

FAST FACTS FROM FONA: TRENDS IN THE PANDEMIC ENVIRONMENT

We're continuing to keep our finger on the pulse of how the COVID-19 pandemic is affecting the food and beverage industry. As we discussed earlier this month in our [shopper's panel](#), consumers are finding themselves in an environment that is far removed from "normal." We know that consumers are spending more time in the kitchen. But what was once fun has often turned into a chore. A few trends we're spotting: a turn back to meal kits and a turn away from brand loyalty. Let's take a closer look.

See our previous Fast facts [here](#), [here](#) and [here](#).



MEAL KITS GAINING POPULARITY, AGAIN.

Consumers have faced a hard shift from having the world at their fingertips with

services like same-day Amazon delivery to limited access to the everyday luxuries of the modern world. Consumers have also faced a shift in where and how they are eating meals—which leaves consumers in search of convenient and tasty ways to cook dinner.

This is where at-home meal kits are playing an active role. Launching in 2012, meal-kits were widely popular, but the momentum didn't last. After seeing significant declines in sales, at-home meal companies are now struggling to keep up with the pace of orders. Online meal-kit sales grew 63% in the week ending April 15 from the previous year's period, according to an analysis of transactions by Earnest Research. In addition to online ordering,

US consumers also spent around \$100 million on meal kits in retail stores in the month ending April 11, nearly double that period a year prior, according to Nielsen. A social listening search for at-home "meal kits" is showing a 384% increase in posts from just January 1, 2020, with an average of 31 mentions per hour according to Infegy Atlas.



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With more than 81% of consumers stating they have cooked more meals at home since the onset of the crisis, according to Suzy.com, it's no surprise that companies like Blue Apron and Home Chef are not the only companies offering meal-kits—popular restaurants and even Peapod are also joining the pack with a variety of offerings.

- Panera Bread plans to start selling make-your-own salad and sandwich kits as early as May.
- Denny's is working on takeaway kits for meals including bacon, eggs and biscuits.
- Chick-fil-A will be offering chicken parmesan meal kits for 2 adults starting May 4th for \$14.99.
- Shake Shack is selling kits of beef patties, sauce, cheese and buns to make eight of its burgers for \$49.
- Peapod is offering a Stop & Shop meal kit featuring ready rice from Uncle Ben's with chicken and other fresh items to create a meal.

NOT SO BRAND LOYAL

Maintaining consumer loyalty during times of uncertainty is definitely a difficult task especially when they are finding store shelves bare. As consumers ourselves, we know that we have our preferred product set and loyalty to brands and stores we love. But in times of uncertainty, it is still important for consumers to stock their pantry with

an alternative, rather than not at all. According to Suzy.com, 61% of consumers have had to buy brands they typically would not purchase because their usual brand was not in stock. What is more surprising is that 57% said that they would continue to buy the new product. This is much higher for parents at 70%. According to IRI's out of stock product tracker, the majority of items are now at 80% in stock or greater, but we are still spotting staples like butter, cheese and consumer favorites like toilet paper and paper towel out of stock occasionally or very limited quantities available.

Time will tell how this loyalty lapse will affect brands long-term. Will some consumers make a permanent switch, having tried a product they'd previously avoided? Or will consumers go back to their tried and true? Whatever the case, research shows that prioritizing taste is the best way to secure return purchase.



LET'S TALK

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