the cook time for dry pasta for microwave cooking, as well as for other methods of preparation, are reduced pasta piece size, reduced wall thickness, and pre-cook processing.”

Simply delivering on convenience isn’t enough to ensure success in the shelf-stable category, Patterson points out, noting that manufacturers and marketers need to continue to meet consumer expectations for products that are more healthful—with fewer additives, fewer total ingredients, and lower sodium content. “All of those are hot buttons with consumers,” he says.

Mintel forecasts only minimal sales growth for the shelf-stable meal/meal kits market through 2015 as consumers become more willing to eat out and/or are drawn to more innovative product offerings in other categories (Mintel, 2010b).

### Cool New Opportunities

With SymphonyIRI-tracked FDMx sales of \$501.2 million for the 52-week period ending Nov. 28, 2010, the refrigerated entrees/dinners market is substantially smaller than its counterparts in frozen and shelf-stable, but it is growing. Sales were up 5.7% over the prior year, according to SymphonyIRI.

Food Marketing Institute research shows that shopper interest in fresh ready-to-eat foods from the supermarket stands at 55%, its highest level in five years (FMI, 2010). And in a Packaged Facts online survey of nearly

1,900 consumers conducted in May/June 2010, 18% of respondents reported eating more fresh prepared foods since the recession began (Packaged Facts, 2010b).

Who is the core consumer of refrigerated prepared meals? Packaged Facts' analysis of survey data assembled by Experian Simmons draws a profile of an under-30 single person living in a small household, who also tends to be well

educated and relatively affluent, although, surprisingly, the category also indexes high with consumers who report a household income of less than \$25,000 (Packaged Facts, 2010b).

Those who doubt the growth potential of this market might consider the significance of recent announcements by the Walgreens drug store chain. In September 2010, the progressive retailer announced the launch of a fresh

foods pilot program in about two dozen stores in Chicago and New York. The pilot program stores offer an assortment of refrigerated prepared dinner items, along with fresh produce, sandwiches, soups, and take-and-bake pizza, says spokesperson Robert Elfinger. Last month at the company's annual meeting, Walgreens Chief Executive Greg Wasson reported that the fresh food option will be expanded to several

## Convenience, European-Style

Mealtime convenience can take many forms. Here's a sampling of products recently introduced in Europe provided courtesy of the Innova Market Insights' Food & Beverage Database ([www.innovadatabase.com](http://www.innovadatabase.com)).



### Dutch Stew

Mashed potatoes, green beans, spinach, broccoli, and peas come in microwaveable packaging along with a lowfat smoked sausage and gravy in this refrigerated ready meal from Dutch retailer Albert Heijn.



### Mussels in Minutes

Mussels and hash browns are combined in this frozen ready meal from DLP in France; the meal takes just five minutes to prepare, as the package clearly illustrates.



### Easy Indian Cuisine

Refrigerated *Innocent Masala Veg Pot* is microwaveable and ready to serve in just four minutes; introduced by a British company last year, it is made with chickpeas, lemon rice, and coriander.



### Asian Influence

Austrian company Delicatessa offers refrigerated chicken satay with peanut sauce and rice packaged in a recyclable paperboard box.



### Convenient Couscous

*Devina* canned couscous with a separately packaged sauce of vegetables and meat is available from a Belgian company. The separate compartments allow the couscous and sauce to maintain desired texture.



### Steams in the Microwave

This hearty frozen dinner from British retailer ASDA includes rice risotto made with sliced mushrooms, roast chicken breast pieces, cheese, cream, white wine, and garlic.

hundred stores as part of the chain's efforts to position its outlets as "retail health and daily living stores" (Chicago Tribune, 2011). The meals are sold under the *Delish* label.

Walgreens' foray into fresh prepared foods notwithstanding, supermarkets are the primary retail channel for this product category, accounting for 68% of retail sales of "fresh convenience foods" (Packaged Facts, 2010b). Grocery retailers that have been active in this segment of the market include, among many others, Safeway, Giant Eagle, Ukrop's, Hy-Vee, Trader Joe's, and A&P, with much of the activity occurring in 2007 and early-to-mid 2008 before the fall of Lehman Brothers touched off the credit crisis and recession (Packaged Facts, 2010b.) Within the supermarket, fresh prepared foods frequently are sold in multiple locations including the deli, meat department, self-service refrigerated case, and hot-service counter (Packaged Facts, 2010b).

Private-label products dominate in the refrigerated meals/entrees sector, accounting for nearly a quarter (24.5%) of sales in FDMx channels, according to SymphonyIRI data. Hormel is the category's next-largest player, with a market share of nearly 18.3%. Although market share totals less than 0.5% in the category, sales of *Weight Watchers* brand fresh prepared dinners/entrees climbed by more than 40% in FDMx for the year-long period ending Nov. 28, 2010. According to the *Weight Watchers* website ([www.weightwatchers.com](http://www.weightwatchers.com)), the products are available at retailers including Stop & Shop, Publix, Giant, and Price Chopper and online at Peapod and Fresh Direct. Offerings include *Shrimp Fettuccini with Vegetables*, *Three Cheese Macaroni*, *Roast Turkey with Cranberry Stuffing*, and *Turkey Meatballs with Pasta and Sauce*.

The debut of small-format Fresh & Easy Neighborhood Markets in California brought the concept of packaged fresh prepared meals center stage in the U.S. marketplace. The chain was launched in 2007 by British retailer Tesco, a leading player in the UK refrigerated foods market. Early this year, Fresh & Easy announced the expansion of its range of *eatwell* products, all of which contain no more than 25% of the daily values for calories, fat, and sodium (based on a 2,000-calorie diet). The product assortment includes refrigerated meal offerings such as *Spicy Tomato Chicken Pasta*, *Coconut & Lime White Fish*, and *Lemon & Cilantro Seafood*. The chain also introduced a line of

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frozen *eatwell* meals moderately priced at just \$1.99 each.

A line-up of prepared entrees from refrigerated meals processor Hot Cuisine America seems to lean toward hearty, comfort food options like *Spaghetti & Meatballs*, *Beef Stroganoff*, and *Beef Shepherd's Pie*, among others. The company, a division of Belgium-based Univeg Group, opened its doors in Swedesboro, N.J., in 2008 to produce refrigerated meals for a leading East Coast grocery retailer and has subsequently added additional customers, including retailers and foodservice operators. Oven pasteurization allows the company to supply products with a refrigerated shelf life of 18 days to 23 days, company materials state. Hot Cuisine America products are made without preservatives or artificial colors and thus boast a wholesome, clean-label profile that fits with what many con-

sumers seek in fresh prepared foods.

“Consumers want fresh products, they want high quality, and they want it to look like they created it at home,” says Glenn Hewson, Vice President of Global Marketing for Avure Technologies, a supplier of high pressure processing equipment (HPP). That is why emerging post-packaging technologies like HPP, which extend shelf life and kill pathogens with minimal effect on product integrity, are a good fit for the refrigerated meals category, Hewson adds.

Certainly, giving consumers what they want—convenience coupled with taste and value—is a priority for product developers and marketers across all three meal-solution categories—frozen, shelf-stable, and refrigerated. **FT**

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