No meal kits for Target: Retailer offers private-label frozen solutions

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Brief

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Dive Brief:

- Target debuted a line of meal solutions in its private label brand, Archer Farms, according to Target's blog.
- The line will include 100 ready-to-heat, frozen meals including grilled fajita chicken strips, burrata lemon zest herb ravioli, and apple pecan quinoa salad. Each meal costs between \$2.99 and \$8.99.
- The new line of frozen meals is similar to Target's 2014 introduction of Archer Farms Mix and Match Meals, <u>according to Progressive Grocer</u>. Those meals could make 500 meal combinations to feed a family of four, but no longer appear on Target's website.

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Dive Insight:

Ever since HelloFresh and Blue Apron came on the scene, other companies, CPG giants, grocers, and even restaurants like Chick-fil-A, have been pushing out their own meal kits. Target took a different route and developed meal solutions instead.

Target's solutions offer consumers a quicker way to get full meals without having to come home and spend time cooking. They also cut down on food and packaging waste, and generally cost less.

"We know our guests are always looking for time-saving measures, but we also know they're not willing to compromise on quality or taste," said Target's website. Target's new offerings include many things popular with today's consumers, including international-inspired dishes, fast meals and diverse options.

Today's shoppers lead busy lives and are reaching for frozen meals —which are on the rise for the first time in five years. In fact, 53% of dinners are planned within an hour of eating, according to the Hartman Group. Nielsen estimates annual U.S. sales of frozen food at \$53 billion.

Millennials are especially interested in frozen meals, which can offer the ease and convenience — and increasingly, the flavors — they crave. Frozen meals are also generally cheaper than buying meal kits and eating out.

Target's move to skip out on meal kits and enter meal solutions could be because the meal kit industry is over-saturated. The retailer can offer consumers a different way to get their meals, as well as bump up the number of products under its private label brand.

Target, sometimes seen as a premium version of Walmart, has been making recent progress to improve its struggling grocery business. The retailer has been focusing on store remodels, offering fresh products and expanding its organic produce offerings. It's also entered the prepared foods space, selling premium sushi in a few of its small-scale stores.

It's going to take a lot more than adding meal solutions for Target to improve its grocery business, but the expansion of its Archer Farms line could signal that the company is taking its grocery development seriously. Target's private label food offerings are still far behind other grocers, but offering meal solutions could be a good move for Target if they meet consumers' demands of fresh and organic offerings, sustainable ingredients, unique flavors and options for dietary restrictions.

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