

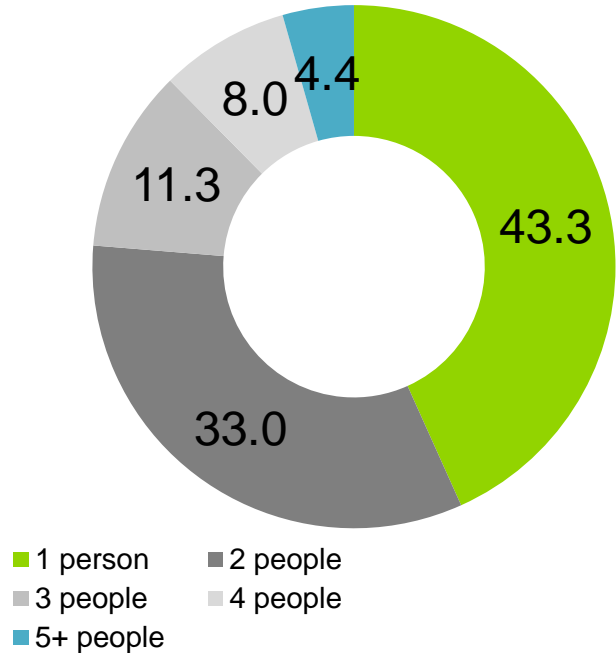
AHDB Consumer Insight Snapshot

Winning in convenience: the rise of the recipe box

Susie Stannard, Senior Consumer Insight Analyst, AHDB

March 2018

Smaller households



Valuing time

In 16 of the last 20 years, consumers had more money than the year before. (ONS)

In 19 of the last 20 years, shoppers spent less time cooking than the year before. (Kantar Worldpanel)

Consumers are willing to pay more for products that save them time and effort than for an average product that is bought at a convenience store, potentially closer to their household.

*Price Premium in
Convenience
Channels*

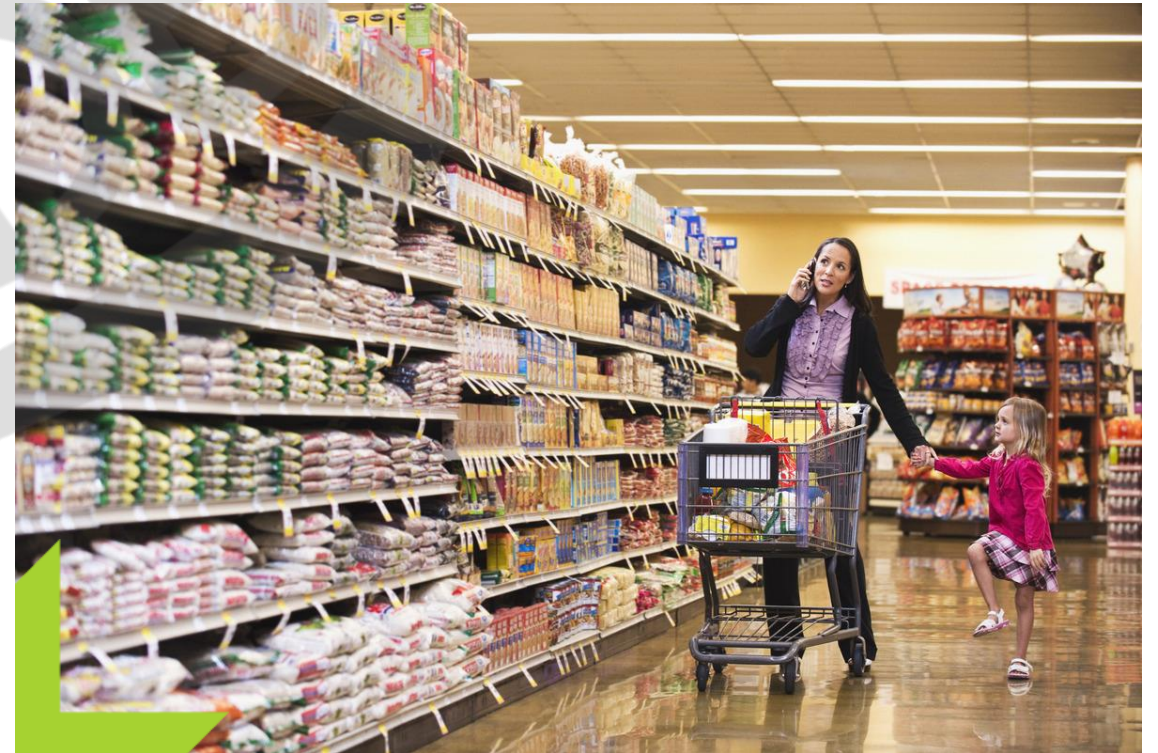
+4.5%

£/kg

*Price Premium for
convenience
products*

+25%

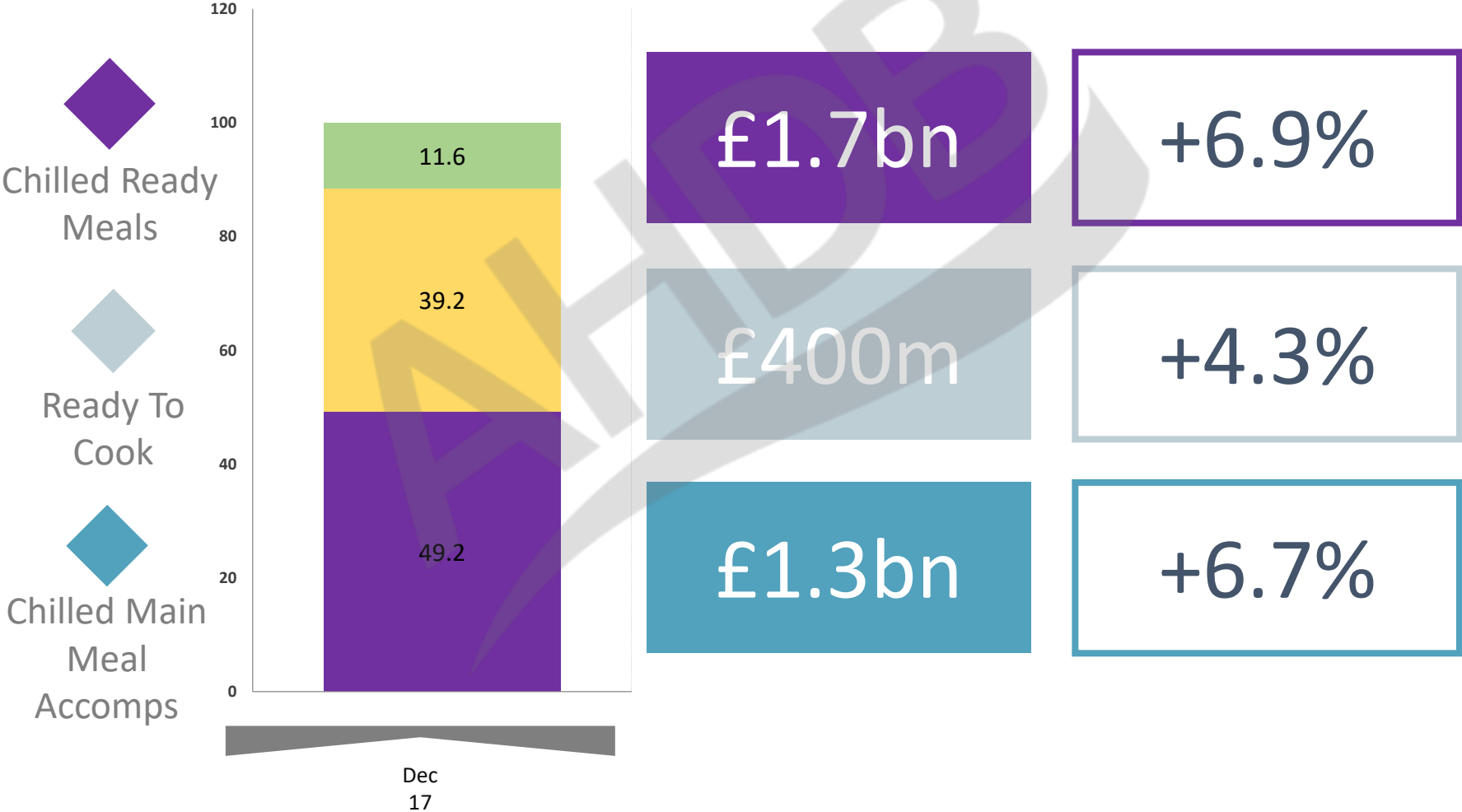
£/occasion



Convenience is fast-growing, ahead of total grocery.



Total Convenience | Spend



What consumers want when they're cooking and eating.



Meal variety

+

Health

+

Enjoyment

+

Convenience

=

Meal solutions



The in-store retail environment is evolving to meet consumer needs.

Making food choices easy for the consumer, not just quick.



A fast-growing segment of the market utilises the online channel and home delivery of convenient pre-packaged recipe boxes.



Source: IGD / AHDB



- According to IGD, recipe boxes offer a more interesting way to shop, mission-first.
- Many of these boxes include a protein, vegetables, seasonings and carbohydrate to make a complete meal.
- The average cost of a meal is significantly more than buying the same ingredients in supermarket, but the trade-off is that menu planning and inspiration have been outsourced and there will be no waste.
- With many consumers enjoying cooking from scratch, recipe boxes make it easy and quick for them.
- Gousto have speeded up the process further by becoming the first to offer 10-minute meal kits.

NAMNEWS PRODUCTS & PROMOTIONS

Gousto Becomes First To Offer 10-Minute Meal-kits

7th March 2018

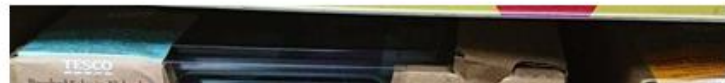
Gousto, the leading recipe box company, has launched a new range that offers 10-minute meals, making it the fastest recipe range in the UK meal-kit market.

Although a niche offer, retailers and suppliers are increasingly getting in on the act and expanding their services.

Tesco joins Waitrose with launch of recipe box range

03 Nov 2016 | Lisa Riley

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COOK A DELICIOUS MEAL
FROM SCRATCH
IN THE TIME IT TAKES TO
HEAT A READY MEAL.

RECIPES BY MICHEL ROUX



- Although recipe boxes are currently fairly niche (estimated to make up less than 1% of the UK grocery market, according to *The Grocer*), the major multiples are trying to establish themselves in this area.
- For example, both Tesco and Waitrose have launched box schemes, whilst Sainsbury's has focused on an in-store offer, merchandising the component parts in-store together with a recipe card.
- *Mintel reported in December 2017 that 5% of adults have used Hello Fresh and 4% have used Gousto in the past 3 months, two of the bigger players.
- HelloFresh have also brought their offer in-store via a partnership with Sainsbury's, helping them to cement strong growth.
- There are still some question marks around ongoing profitability as initial marketing spend has to be very high to bring in new subscribers.

Summary: Recipe boxes can deliver!

Convenience

- Consumers' ongoing drive for convenience has driven a demand for ever-more convenient options.

Speed and inspiration

- Recipe boxes combine the British love for scratch cooking with their need for speed and ease in the kitchen.
- They also tap into the desire for different and new dish-based cuisine.

Opportunities

- Although niche, these boxes provide an opportunity for new partnerships with raw materials suppliers and offer another route to market.
- They offer consumers a chance to experiment with less familiar cuts and proteins in a safe and instructed way.
- They can add value to the category.

www.ahdb.org.uk/consumerinsight

New health report June 2017

CONSUMER INSIGHTS
June 2017

CONSUMER FOCUS: HEALTH

AHDB's consumer insight team actively tracks, monitors and evaluates consumer behaviour, reporting on the latest consumer trends and picking out what they mean for the industry and agriculture. Health is one segment which is rising in importance for consumers and Mintel report that 25.3% of all new product launches in 2016 had a health claim.

Consumers' search for 'fresh' and 'natural' emerges in the backdrop of health. Looking at product synergies with those that have a stronger fresh and natural association could help raise additional usage. Health is also the perfect platform to talk to consumers about freshness and product benefits, giving consumers reasons to buy. The industry can further build on the desire to eat healthily with clear and concise messaging, educating and informing the consumer of associated health benefits. This report examines health through the eyes of the consumer and picks out the challenges and opportunities in meeting the health needs of the modern consumer.

UNDERSTANDING OF HEALTH THROUGH THE EYES OF CONSUMERS

How important is health to consumers?
Enjoyment and practicality remain a key linchpin of the majority of meal choices made by the consumer -but research from Kantar Worldpanel points towards a growth in health as a reason for choice. This movement is happening at the same time as Britain continues to face high levels of obesity. Over the past year, health as a reason for consumption has grown at a faster rate than that of taste and practicality. Currently, retail food sales associated with health are valued at \$22.7bn by Kantar Worldpanel.

Food needs states*

- Health 32%
- Enjoyment 78%
- Practicality 55%

*Proportion higher than 100% due to multi select option available.

Proportion of food servings in the home chosen for health reasons

2017 32%
+14% versus 5 years ago
Source: AHDB/Kantar Worldpanel Q2 week March 2017

Breakdown of servings chosen for health

- 30.6% Specific health benefits (veg, fibre / calcium)
- 12.5% Lower in fat / sugar / salt
- 14.9% More natural / less processed
- 27.8% Portion of food / veg
- 5.5% Lighter / not filling
- 4.2% Voted diet
- 1.7% Healthier meal
- 2.7% Calorie control

Health can mean different things to consumers and subsequent behaviour can depend on the perspective taken. When prompted, consumers most often stated their reasons for a healthy choice were the clear health benefits, such as fibre/health benefits. The strongest calcium content. The strongest rise in the last 12 months came from those looking for 'more natural/less processed' products, providing an indication that consumers desire greater control in what's going into meals.

Source: AHDB/Kantar Worldpanel Q2 week Feb 2017. We weighted to 100% of servings chosen for health.

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Consumer Insights
September 2017

AHDB
AGRICULTURE & HORTICULTURE DEVELOPMENT BOARD

Welcome to the latest edition of AHDB's Consumer Insights

Understanding consumers is essential to achieving success in any business and grocery retail is no exception. When UK shoppers buy food, price and quality are crucial factors but understanding other influences can add clarity on current market position and future opportunities.

The latest consumer focus report on 'young consumers' explores where the lifestyle choices of younger generations can differ from those before them and how age might not be the most significant factor influencing food decisions.

A wide range of food industry topics are examined in this newsletter. For example, price marked packs are reviewed, in particular the way in which clear price labelling has become more prominent in the time since promotion levels have dropped. Whether this approach has been successful with shoppers is considered. The food-to-go sector is in growth and our article describes how the offering has adapted to better meet the needs of the contemporary consumer.

The articles listed below cover themes from food packaging to eating out and provide an overview of some of our research during the past quarter.

Consumer Focus: Young Consumers

Consumers often retain the habits that they build up early on in life as they age. There is an argument that younger generations are living differently to the generations before them and it is therefore important that an understanding of young consumers' needs and attitudes is developed. They will form an increasingly important sector of the grocery market and will ultimately become the older generation of the future. According to ONS data young consumers between the ages of 18 and 34 account for approximately 22.5% of the total UK population. This report explores key areas in which young consumers' habits differ from the rest of the population and considers what challenges and opportunities this may pose for

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