



NO COMPROMISE:

The next generation of
convenience foods

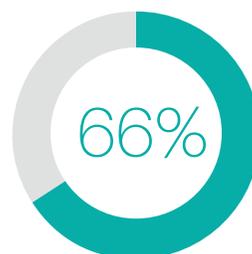
Frozen meals and convenience foods have played an instrumental role in the way Americans cook and enjoy food for generations.

First developed in the 1940's and 50's, these innovative, pioneering products were designed to help busy cooks (primarily moms) with managing the household and providing three square meals a day for their families.¹ These products have since been embraced for their ability to help with daily food prep, becoming an essential household staple for busy modern families.

Convenience foods now encompass products across the food and beverage spectrum — from traditional frozen foods and meals to the more recent ready-to-eat categories of sandwiches, salads and meal kits. Not surprisingly, as consumer lifestyles have become increasingly hectic, these products have enjoyed growing popularity and sales, with revenues for the global market at nearly \$515 billion² in 2021, and the segment in the U.S. alone estimated to hit \$52 billion this year.³

But convenience foods have also been intimately tied to the overall (and changing) state of food culture. This has prompted ongoing evolution in the category. According to a report from research firm The Hartman Group, as our culture has shifted away from 20th-century notions of conformity and rationality to emphasize individuality and emotional resonance in the 21st century, there has also been a shift from the idea of convenience products as “helpers” to providing a “solution.”⁴ As a result, the category has seen a recalibration from the prevalence of convenience food for anytime, anywhere toward an emphasis now on convenience without compromise.

This ongoing adjustment of convenience foods was likely expedited by the COVID-19 pandemic, which forced consumers and their families around the world to stay home for both work and school. Rather than looking for foods that were ideal for eating on-the-go, consumers, suddenly concerned over food safety and eating out, started cooking their meals at home.



During the pandemic...
66% of consumers were doing more cooking at home⁵

However, as 2020 wore on, cooking fatigue set in for many people, and they once again began looking for meal solutions that fit their new reality. This suggests that the convenience category will not see dramatic, long-term disruption from the pandemic. That said, the category is evolving, and many changes were already in play prior to 2020. What's more, convenience foods may also be subject to some of the more substantive impacts of the global pandemic.

Prior to 2020, convenience products were already evolving away from foods that underscored easy preparation, minimal time commitment and retail availability in favor of products aligned with consumer interests, values and aspirations.⁶ In other words, people are looking for products that give them a sense of control and help them develop personal cooking skills while assisting with the demands of daily life. According to the Hartman paper, in the new convenience era, products must be more than accessible and easy; they need to be increasingly flexible regarding function, reliability and versatility. This means products that are useful across many eating occasions, come in multiple sizes with packaging that aids in dispensing, and are reliable with regard to taste, quality and accessibility. Products such as meal kits that help enhance cooking skills but also provide shortcuts are highly desirable.

Another aspect of today's modern convenience products, according to Hartman analysts, is that they are engaging in some way. Consumers have become more attuned to broader environmental and community concerns – especially in the wake of COVID-19 – so they are looking for products that align with their priorities.

SINCE COVID-19...

57% of consumers said they would like to hear what companies are doing to keep their employees healthy

35% want to know what companies are doing for their local communities

7% of eating occasions are motivated by boredom (an increase of 3 points)

Source: The Hartman Group. "COVID-19 and New Modern Convenience" whitepaper, August 2020.

Young consumers, particularly millennials, have been quick to embrace convenience foods as they become parents and face the challenges of family life and hectic schedules. More than 62% of millennials in the United States noted they had purchased some sort of convenience food within a week's time, compared to 47% of other generational groups.⁷

Even prior to the pandemic, young consumers were looking for fast, simple solutions to help them get meals on the table, while also meeting their desire for fresh, less-processed foods, with few ingredients which

also meet their health and nutrition requirements.⁸ Looking ahead, this would indicate a likelihood that consumers will be even less prone to make sacrifices for convenience.

Contemporary convenience

These food culture shifts have prompted a revolution in the food and beverage industry over the last decade, with the convenience category at the forefront of innovation. This is due in large part to development of plant-based ingredients that can now meet the functionality needed in product development, as well as consumer expectations for taste, texture and the growing demand for sustainable and responsibly made products.

Plant-based ingredients have prompted a transformation in many convenience products, from frozen pizza to pasta and cheese. And in particular, plant-based proteins sourced from peas, legumes and nuts have taken the concept of alternative meat and dairy to a new level. A frozen meal or meal kit with vegetables and plant-based meat check off many of the boxes for ease of use, health and sustainability. As suppliers and product developers have worked to recreate the taste, texture and other functions of traditional ingredients, it has been a win/win in the market.

But this appears to be only the beginning of innovation in the convenience sector. We already know that convenience as a category is highly fragmented, with definitions that vary by individual. One person may view convenience as a frozen meal that pops in the oven or is ready to heat and eat; some want meal kits they can cook and customize themselves, while still others want products they can eat on the run.⁹

Increasingly, brands will have to invest time and effort in understanding these changing consumer values and adapt as the definition of convenience evolves.

Here are a few emerging convenience trends to watch:



Convenient, but customized

Even post-pandemic, consumers will want to maintain their sense of control and resilience. Many will cling to the practicality and economics of cooking at home, so products that offer a hybrid experience (with some of the meal prep done) and good value will gain traction. Offering consumers the ability to customize a meal with what they have on hand to meet specific dietary needs (such as plant-based or vegan), or personal taste preferences, will be strong propositions.¹⁰

Modern models

Convenience is in the eye of the individual, so products that revamp the definition of convenience are starting to emerge. This includes foods that are instructive, enhance cooking skills, or help consumers grow needed herbs at home. New retail and delivery models, such as online ordering and delivery or click-and-collect services, will also gain ground.¹¹

No lip service

Responsible ingredient sourcing, corporate responsibility, as well as environmentally friendly packaging will also see growing importance as consumers dig deeper into the process behind the product. Meals and snacks will increasingly be judged based on their ease of consumption as well as sustainability. Similarly, issues around corporate responsibility, community engagement and food equity will be increasingly important as consumers demand commitment and authenticity.

Partner with Cargill to create convenience foods for contemporary lives.
Contact us at 1-800-932-0544 or customerservice@cargill.com.

References

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- ² Statista. "Convenience Foods Worldwide." <https://www.statista.com/outlook/cmo/food/convenience-food/worldwide>
- ³ Statista. "Convenience Foods: United States." <https://www.statista.com/outlook/cmo/food/convenience-food/united-states>
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- ⁶ Ibid.
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- ⁸ Ibid. "The Convenience Factor in Modern Meals."
- ⁹ Ibid.
- ¹⁰ Ibid. "COVID-19 and New Modern Convenience."
- ¹¹ Ibid.

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