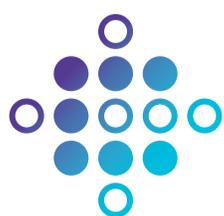




WHAT ARE CONSUMERS TALKING ABOUT THE MEAL KIT INDUSTRY?



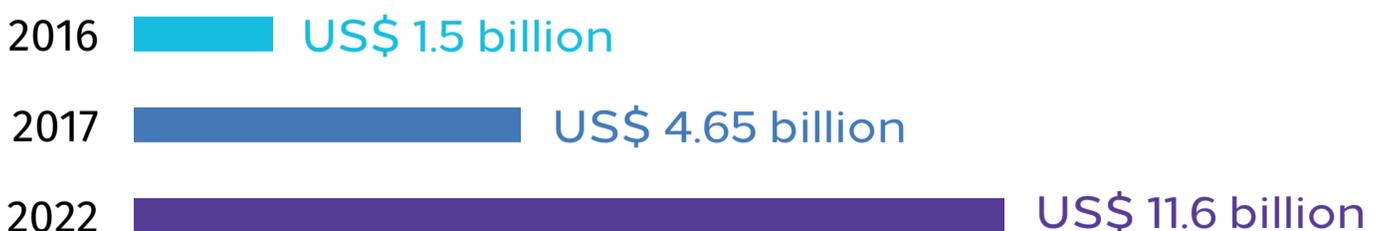
cogent infotech

THE MEAL KIT PHENOMENON

The rapidly growing meal kit market has created a stir in the Food and Beverage industry. It is truly becoming a phenomenon in terms of novel experiences it offers to individual tastes. Food subscription kits are a blend of the excitement they offer to learn and experiment in your kitchen. **The US meal kits industry, set to grow explosively to US\$ 10 billion by 2020^[2]**, is strongly linked to consumer spending and changing attitudes towards leisure time^[3].



Fresh-food meal-kit delivery service market in the United States from 2016 to 2017, with a projection for 2022.



MEAL KIT CONVERSATION TRENDS ON SOCIAL MEDIA

Cogent Infotech's Social Listening team delved into this niche market to understand consumer responses to meal kit subscription services.

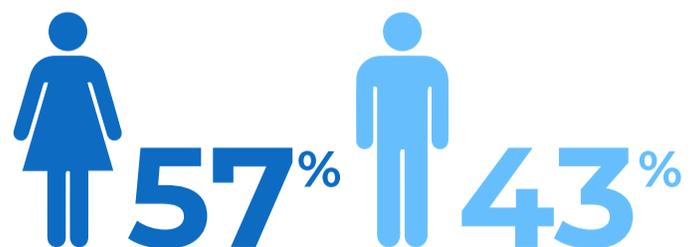
We tracked over 4 million conversations across 23 social media and online forums to identify consumer reactions and sentiments that could help meal kit companies with data driven actionable insights. We found **Twitter dominating 70% of these conversations**, followed by Instagram & Facebook. We discovered the following

- ✓ **Millennials** are clearly a key demographic target for meal kit companies
- ✓ 57% percent of those interested in meal kits were females, while 43% percent were male

Media Share of Voice



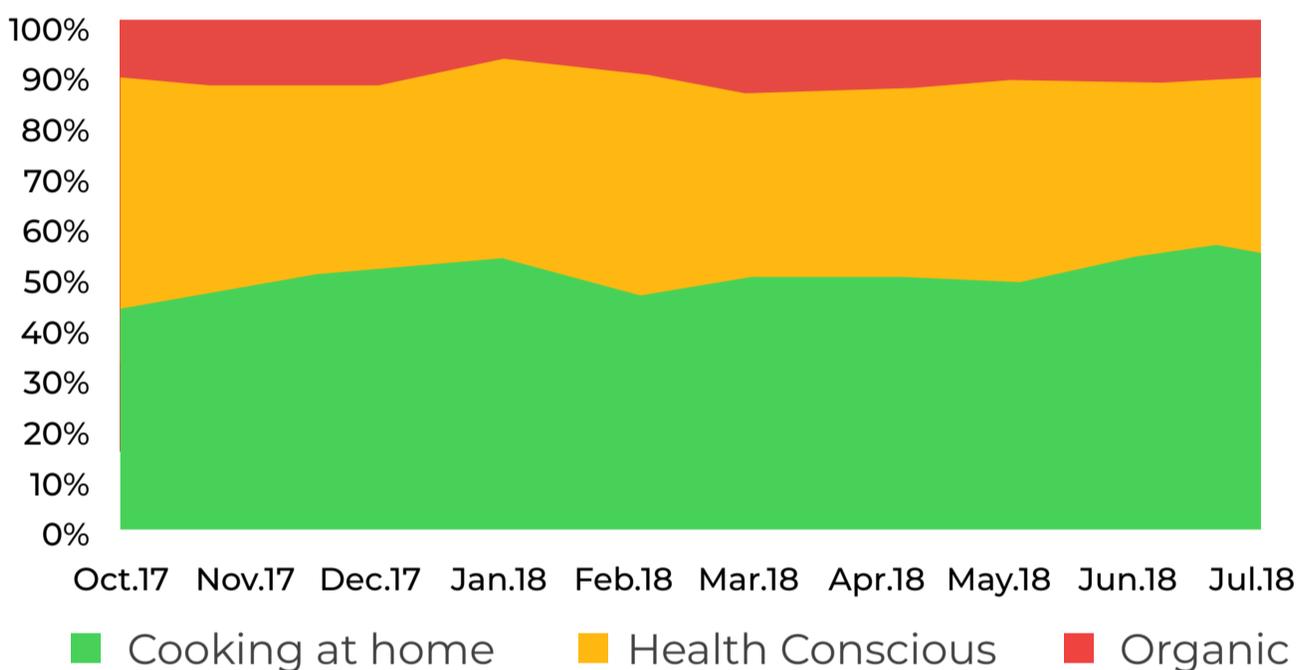
	(%)
○ Twitter	71.38
○ Facebook	9.8
○ Instagram	7.52
○ Forum	5.32
○ General	1.27
○ Others	4.68



MEAL KIT CONVERSATION TRENDS ON SOCIAL MEDIA

- ✓ A whopping **83% indicated that a home-cooked meal is better than eating out.** Here, we found a strong emphasis on not just eating healthy, but eating as a family^[1]

Using Social Listening to understand why customers are buying Mealkits



INDUSTRY CHALLENGES

However, Cogent's subsequent findings indicated that the market is tightening up despite this explosive growth. With more than 150 companies in the meal kit business, **retaining customers and driving a growth in customer base, while keeping competition at bay can a huge challenge.**

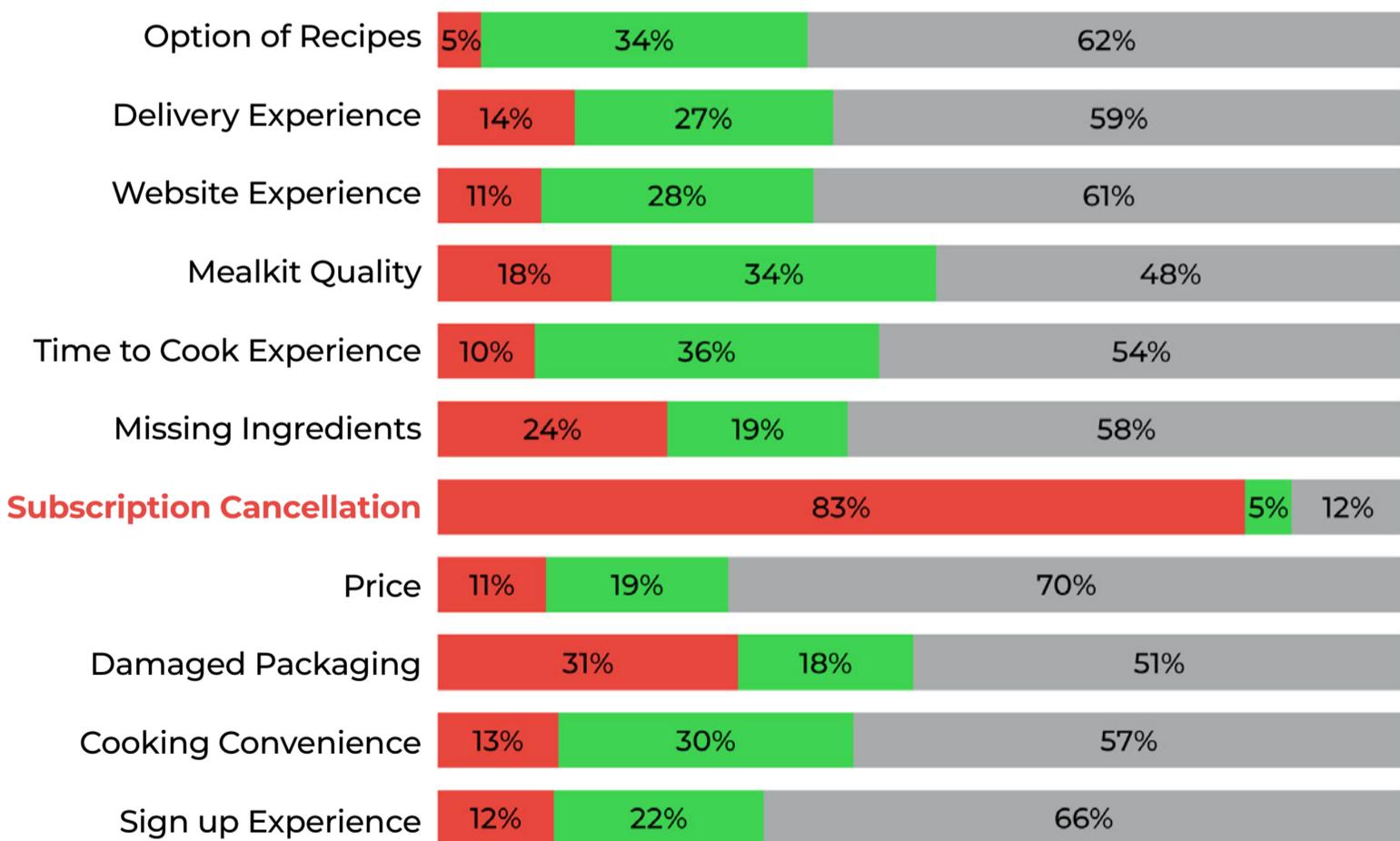
Consumer experience, primarily driven by sentiments based on perception and values, continues to impact meal kit sales. We looked at some key consumer sentiments that impacted meal kit sales and therefore revenues.

KEY INSIGHTS FROM SOCIAL LISTENING

Notwithstanding dwindling revenues faced by meal kit providers, it seems that the product by itself is not the only culprit affecting both small and large businesses. Conversations we tracked showed that:

- ✓ Everything from **delayed delivery, and damaged packaging to missing ingredients could drive customers to swap services or completely stop ordering meal kits**

Customer Sentiment Graph



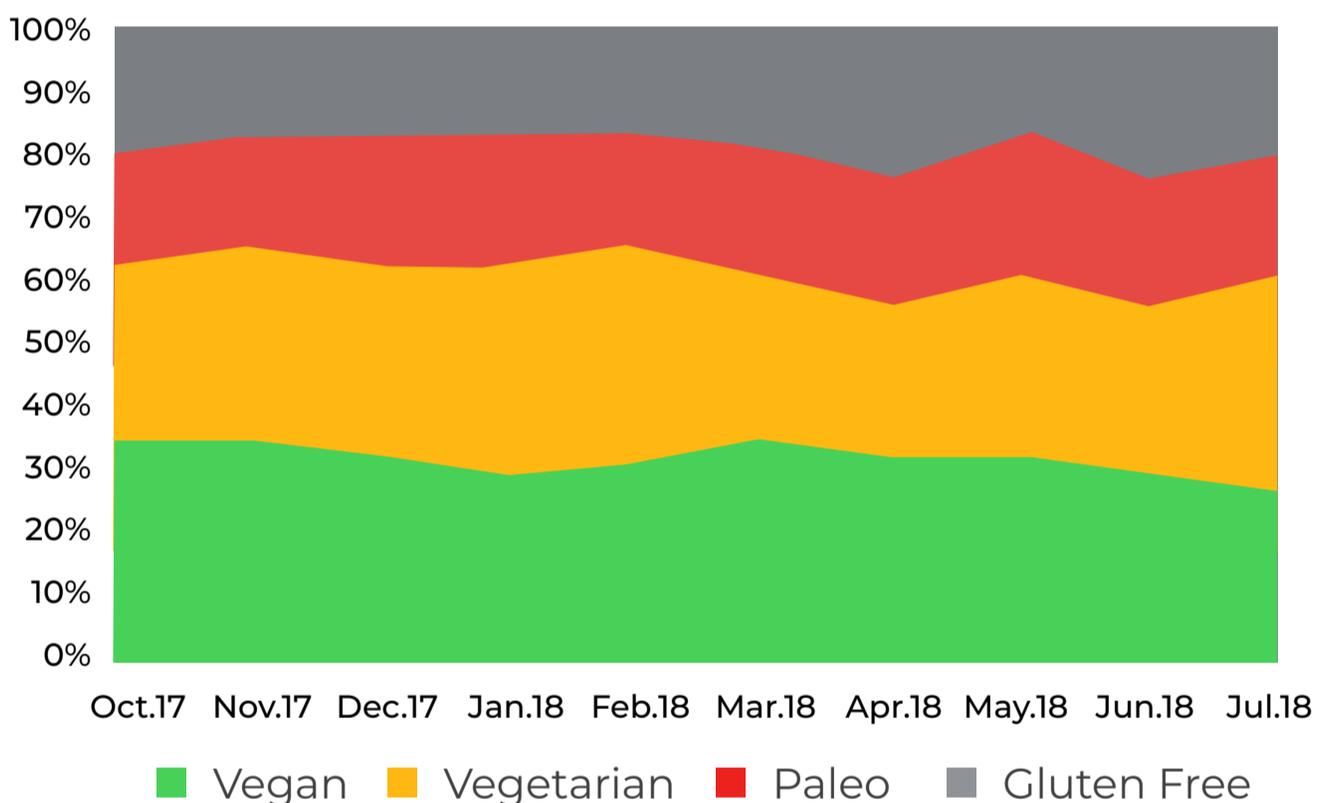
■ -ve experiences
 ■ +ve experiences
 ■ neutral experiences

- ✓ **Limited subscription flexibility** weighed heavily on subscribers' decision to stay loyal to brands

KEY INSIGHTS FROM SOCIAL LISTENING

- ✓ There is also the case of **shifting perceptions**, for example, millennials looking at smaller labels to address health concerns such as food allergies or gluten intolerance^[4]

Understanding diet preferences from online conversations



HOW COGENT CAN HELP ADDRESS THESE CHALLENGES

One major reason that meal kit companies have not achieved outsized success they deserve is the lack of insights into customer spending patterns and sentiments. With every discerning and demanding consumer coming to play, competition in the meal kit business is bound to get stiffer as companies race to the top position.

On one hand, smaller companies are struggling to find the pulse of the consumer to craft a strategy, with a few pushed into collaborating with larger players. On the other hand, F&B giants are looking at acquiring smaller players to provide a credible and authentic gastronomic experience to retain brand loyalty.

In a market inundated with competition, Social listening solutions can help align and drive business strategies that is in tune with market sentiments. Cogent's in-house Social Listening team analyses millions of consumer led data points which can help you build a successful strategy by **identifying the right audience and communication pillars** for your Brand.

Our **'state-of-the-art' Natural Language Processing and Automatic Sentiment Algorithm** accurately recognizes trends from social media data giving you insights to drive your business decisions. Leverage our Social listening solutions to understand your consumer behaviour, boost brand loyalty and increase ROI.

Stay tuned for our next insight and connect with us on [**social@cogentinfo.com**](mailto:social@cogentinfo.com)

References

[1] Fona Millenials in Transition [2] Industry Leaders Magazine [3] Motley Fool [4] eMarketer Retail (<https://retail.emarketer.com/article/how-millennials-rewriting-food-industry-playbook>)