

MSU Product Center

For Agriculture and Natural Resources

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Vegetable-containing prepared meals – Selective opportunities

Market drivers that provide selective opportunities

- Suppliers of products in this product line have selective opportunities to raise sales based on the **wellness** and **value** market drivers.

Specific opportunities

- The addition of vegetables in most meals enables suppliers to compete with alternatives by conveying unique product benefits. Foods that incorporate vegetables have more nutritional values attracting consumers leaning towards the consumption of healthy foods. For example, increased sales of vegetarian pizzas is evidence of consumer interest in healthier pizza options. Despite this situation, however, vegetable containing meal manufacturers will have selective opportunities in the wellness market segment. First, although these meals tend to be healthier than non-vegetable meals, they still may not be fully accepted by consumers who have health concerns. Second, in some of the products like frozen meals, there is a general perception that they are not relatively healthy and fresh.
- With the growing number of a variety of new products entering the market, the opportunities to raise sales from low-priced bulk meal items will be selective. In addition, the category will continue to face high competition from food service outlets such as in-store delis, fast food chains and restaurants.
- Supermarkets and mass merchandise retail stores are the leading outlets for these products. Convenience stores and drug stores have a very limited role. Because of their limited shelf space, these stores are more focused on selling meals that are not more complex and do not require anything other than heating. So, manufacturers have broad opportunities to sell these products through supermarkets and mass merchandise stores.
- Individual suppliers can also benefit from cross-merchandising and cross-promoting the product with other food products including fresh meat and sauces.

New product examples

- Aldi - Thin crust light vegetable pizza in the Mama Cozzi line. It features broccoli, peppers, black olives, mushrooms, and green onions, 23 oz. flexible package.
- General Mills – Frozen vegetable meal. Varieties include Sesame, broccoli, carrots, and red bell peppers in a sesame stir-fry sauce; and Spicy Teriyaki, broccoli, water chestnuts, red bell peppers, and carrots in a spicy teriyaki sauce, 21 oz. flexible package.

Special issues

- Supermarkets have competition with mass merchandisers, primarily Wal-Mart. Wal-Mart sales in this area are mainly supported by the availability of a wide selection of shelf stable meals and pizzas that are sold at low prices making them appealing to low-income shoppers

Key to success

- With the ongoing challenge from other convenient, fresh and healthier foods that are entering the market and the competition for shelf space in retail stores, variety, flavor and convenience are key to success in this product line.

Sources

Mintel, Global New Product Database. <http://www.gnpd.com>

____, Meal kits, 2004.

____, Frozen meals, 2004

____, Shelf stable meals, 2004.

____, Pizza, 2003.