



US Meal-Kit Market

Table of Contents

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Content

Slide No.

- | | |
|---|---|
| 1. Introduction..... | 1 |
| 2. Market Size – Historical and Forecast..... | 2 |
| 3. Market Segments | 3 |
| 4. Market Trends, Drivers and Inhibitors..... | 4 |
| 5. Competitive Landscape..... | 5 |
| 6. Consumer Perspective..... | 7 |
| 7. Growth Opportunities..... | 8 |
| 8. Bibliography | 9 |



Introduction

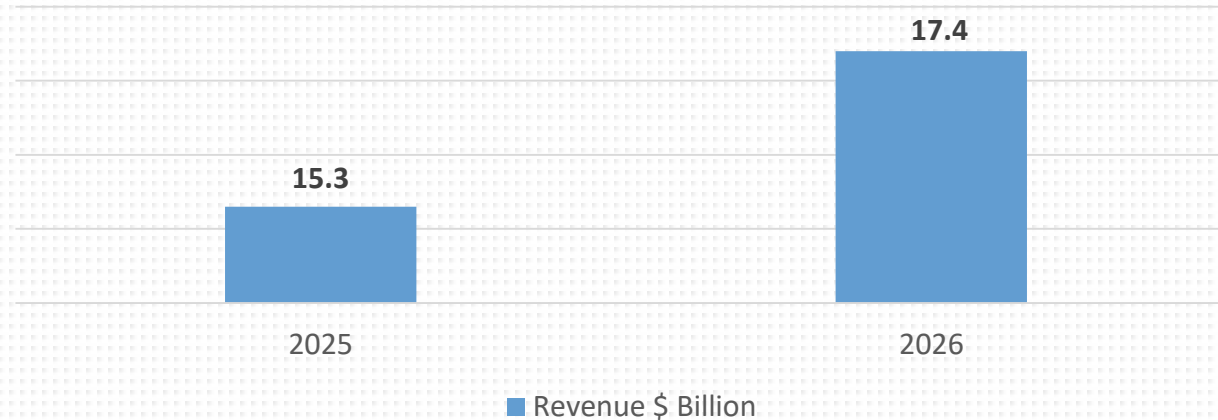


- A meal kit is a subscription-based service, that offers consumers recipes and ingredients, to cook their own meals at home
- The services which include delivery of pre-cooked meals are known as meal delivery services. In 2007, the first meal kit delivery service started in Europe
- These became popular due to convenience, cost-effectiveness, preference of fresh ingredients, inclination towards traditional methods of cooking and lesser involvement of time and efforts
- The pandemic has disrupted most industries but has fuelled demand for meal kits in the US

Market Size – Historical and Forecast

In the United States, the Meal Kit industry is emerging as one of the fastest-growing in the food & beverages sector.

Global Meal Kit Delivery Services Market Size



Present & future industry scenario :

- The global meal kit market stood at \$10.26 billion in 2020. It is expected to grow at a CAGR of 13% from 2020-2028, garnering around \$20 billion by 2027

 **Players**

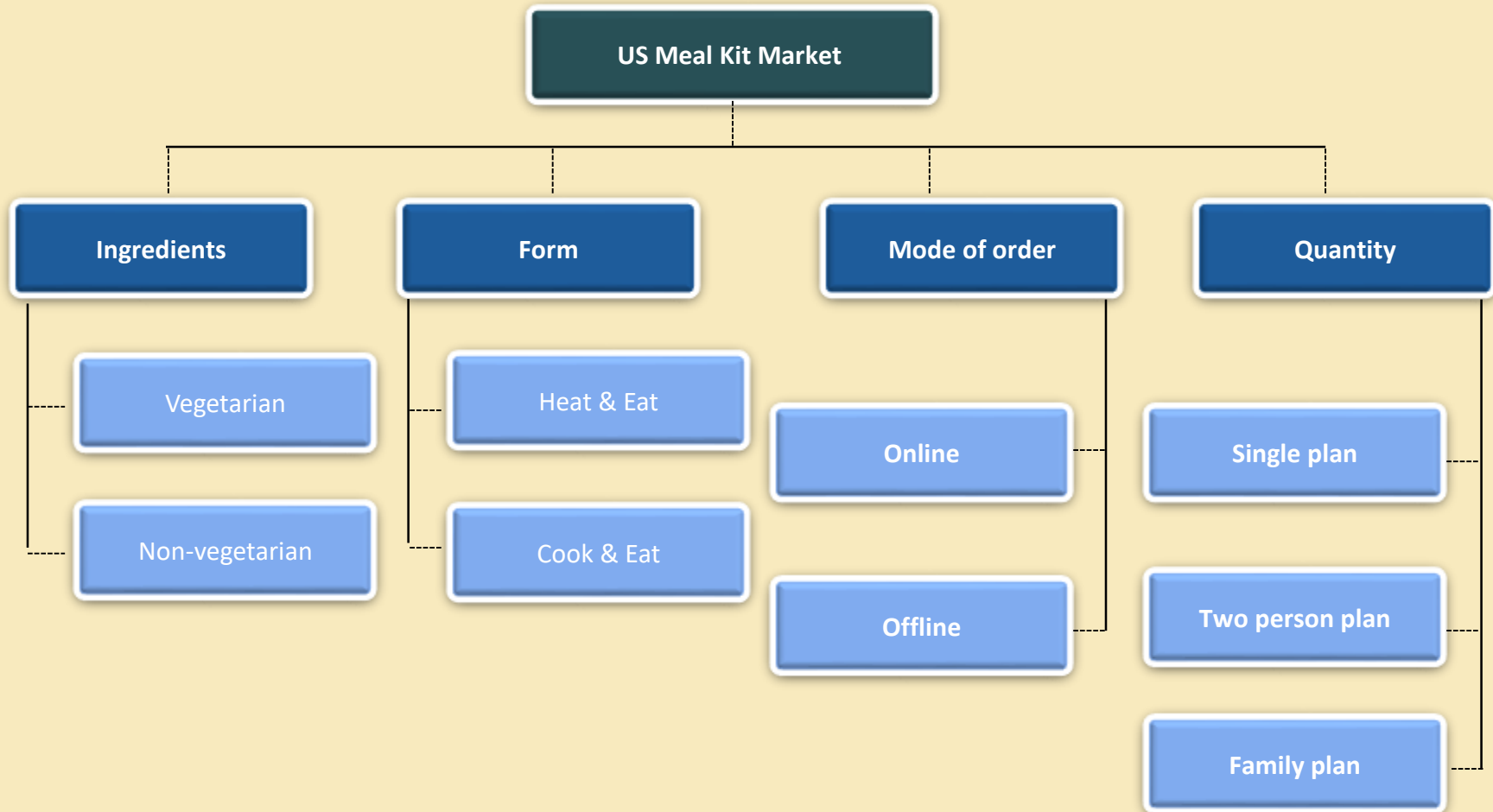


SUN BASKET

MARLEY SPOON

Market Segments— US Meal Kits

Manufacturers are diversifying their portfolio by aligning with emerging trends like vegan, 100% non-GMO, 99% organic



Market Scenario

R&D and Innovation are the two of the most important factors for creating a niche in the food kit segment

Trends

- Millennials are preferring home-cooked meals
- High popularity among generation Y and Z
- Covid 19 pandemic shutting restaurants and markets, thus limiting options
- One solution across manufacturers, consumers, retailers, e-tailers and FMCG brand owners to tap opportunities

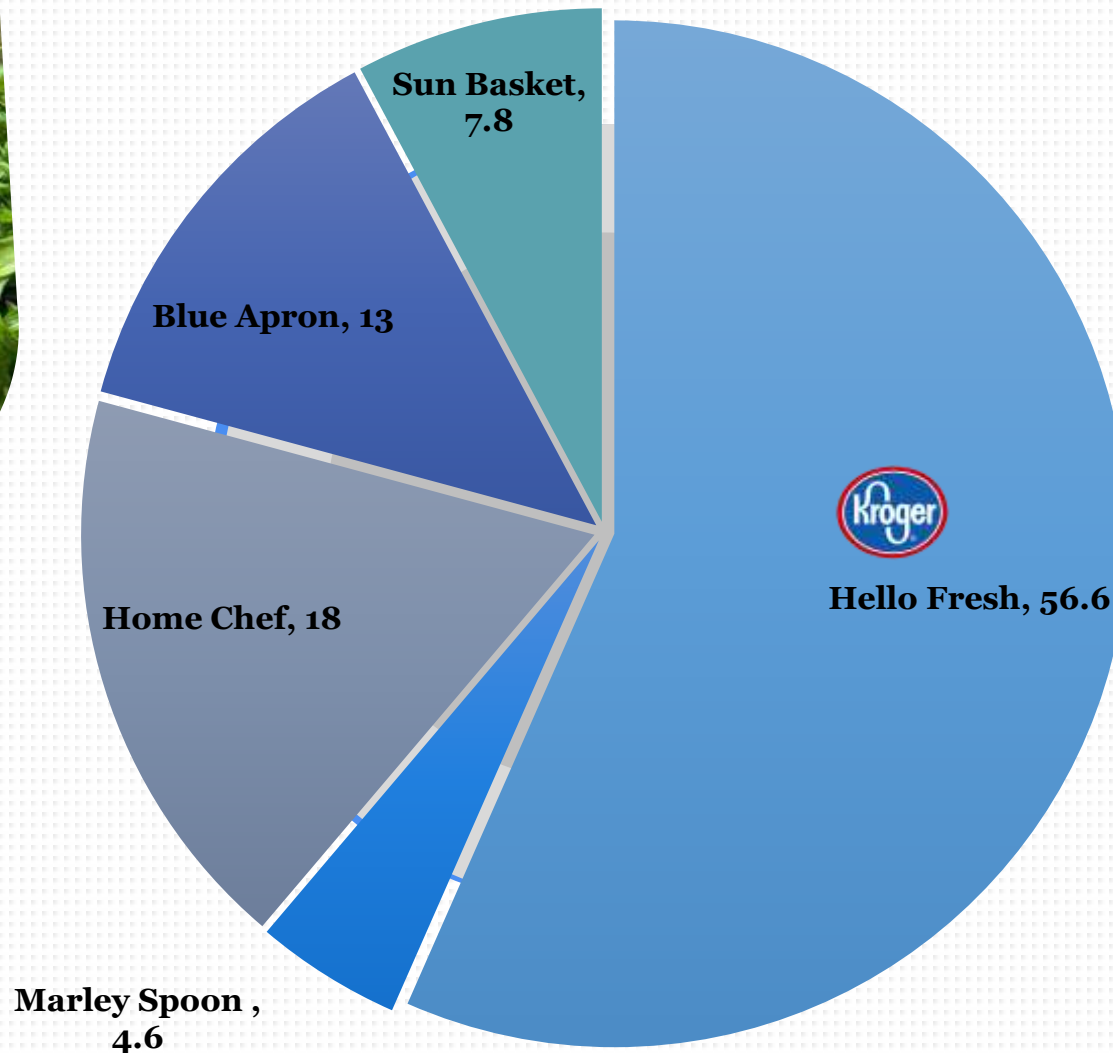
Drivers

- Changing consumer preferences owing to the pandemic
- Preference for local produce and quality ingredients
- Option for exotic, elaborate traditional or quick meals
- Emerging cuisine options and gourmet ingredients
- Students and young professionals opting for hassle-free experiences
- Modern lifestyles decreasing time & involvement for daily cooking

Inhibitors

- Highly competitive environment with more than 150 players
- Competition from restaurants, who are now offering meal kits
- Competition from delivery aggregators like Amazon

Competitive landscape



Historical Landscape

Significant growths were reported in the year 2020, across players. Half of the growth came from consumers staying indoors due to lockdowns, rest were regular buyers

HelloFresh

Frankfurt-based HelloFresh reported sales of \$1.13 billion for the 3rd quarter, up 120% from the previous year

Home Chef

Home Chef had been witnessing double digit growth earlier, and is nearing triple digit growth

Food Navigator-USA

The manufacturer is expanding, from time consuming traditional meals to fully-cooked prepared meals, which would be ready in 2-3 minutes of microwaving

Others

Restaurants have started the meal-kit services
Grocers are banking on the concept of fresh produce

Consumer perspective

The COVID 19 pandemic has caused a significant shift in the industry as consumers are avoiding eateries and grocery stores, and opting for dining indoors. Cost effective dinner meals between \$8-\$12 per person

Convenience

- Ease of availability, delivery of proportioned ingredients
- Simplifying cooking and averting the search for a diverse set of ingredients
- Meal kits have made cooking a less time-consuming and energy intensive chore
- Time savings in comparison to take away and home deliveries

Health concerns

- Shifting preference towards meal kits, for benefits relating to homemade meals
- Home-made products are perceived to be healthier than commercially prepared ones (high spice, oil, sugar & salt content)
- Preparing food in home caters to people who are allergic to certain food ingredients like gluten, lactose etc.

Segmentation

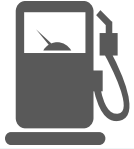
- Millennials and generation Z are the largest consumers of meal kits. These mostly contain students and professionals with hectic schedules, focused on healthier & economy
- The heat and eat segment ruled the market and commanded more than 65% share of the global revenue in 2019. Busy and hectic lifestyle among millennials is expected to drive the growth of heat and eat meal delivery services in the coming years

Platforms

- Offline platform accounted a share of more than 65% in the global meal kit delivery services market in 2019. These kits feature local cuisines with locally produced vegetables and fruits
- Online platforms are expected to witness a CAGR of 13.4% from 2020 to 2027. Brownie points include wider distribution networks, in-house delivery channels and ease of sourcing selective ingredients. It is also handy for customers to modify, cancel, and pay as per convenience.

Growth opportunities

Summary for potential investors



Not for dinner only!

- Most services are concentrated towards dinners, leaving space for breakfast, lunch and snacking options



Special dietary requirements

- There is scope for companies offering keto, paleo, vegetarian, vegan and organic meals



Innovation

- Gourmet ingredients, selectively sourced produce and molecular gastronomy
- Virtual cooking session for beginners and amateurs



Sustainability

- Packaging improvements including recyclable materials, stress-free packaging and low wastage formats



Costs

- As the space is currently flooded with manufacturers, each of them will seek opportunities for onboarding consumers with competitive pricing



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[Sample Meal Kit Delivery Services Market Analysis And Segment Forecasts To 2027](#)