

Inflationary pressure felt by consumers led to a subdued year for the meat department.

With \$99 billion in sales, 98.2% household penetration and 48 purchases per year, meat is the biggest revenue generator among the fresh departments. However, dollar sales were flat (0.1%) and pound (-1.0%) sales decreased year-on-year (Circana MULO+).

A clear value proposition can help attract the 30% of shoppers who account for 66% of dollar sales.

Traditional grocery's share of meat sales dropped from 42.8% in 2019 to 39.7% in 2023 (Circana, Panel, All outlets) — a shift of several billion dollars. Driven by strong millennial engagement, supercenters have gained 2.2 share points since 2019. The shares for club stores and e-commerce grew over the past five years but plateaued in 2023.



Shoppers bought meat less frequently and bought less per purchase — the root causes of the volume pressure.

The impact of price combined with longer-term demographic shifts point to an opportunity to re-align assortment, marketing and merchandising with changing purchase patterns. With shopper case-ready acceptance reaching a record high, consider pack size variety, freezer-ready packaging, secondary displays and cross-merchandising to optimize trips and units per trip.

Shopping for meat/poultry is a balancing act between money, time, nutrition, taste and meal occasion.

Meat department prices rose 2.1% in 2023, below the rate of total food and beverage inflation (+5.9%) (Circana, MULO+). Yet, the sustained impact of several years of inflation caused shoppers to buy what is on sales and adapt what amount (54%), kind (45%), cut (43%) and brand (40%) of meat and poultry they purchased.

91% of consumers can be persuaded to spend a little more on meat and poultry.

Holidays, special occasions and entertaining are the top reasons to spend a little more — emphasizing the need to optimize sales during primary and secondary holidays while recognizing traditions are changing. A cut or kind of meat/poultry consumers deem healthier, a preferred pack size or brand, and convenience can also prompt them to splurge a little.

Seven in 10 consumers believe meat is an overall healthy choice that provides fuel and essential nutrients.

While the majority of consumers believe meat and poultry belong in the diet, they are interested in portion size variety and suggestions for nutritious choices without sacrificing taste or paying more. Compared to 2008, "protein" is a more desirable package callout while fewer consumers focus on fat, sodium, cholesterol and saturated fat when buying meat/poultry.

A thoughtful approach to meat purchases drives interest in transparency.

Consumers look to brands and grocery stores to provide insight into the who, what, how and where of the meat/poultry they purchase. More than one-third of consumers look for better-for... options addressing the planet (38%), people (36%) and animal welfare (34%). Up from 43% in 2020, 55% of consumers feel good about animal welfare practices in the U.S.



Convenience is important but taking a backseat to price as consumers balance their spending.

Meat and poultry are part of 87% of home-prepared meals that reflect a mix of scratch-cooked and semi-and fully-prepared items. While most consumers spend less than 30 minutes on preparing dinner, they purchased value-added that is typically sold at a price premium less often. This resulted in value-added meat and poultry sales being down across most proteins in 2023 for the first time in years.

Meal inspiration sources vary widely, with digital resources and technology making rapid inroads.

Gen Z draws meal inspiration from TikTok, YouTube and Instagram, whereas Boomers rely on routine meals, family/friends and recipe websites. This shows the importance of providing meal inspiration across platforms and closing the gap between inspiration and purchase.

Price and promotions have a big impact in today's marketplace, but taste drives the all-important second purchase.

Help shoppers create meals they want to make again: 92% of shoppers agree the meat/poultry can be a great price, but if it did not taste good, they will not buy it again. Emphasize quality and taste and provide relevant tips by preferred cooking appliances. Air fryers are now the number three appliance in preparing meat and poultry, behind the stove and oven.



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