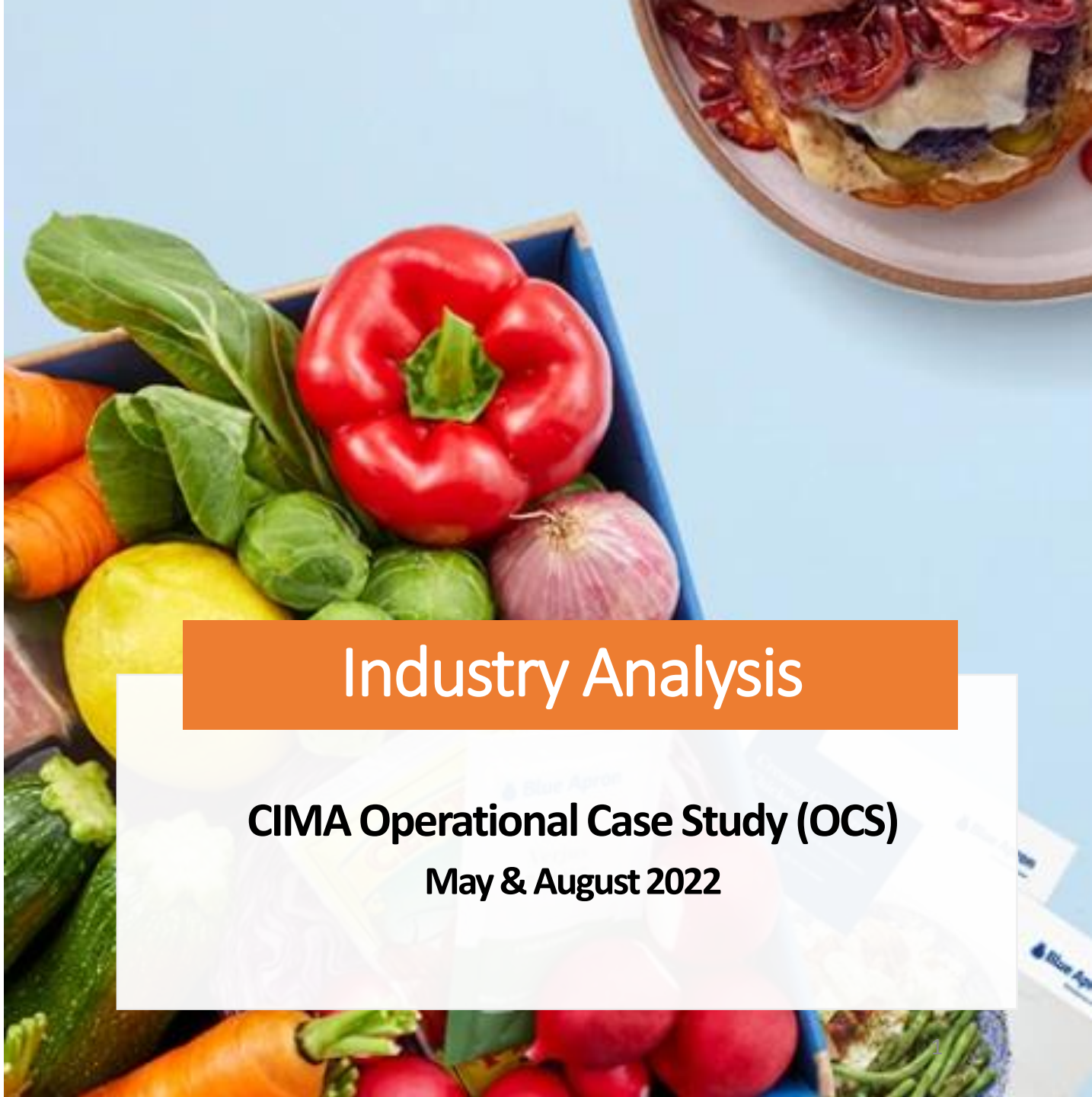




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Industry Analysis

CIMA Operational Case Study (OCS)
May & August 2022

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Purpose of the Industry Analysis

- You are required to be familiar with the industry but need not be an industry expert.
- Developing a broader understanding of the industry in which the company operates will help you construct sound arguments and prepare for possible developments in the exam.

Market Definition

■ Meal-kits

- *A food service business model*
- *A company sends customers fresh pre-portioned and partially-prepared food ingredients and recipes to prepare homecooked meals*
- *The service is marketed as a time-saving solution for busy workers and parents who want to cook fresh homecooked meals*
- *Customers need to subscribe to the service by paying a fee;*
 - Monthly
 - Quarterly
 - Annual



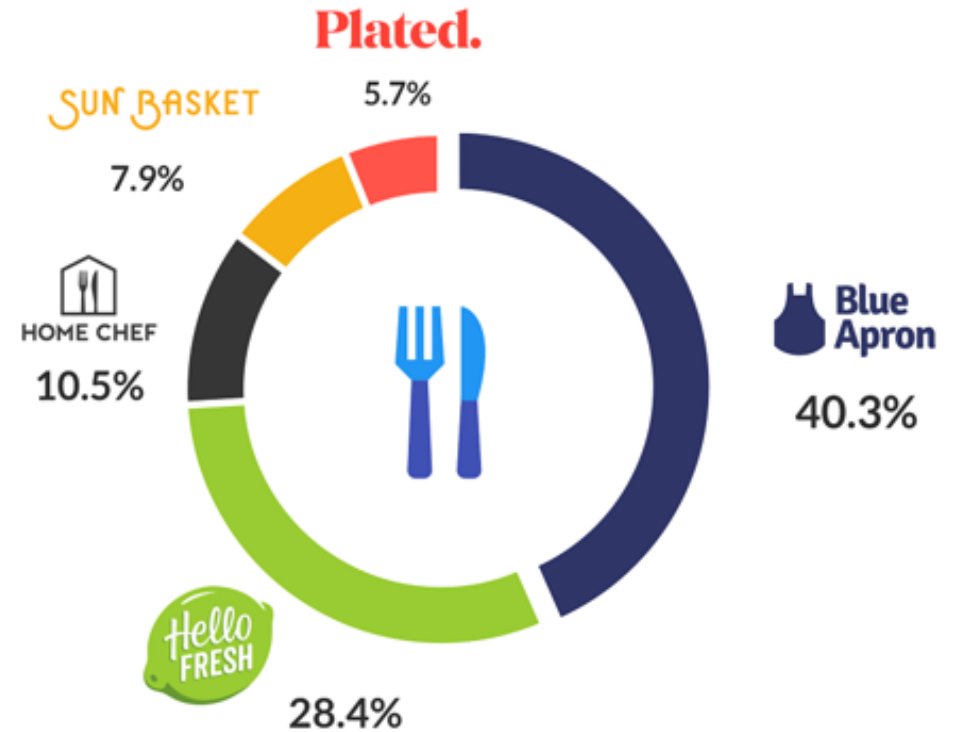
Market Dynamics

- Valued at USD 10 billion in 2020
- Forecasted to grow to USD 24.14 billion by 2027
- Forecasted growth (CAGR) of 13% by 2027
- Demand has significantly decreased due to the pandemic
 - *Consumers opting to cook meals at home*
- Major Market Drivers
 - *Busy lifestyles of Gen Y & Z customers*
 - *Healthy eating*
 - *Convenience*
 - Ease of preparation
 - Time saving
- Largest Markets (by revenue)
 - *North America*
 - *Europe*
- *Fasted growing market*
 - *Asia-Pacific*
- Major Players
 - *Blue Apron, LLC*
 - *HelloFresh*
 - *Home Chef*
 - *Sun Basket*

Competitive Landscape

- Presence of various regional and global players
- Companies compete on;
 - *Product offerings*
 - *Price*
 - *Marketing*
 - *Quality of*
 - *Ingredients*
 - *Recipes*
- Major players pursue international expansion via;
 - *Acquisition of smaller players*
 - *Expanding to high income countries in:*
 - *Asia-Pacific*
 - *Central & South America*
 - *Middle east & Africa*

Market Share: Major Players



Segmentation

- By Service
 - Cook & Eat (61%)
 - Heat & Eat (39%)
- By Product
 - Meat & Fish
 - Vegetarian
 - Vegan
 - Gluten-free
- By Platform
 - Online (60%)
 - Offline (40%)
- By End User
 - Bachelors
 - Newly married couples
 - Families
 - University students
- Geography
 - North America
 - Europe
 - Asia-Pacific
 - Central & South America
 - Middle east & Africa

Industry Trends

- *Product innovation*
 - *Add-ons (appetizers, side dishes & desserts)*
 - *Limited-edition ranges*
 - *Collaborating with celebrity chefs*
- *Using healthy ingredients and recipes*
 - *Carb free meals*
 - *Organic ingredients*
- *Reducing carbon emissions in transportation*
- *Sustainable sourcing*
- *Use of smart tech*

Real World Examples



Largest player by number of subscriptions

Subscription Options

- *Price per serving: USD 7.50 to USD 10*
- *Preparation options:*
 - 2 to 4 recipes per week
 - 2 or 4 servings per recipe

Preparation time: 30 to 45 minutes

Special offerings

- *Wine pairing*
- *Special menus for festive seasons*
- *Menus prepared by celebrity chefs*



Second largest player by number of subscriptions

Subscription Options

- *Price per serving: USD 4.70 to USD 10*

Preparation options:

- *2 to 4 recipes per week*
- *2 or 4 servings per recipe*

Preparation time: 30 to 45 minutes

Sustainability focus in packaging

Special offerings

- *Diet Plans*
- *Dinner to Lunch element*
- *Allowing ingredient substitutions*
- *Customizable recipes*
 - *Classic, Veggie, Family Plans*



THANK YOU!



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