

by A. Elizabeth Sloan

Easy Eats: The New Wave of Meal Solutions

The fight for dinner dollars is intensifying as convenient new meal solutions—ranging from in-store eateries and “meal solution centers” to meal kits, food halls, and even fresh vending machines—go mainstream.

In 2016, supermarket foodservice—which includes takeout fresh prepared meals/components and in-store restaurant fare—was the fastest-growing foodservice sector with sales of \$28 billion, up 8.6% over the prior year, according to Technomic data. Prepared food sales are projected to reach \$51 billion by 2025.

While deli departments still dominate prepared food offerings, 62% of major supermarket chains had at least some stores with self-service bars, 44% had fast-casual limited-service restaurant stations, and 13% had full-service restaurants, per the *Supermarket News 2017 Fresh Food Retail Survey*.

Nearly half of retailers said they gave more space to prepared foods in 2016; six in 10 cite the prepared foods department as second only to the meat department for driving store traffic and generating sales.

According to the Food Marketing Institute’s (FMI) *2017 U.S. Grocery Shopper Trends* report, 4% of adults ate lunch at a food store, 3% had dinner, and 2% had breakfast. Men (5%) and Millennials (6%) were the most likely to eat at an in-store restaurant.

Prepared food sales reached \$14.5 billion for the year ended (Y/E) Aug. 27, 2016, up 5.5%, and account for 58% of deli sales, per *Progressive Grocer’s 2017 Deli Review*. Use of prepared foods is on the rise; 57% of consumers buy ready-to-eat prepared foods, and 53% purchase heat-and-eat. For households with children, the figures are even higher, 73% and 69%, respectively, per FMI.

Deli operators are planning to put more emphasis on breakfast, soup stations, dinner, and beverage bars, according to *Progressive Grocer’s 2016 Retail Deli Review*. Mexican foods, Asian foods, pasta, fish/shrimp/

shellfish, pizza by the slice, breakfast entrées, Mediterranean foods, chicken wings, beef/steak, and baked goods are the top 10 menu interests for supermarket fresh prepared foods, per FMI’s 2016 *The Power of Prepared Foods* report.

With 53% of adults using some semi-prepared items such as precooked meat or heat-and-eat side dishes to prepare dinner versus 35% who mostly cook from scratch,

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according to FMI’s prepared foods report, it’s not surprising that more value-added fresh meal components and meal kits are gaining in popularity.

In 2016, 25% of adults bought a meal kit; 17% did so in-store and 12% via delivery, per Nielsen’s 2017 *Mindset of the Meal Kit Consumer* survey. Men were 40% more likely than women to buy meal kits; Millennials, Gen Xers, and households with kids were each three times more likely to do so.

Sales of meal kits reached \$1.6 billion in 2016 and are projected to grow to \$8.8 billion by 2019; in-store meal kits reached \$81 million, per Technomic. According to Nielsen data, more than a third (36%) of consumers would buy food kits if they were available in their own store. Giant, Whole Foods, Publix, Kroger, and Hy-Vee are among the many supermarket chains offering signature meal kits.

Fancier fresh meal kits for home entertaining and healthier kits for weight loss or special diets (e.g., organic or low carb) are ideas with marketplace potential. Barilla’s Italian meal kits include the company’s brands of shelf-stable pasta/sauce, packets of spices, and fresh cheese as well as a bag of fresh baby spinach.

Nearly half of shoppers (45%) buy heat-and-eat meat/poultry at least once a week and 40% purchase precooked ready-to-eat

products, per FMI’s 2017 *Power of Meat* report. Packaged fresh meat meals, stir-fry/fajita strips, and fully cooked meats with vegetables/stuffing all posted strong gains in the meat department.

One-quarter of shoppers, including 34% of Millennials, would like convenient placement of items for an entire dinner solution in an in-store “Meal Solution Center,” according to FMI’s *2017 Grocery Shopper Trends*

report. A similar percentage would like cooking instructions/demonstrations, according to the report.

More than one in 10 high-end, full-service restaurants now offer fresh meal kits (with uncooked products) for retail sale; 47% of consumers would be likely to buy them, per the National Restaurant Assoc.’s *What’s Hot 2017 Culinary Forecast*. In Europe, Le Compagnon du Boulanger fresh bread vending machines dispense traditional French baguettes in a variety of settings.

Delaware-based Swiss Farms drive-through markets offer a menu of fresh prepared foods that changes daily. Twenty-eight percent of consumers would purchase fresh meals online for in-store pickup, per a 2016 King Retail Solutions survey.

Jack-in-the-Box, Panera, Burger King, Taco Bell, and many other restaurants now offer delivery service. Fresh meals, lunch combos, and dips rank at the top of fresh prepared foods bought in drug stores, per Nielsen. Convenience store foodservice revenue reached \$22 billion in 2016, according to NPD/CREST. **FT**



A. Elizabeth Sloan, PhD,
Contributing Editor
• President, Sloan Trends Inc.,
Escondido, Calif.
• lizsloan@sloantrend.com