

## Chick-fil-A Ruffles Meal Kit Sector's Feathers

Can QSRs convince customers to cook their own food?

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ou may think nothing of a box of frozen White Castle sliders or a Taco Bell dinner kit in the grocery aisle—fast-food signature dishes that shoppers can re-create at home. Yet Chick-fil-A's announcement on Monday that it will begin testing meal kits is something different altogether.

The \$15.89 kits will be available at 150 Atlanta locations from late August until mid-November. These meals for two, featuring dishes such as chicken enchiladas and crispy Dijon chicken with sides like kale and roasted potatoes, aren't replicating Chick-fil-A's trademark sandwiches or other menu items.

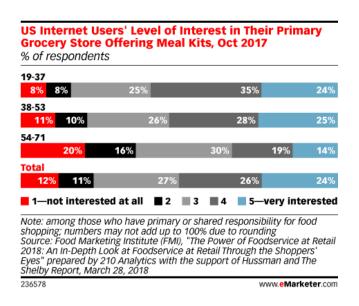
It's not clear whether this is a marketing stunt, a test of new menu items or a serious bet on the future of meal kits. Retailers like Walmart, Kroger and Costco have put serious money behind meal kits, but Chickfil-A is the first restaurant to do so.

Despite plenty of hype, subscription meal kits haven't seen wide adoption, but consumers do rely on ready-made food. According to Market Force, just 15% of US internet users have ever tried a subscription meal kit while 27% buy prepared food at least once a week.



The NPD Group's recently published "Future of Dinner" study predicts the rise of "blended meals" integrating prepared or restaurant food over the next five years. This trend was reinforced by a March 2018 Food Marketing Institute (FMI) study, which found most consumers (55%) typically prepare meals using hybrid items like pre-cooked meat or heat-and-serve mashed potatoes. Fewer (37%) cooked from scratch.

Studies have also shown that consumers don't like being locked into a meal kit subscription, which could be why there was high interest among US internet users for their primary grocery store to offer meal kits. According to the FMI survey, this pickup-and-go approach appealed to half total respondents and 59% of those ages 19 to 37 who have primary or shared responsibility for food shopping.



NPD also reports that more US consumers are preparing meals at home (80%) than a decade ago. And while restaurant spending rose 2% in 2018 because food costs are higher, visits were flat. "Even with consumers eating more of their meals at home, there are opportunities for both food companies and foodservice operators. It's not a matter of where consumers are eating but rather what they're eating," said David Portalatin, NPD Food Industry Advisor, in a press release.

On the surface, it might seem a little off-brand for eateries to dabble in meal kits. Consumers aren't accustomed to cooking their own meals bought at a quick-service restaurant. Even so, Chick-fil-A appears to be



giving customers a reason to visit more often by embracing the semiprepared meal trend.

