

Chilled Food Category Overview

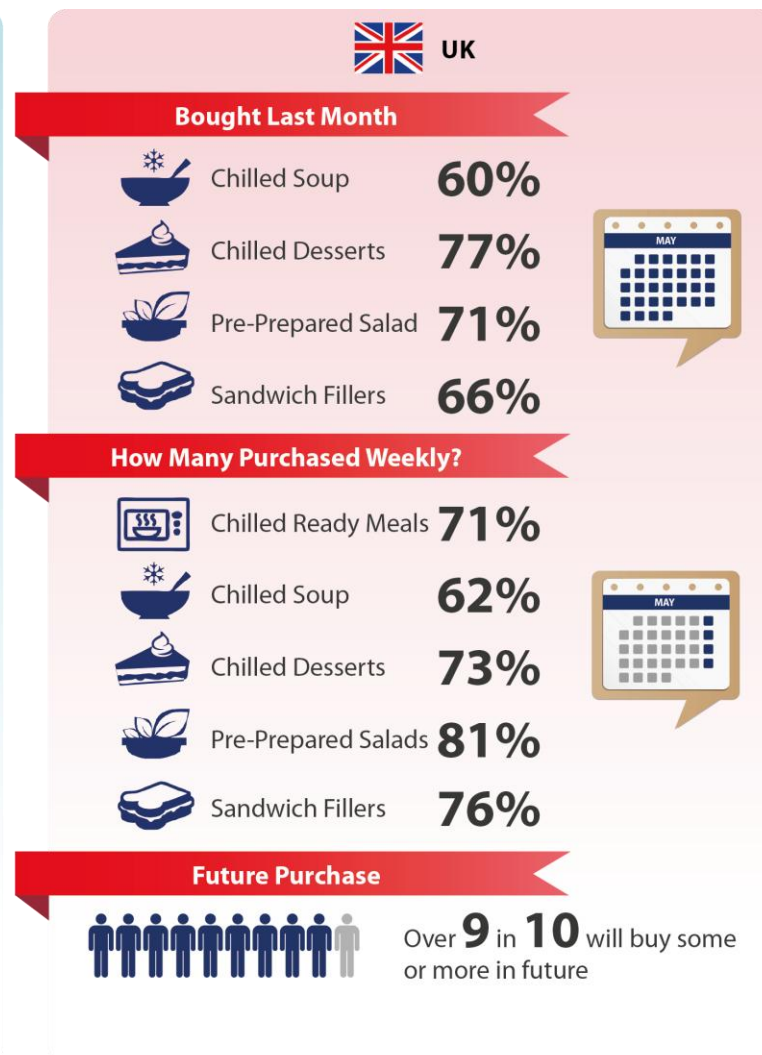
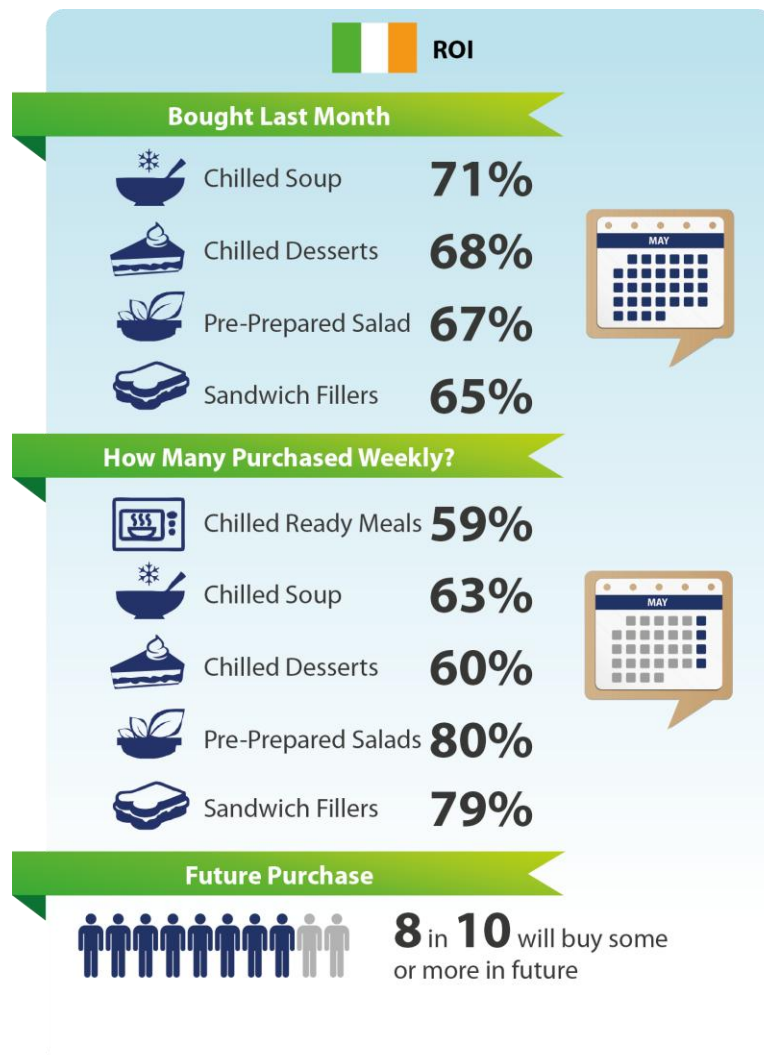
26th May 2014

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

 MillwardBrown

Category Overview - Chilled foods at a glance...



Salads and Sandwich Fillers reflect more frequent purchase - not surprising due to their 'fresh' credentials. Habitual frequent purchasing across chilled food in general, with growth in salads and fillers identified.



Chilled Food Category - what does it mean to consumers



Ready meals and Soups have loads of different options and varieties nowadays - its changed a good bit over the last few years; you can really get anything for any meal or anyone in the family

I love this section in Sainsbury's, its all laid out so well and the food looks great even if it is packaged.

- **The aisle is shopped not the category**
 - Consumers are shopping by meal or occasion or generally 'shopping the aisle'.
 - Generally easy to shop - some level of browsing and dwell time occurs - namely to review price and best before dates
- **An evolving category**
 - Range and choice within chilled has expanded greatly - in many instances consumers are overwhelmed by offerings from private labels to brands.
 - Cuisines, dishes, new ingredients, preparation methods are constantly changing adding dynamism and engagement to the category
- **Retailers up their game**
 - Consumers see an improved shopper experience in chilled from supermarkets
 - Shops own brands are highly visible and offer the best value for many consumers
 - Level of promotion is salient and products are frequently purchased on promotion

Chilled Food Category - what does it mean to consumers



I don't make a list for chilled food, its all in the same area in the supermarket anyway...I'd always have ready meals, soups, leaves and the odd dessert in my trolley.

- **What is Chilled Food?**
 - Chilled means anything that goes in the fridge when you get home, including dairy & eggs.
- **Category has the benefit of consumer trust**
 - Associations with the category are broadly positive with FRESHNESS is core benefit.
 - Consumers see the strong advantages over frozen from taste.
 - Expectations can be high as a consequence- making quality, nutrition and health important underlying factors.
- **Levels of engagement across the sub-categories differ**
 - Frequency of purchase and occasion can determine consumer interest.

Low



High

Packaging fundamentals for Chilled Foods

- Chilled food like other FMCG's need to deliver on the fundamentals of good packaging:

**Strong,
secure
durable
materials**



**Good design and
branding cues**



**Good food photography
appetite appeal**



**Food
visibility**



Is it
Convenient?

- Packaging should not undermine their convenience. It needs to be:
 - Easy to store and stack in fridge/freezer,
 - Easy to open
 - Easy to prepare for cooking
 - Easy to dispose of



Packaging fundamentals for Chilled Foods



Chilled Ready Meals

Visibility of food - the ability to see what the food looks like.

Good appetite appeal via strong food photography

Separate food compartments to avoid food mixing



Chilled Soup

Tetra and Pots are the desired market norms - both with specific advantages

Use of vibrant colours cues to health and freshness

Ease of opening and maintaining freshness is important

Look at 'on the go' solutions



Sandwich Fillers

Functional & practical elements need to be adhered to:

- Ease of opening and reseal is key

Transparency is important so consumers can assess ingredient quality and freshness (and levels of sauce)

Deli cues may appeal - other premium materials such as cardboard may add difference



Packaging fundamentals for Chilled Foods



Chilled Desserts

Highlight the indulgent treat nature of desserts by allowing total product visibility

Showcase complexity by layering, texturing and decoration

Packaging should reflect restaurant styling, so consumers see that they could not replicate at home

Ease of serve and presentation should be maintained when out of packaging



Pre-Prepared salad

Visibility of “leaves” freshness is key

Maintenance of freshness after opening is desired

Single serves can appeal to smaller households to avoid wastage



Ready Meals

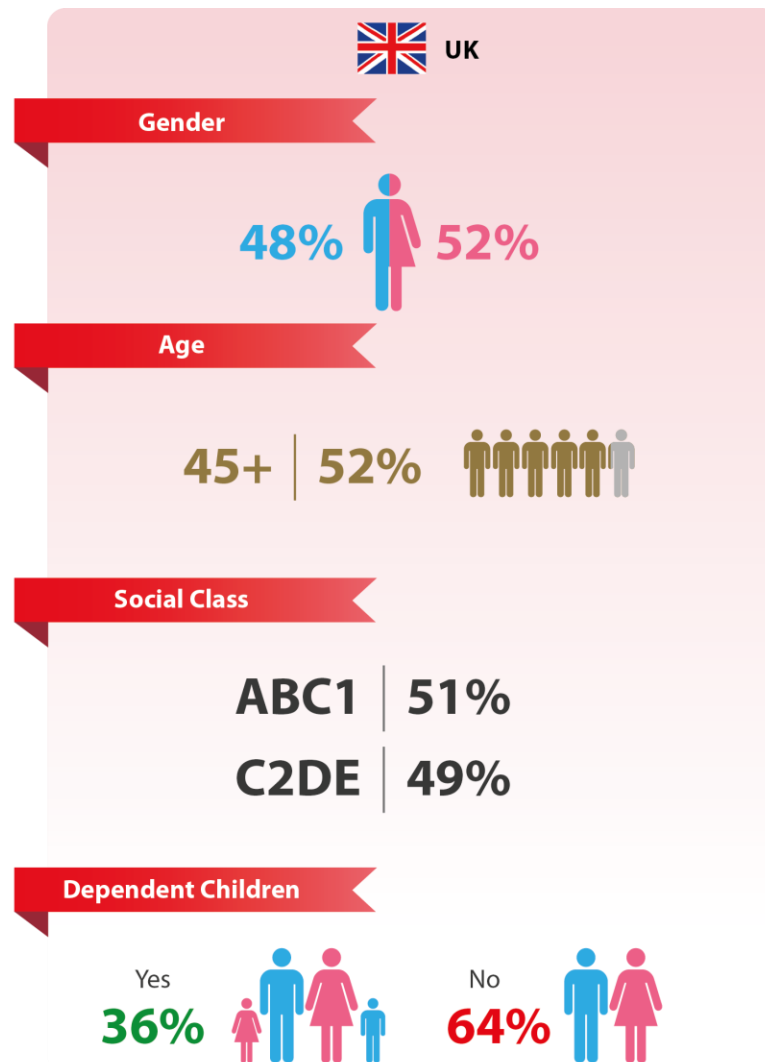
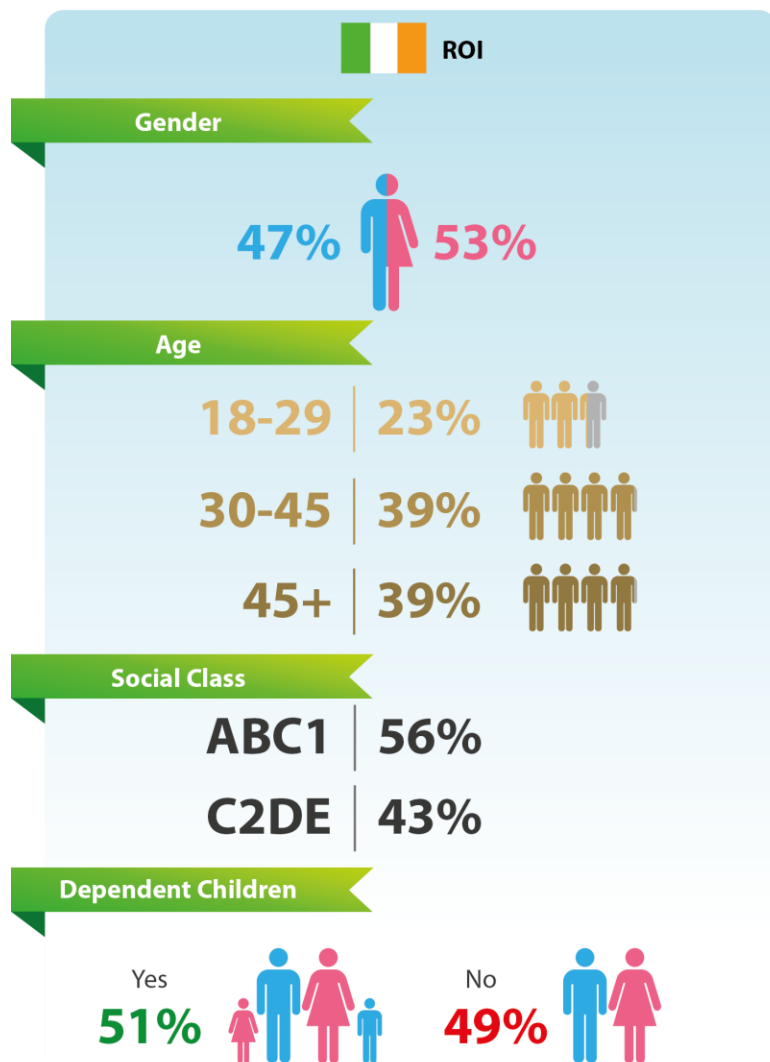
26th May 2014

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

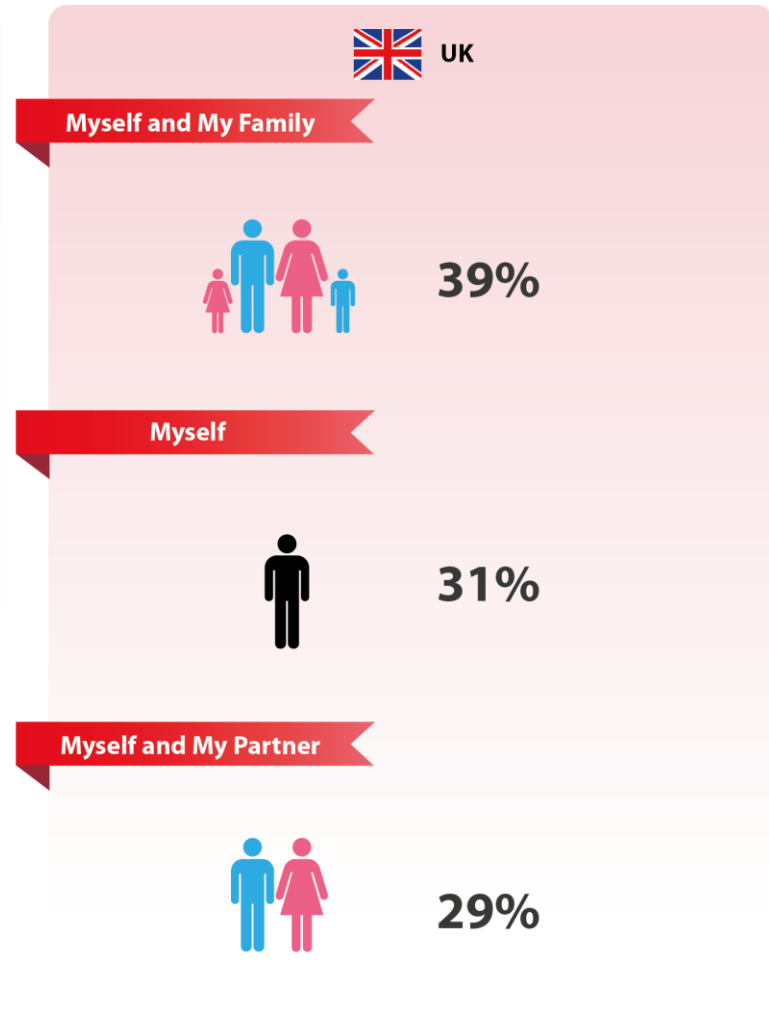
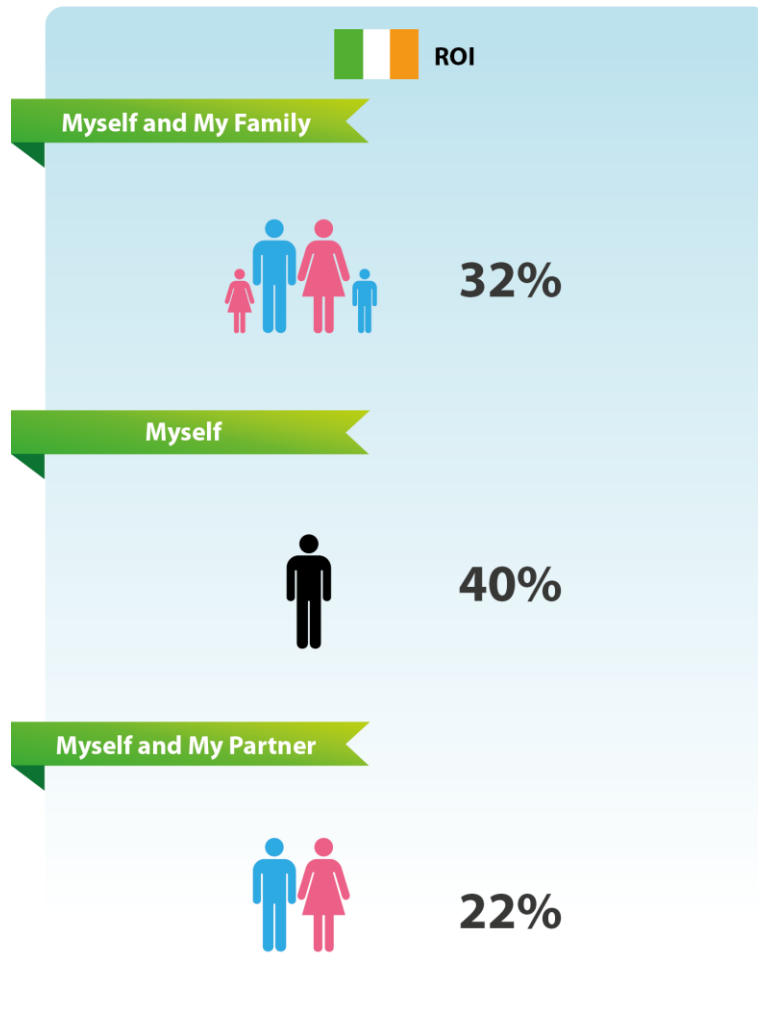
 MillwardBrown

Who buys Ready Meals?



ROI profile is spread across demographics. UK ready meal purchasers skew to 45+ and without dependent children.

Who are they buying for?



Ready Meals are not just the preserve of single unit/couple households. Ready Meals are purchased for family consumption. Opportunity to develop new serve size and packaging SKU's for family orientated Ready Meal occasions.

Frequency of purchase



Average Number Bought Every Month

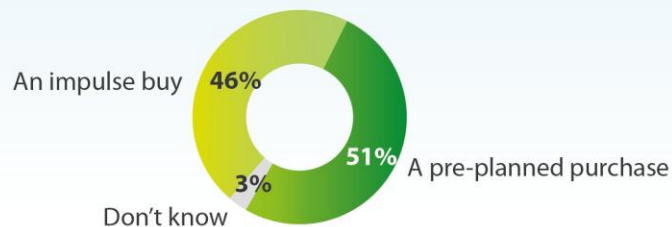


Males shop most often in Tesco and have children

Average Price Paid

€5

Type of Purchase



Average Number Bought Every Month


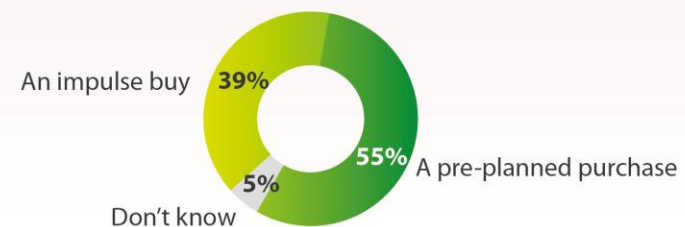


Higher among 25-34, 45-54, and those with dependent children

Average Price Paid

£3.16 (€3.90)

Type of Purchase



Type of purchase experience suggests that Ready Meals can be positioned across all store types from convenience, multiples and discounters. Relatively narrow window of acceptable price - any lower, consumers question quality. Level of promotion in the UK results in more price sensitivity.

Purchase Behaviour: *How many Ready Meals purchased every week?*



ROI

Average Number Bought Every Week



Times Per Week

	Mean	Net 2-3 times a week
Total	1.90	20%
Male	1.86	27%
Female	1.36	14%
Under 35	1.81	25%
Over 35	1.48	17%



UK

Average Number Bought Every Week



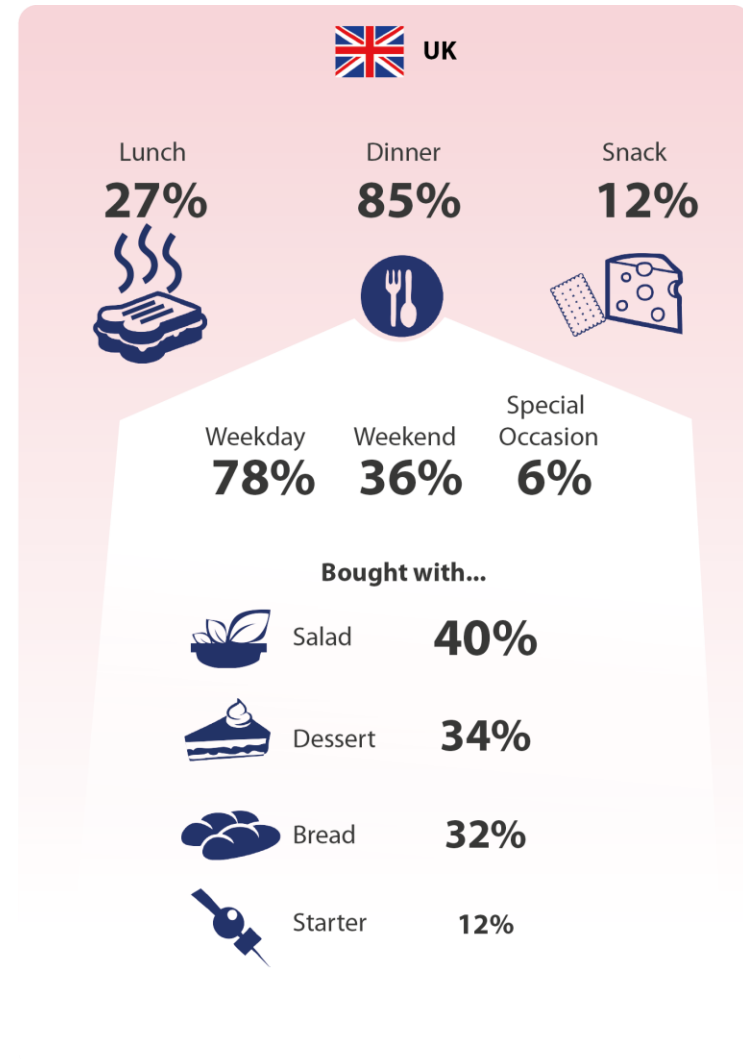
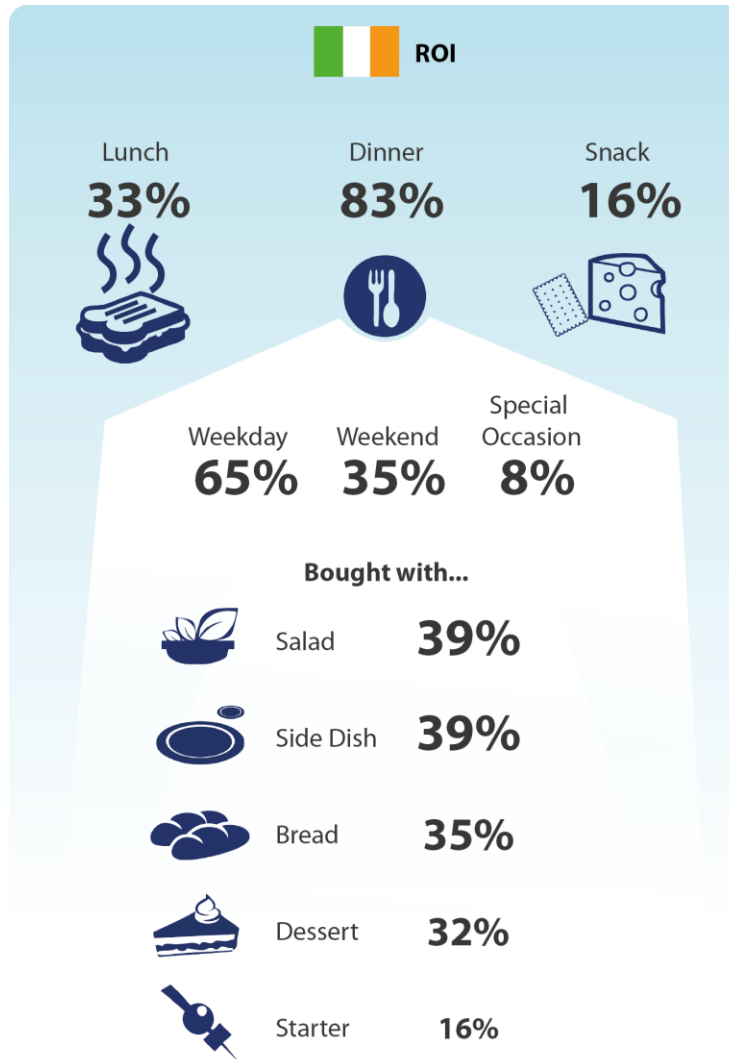
Times Per Week

	Mean	Net 2-3 times a week
Total	1.91	30%
Male	2.04	35%
Female	1.80	25%
Under 35	2.13	31%
Over 35	1.82	29%



**Stocking up behaviour is evident with freezing for later use.
Consumers acknowledge a threshold of consumption, mainly due to health concerns.
Males have a higher propensity to purchase in both markets.**

Occasions: When do people eat Ready Meals?



Dinner occasions dominate during the week. Often eaten with other accompaniments. Opportunity to develop serving suggestions by offering a more complete meal solution enhancing their convenience.



What's important when buying Ready Meals?



ROI

What Influences Frequency of Purchase?

Key Drivers?



UK

What Influences Frequency of Purchase?

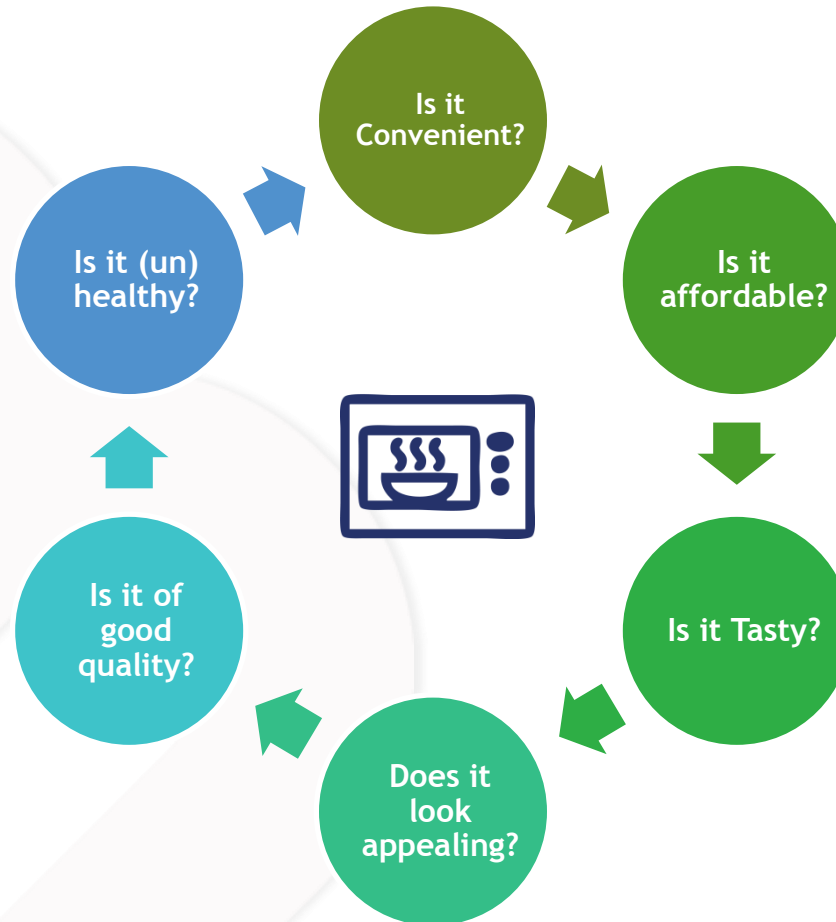
Key Drivers?



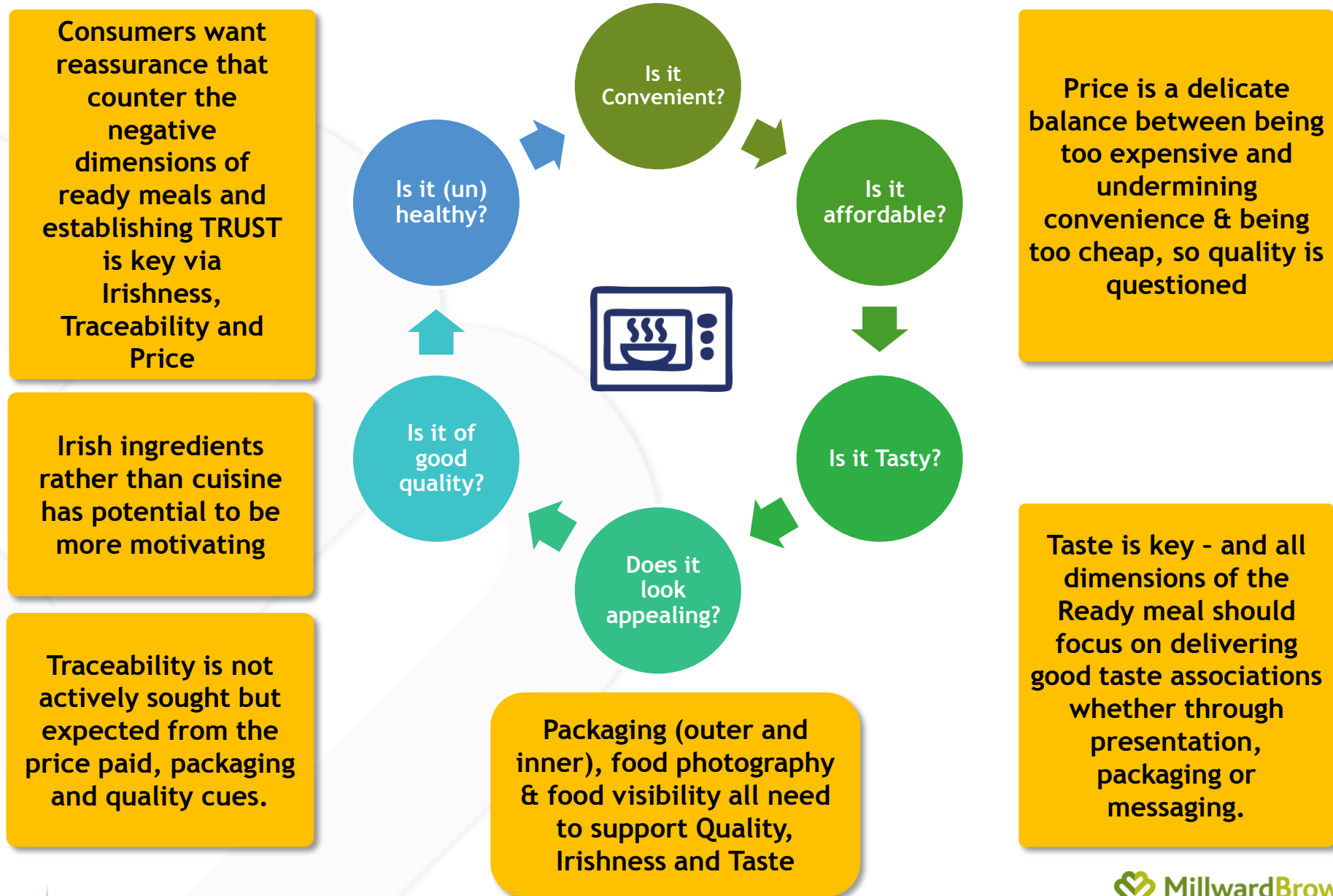
Convenience is the key driver and covers multiple dimensions. Ease of use, time saving and flexibility all need to be present from product, packaging and messaging.



What's important for the consumer when choosing Ready Meals?



What's important for the consumer when choosing Ready Meals?



Private vs. Branded

- Establishing a stand alone brand that will be considered superior to mid-range/premium own brand offerings will be very challenging. Gaining visibility or shelf space vs. private label will be difficult. Consumer experience and preference is weighted towards private label offering. What can your brand provide that is **unique and different** to the supermarket own brands?

Drivers into the category

- Mandatories for ready meals include **ease and convenience** - this has to be right and on a par with competitor offerings. Taste is critical and underpins preference and repeat purchase. **Delivering on range and variety for ready meals is key, along with strong taste credentials - all touchpoints need to dial up the taste aspect.** Price and quality are interchangeable and consumers expect a certain standard at varying price points.

Irish Ingredients

- Focussing on Irish ingredients rather than cuisine will present more of an opportunity. **Irish ingredients as a core component will communicate quality, transparency and health/good food choice.**

Chilled Soup

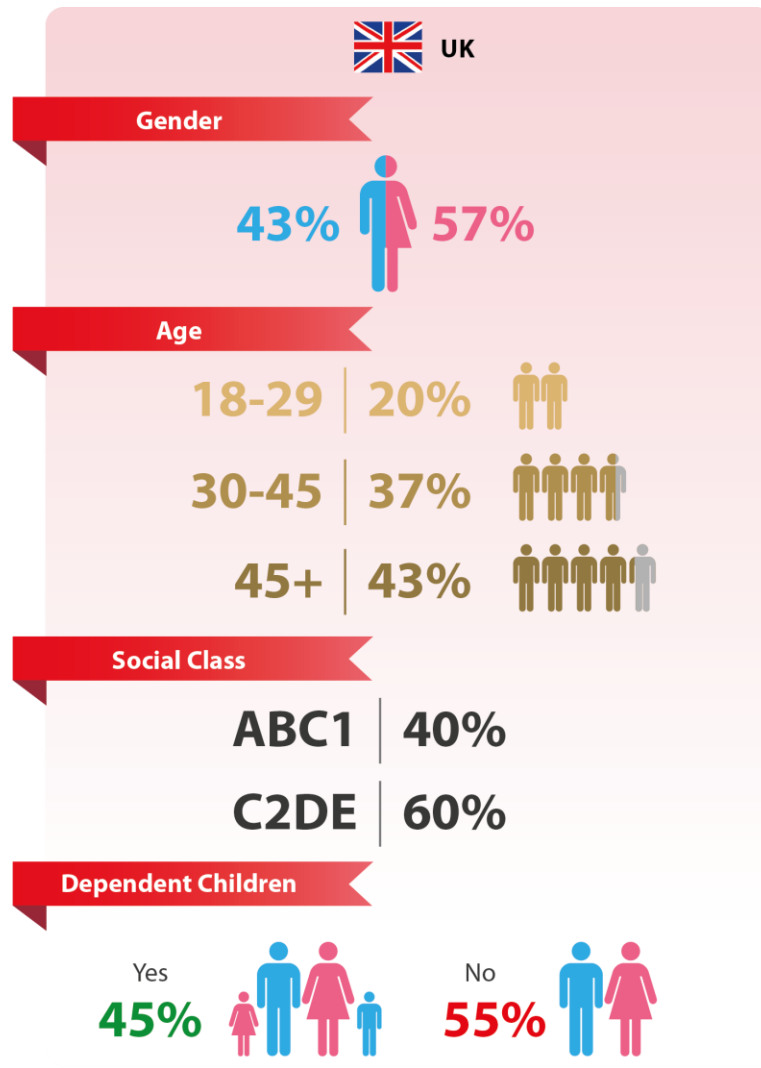
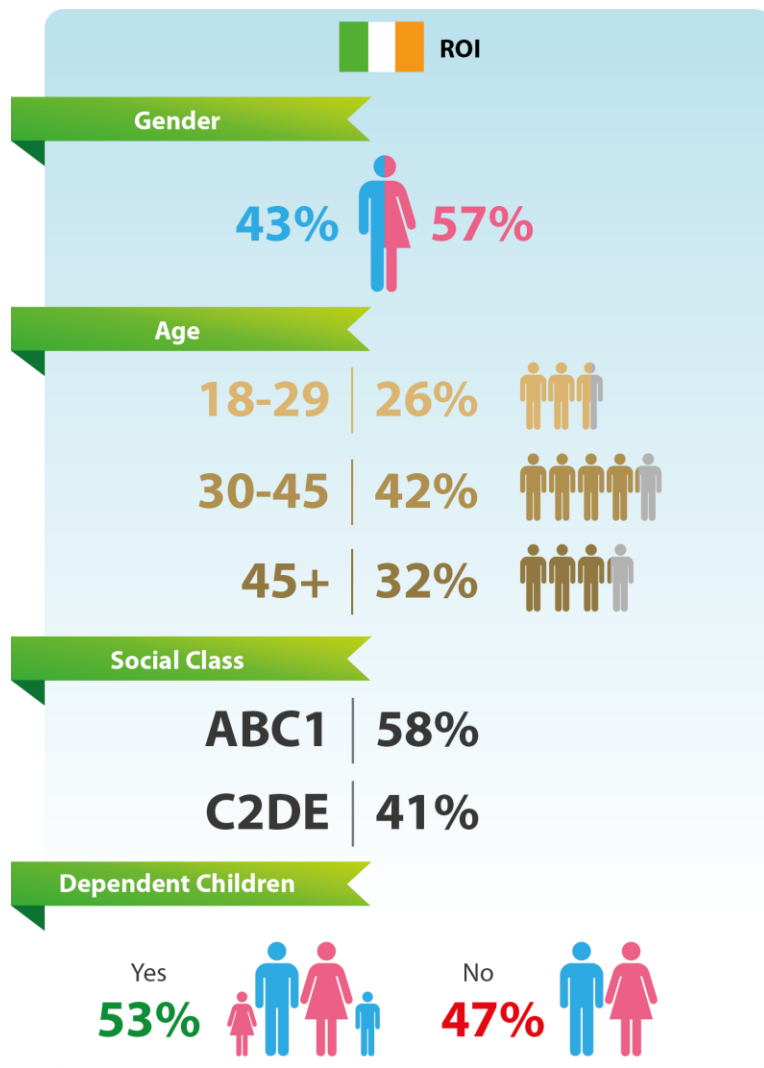
26th May 2014

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

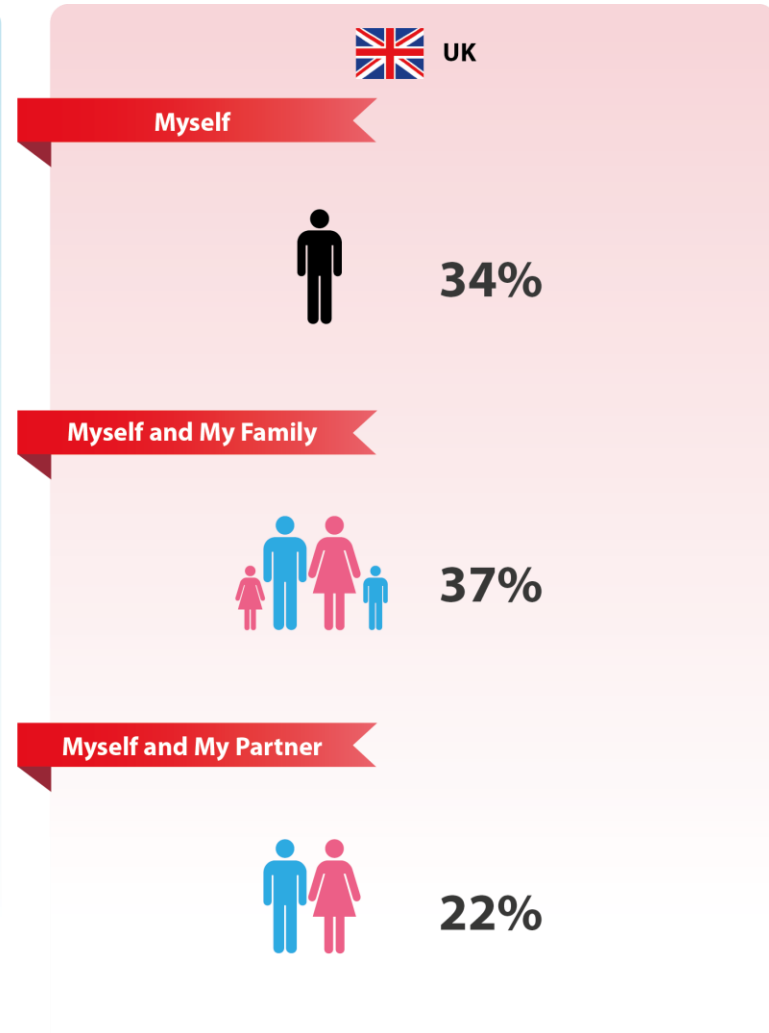
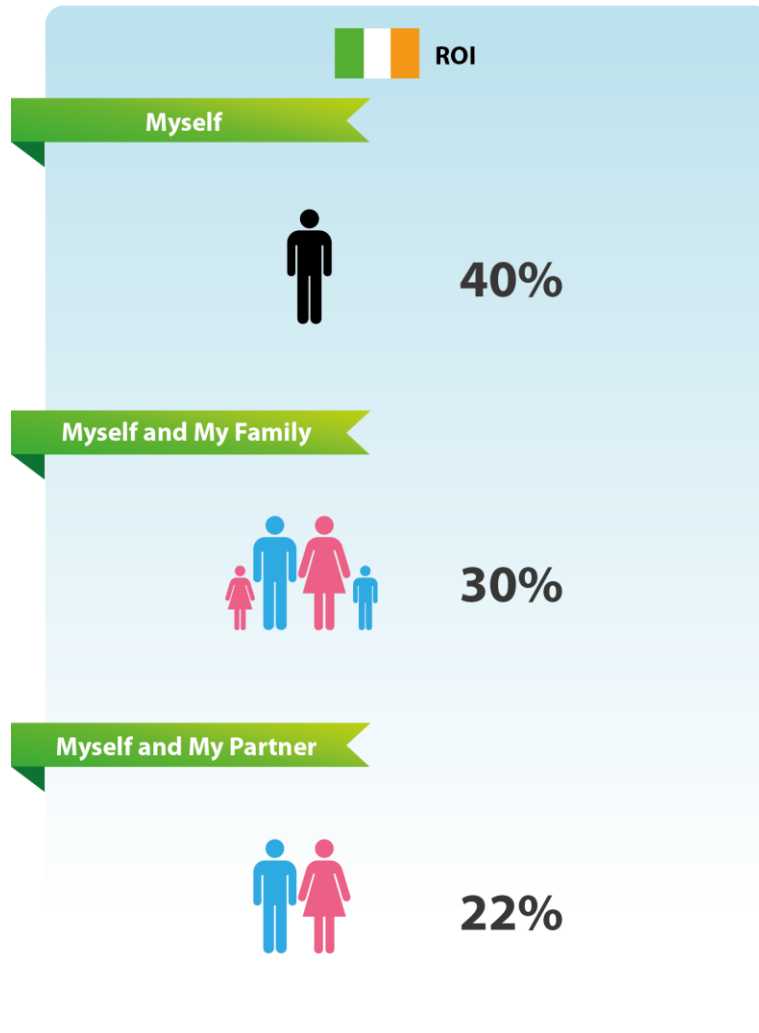
 MillwardBrown

Who buys Chilled Soup?



Strong female, 30+ bias towards Chilled Soup in both markets. Opportunity for 45+ age group in UK. Soups are potentially used as a meal replacement in small households.

Who are they buying for?



Chilled Soups are frequently bought for own consumption and can be used across more than one food occasion. More family bias in UK - how can your brand's serve size meet these needs?

Frequency of purchase



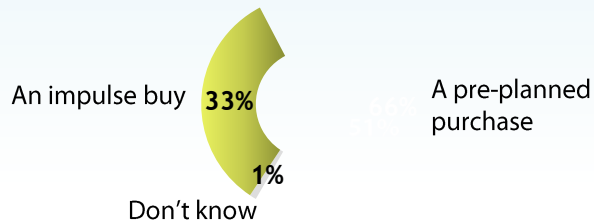
Average Number Bought Every Month



Average Price Paid

€3.28

Type of Purchase




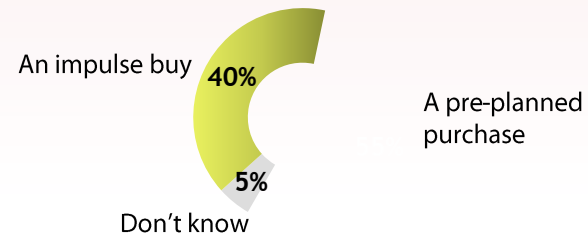
Average Number Bought Every Month



Average Price Paid

£2.13 (€2.61)

Type of Purchase



More frequent purchase and more likely to be part of a pre-planned purchase in ROI. Lower price threshold in UK. Little concerns over the amount of Chilled Soup purchased as it is seen as a 'good/healthy' choice.

Purchase Behaviour: *How many Chilled Soup purchased every week?*



Average Number Bought Every Week



Times Per Week

	Mean	Net 2-3 times a week
Total	1.5	18%
Male	1.8	19%
Female	1.3	20%
Under 35	1.6	18%
Over 35	1.5	18%



Average Number Bought Every Week



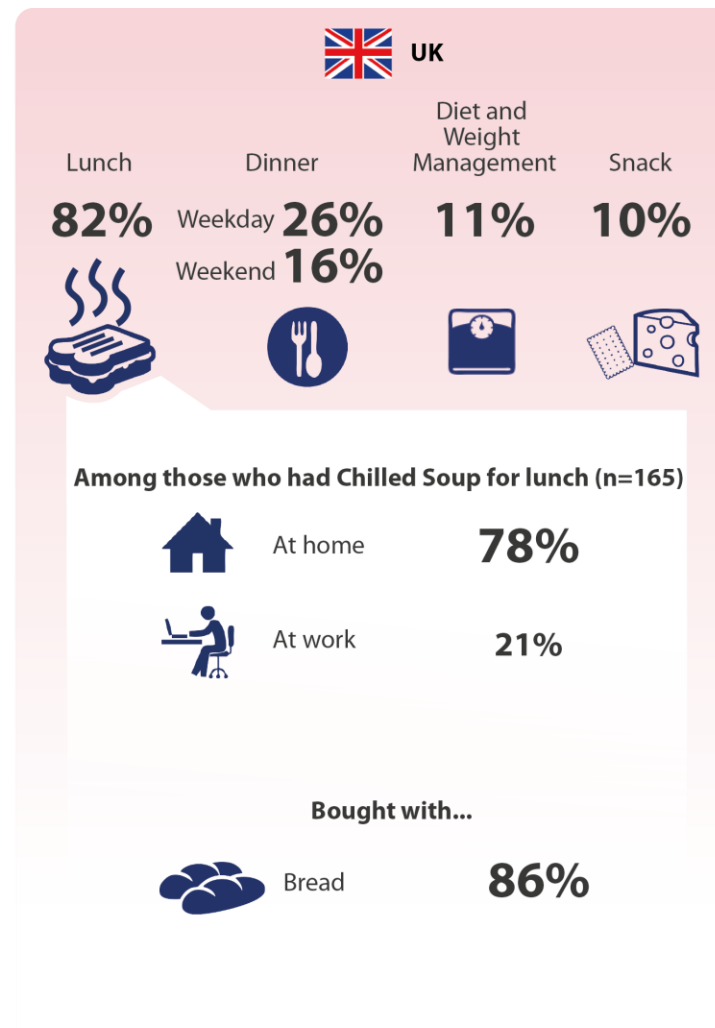
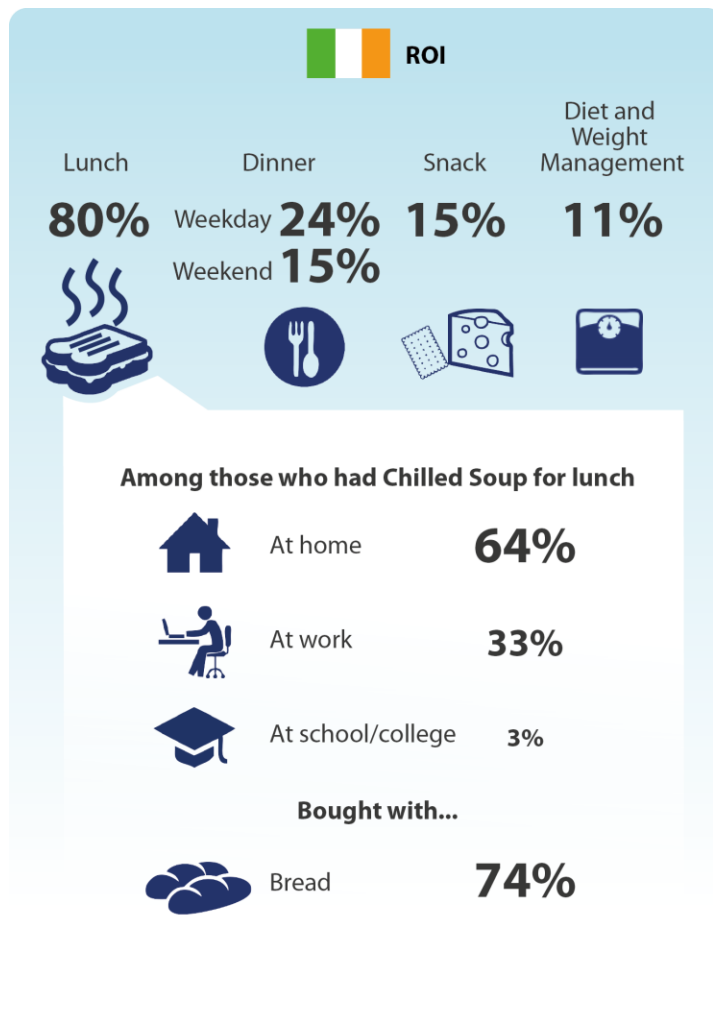
Times Per Week

	Mean	Net 2-3 times a week
Total	1.5	21%
Male	1.6	26%
Female	1.4	17%
Under 35	1.7	28%
Over 35	1.4	19%



A regular part of shoppers purchasing every week. About 1 in 5 purchase more than once a week. Under 35 in UK more likely to purchase chilled soup more than twice a week.

Occasions: When do people eat Chilled Soup?



Lunch is the key occasion for Chilled Soup. Although eaten frequently with bread it is seen as a convenient alternative to pre-made sandwiches. About 1 in 10 consume it as part of a weight management plan - It's healthy 'filling' credentials see it positioned as a credible alternative for those who diet.

What's important when buying Chilled Soup?



ROI

What Influences Frequency of Purchase?


Key Drivers?



UK

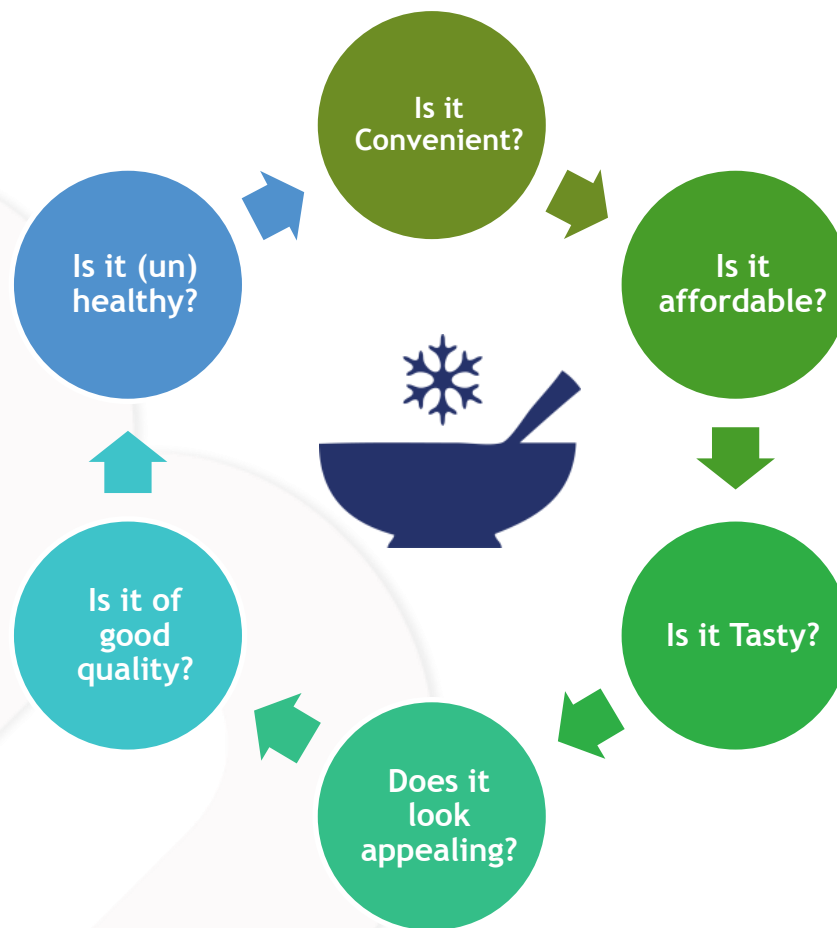
What Influences Frequency of Purchase?

Key Drivers?

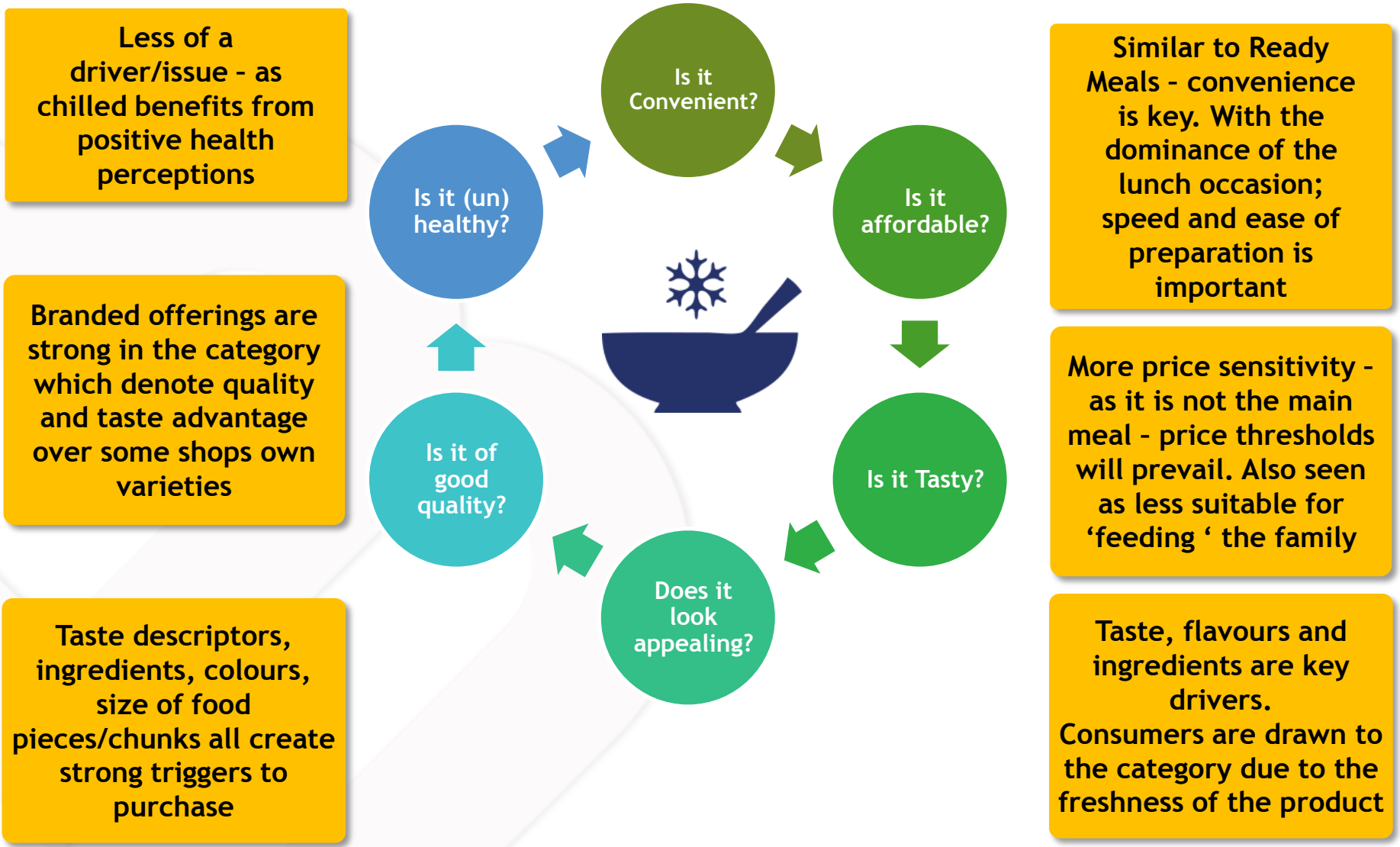


Convenience, quick preparation and taste are key drivers to purchase frequency. The dominance of the lunchtime occasion means that speed and ease of preparation is a must.

What's important for the consumer when choosing Chilled Soup?



What's important for the consumer when choosing Chilled Soup?



Gaps and Opportunities - Chilled Soup

- Opportunity for **dialling up “Irish” credentials** in chilled soup. The category benefits from many positive associations (e.g. hearty, comforting, flavoursome) that overlap with Irish food. A distinct Irish positioning may be motivating for consumers e.g. Irish ingredients that cue to freshness and quality rather than specific Irish cuisine
- Scope to explore **chilled soup as a meal replacement**. More wholesome offer to substitute for different meal occasions, with the potential to include hearty filling ingredients that offer more of a mini meal solution.
- Less barriers are apparent in chilled soup, the product is seen as the **best “quality” version of the category** (i.e. better version of soup vs. ambient or pouch variants etc.). This creates an expectation on taste that must be met as a category mandatory.
- A branded offer can achieve stand-out, however the competitive set are strong and well established. Delivering on **taste and good range** will be critical, while also supporting a brand in a cluttered fixture.
- The blended nature of soups means that **innovative flavours and different cuisine types** can be tolerated more. Explore how unusual ingredients or soup types can be developed to meet more adventurous tastes and tap into popular trends?

Chilled Desserts

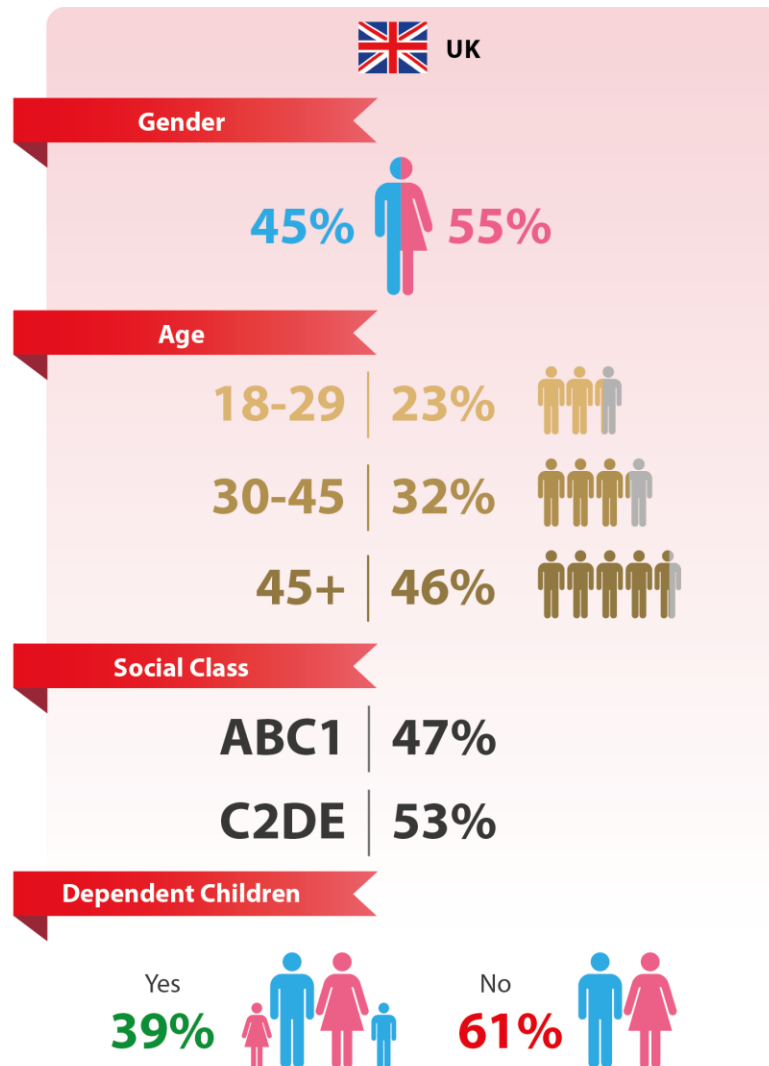
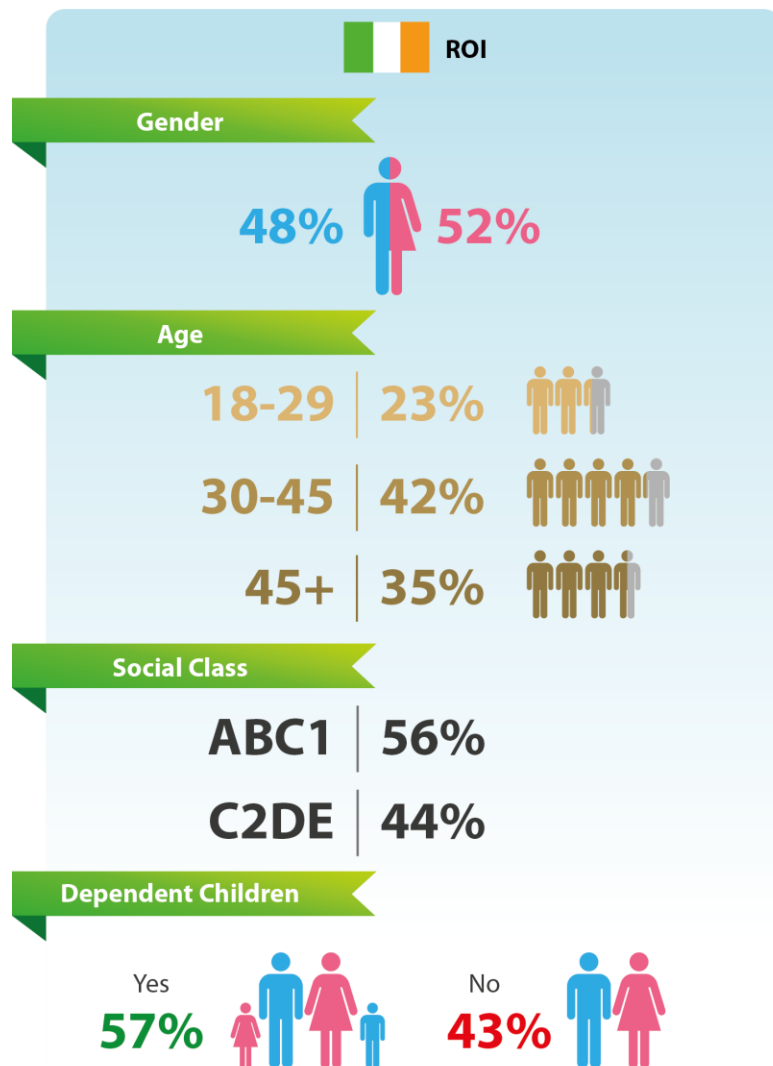
26th May 2014

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

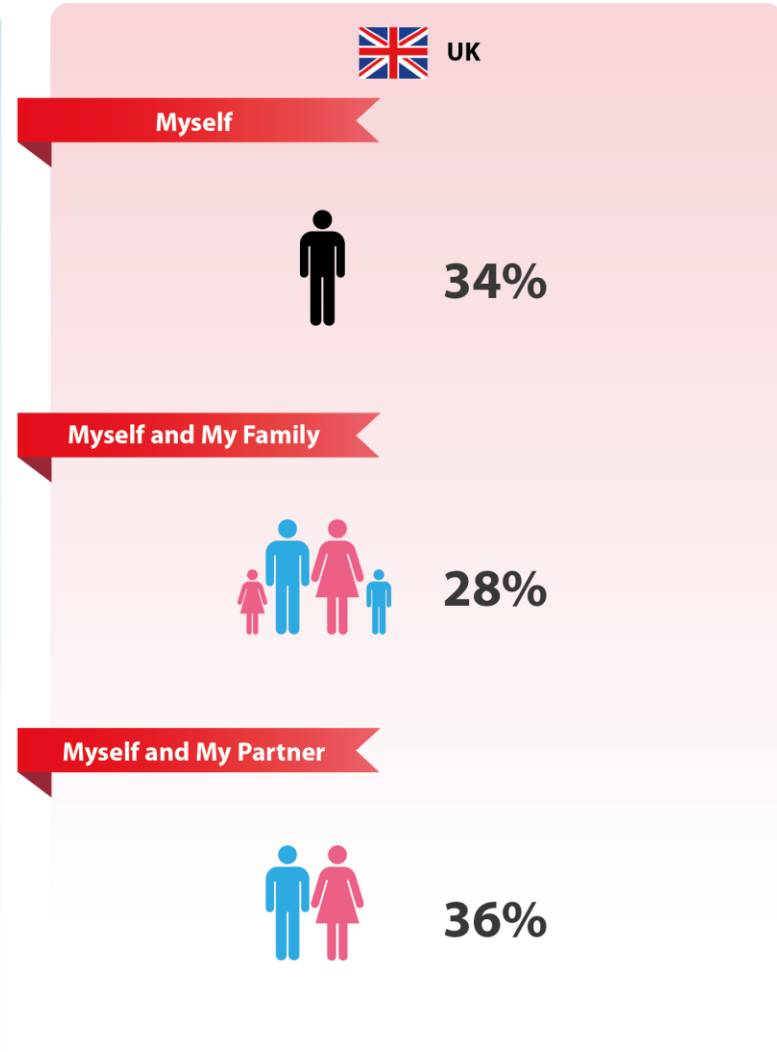
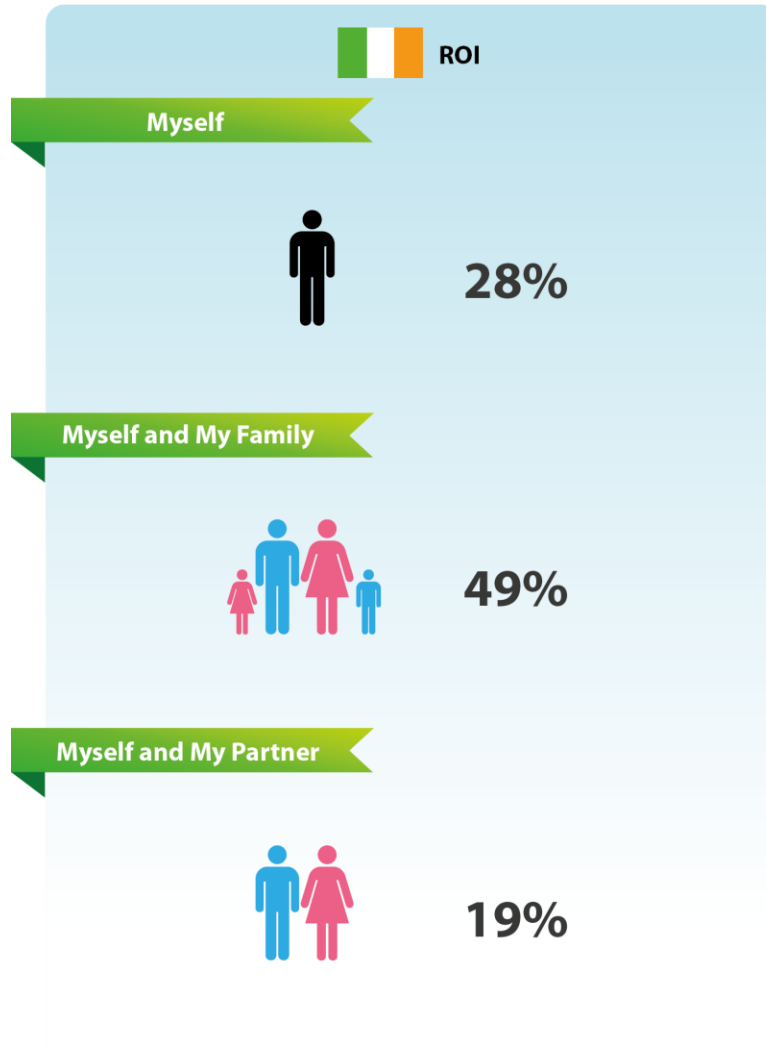
 MillwardBrown

Who buys Chilled Desserts?



ROI over index on dependent children and the category as a whole has a more female skew. Directly targeting these cohorts is recommended.

Who are you buying for?



Family purchase in ROI is popular, while UK reflects a broader customer target. Necessary to ensure Chilled Desserts offer has a broad appeal and potentially caters for family size serves in ROI?

Frequency of purchase



Average Number Bought Every Month



Average Price Paid

€3.81

Type of Purchase

An impulse buy

62%

A pre-planned purchase



Average Number Bought Every Month



Average Price Paid

£2.45 (€3.00)

Type of Purchase

An impulse buy

48%

A pre-planned purchase

Don't know

2%



Impulse dominates in ROI, while UK buy a higher number of desserts vs. ROI at a lower price point. Clear opportunity to engage and interact with the shopper on a regular basis

Purchase Behaviour: *How many Chilled Desserts purchased every week?*



Average Number Bought Weekly



Times Per Weekly

	Mean	Net 2-3 times a week
Total	1.51	60%
Male	1.54	67%
Female	1.45	50%
Under 35	2.07	65%
Over 35	1.32	58%



Average Number Bought Weekly



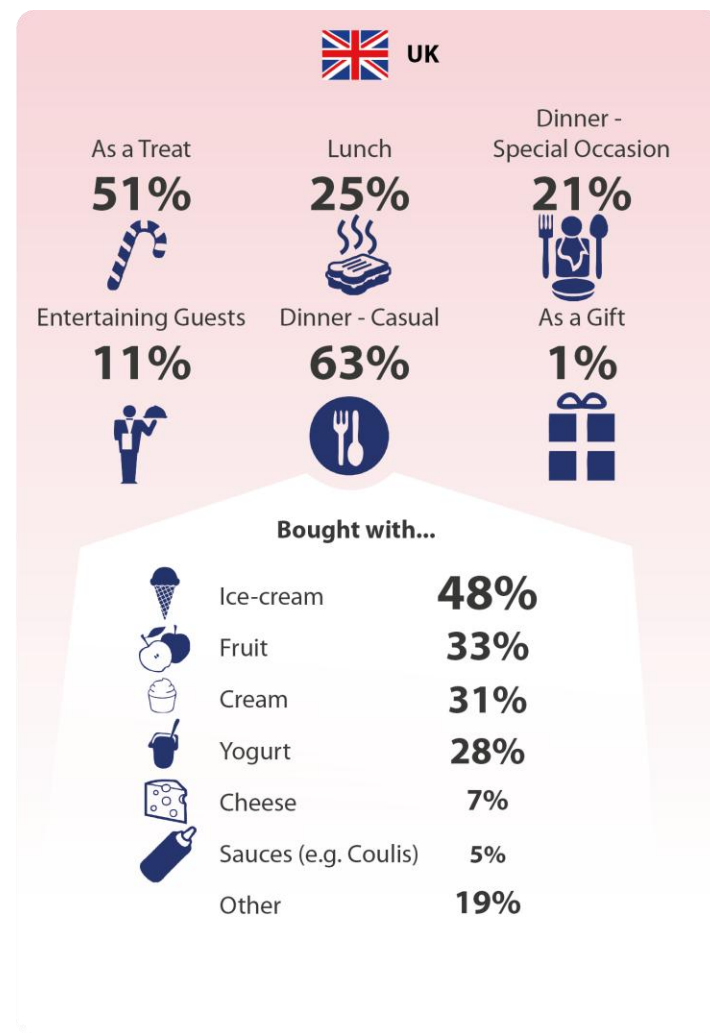
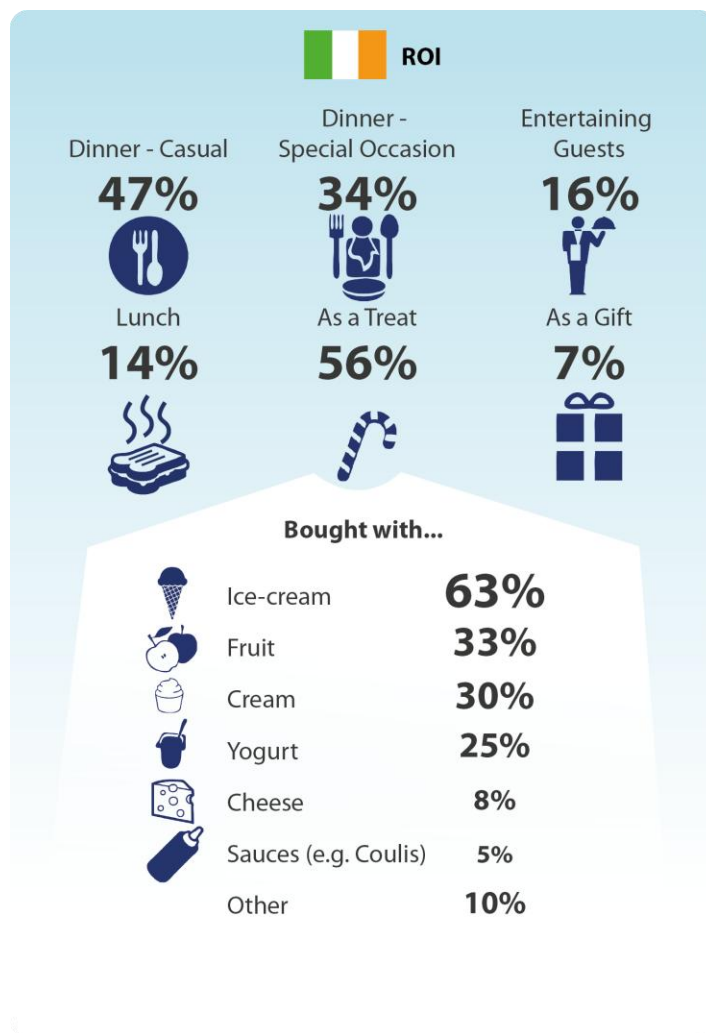
Times Per Weekly

	Mean	Net 2-3 times a week
Total	1.65	73%
Male	1.78	79%
Female	1.47	64%
Under 35	1.80	73%
Over 35	1.57	73%



Heavy frequent purchase, with scope and opportunity to interact with shoppers on a regular basis at the fixture. Ensuring your offer is compelling and appetising at the fixture is critical.

Occasions: When do people eat Chilled Desserts?



Not surprisingly treat and dinner time are key moments for Chilled Desserts. Single serves will play well for indulgent “me-time” moments, while scope to offer “family” portions has potential.

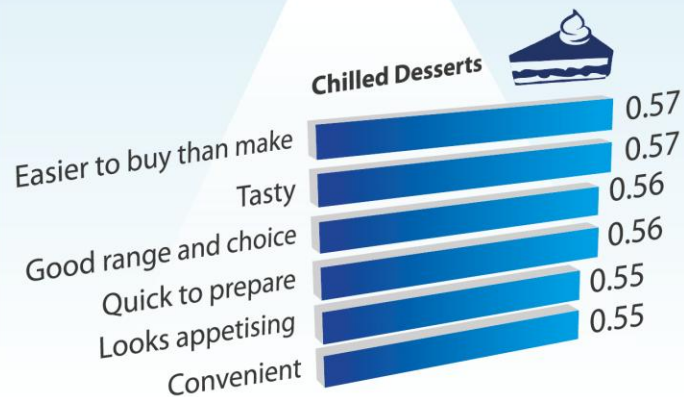
What's important when buying Chilled Desserts?



ROI

What Influences Frequency of Purchase?

Key Drivers?



UK

What Influences Frequency of Purchase?

Key Drivers?

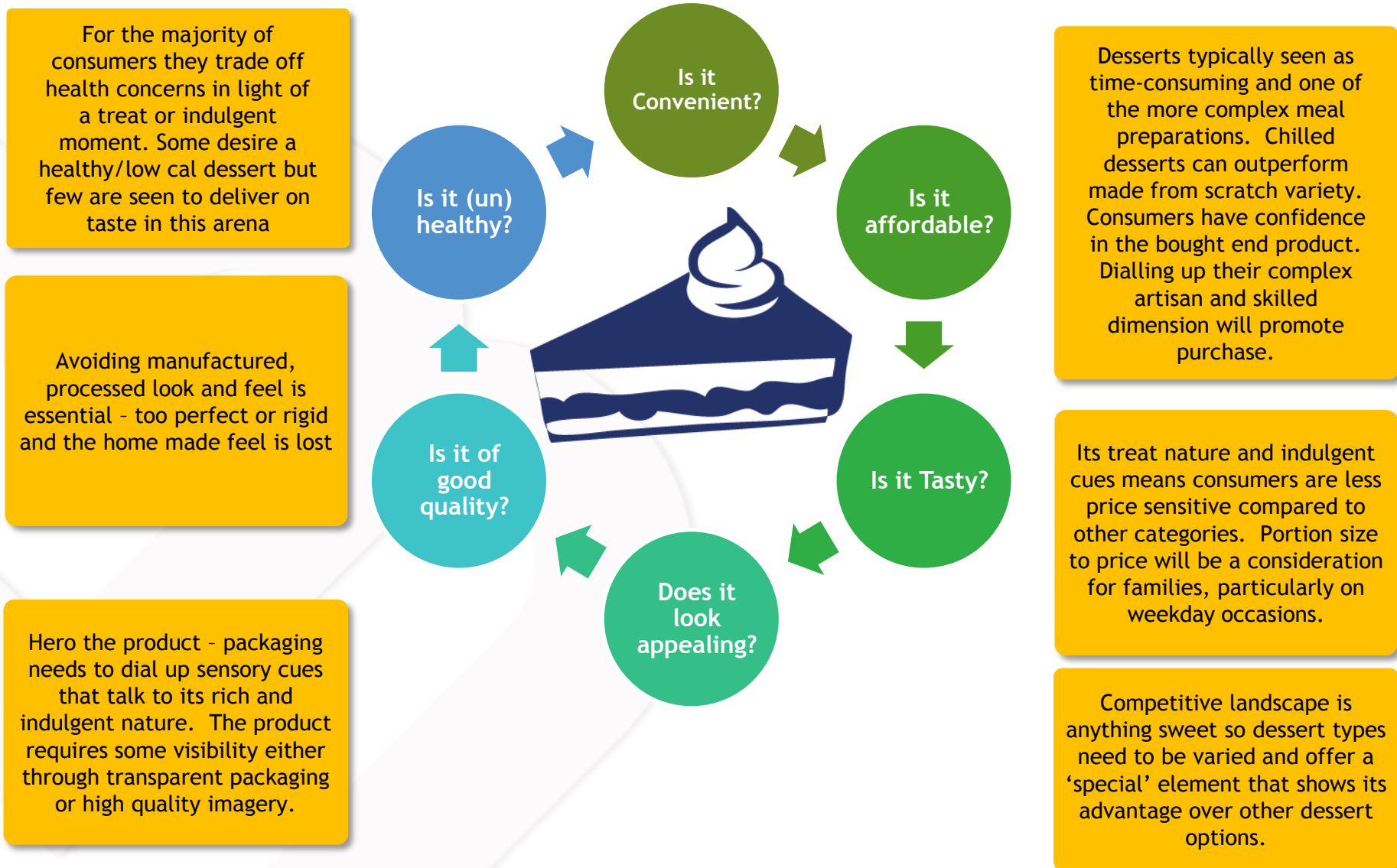


Taste and being easier to buy rather than make a core influence in Chilled Desserts. Dial up complexity of desserts and potentially hard to source/premium ingredients.

What's important for the consumer when choosing Chilled Desserts?



What's important for the consumer when choosing Chilled Desserts?



Gaps and Opportunities - Chilled Desserts



- Branded opportunity may be limited in larger retailers, where both Private and established branded offerings are strong. A **competitive cluttered brand landscape** exists and your brand needs to strongly deliver on the core drivers to cut through. Developing **more complicated dessert ranges** that are difficult to replicate at home can be a strong trigger to purchase.
- ROI presents more of an **impulse purchase opportunity**. Being disruptive at the point of purchase with engaging ranges strong packaging and an appetising product will appeal.
- **‘Looks appetising’** is a key driver for the category and packaging and presentation need to deliver against.
- Puddings and desserts have a strong heritage in the UK - **“re-invention” of classics or traditional pudding** may offer a potential opportunity to stand out. UK have more solus/partner occasions and ensuring that SKU’s and packaging formats are tailored to these occasions will be important

Pre-Prepared Salads

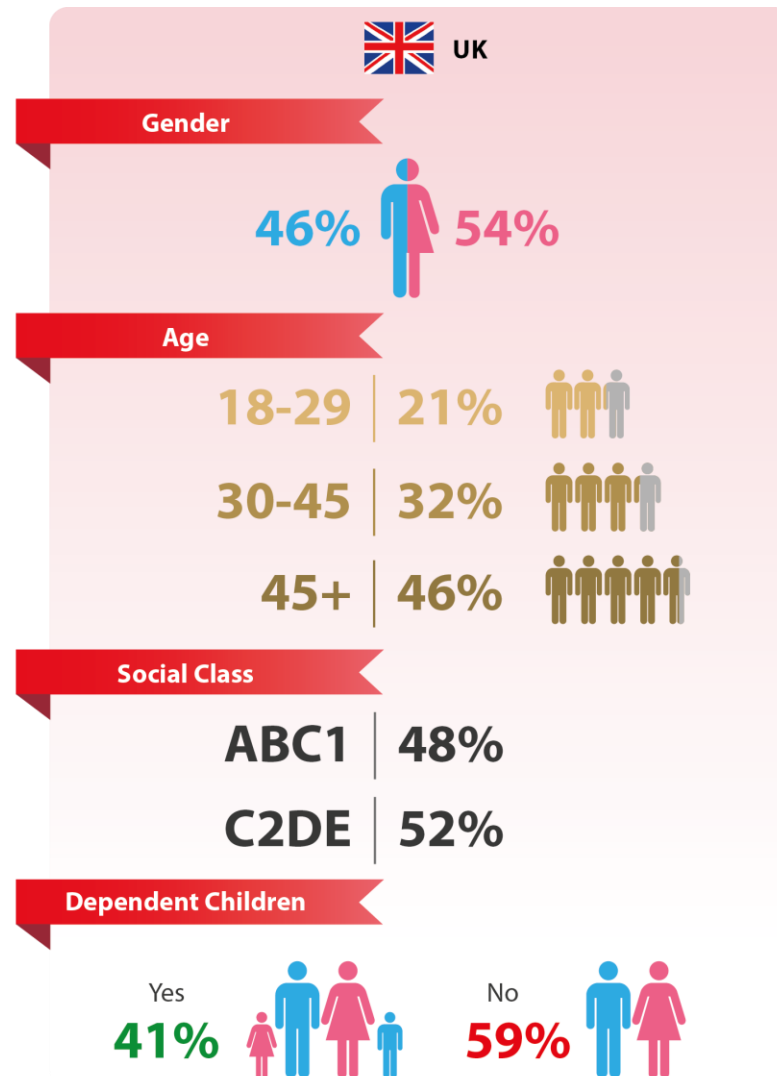
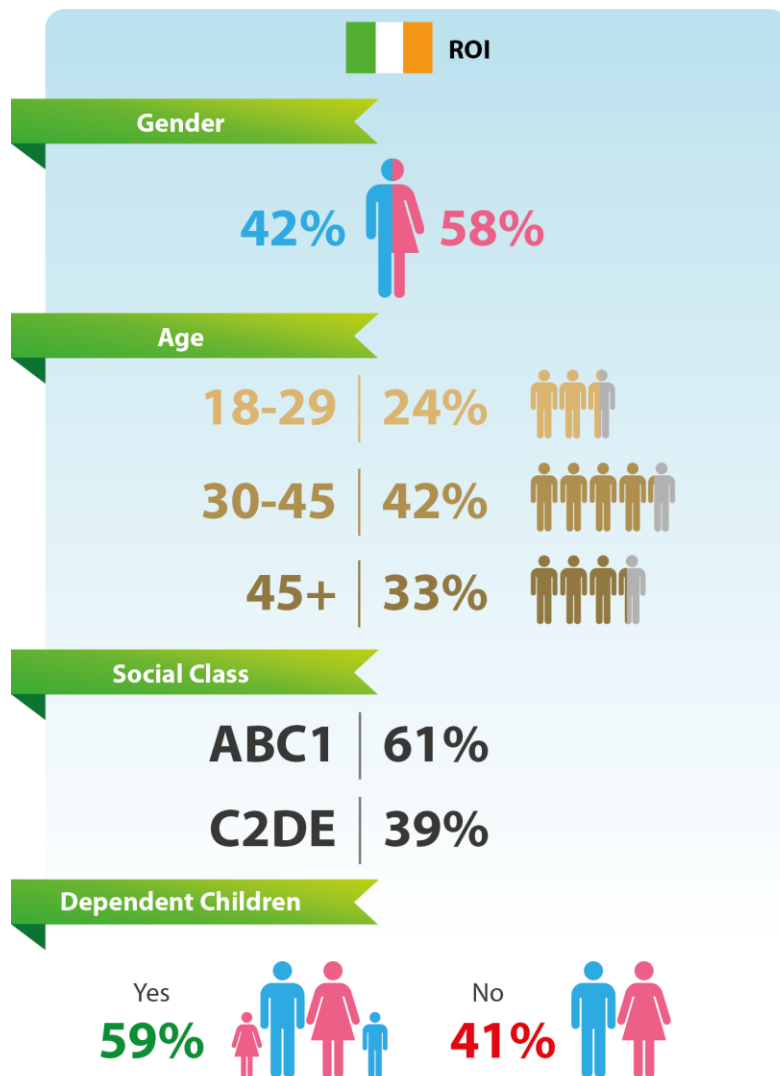
26th May 2014

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

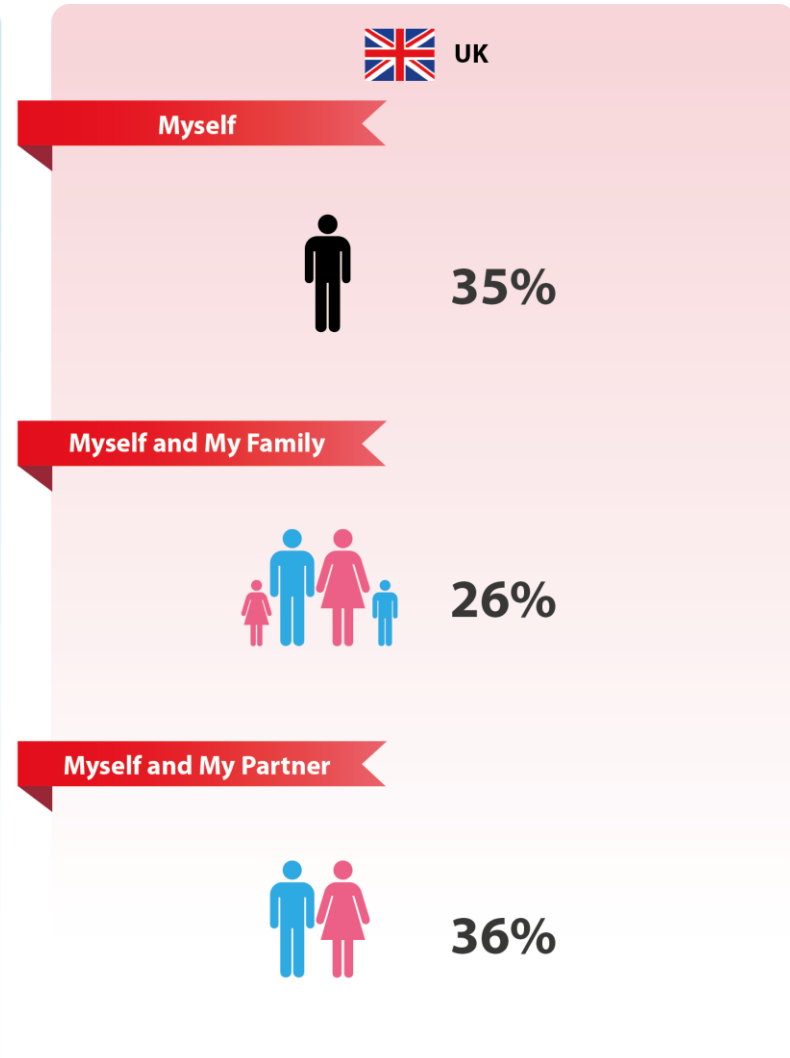
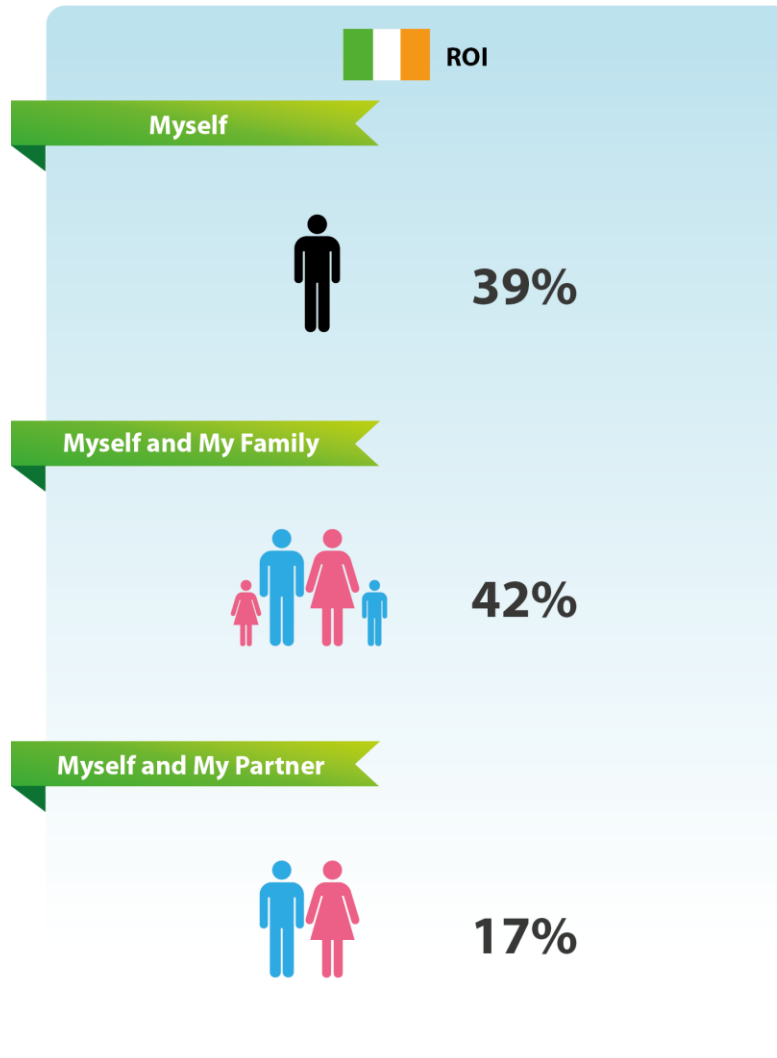
 MillwardBrown

Who buys Pre-Prepared Salads



Skew females family, and white collar in ROI, while UK reflects a more balanced profile.

Who are they buying for?



Solo and family purchasing strong in ROI, while UK steers to more single or couple purchasing.

Frequency of purchase



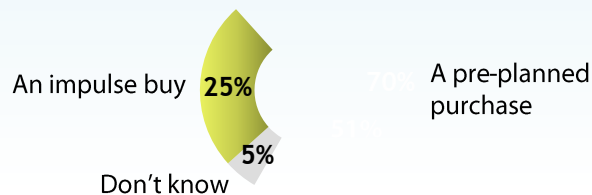
Average Number Bought Every Month



Average Price Paid

€3.60

Type of Purchase



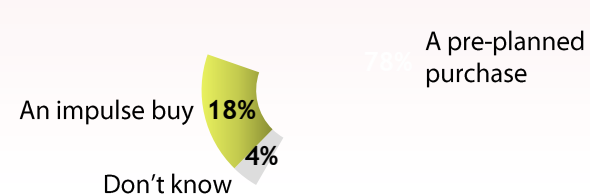
Average Number Bought Every Month



Average Price Paid

£2.08 (€2.55)

Type of Purchase



Planned routine purchase for the majority, much lower price point experienced in the UK.



Purchase Behaviour: How many Pre-Prepared Salad purchased every week?



Average Number Bought Every Week



Times Per Week

	Mean	Net 2-3 times a week
Total	1.80	79%
Male	2.10	87%
Female	1.90	71%
Under 35	2.20	82%
Over 35	1.60	78%



Average Number Bought Every Week



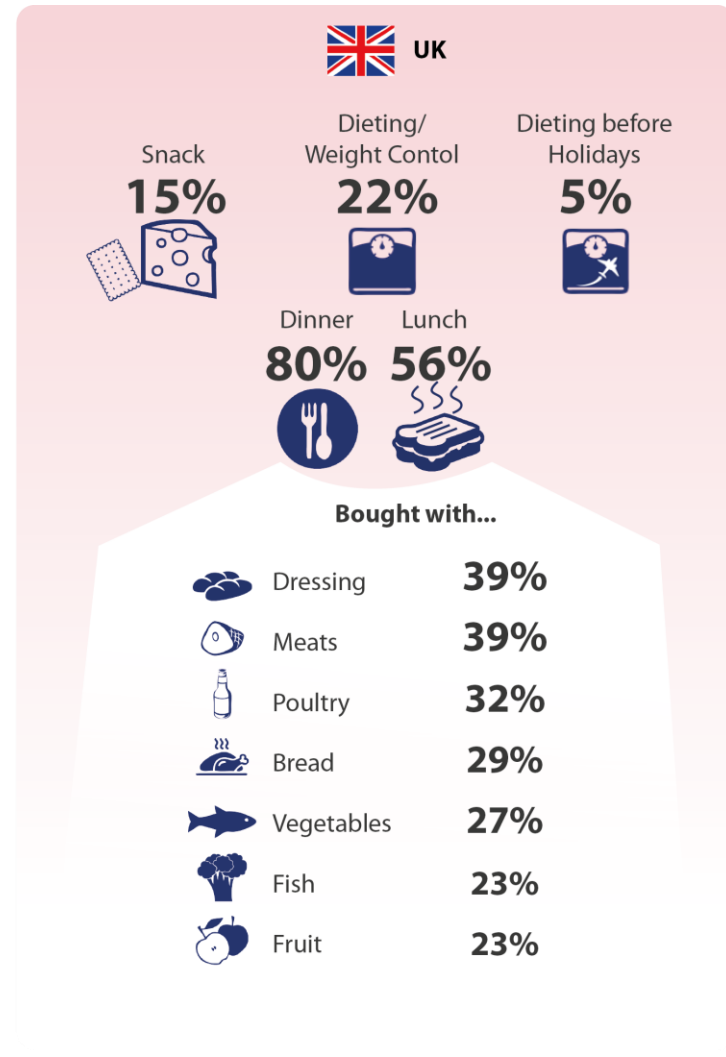
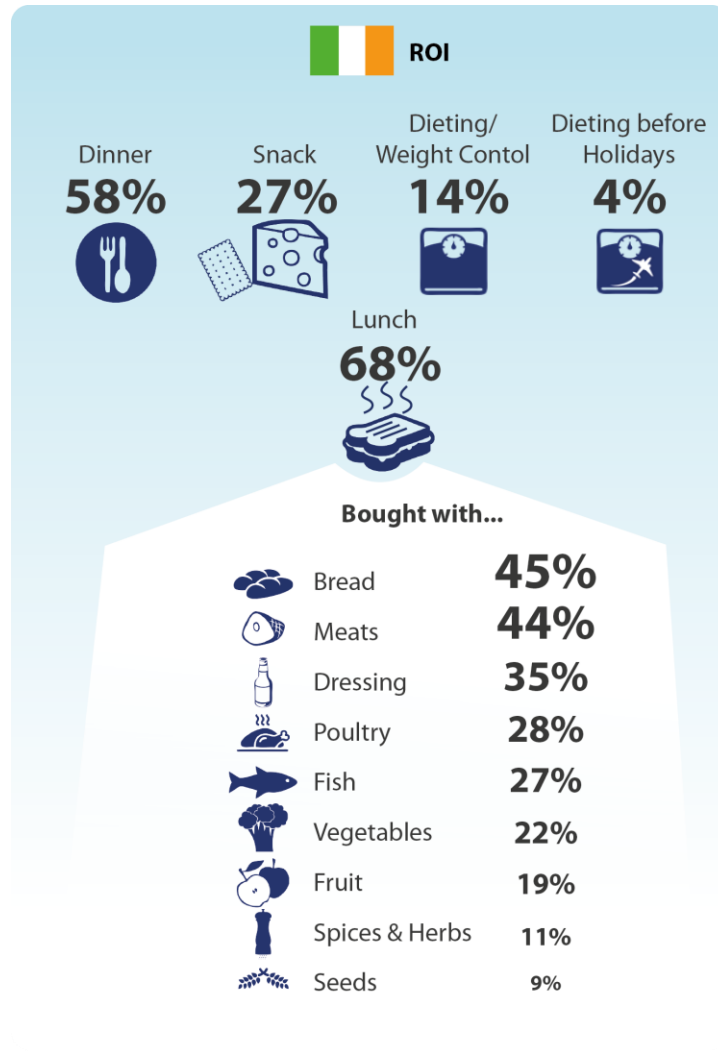
Times Per Week

	Mean	Net 2-3 times a week
Total	1.90	80%
Male	1.90	85%
Female	1.80	73%
Under 35	2.40	87%
Over 35	1.70	78%



The majority of consumers in both markets (over 3 in 4) purchase pre-prepared salads 2-3 times a week. Due to the 'fresh' nature of the product this provides ample opportunity for interaction at the fixture.

Occasions: When do people eat Pre-Prepared Salads?



Dinner and lunch occasions dominate in both markets. Dinner is more dominant in the UK - more likely pre-prepared salads are a meal accompaniment. Is there scope to tailor offers accordingly?



What's important when buying Pre-Prepared Salad?



ROI

What Influences Frequency of Purchase?

Key Drivers?

Pre-Prepared Salads



UK

What Influences Frequency of Purchase?

Key Drivers?

Pre-Prepared Salads



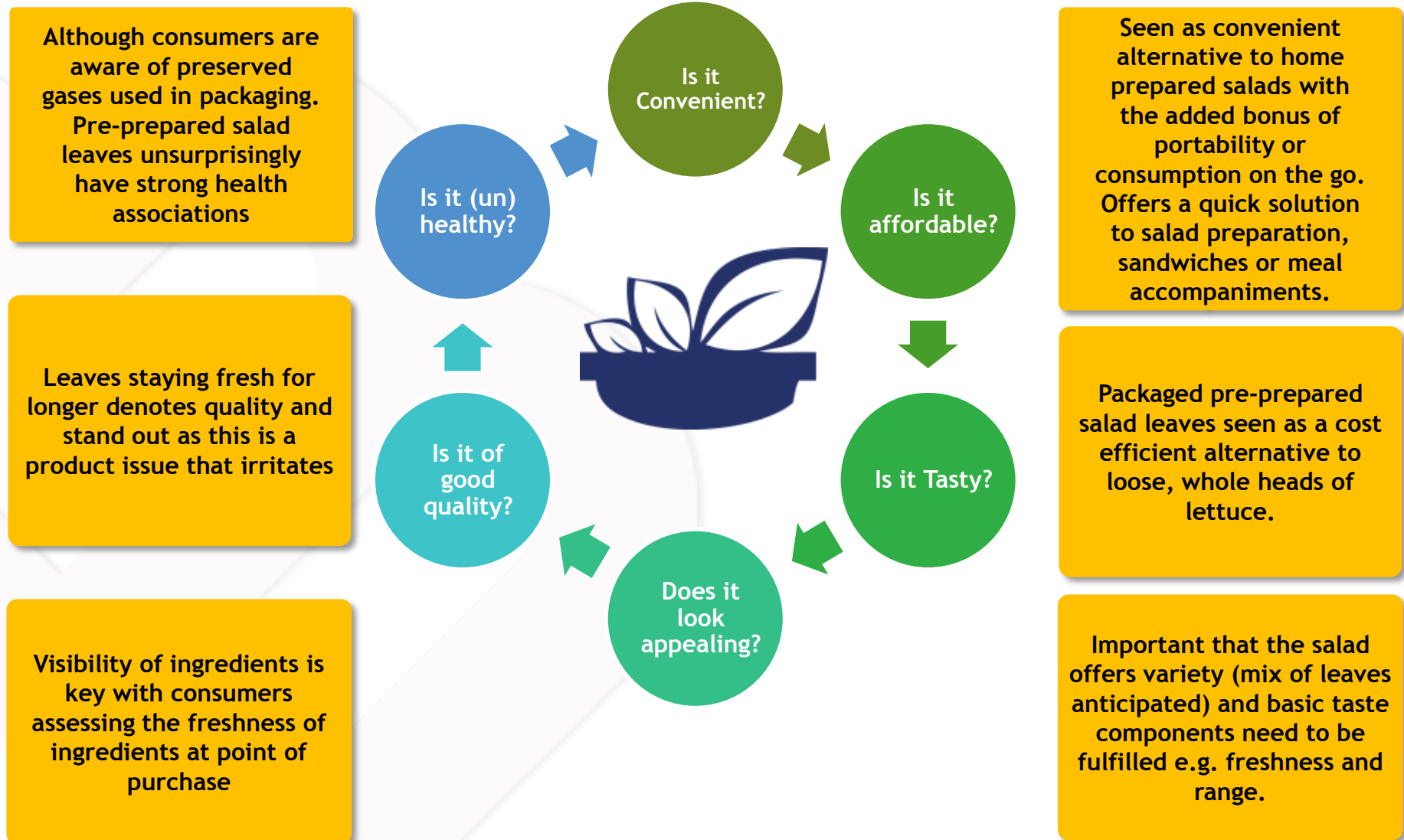
Convenience of pre-prepared salad is essential for driving purchase, particularly in the UK.



What's important for the consumer when choosing Pre-Prepared Salad?



What's important for consumers when choosing Pre-Prepared Salad?



- **Innovation on pack size** for prepared salad leaves may present an opportunity for single serve portions to combat wastage and optimise freshness.
- **Dial up and enhance the health components** of pre-prepared salads. Is there scope to include seeds and superfoods to further boost health benefits? Do not undermine the health credentials of pre-prepared salads by overuse of dressing or mayonnaise.
- **Convenience (speed of preparation)** is more of a driver in the UK suggesting on pack comms and packaging/ format will be important. Is there scope to review “on-the-go” packs and serves that facilitate speed in this arena?
- **Taste and Quality** are more to the fore in ROI and leveraging the proximity of the ingredients to consumers, thereby enhancing freshness cues, is key. There could be an opportunity to leverage “interesting” ingredients and different leaf types / grains / seeds etc... to boost the taste credentials of your brand’s offer?

Sandwich Fillers

26th May 2014

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

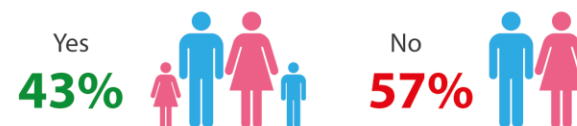
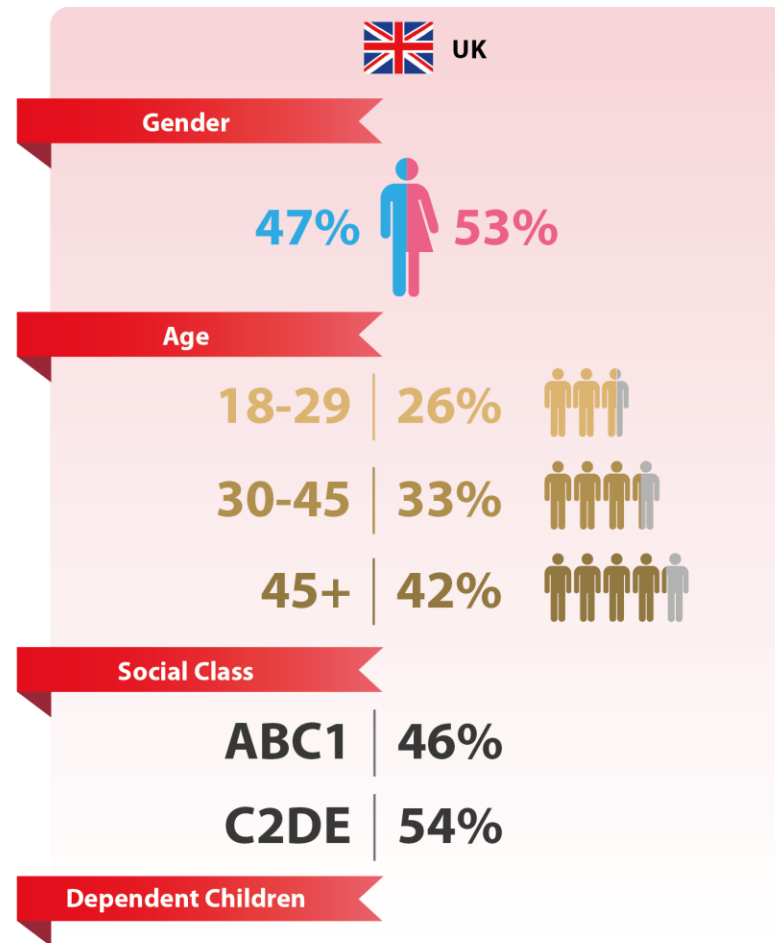
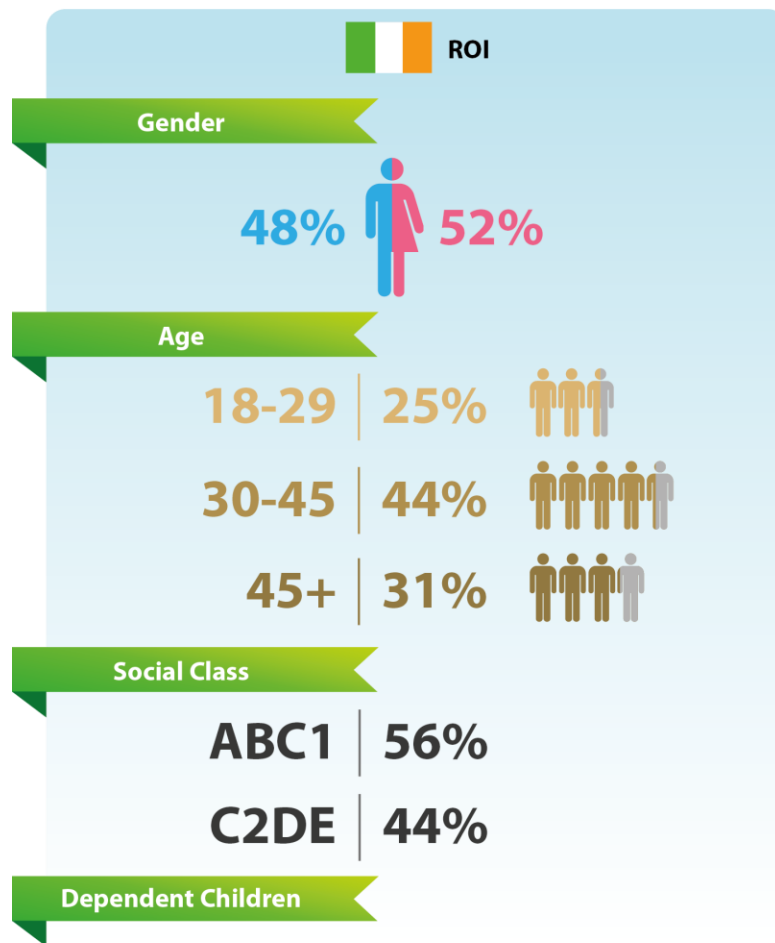
 MillwardBrown

Sandwich Fillers

- Sandwich fillers seen largely as anything that can be placed inside bread including individual food items such as processed meats to spreadable goods including egg mayo, coleslaw, hummus etc.
- A relatively low engagement category within the chilled food section
- Convenience is again a key driver where consumers see the category as an easy means to add variety and flavour to sandwiches.
- Primarily used at lunch occasions but occasionally used as a meal accompaniment.
- Strong association of mayonnaise as a component ingredient adds some unhealthy/fattening concerns.
- The packaged and highly ‘plastic’ containers suggest more processed product.
- Low branded recall beyond the big brands associated with mayonnaise (Hellmann’s) mustard (Colman’s) and Sauces (Heinz).
- Availability of deli-counters range of sandwich fillers and salad accompaniments compete directly with self contained sandwich fillers. Self service and non sealed nature of these products benefits from more healthy associations

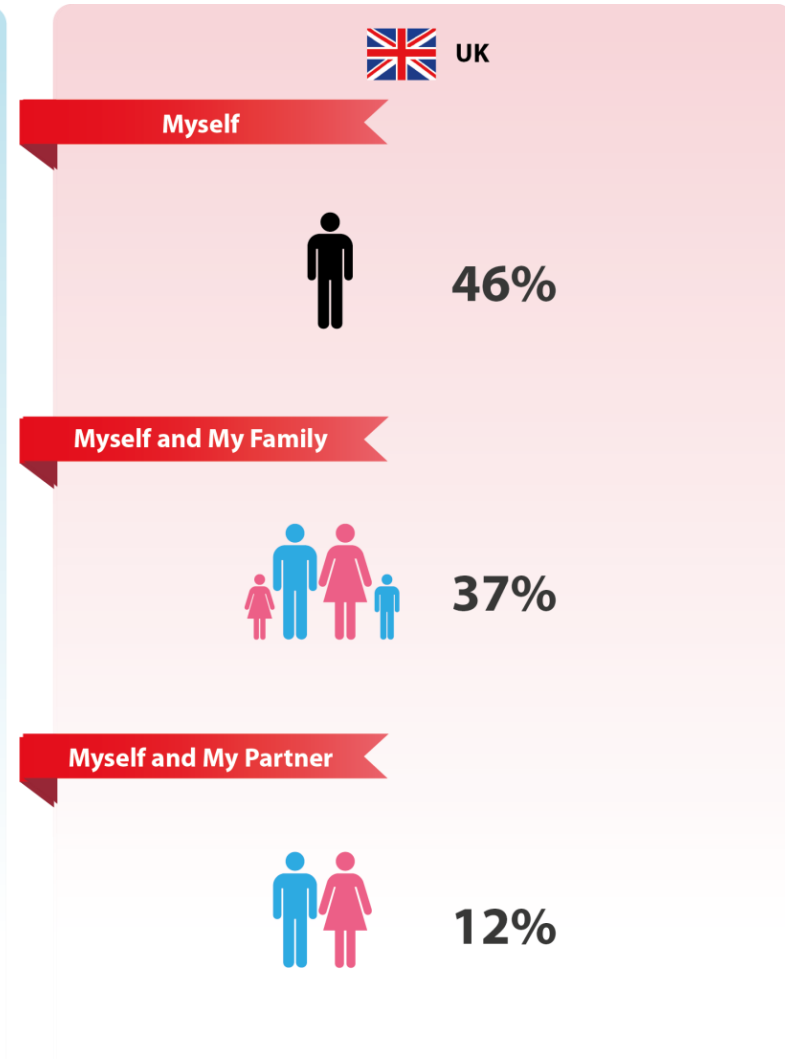
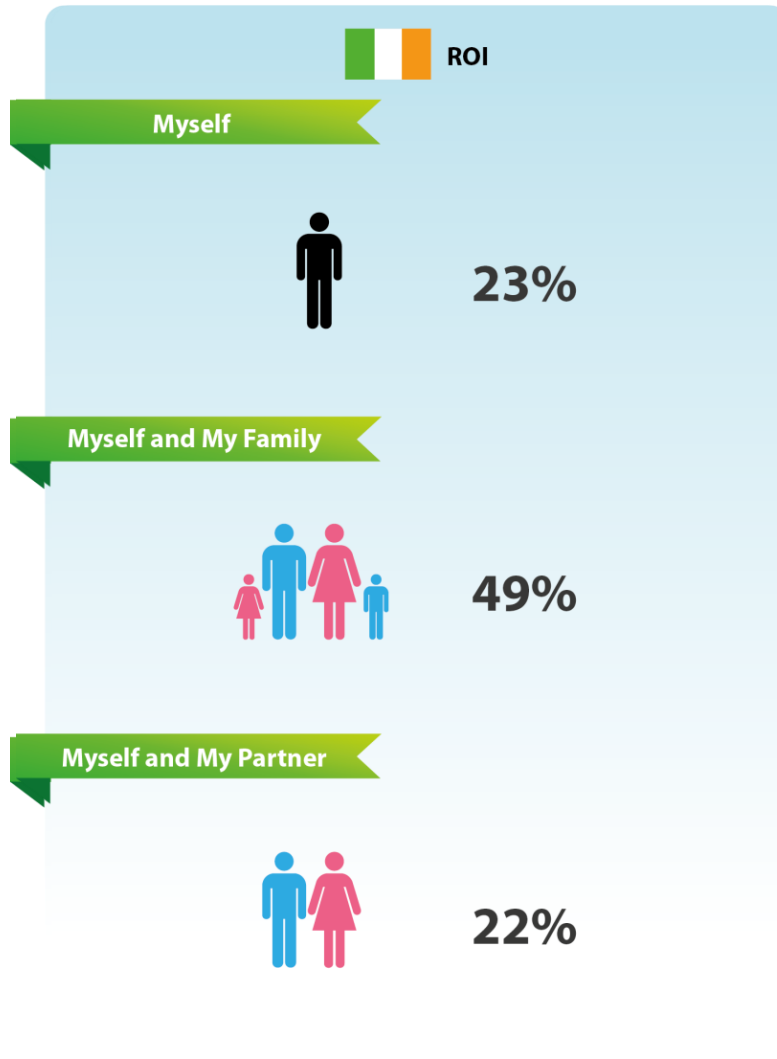


Who buys Sandwich Fillers?



Skew in both markets to 30+ age cohort, more white collar target in ROI, while UK reflects blue collar bias. This may impact on taste preferences in UK and desire for 'standard' or 'traditional' offer.

Who are they buying for?



Differences emerge across the market with ROI more likely to reflect a family cohort, while solo purchasing more evident in the UK.

Frequency of purchase



Average Number Bought Every Month



Average Price Paid

€3.39

Type of Purchase

An impulse buy 34%

Don't know 4%

A pre-planned purchase 62%



Average Number Bought Every Month



Average Price Paid

£2.09 (€2.56)

Type of Purchase

An impulse buy 32%

Don't know 8%

A pre-planned purchase 60%



Planned habitual routine purchase apparent in both markets, with a much lower price point evident in the UK.

Purchase Behaviour: *How many Sandwich Fillers purchased every week?*



ROI

Average Number Bought Every Week



Times Per Week

	Mean	Net 2-3 times a week
Total	1.81	78%
Male	1.75	75%
Female	1.86	82%
Under 35	1.66	73%
Over 35	1.91	81%



UK

Average Number Bought Every Week



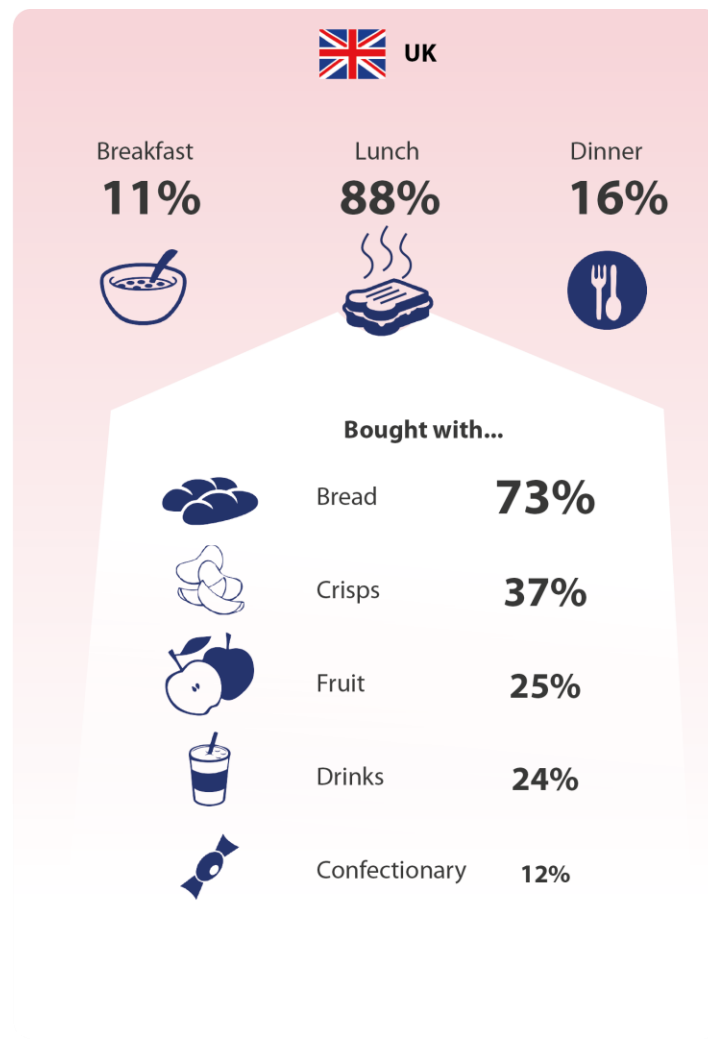
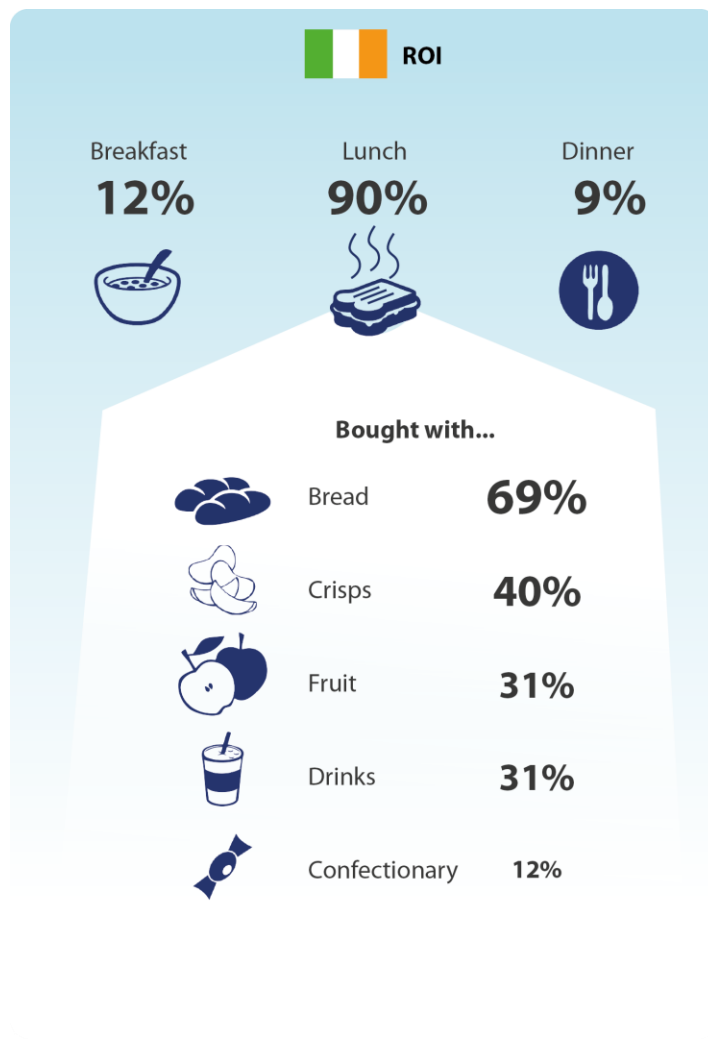
Times Per Week

	Mean	Net 2-3 times a week
Total	2.07	75%
Male	2.09	80%
Female	2.05	72%
Under 35	2.39	80%
Over 35	1.77	72%



Frequent purchasing prevalent, part of a habitual ingrained routine - may prove difficult to interrupt with this mind-set.

Occasions: When do people eat Sandwich Fillers?



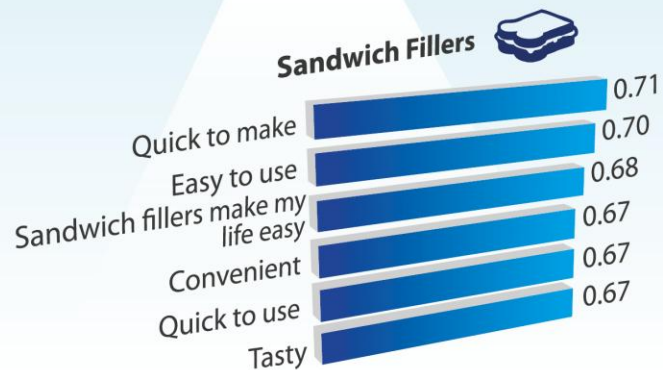
Lunch dominates, not surprisingly, with some opportunity to explore fillers as potential meal accompaniments in the UK.

What's important when buying Sandwich Fillers?



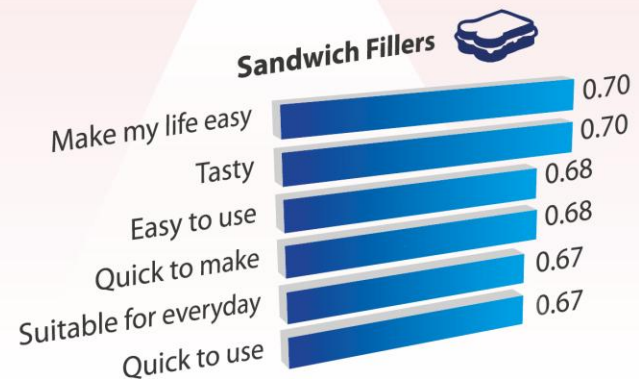
What Influences Frequency of Purchase?

Key Drivers?



What Influences Frequency of Purchase?

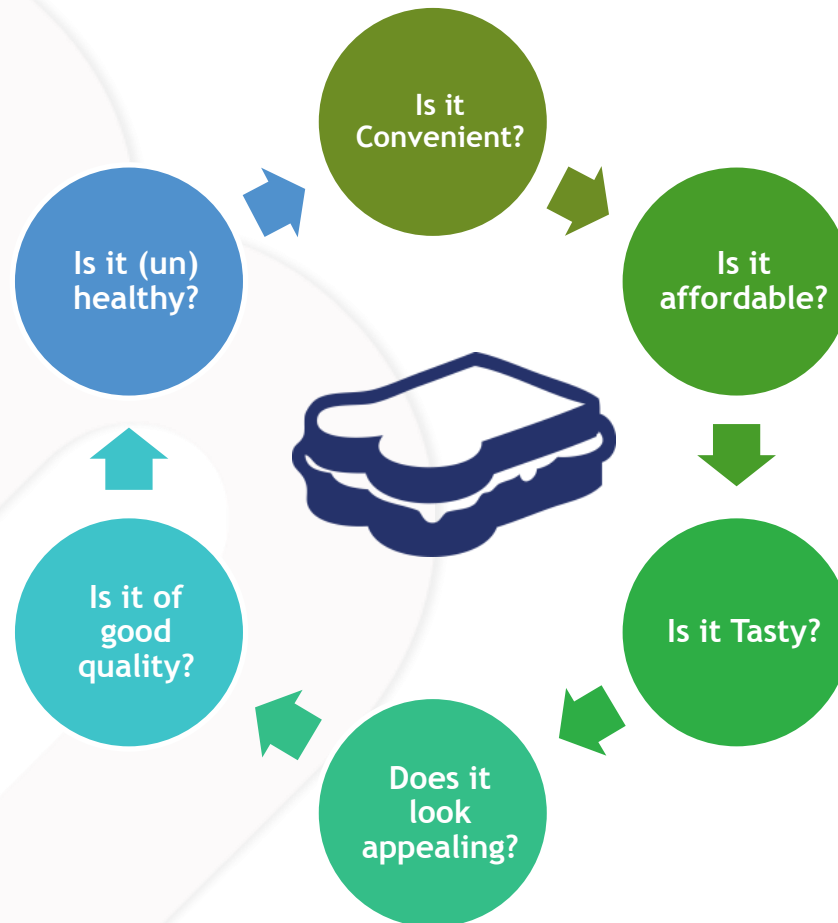
Key Drivers?



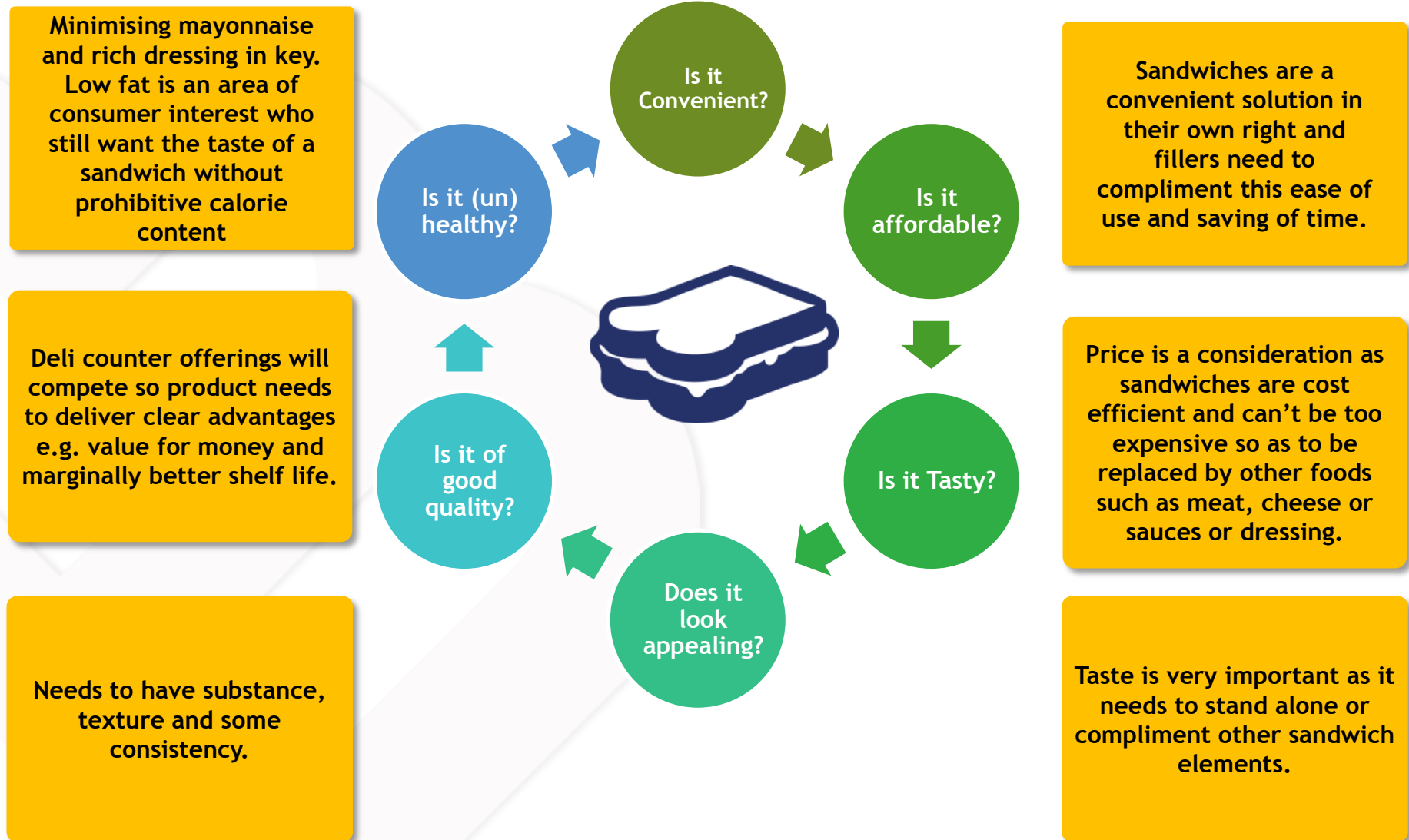
Convenience dominates as a key influencer on purchase - speed, ease and taste are core metrics that must be satisfied and accessible.



What's important for the consumer when choosing Sandwich Fillers? *Bord Bia* Irish Food Board




What's important for the consumer when choosing Sandwich Fillers?



Gaps and Opportunities - Sandwich Fillers

- How can your product deliver advantage over the deli counter variety and range? **Dial down processed elements** by packaging that cues to freshness or artisan cues.
- Address family needs and **explore more dedicated offer to children** in ROI e.g. less salt, preservative, additives and create flavours that will appeal to younger palates. Potential to offers “lunchbox” specific offer that caters to busy family lifestyles.
- Consumers look for variety and choice, **developing new flavours** beyond traditional offerings can add a point of difference in what can be a static category. Move beyond traditional ranges and explore different grain, vegetable, seeds and herb mixtures.
- **Increase occasionality of the category** by exploring more ‘snack’ solutions with accompanying ingredients. Provide consumers with a more multi-faceted offer that can deliver as a “mini-meal” solution with appropriate accompaniments e.g. baked potatoes, salads and breads that will “bulk-up” the sandwich filler potential.



Thank you

Any Questions?

26th May 2014

Growing the success of Irish food & horticulture

Bord Bia
Irish Food Board

 MillwardBrown