

## CONVENIENCE – THE ADDED VALUE MARKET FOR MEAT

On the surface, convenience seems to be a simple idea – it's all about making life easier. It is an evolving concept; constantly looking for ways to make food consumption quicker, easier and/or better.

However, convenience is also complex, as it means different things to different people. All parts of society buy convenience products but what is convenient for a busy family may not be the same as for a retiree living alone. Manufacturers and retailers have been responding to this need for decades, resulting in many convenient ways to shop for food, as well as numerous products to meet this demand.

Within the meat aisle, this has created the Added Value category – meat products that provide a helping hand for consumers looking to keep meat as the centrepiece of their meal. Growing by 20% in value over the past five years, it's become a £900m category<sup>1</sup>. It has therefore been an important contributor to growth for the meat industry, as it transforms a highly commoditised product into something that can command a premium with shoppers.

Convenience is long-term trend. However, the coronavirus pandemic meant consumer behaviour has had to adapt in the short term, while the recessionary impact will affect many households for the months and years to come. This may change what is convenient to consumers, as well as their spending power for items like Added Value. The industry will therefore need to closely monitor these macro trends and how Added Value positions itself in this new world.

Speed and ease will still be the key selling points for Added Value, but this report highlights ways to build momentum for the category, by creating new opportunities to push taste and quality credentials, while finding ways to address health concerns.

<sup>1</sup> Kantar, 52 w/e 26 Jan 20

### KEY FACTS AND INDUSTRY OPPORTUNITIES

- People are willing to pay more for convenience products if the benefits are clear. Therefore, packaging and point-of-sale material need to work cohesively to communicate and inspire
- Added Value shoppers tend to be flexible in their approach to shopping, so there are greater opportunities to influence when at fixture
- Price promotions have more of an influence on shoppers of Added Value products than on fresh primary meat, so finding the right promotional strategy is key
- Communications should lead with taste, with imagery supporting this
- Health and quality are the two main areas of relative weakness for Added Value, making these key areas for innovation
- The complex, changing nature of convenience demands a range of products that appeal to different consumer segments

**MANUFACTURERS** – Added Value provides opportunities in balancing the carcass. Continue to innovate with different cuts and ensure the product, and its packaging, demonstrate taste and quality.

**RETAILERS** – Added Value can help attract shoppers and provide a point of differentiation in the meat aisle. Ensure conversion through clear signalling of convenience, while supporting with meal inspiration and promotions.



## WHY THE NEED FOR CONVENIENCE?

Convenient solutions continue to be developed in response to changing circumstances and needs in society. Consumers are feeling increasingly stretched and so convenient innovations are key to alleviating some of this pressure. Over recent decades, there have been a number of factors driving this, including:

### Increasing commutes

In 2018 – 59 mins/day  
221 hrs/yr

+21 hrs/yr in a decade

Source: Trade Union Congress, Nov 2019

Between 2008 and 2018, the number of hours we actually spent in work was unchanged, at 37.1 hours (ONS). However, time is being absorbed within our commutes. This means people have less time to prepare food at home. Consequently, opportunities have arisen for food products that create shortcuts in home, as well as products to be eaten on the go, resulting in a booming food-to-go market.

Post-lockdown, a quarter of workers expect to continue working more from home than they did pre-lockdown. Their convenience needs are likely to change because of this.

However, half of Britain's working adults either cannot work from home or expect to return to their normal working environment (AHDB/YouGov Consumer Tracker, April 2020).

### Women in the workplace

In 1979 – 57%

In 1979 – 72%

Source: Office for National Statistics

The traditional role of women to take care of domestic duties is shifting as more women enter the workplace.

In addition to this, the TUC daily commute analysis showed that the increase in commute time over the decade was greater for women than for men.

The long-term change to traditional gender roles has evolved and the marketing of fast moving consumer goods (FMCG) products needs to adapt to speak to consumer demand across genders.

## More single-person households

In 1999 – 6.8m

In 2019 – 8.2m

Source: Office for National Statistics

A meal eaten by one person alone is 50% more likely to have been sourced from a convenience outlet (Kantar Usage, 2016). One-person households are also more likely to consume meals such as pies, jacket potatoes and sandwiches for their evening meals.

Therefore single-serve offerings and speedy meal inspiration based around a few core ingredients will appeal.

However, households with three or more people account for 36% of UK households, so family-sized meal options are necessary. For family households, particularly those with younger children, lunch-box solutions and healthy snacking will appeal.

## Connected society

### Household internet access

In 2009 – 70%

In 2019 – 93%

Source: Office for National Statistics

The 'always on' society results in a blurred line between daily activities, and people wanting to be able to shop whenever, and however, they like. Gen Alpha – those born since 2010 – are the first truly digital generation and will be expecting more from their digital environment.

Manufacturers and retailers can now connect with people at multiple points throughout the shopper journey. Leveraging the data created by this macro trend is key for companies and brands to seamlessly interweave their products and services with people's daily activities.

## Older consumers

### People in the UK aged over 65

In 2018 – 1 in 5

In 2050 – 1 in 4\*

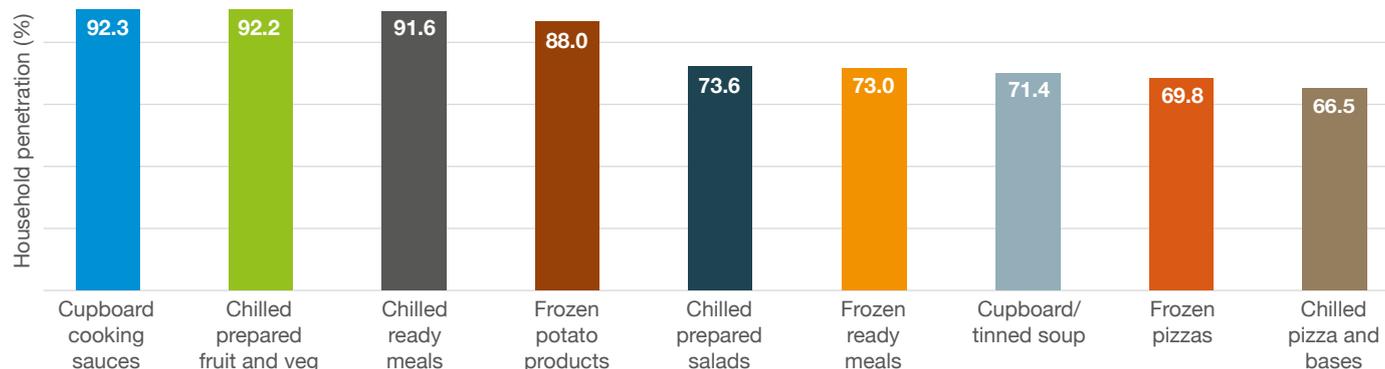
\*Predicted figure  
Source: Office for National Statistics

The over-65 age group is growing faster than any other age group. The importance of meeting the needs of the older generation is therefore growing.

Spending ability varies greatly across this age segment, but most will value product attributes like easy-to-open packaging, while home-delivery services (of either everyday groceries, or prepared, tailored solutions) will make their lives easier.

## CONVENIENT PRODUCTS

Convenience has been a feature of our grocery shopping for many years. Over time, certain categories that were once new innovations designed to make people’s lives easier have now become household staples. For example, chilled ready meals were bought by 92% of households in the year ending 26 Jan 2020 (Kantar).



**Figure 1. Household penetration of key convenient categories**

Source: Kantar, 52 w/e 26 Jan 20

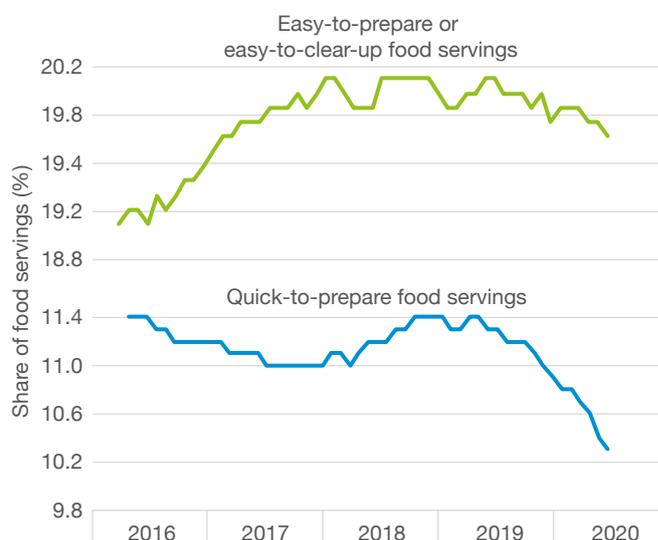
The time taken to produce a meal is the most important convenience factor for 57% of people (AHDB/YouGov, Nov 19). Categories such as ready meals, prepared fruit and veg and cooking sauces all help to cut down on cooking time. While price remains a key consideration for consumers, the benefits of convenient products justifies a higher price point for many. Achieving this balance between benefit and cost is where value is unlocked and communicating this to consumers is crucial in any category.

### Ease trumps speed

Over recent years, there’s been a gradual increase in the number of meals chosen because they’re easy to prepare, while speed of preparation has become less of a concern.

Even during the coronavirus pandemic, when most people were at home more than usual due to lockdown, the time consumers spent cooking didn’t increase. In addition, ‘assembled’ dishes – those with components that are prepared separately and put together on the plate, such as sausages and mash – remained the most common type of occasion (Kantar Usage, 4 w/e 14 Jun 20).

As ease of preparation becomes increasingly important, people seem willing to pay more for products that fulfill this need. At the evening meal, consumers tend to spend £1.08 on meals that are ‘quick to prepare’, whereas meals that are ‘easy to prepare’ have a greater value, at £1.55 (Kantar Usage, 52 w/e 02 Dec 19).



**Figure 2. Ease and speed when preparing or clearing up food**

Source: Kantar Usage, 52 w/e May 20, Food servings, Needs %



## MEAT, FISH AND POULTRY

Within the meat, fish and poultry (MFP) market, there are three key categories that still provide consumers with primary cuts of meat but directly address a need for convenience. These are:

- **Ready to cook (RTC)** – products that come in foil trays that can be put straight into the oven. Also includes roast-in-the-bag whole chicken
- **Marinades** – primary cuts of meat pre-flavoured with marinades
- **Sous vide** – cuts of meat that have been steam-cooked by the manufacturer for several hours. They come in plastic pouches for the consumer to finish cooking in their oven or microwave. Includes products like pulled pork, ribs and slow-cooked lamb shanks



Ready to cook: Oven-ready meatballs with sauce



Marinades: Minted lamb chops



Sous vide: Pork shoulder joint ready for sous-vide cooking

We've grouped these three categories together into a segment called 'Added Value (AV)'.

	RTC	Marinades	Sous vide
Share of AV value	54%	19%	27%
Share of AV volume	66%	13%	21%

Source: Kantar, 52 w/e 26 Jan 20, Total Added Value

### The five-year trend for Added Value – pre-coronavirus

Spend on Added Value reached £874m in 2019, rising by 20% over five years (Kantar, 52 w/e 26 Jan 20). This was against a backdrop of 3% growth for total MFP over the same time, while spend on primary red meat and poultry actually declined by 3% over those five years.

This means Added Value massively over-delivered when compared with its share of the category (4.6%), contributing over a quarter of the MFP category gains between 2015 and 2019.



Figure 3. Five-year growth in Added Value category (rounded to nearest million)

Source: Kantar, 52 w/e 26 Jan 20, Added Value

Around three-quarters of shoppers buy Added Value in a year. This has increased by just over one percentage point over the past five years, but the main driver of growth came from increased frequency – Added Value has become a more regular item in people’s baskets (Figure 4).

This is particularly true for RTC and sous vide. Monetary gains for marinades and sous vide have also been supported by increases in average price. However, this doesn’t appear to have put shoppers off over this longer-term period (Figure 5).

Although there has been growth for Added Value red meat as a whole over this five-year period, this differs by protein. Pork growth was driven by RTC, due to the popularity of gammon in these products, whereas lamb and beef are more reliant on sous vide and marinades. Despite these variations across the proteins, Added Value for all has outperformed primary meat (Figure 6).



Figure 4. Five-year change in Added Value category key metrics

Source: Kantar, 52 w/e 26 Jan 20, Added Value

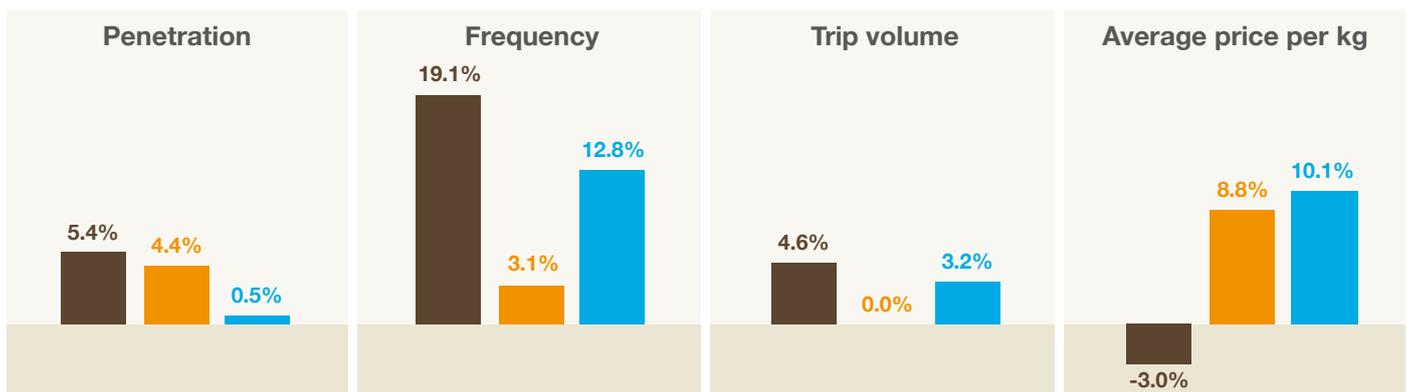


Figure 5. Five-year change in Added Value category key metrics

Source: Kantar, 52 w/e 26 Jan 20, Added Value

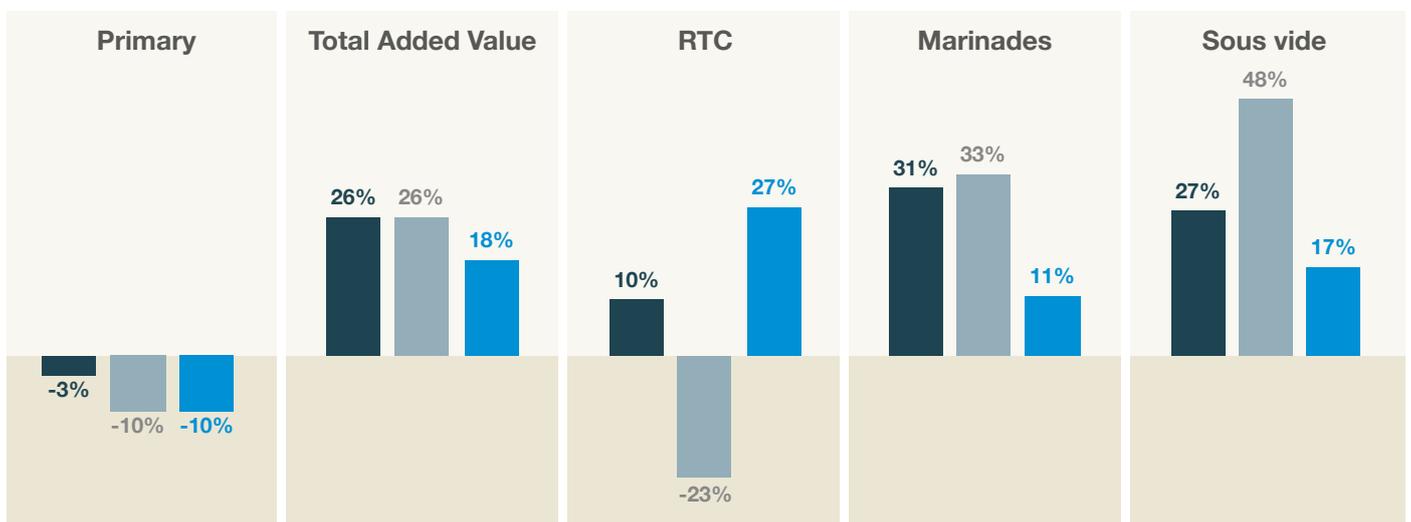


Figure 6. Five-year change in value of Added Value, compared with primary meat

Source: Kantar, 52 w/e 26 Jan 20, Added Value

## Opportunities for beef, lamb and pork

Beef, lamb and pork could benefit from increased presence in RTC. In the year ending 26 Jan 20, chicken accounted for 75% of RTC spend. But consumers are looking for a helping hand across all proteins, not just chicken. There's also a lot to be gained if red meat manages to achieve its fair share of RTC, when compared with the average share of sales in the Added Value category. For beef, this would add £61m to the market, pig meat a further £57m, while lamb RTC would achieve an additional £28m. Price points and promotional activity are likely to be contributing factors as to why chicken is so dominant in RTC. However, there are a variety of red-meat cuts that could help manufacturers achieve a fair margin, to enable increased presence of red meat in RTC, providing more choice for consumers. AHDB's **Meat purchasing guide** is a key resource to start to explore these cuts.

Offering quick and easy solutions is particularly important for lamb, with fewer meals including lamb identified as 'quick to prepare' or 'easy to prepare' (Kantar Usage, y/e Sep 2019). Pig meat benefits from the inclusion of bacon and sausages, which people find easier to cook (Figure 7).

Added Value products also help people cut down the number of components in a meal. Where they may have had to shop for herbs or spices, a pre-marinated cut of meat eliminates that effort. This helps meat align to an important trend of simplicity, with data showing that 50% of evening meals include six or fewer items (Kantar Usage, y/e Dec 2019).



Pork belly slices in Korean-style marinade

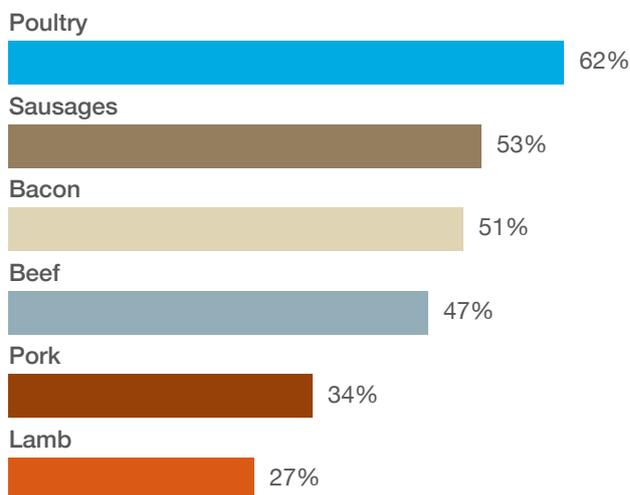


Figure 7. Perceptions of meat as 'easy to cook with'

Source: AHDB/YouGov Consumer Tracker, April 2020

However, different meal occasions have different levels of need for convenience. It's important to keep in mind this idea of a convenience spectrum – which can range from a few shortcut products, like cooking sauces, to entirely prepared meals, such as ready meals or food delivery. Therefore, there's an opportunity to inspire shoppers with the use of convenient products in any meal occasion, such as providing serving suggestions or pairing inspiration, on pack or in store.

## Recent trends

While Added Value has been an important driver of value for the MFP category over the past five years, this growth has more recently slowed slightly.

There were 485m in-home occasions of Added Value products in 2019, up 34% vs 2016. However, when compared with 2018, this was down 3%.

There's certainly an opportunity to act on more recent trends seen under lockdown, to maintain the momentum for marinades and sous-vide products (Figure 8). However, there is more to be done for RTC.

This raises the questions of what's behind the slowdown from the five-year trend and how to return growth to this important part of the category.

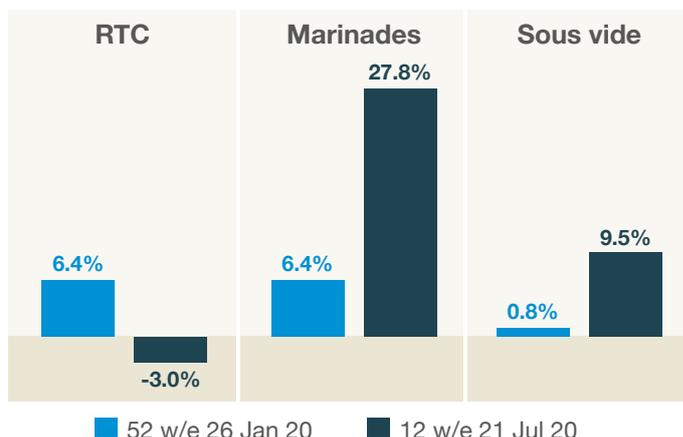


Figure 8. Year on year change in spend on Added Value, pre-coronavirus pandemic and during

Source: Kantar, Added Value

## Consumers

AHDB segments consumers based on their attitudes, shopping behaviour and lifestyles. With the meat category, there are six consumer segments, each with different behaviours. To find out more about these segments, please contact the Retail and Consumer Insight team at AHDB ([strategic.insight@ahdb.org.uk](mailto:strategic.insight@ahdb.org.uk)).

Solution Seekers are key to the Added Value category, accounting for more than a quarter of category value. Budgetary Balancers are more hesitant when it comes to Added Value, likely due to their price focus, resulting in

only 61% of Budgetary Balancer consumers buying into the category.

Despite their differing share of spend in the Added Value category, these are the two main consumer segments driving this recent change in fortunes.

Over the past five years, 245,000 more Solution Seekers and an additional 454,000 Budgetary Balancers bought Added Value products, making them crucial to the long-term performance of the category. However, in the last year this has slowed dramatically.

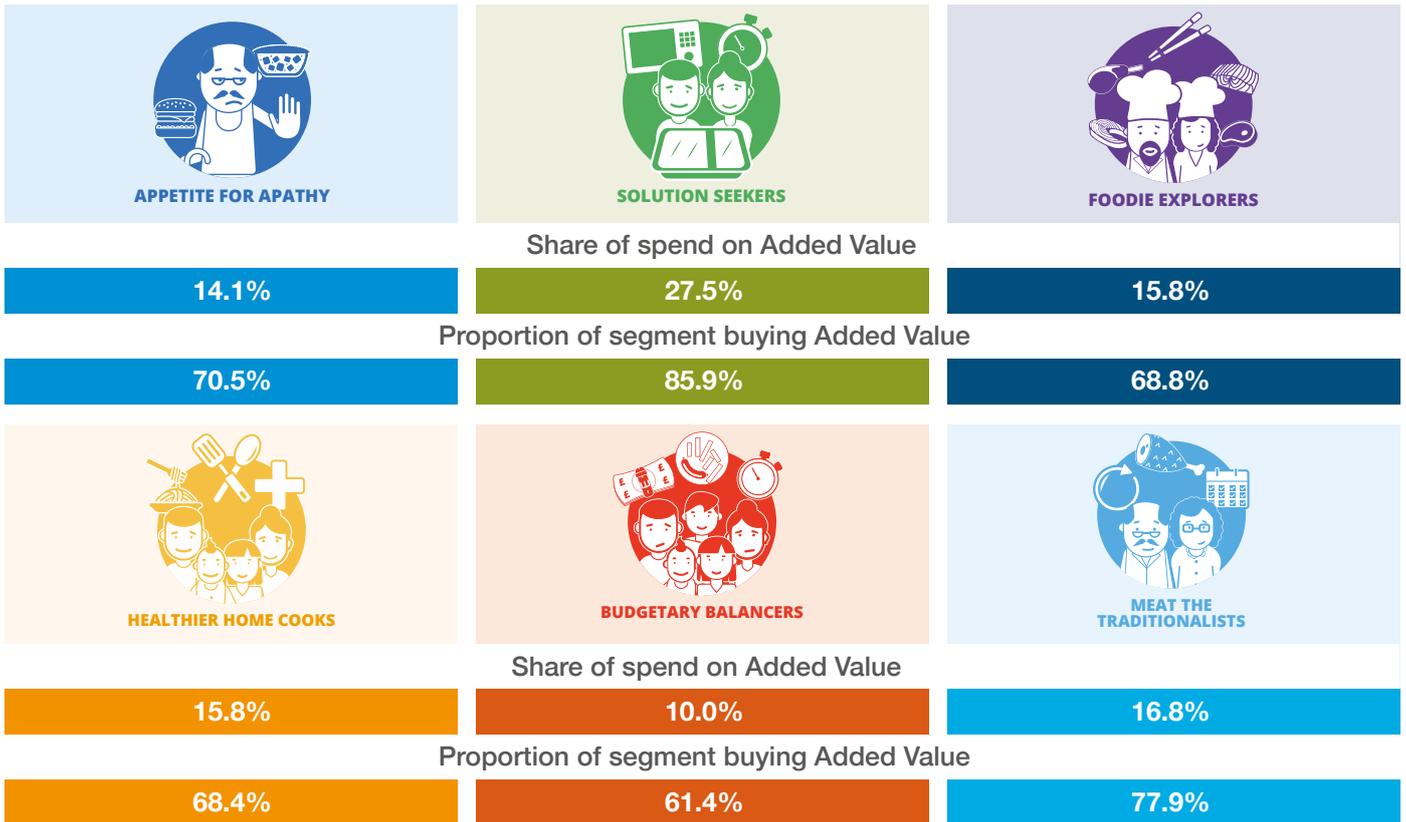


Figure 9. Segment value share and household penetration of Added Value

Source: Kantar, 52 w/e 26 Jan 20



Figure 10. Change in number of shoppers buying Added Value, by segment

Source: Kantar, 52 w/e 26 Jan 20, Total Added Value, Shoppers

This trend has continued more recently, under lockdown, as Solution Seekers were the only segment to spend less on Added Value (Kantar, 12 w/e 14 Jun 20). These two segments are very different and therefore require a different approach to get them to re-engage with the category.



## SOLUTION SEEKERS

Seek out new occasions for smaller, adult households

**Solution Seekers are less likely to have kids and more likely to live in smaller households of 1–2 people.**

**35% of Solution Seekers look for inspiration in store – higher than the average at 26%.**

**Over the past five years, meals chosen because they were ‘tasty’ have been the biggest driver of growth in the consumption of Added Value.**

**They’re more likely to buy food for that evening, rather than plan ahead – perhaps explaining why they’re more likely to visit convenience stores than the average shopper.**

**Lunch accounts for 23% of RTC eaten by Solution Seekers (an index of 130 vs total Added Value).**

Appeal with products that clearly communicate serving sizes, to avoid concerns about wastage.

Provide in-store inspiration around pairing products – for example, sous-vide BBQ ribs, with corn and prepared potato wedges.

Added Value needs to push messaging on taste to attract this segment.

Ensure that Added Value is visible in store for the afterwork footfall looking for something for their evening meal, particularly in convenience stores.

RTC fits into the need of a ‘hot and filling’ lunch occasion. Play on this sort of messaging to appeal to consumers who are working from home more than they used to.



## BUDGETARY BALANCERS

Appeal with crowd-pleasers

**This is a family-focused segment, and this is reflected in their Added Value consumption, with 69% of occasions featuring both adults and kids present (ix.220).**

**Having Added Value as a treat/reward is up 25% with this group, while ‘fancied a change’ is up 8%.**

**This group likes to spend as little time cooking as possible and will aim to keep to strict budgets and therefore stick to the same meals.**

Promoting Added Value as the large family meal that provides great value will help to see the category grow with this segment.

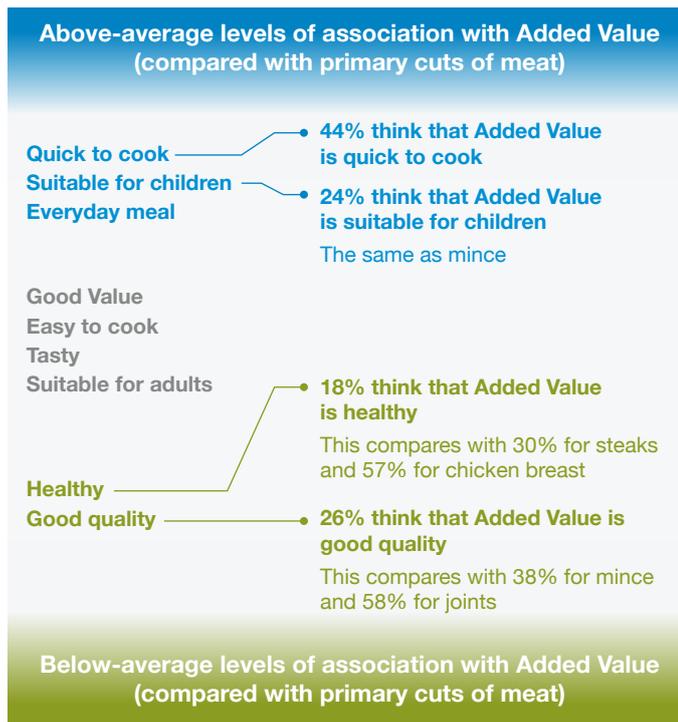
Added Value needs to promote the enjoyment aspects that it provides as a way to engage with these consumers.

Added Value needs to demonstrate that it is providing this group with value for the family meal.

## SHOPPER PERCEPTIONS OF ADDED VALUE

Added Value has a clear positioning as a convenient offering when compared with primary meat cuts. Not only is it seen as quick to cook, it's also likely to be seen as an everyday meal – a perception that may have helped drive frequency for these products.

Areas for further focus are around quality, as well as health perceptions. Added Value tends to lend itself to a 'treat' occasion and the core focus should be around enjoyment and treats. However, there may be an opportunity to dial up taste communications and to consider a separate healthier range within Added Value.



**Figure 11. Shopper perceptions of Added Value**

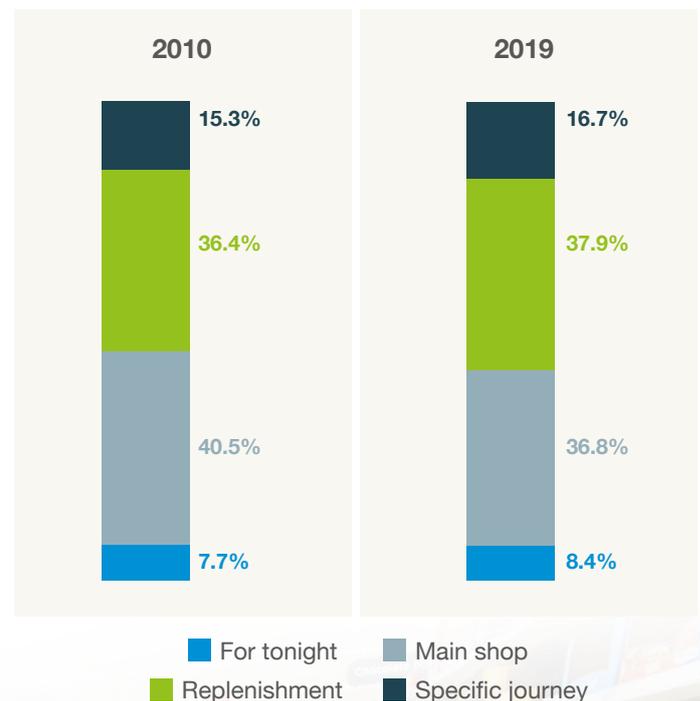
Source: AHDB/Future Thinking, Protein Shopper Journey Research, July 2018  
Which of the following do you associate product with?

There isn't a 'one size fits all' approach for Added Value and, therefore, products should be merchandised according to their expected usage, whether that be a convenient weekday option or an easy weekend treat.

## HOW SHOPPERS BUY ADDED VALUE

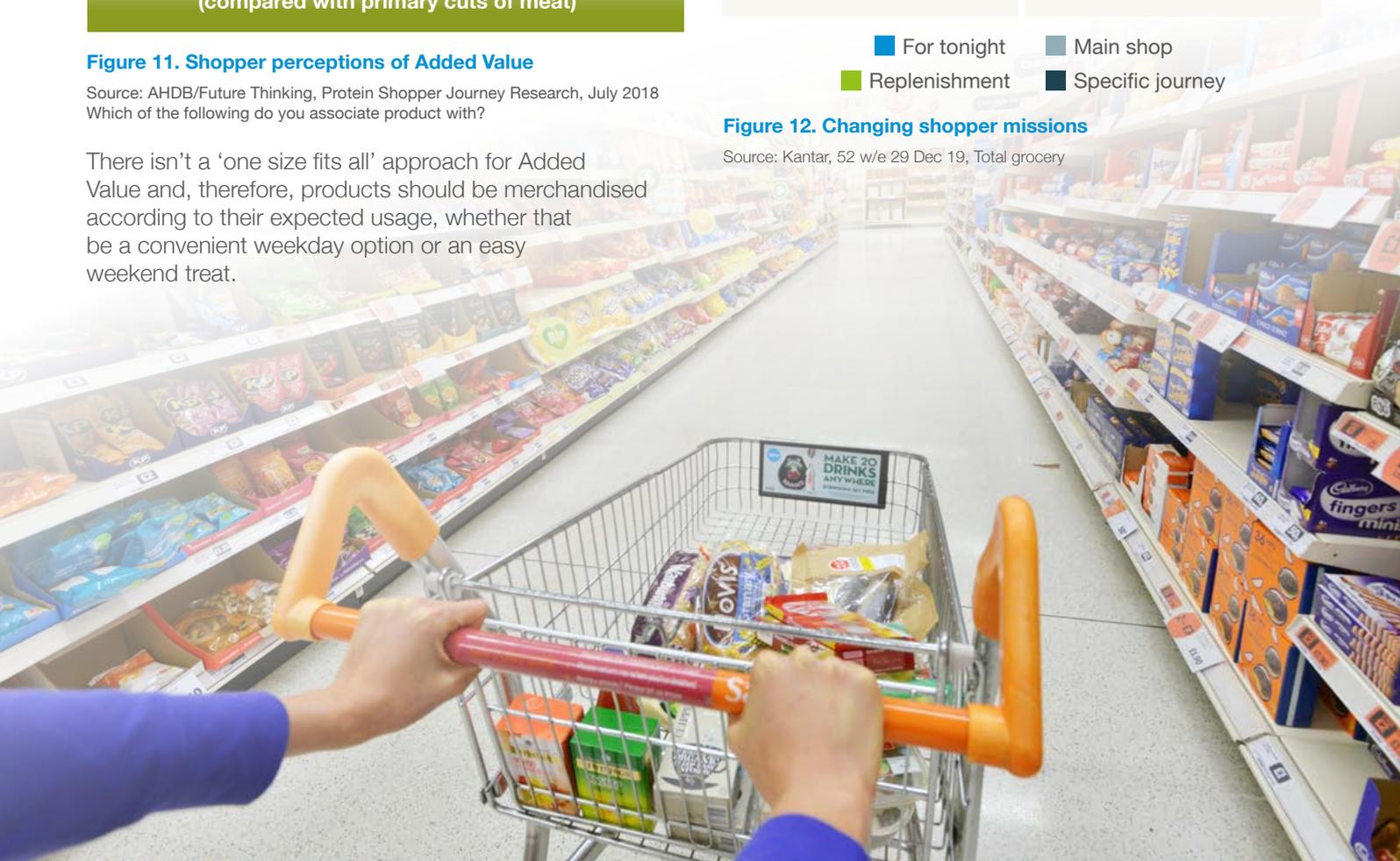
When it comes to Added Value, shoppers tend to have quite flexible plans. When compared with primary meat cuts, buyers of Added Value tend to be more impulsive. Linked to this, decisions for Added Value are more likely to be made at fixture. These decisions include what meal it may be part of, as well as the protein.

Over time, shoppers have been moving towards a 'little but often' style of shopping, with more top-up shops and smaller missions, rather than a big weekly shop (Figure 12). Therefore, Added Value taps into these smaller missions, and merchandising should target shoppers looking for an evening meal. However, broadening the range to meet different occasions will require a different approach.



**Figure 12. Changing shopper missions**

Source: Kantar, 52 w/e 29 Dec 19, Total grocery





Convenience stores are more likely to be used for ‘for tonight’ shops and, as such, Added Value could play a key role. Meal deals could be beneficial here – not just for seasonal events like Valentine’s day, but also for everyday shortcuts to meal inspiration. During the coronavirus pandemic, more people visited convenience stores as they steered away from bigger stores. This could provide further opportunities for the Added Value category, provided the ranging is right.

This flexible approach to shopping creates opportunities to influence at fixture. Based on in-store observations, the average time at the Added Value fixture is 62 seconds. Within the meat aisle, this is an average length of time at fixture. However, this drops to just 41 seconds for primary chicken (such as breasts and whole chicken). Therefore, using marketing methods for Added Value at other points in store could help disrupt the autopilot purchase of chicken.

### Factors influencing decisions

Taste, price and knowledge of how to cook are always top factors in the decision-making process for proteins. However, there are some clear differences for Added Value.

Price, treat and promotions all emerged as having a significantly higher influence on Added Value.



Source: AHDB/Future Thinking, Protein Shopper Journey Research, July 2018  
Reasons to buy – shows those this significantly higher score at 95% interval

Price and promo are key to Added Value. Price promotion was the main reason for shoppers changing their mind at point of sale when shopping for meat.



Figure 13. Reasons to switch/buy outside plan

Source: AHDB/Future Thinking, Protein Shopper Journey Research, July 2018  
You said you didn’t quite buy what you had in mind. What made you change your mind? Base: all who bought something different to planned/not planned (n=258)

During the lockdown period, in response to the coronavirus pandemic, shelf life became far more important for meat, likely as people shopped less frequently. As social distancing continues, the number of trips people make to supermarkets remains reduced. This should play to the benefit of sous vide in particular, as the cooking process extends the shelf life of the meat itself.

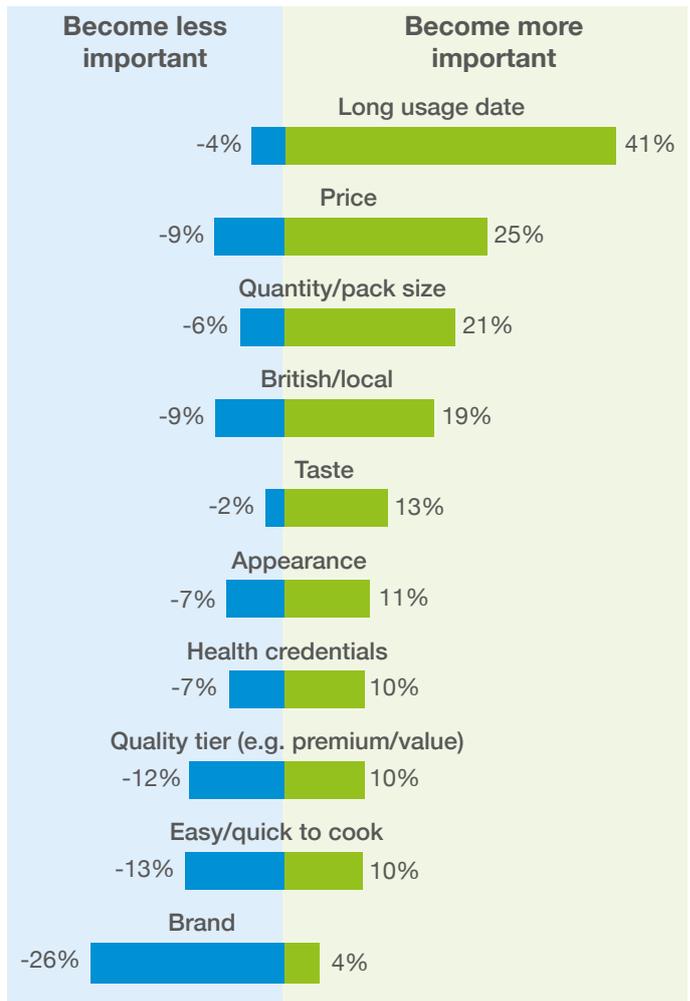


Figure 14. Changing importance of factors when buying meat during coronavirus pandemic

Source: AHDB/YouGov Consumer Tracker, April 2020

## A look to the future

An uncertain future, economic decline and political instability can all lead to a decrease in consumer confidence. Consumer confidence is a measure we often use to understand consumer attitudes towards price, willingness to experiment and need for comfort foods. A period of low consumer confidence can bring about a return to recessionary behaviours. This includes cutting back on discretionary spend, which often means cutting back on eating out. At the same time, we increasingly reach for comforting foods that are filling, familiar and tasty. Added Value could benefit if it can position itself as a tasty alternative to eating out. However, continuing to communicate the product benefits will be fundamental to justify its higher price point and retain shoppers who have increasing scrutiny on their household budgets.

## SUMMARY

Data from Kantar suggests that spend on Added Value is incremental to MFP as a whole. Added Value therefore not only provides a benefit to the consumer, it offers opportunities throughout the supply chain, from industry to supermarkets and consumers.

Offering a way to balance the carcass, with the sous-vide process meaning that less popular cuts of meat that require several hours of cooking to bring out the best of the cut get back into the home.

Creating a way to premiumise the highly commoditised meat market. As people are willing to pay more for these products, there's an opportunity for increased margins that could be passed along the supply chain.

Offering a shortcut for consumers, whether that be to help them with an everyday meal or to create an out-of-home dining experience at home. These products can help with lack of time or lack of cooking confidence.

## OPPORTUNITIES FOR ADDED VALUE

It is important to keep a continual eye on the changing macro environment, as this has shaped, and will continue to shape, consumer needs when it comes to choosing what to eat. This is especially the case now, during the coronavirus pandemic. Understanding the pain points created as a result of these macro trends will unlock opportunities to innovate within Added Value.

- The complex, changing nature of convenience means that a one-size-fits-all approach to products won't always be possible. A range of products that appeal to different consumer segments is needed in store – with different serving sizes and packaging options (e.g. easy-open). The focus should be on ease over speed, but knowing your shoppers' priorities is key
- Most consumers are often looking for recipe inspiration, but it's not all about scratch cooking. Convenient meat products need to be seamlessly integrated into recipe inspiration, alongside simple scratch-cook items
- Communications should lead with taste, with imagery supporting this. With cuisine trends continually changing, convenient products are well placed to give consumers a helping hand in creating global dishes at home. There may be a role for limited-edition runs for more niche cuisines
- Build on cues that signal quality, to help build on this relative area of weakness. This may be enhanced product imagery or the use of British meat
- Health is also an area of relative weakness for Added Value as it's usually a treat purchase. However, there may be opportunities for a separate healthy range
- Explore how to make beef, lamb and pork viable offerings in RTC, to reduce the reliance on chicken in this area





**Report Author: Rebecca Gladman**

Retail Insight Manager, AHDB

**rebecca.gladman@ahdb.org.uk**

**T: 07469 164664**

Rebecca Gladman has a number of years' experience delivering insight from retail data. She has worked in Insights at a major pork processor, as well as the world's largest market research agencies. Her role in the Retail Insight team at AHDB involves tracking demand across retail and foodservice in Britain, in order to help levy payers understand their end market. Rebecca also has experience in managing bespoke research projects and supports the development and evaluation of AHDB's marketing campaigns.

AHDB's Retail Insight Team actively analyses retail trends, reporting on the latest sales trends and what they mean for the agricultural industry.

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### Produced for you by:

**AHDB**

Stoneleigh Park  
Kenilworth  
Warwickshire  
CV8 2TL

**T 024 7669 2051**  
**E [comms@ahdb.org.uk](mailto:comms@ahdb.org.uk)**  
**W [ahdb.org.uk](http://ahdb.org.uk)**  
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