Understanding Consumer Attitudes and Shopping Habits To Help Bolster Meat Case Activity—Michael Uetz, Principal, Midan Marketing

We've all heard and likely even used the phrase, "2020 will be a year like no other." While most did not shed a tear to see the year pass, the mark 2020 made on the meat industry and the meat buying consumer will have a long-term impact.

As the COVID-19 pandemic changed the way consumers were purchasing food, Midan Marketing surveyed meat consumers to get a better understanding of what was on their minds when making protein decisions.

One of the most significant changes we identified in our meat consumer research was the rise of e-commerce. According to data from IRI, grocery e-commerce dollar sales grew by 53% between October 2019 and October 2020. When looking solely at the refrigerated meats section, that number nearly doubles with 94% dollar sales growth from 2019. This increase also was reflected in our September research where we found that 53% of meat consumers purchased meat or chicken online during the pandemic. For about a quarter of these consumers, shopping for meat online was something they had never done. One-third of meat consumers say online shopping will be their primary method for purchasing meat in the future. As a result of this change, branding, packaging and online interfaces are areas retailers and processors will need to focus on to make the meat case adaptable to grocery pickup and delivery.

Other major shifts in consumer behavior came in the form of freezing meat, experimental cooking and even trying new cuts. Early in the pandemic, consumers were seeing headlines of meat plant closures and experiencing empty shelves at meat cases around the country. This caused a sense of panic and a behavioral change that may outlast the pandemic itself. From our September research, 53% of consumers reported they planned to freeze meat/chicken more often than normal. Shortages of protein products also caused consumers to purchase a wider variety of meat/chicken cuts than normal with 46% planning to do so. And, now that consumers are staying home more, 62% plan to experiment with different ways to cook the product and 44% are cooking larger servings to be used for multiple meals.

Health and wellness continue to be a priority for meat consumers. Our September report showed 62% of consumers were fearful for their own health and 77% said they were fearful for the health of others. Consumers took this concern to the meat case and 54% reported they were shopping for healthier types or cuts of meat and chicken. In December, we conducted a survey, targeting the natural and organic meat consumer and found that these shoppers are buying more claims-based meat since the pandemic began. When asked why they choose natural and organic products, the top response – with about 30% of respondents – is because they are looking for meat that is free from additives they perceive to be unhealthy. Secondarily, more than 20% of natural and organic meat shoppers say they purchase these products for reasons pertaining to better health and wellness.

Another area of the industry that was greatly impacted by the pandemic was foodservice. In October we asked consumers about their eating out habits. Only 50% of meat consumers said they had eaten inside a restaurant since the beginning of the pandemic. During the same time, 87% had placed an order for pickup/takeout. (And with the increase in COVID-19 cases and the closing of dining rooms, this number may be increasing.) To help fill the gap of what meat consumers are missing from restaurant dining – 84% say they regularly order meals with meat or poultry items and 41% say dishes they can't create at home – we have seen retailers develop unique partnerships with local/regional foodservice companies to ensure shoppers can continue to find their favorite restaurant menu items.

Consumer Segment Shifts

Historically, major cultural events such as the 2008 financial crisis have resulted in both short-term and long-term shopper behavior shifts and created new segments of consumers (i.e., Baby Boomers and Millennials). The COVID-19 pandemic has had similar implications for consumers. In September 2020, Midan Marketing revisited our groundbreaking Meat Consumer Segmentation 2.0 research, initially released in 2019. We wanted to see if the global health crisis affected the five meat and chicken consumer segments we identified in the previous year. A nationally representative sample of the meat-eating population was surveyed to determine if the distribution of segments had changed.

We learned the defining characteristics of each segment remained unchanged, but the number of consumers in certain segments did change, creating opportunity for the meat industry to identify and respond to the preferences of the meat-buying consumer.

Compared to the Segmentation 2.0 results from early 2019, there was a significant shift in four of the five consumer segments during the COVID-19 pandemic. The segment with the largest shift was Convenience Chasers which increased by 9 percentage points. This is the largest group of consumers and encompasses those who are time-pressed, shop for convenience first and are price-conscious. As of October, 24% of meat consumers reported a decrease in household income since the beginning of the pandemic. Combined with the number of ways consumers have been stretched during this global health crisis – remote working, providing teaching support, etc. – it makes sense that this group is looking toward convenience when preparing meat/poultry meals.

Other consumer segments that saw significant shifts included Protein Progressives, Aging Traditionalists and Wellness Divas. Another segment that increased was the Protein Progressives. This group likes to experiment and will increasingly replace meat and poultry with plant-based proteins. Aging Traditionalists, that group of consumers who keep meat at the center of their plate, decreased by 5 percentage points. It's important to keep reminding this group of meat's awesome nutritional profile.

When we revisited the Segmentation survey, we also asked consumers to indicate their level of agreement with a variety of statements. Among the statements, four increased by more than 10 percentage points and are highlights for the industry.

Likely due to the amount of at-home cooking that has taken place since the beginning of the pandemic, the number of consumers who noted they love to cook meat grew by 14 percentage points. That's great news for the industry. It seems that the number of YouTube videos, blogs and social media posts consumers watched for how-to instructions and recipe ideas showed them that meat wasn't so difficult to cook. Another statement found more favorable was that meat contains nutrients not found in any other foods (11 point increase). So, now they like to cook meat and they recognize it is packed with key nutrients.

If you carry a branded meat product in the meat case, consumers also agree that they look for a name-brand meat and believe it's worth the extra spend (11 point increase) and they recognize and look for meat that is USDA certified (up 11 points).

As you develop your marketing plans for your 2021 meat program, there's a lot of good news to talk about when it comes to the meat case. In order to be successful, you will need to understand who your target consumer is and what their particular preferences and needs are so you can keep them coming back.

NOTES