NFRA

2023 REPORT

SHIFTING CONSUMER EATING AND GROCERY SHOPPING HABITS:

New Opportunities for Frozen and Refrigerated Foods

GROCERY LIST:

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AISLE 1:

INTRODUCTION

The pandemic was a drastically disruptive force in spurring significant cultural and economic changes. The pandemic lockdown drove many to adapt to a new normal. If something was able to be done virtually or from home, many individuals and organizations opted for virtual rather than in-person. Working from home, shopping from home, dining at home, and entertaining from home are several prominent examples of this "new normal."

As consumers return to in person activities, some trends from lockdown are waning, but cooking at home remains one of the few trends still standing strong.

Pandemic impacts also led to drastic changes in the economy. The economy later experienced a labor shortage and surging inflation during the recovery period after the worst of the pandemic passed (Bloomberg, 2022). In 2022, economists and experts predicted a recession following the historical hike in pandemic recovery-era inflation; but, so far, the economy continues to show resilience (Reuters, 2023). These cultural and economic upheavals impacted consumers' habits, including changes to grocery shopping and cooking meals at home.

Newfound confidence and skills in the kitchen gained during lockdown, along with increased vigilance toward rising food prices, motivated consumers to look toward their own kitchens when seeking out adventurous aspirational culinary experiences. In June 2023, Bloomberg reported that rates of dining out are back to pre-pandemic highs. However, the reported increase in dining out doesn't spell out the end of the "dining-in" boom. Prior to the pandemic, consumers ate at restaurants for the experience or to try new foods. Now, consumers treat restaurants and ordering out more like a grab-n-go solution (CNN, 2023) and more often elect to have new culinary experiences at home. The National Frozen & Refrigerated Foods Association's most recent research finds consumers are still cooking many of their everyday meals at home more often than before the pandemic and identifies stronger consumer interest in being more creative in the kitchen. While consumers are less often cooking at home than in 2020 and 2021, they are still cooking at home more often than prior to the pandemic, suggesting the trend is here to stay.

To better understand consumers' changing grocery-shopping habits, the National Frozen & Refrigerated Foods Association (NFRA) conducted a large-scale research study. Three different methodologies were employed to achieve research objectives. First, researchers surveyed over 12,000 consumers in order to gather a wide data sample. Secondly, for a more in-depth look at everyday habits and trends, twenty consumers allowed researchers into their homes and along with them to their local grocery store. And lastly, a large-scale analysis of news and social media content helped researchers identify and understand consumer perspectives of frozen and refrigerated foods over the past 18 months, through mid-August 2023.

Defining the factor or factors contributing to consumers' changing approach toward food – a change that isn't rooted in one major factor, but, instead, a combination of many – will help ensure continued opportunity and growth for the frozen and refrigerated foods industry in the years ahead. Ultimately, these findings help to inform strategies for the industry's products by leveraging the increased interest in higher-quality at-home cooking, drawing in consumers with a focus on convenience, quality, versatility, and value.

AISLE 2:

KITCHEN COMFORT

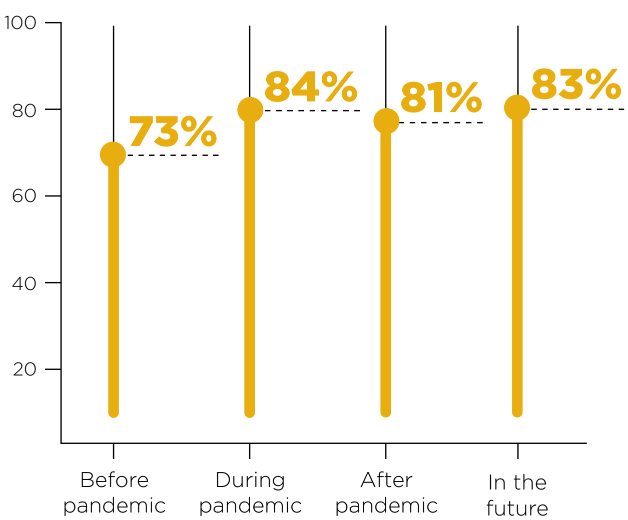
The pandemic lit a fire within many consumers and ignited their passion for cooking. Their newfound enjoyment of creating culinary experiences from home lost some of its flare between 2022 and 2023, but their passion for preparing meals at home still burns hotter than before the pandemic. Consumers, especially those who are younger, are eager to have their at-home cooking experiences surrounded with friends and loved ones.

57% of consumers say they **discovered/rediscovered their love for cooking at home** and **58%** say they began to **eat more comfort food and indulgent snacks** due to pandemic-related stress**

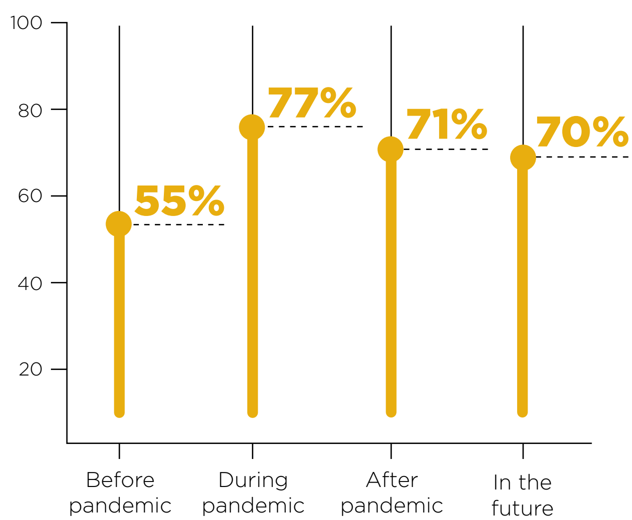
51% of consumers share they are focused on **creating new traditions related to cooking at home** with friends and family**

Since the pandemic, **54%** of consumers share they are more focused on **cooking meals at home,** and **49% keep an eye out for new things** to try and eat*

Cooked more than half their meals at home**



Comfortable cooking at home**



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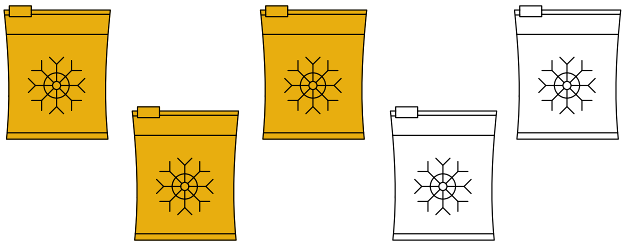
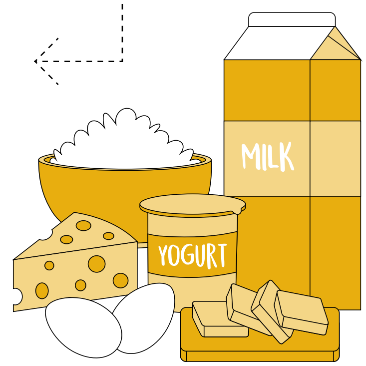


Nearly **3 in 5 (59%)** consumers say they began cooking at home using **precut frozen fruits and vegetables** to save on prep time; using **frozen main dishes** that are easier to prepare, while making their own side dishes; **OR** using **frozen fruit in recipes for smoothies or other treats** sometime **within the past three years****

Consumers more frequently rely on frozen foods to create their main dishes, with dairy products being used as enhancements.



Purchasing frequency of items native to the dairy aisle reveal some overlap between the top dairy items consumers "always" purchase and the top dairy items that consumers are "always looking out for offers on." In fact, the top dairy products on consumers' deal-seeking radar tend to share a common trait — they are more often supplemental; or, rather, ingredients commonly used in combination with others in a recipe.

Top staples that consumers say they always purchase from the dairy aisle:*

55% Milk

51% Eggs

50% Cheese *(sliced, shredded, block, stick)*

46% Butter/Margarine/Spreads

31% Coffee Creamers

31% Yogurt/Kefir/Skyr

30% Sour Cream/Cottage Cheese/Cream Cheese

Top dairy aisle products consumers seek deals on:*

28% Cheese *(sliced, shredded, block, stick)*

27% Butter/Margarine/Spreads

26% Sour Cream/Cottage Cheese/Cream Cheese

26% Eggs

25% Yogurt/Kefir/Skyr

22% Coffee Creamer

21% Cookie Dough/Biscuit Dough/Pizza Dough

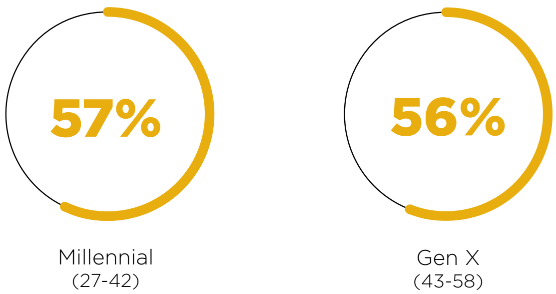
21% Milk

Figures representing U.S. adults suggest the equivalent of **more than 37 million consumers**, say **they look for inspiration in the dairy aisle***[i]

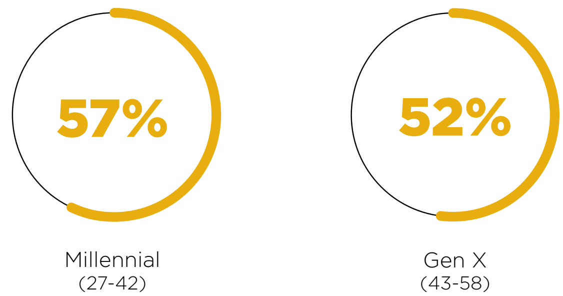
i: All population figures are based on the 2020 U.S. Census data for adults 18 or older, with ESRI's projections used to estimate the total U.S. adult population in 2023.

While many Gen Z consumers are gaining enthusiasm and learning to cook, millennial and Gen X consumers are the leading segments regarding at-home meal prep and adventurous eating.

Consumers that said they are more focused on cooking meals at home since the pandemic*



Consumers that said they are keeping an eye out for new food experiences*



Survey findings reveal the following characteristics among **Gen Z consumers:**

38% indicate they are **looking out for new foods***

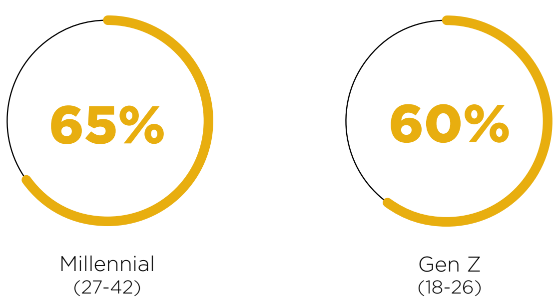
63% **discovered or re-discovered their love for cooking** at home during the pandemic**

42% learn about **food and cooking through TikTok and YouTube***

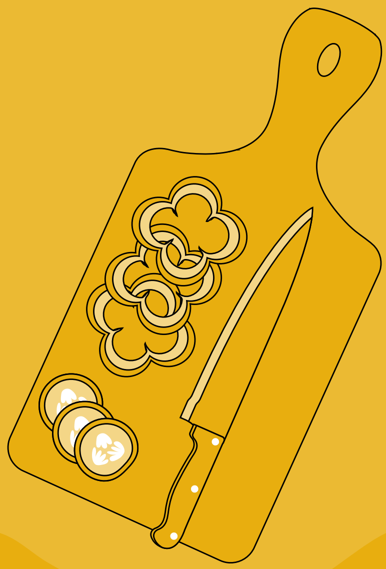
36% say they are focused on **cooking meals at home** since the pandemic*

75% say they anticipate they will prepare **more than half of their meals from home** over the next **two-to-three years****

Young consumers are focused on <u>creating new traditions</u> related to cooking and eating at home with friends and family following the pandemic more than other, older generational groups**



Directional Insight:
Enthusiasm and love of creating at-home meals remains strong throughout all generations of consumers. While younger consumers indicate they are still learning how to cook, they're just as eager and enthusiastic to cook at home. As comfort in the kitchen grows, many are experimenting with cooking meals at home using ingredients found in the frozen and dairy/refrigerated aisles. Naturally, consumers are eager to share their love of cooking with friends and loved ones, with many expressing a desire to use cooking and food as a way to begin new traditions with friends and family.



Frozen and dairy/refrigerated products that provide consumers with recipes or creative uses for these ingredients will engage consumers looking for new ways to use their goods. Go beyond recipes on the back of ingredients packages with QR codes (GS1, 2023) that lead to interactive and creative cooking at-home experiences.

A I S L E 3 :

TECHNOLOGY'S GROWING ROLE IN THE FOOD WE EAT

Technology continues to have a major influence in shifting how and what consumers eat. From the growing adoption of online grocery shopping (Morning Consult, 2022) to finding cooking inspiration on social media (YPulse, 2022), consumers are leveraging technology to make eating at home more convenient.

33% of all consumers report they **prefer to shop for groceries online** because automated recommended purchases/ 'programmatic reminders' help ensure that they never forget the ingredients they need for recipes**

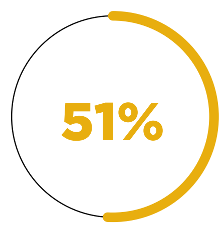
39% of all consumers say they tend to **buy more grocery items** than normal **when shopping online** compared to when they shop in-store**

37% learn about food and cooking through **TikTok and YouTube***

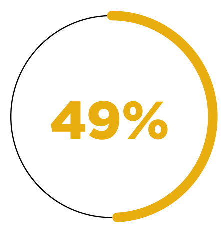
Not surprisingly, younger generations are more engaged with technology than their older counterparts.

Gen Z and millennial consumers are fans of online grocery shopping and appreciate automated recommendations for their virtual shopping carts.

These younger consumers prefer to shop for groceries online because automated recommended purchases help ensure that they never forget the ingredients they need for recipes**



Millennial
(27-42)



Gen Z
(18-26)

57%

of **millennial and Gen Z** groups frequently admit they tend to **buy more grocery items** than normal when **shopping online compared to when they shop in-store****

Younger consumers say they learn about food and cooking through TikTok and YouTube*

52%

Millennial
(27-42)

42%

Gen Z
(18-26)

Social media post from Lara Clevenger, registered dietitian nutritionist (RDN) and certified personal trainer (CPT): #AirFryer Frozen Turkey #Meatballs are great for an easy dinner idea.

Frozen turkey meatballs are super convenient to have on hand and they warm up great in the air fryer! Via @LaraClevenger

As of September 2023, there are 9.7 billion views of videos tagged with #airfryer (Media Landscape Analysis, Atomik Research 2023)

Directional Insight:

Like their social media content, younger consumers prefer to receive recommendations from targeted ads (AdAge, 2023). Our findings suggest the same goes for groceries, too. Younger generations find convenience in shopping online, and automated grocery recommendations make their lives even more convenient.

Optimize online product descriptions so online grocery sites recommend frozen products where appropriate. Leverage an omnichannel shopping experience and lean on social media or social media influencers to promote

the time, money, and health benefits of cooking using frozen ingredients. For example, consumers engage with promoted content and are able to click on relevant links to instantly add frozen and dairy/refrigerated products to their online shopping carts at retailers of their choice. Relevant links can be customizable within each channel or tactic and have an added benefit of providing more direct sales metrics. Additionally, integrating short-form instructional videos will engage younger, inexperienced consumers who rely on cooking instructions from YouTube and TikTok. Connecting with younger consumers now will help influence their purchasing habits in the future.

Finally, keep an eye on burgeoning integration of generative artificial intelligence (AI) into everyday life. We are all currently experiencing a technological inflection point where AI-driven tech advancements happen so rapidly that the number of use cases are nearly incomprehensible (Time, 2023). As AI programs become more affordable and readily available to the masses, more consumers than ever before have access to complex generative AI programs. In fact, some consumers are already using generative AI (e.g., ChatGPT, DishGen, etc.) to plan meals and create recipes from ingredients on hand (DishGen, 2023). Frozen and refrigerated food products may benefit from capitalizing on generative AI adoption in the kitchen by including AI prompts on the back of ingredient packaging, right next to the cooking instructions. Further, manufacturers and retailers may want to create their own generative AI models and platforms to ensure appropriate consumer guidance.

AISLE 4:

EATING HEALTH-*IER*

Our findings suggest that, coming out of the pandemic, consumers are less focused on health with a capital "H"; but, rather, prioritizing "healthier-for-me" options. In individual interviews, many cite that their increased at-home meal prep during lockdown spurred healthier eating as they relied less on eating out and gained control over what ingredients went into their meals.

61% of consumers say that **eating at home allows them to eat healthier***

45% of consumers report the **desire to eat healthier** or diet **will influence what's in their grocery cart** over the next 12 months*

Only **27%** of consumers indicate that **organic designations are an influential factor** when deciding what goes into their shopping cart*

While more often rating factors such as **shelf life/longevity (52%)**, **ability to freeze and use later (50%),** and **healthiness (49%)** as influential deciding factors*

53% of consumers believe flash frozen vegetables and/or fruits **maintain nutrients longer** than fresh or other variations**

Vegetables and fruits top the list of most commonly reported foods **consumers plan on buying over the next year.**

The four types of foods consumers report they anticipate buying more of during the next 12 months are...*

39% Vegetables	**38%** Fruits and/or Berries	**33%** Noodles or Pasta	**32%** Juice, Tea, or Iced Coffee

In an analysis of news and social content about frozen foods specifically, "fruits" and "vegetables" appeared in content most, with more than 220K mentions (Media Landscape Analysis, Atomik Research, 2023).

> *I had hypertension, diabetes, high cholesterol. Now that I work from home, I'm able to cook a great meal and control the ingredients. [Now] no more hypertension, no cholesterol, [and my] diabetes is almost nonexistent.*
>
> — 40-year-old female

Dairy products such as yogurt and cheese are **gaining recognition as healthier foods.**

According to Harvard nutritional psychology professor, Dr. Uma Naidoo, dairy placed on her list of **top health foods for** those looking for food that benefits their **brain and gut health.**

Dr. Naidoo describes how dairy products such as…

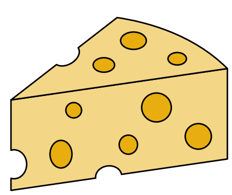
> *yogurts and kefir with probiotics can do wonders for your gut, thanks to all the helpful bacteria and protein they contain.*

Social media post from Dr. Pratha Nandi: #GutHealthTips #DigestiveHealth #HealthyGut

A healthy gut equals a healthy you! Consuming fermented foods such as yogurt, kefir, and sauerkraut can have a positive impact on the health of your gut microbiome. @AskDrNandi

Consumers' anticipated purchasing habits over the next 12 months appear to be aligned with an openness toward experts' recommended dairy options.

Survey data indicate that the equivalent of **over 66 million consumers** report they are likely to **buy more yogurt or kefir** over the next 12 months*



The equivalent of nearly **77 million consumers** are likely to **buy more cheese** over the next 12 months*, according to survey results

Findings indicate that most consumers don't necessarily associate organic options as being the only healthy options in the grocery store.

73% of consumers do not indicate that **organically produced food is an influential factor** in deciding which foods they put into their shopping carts*

65% of consumers **cite quality of the groceries** they put into their shopping cart as a deciding factor*

49% of consumers also indicate they factor in **"the healthy option"** when putting groceries into their shopping cart*

From social media account with 4M followers sharing healthy recipes:

This healthy acai berry bowl is a sweet and simple way to combine fresh juice and your favorite frozen fruits. A thick, creamy smoothie bowl ready to be customized with all the best toppings is a quick and easy breakfast, perfect for adults and kids alike!

Social media post from Men's Journal:

Frozen fruits and veggies can be even healthier than fresh. Here are your best bets. Men's Journal

Social media post from Kristie Leong M.D.: #healthyeating #healthylifestyle

7 Principles of #Healthy Food Shopping *Buy local *Buy seasonal *Avoid foods w/ barcodes *Frozen can be just as healthy *Lots of colorful, plant-based foods *Don't forget about herbs & spices *Don't shop when you're hungry! @DrKristieLeong

Directional Insight:
U.S. grocery shoppers are more aware and mindful of healthy eating and are adopting somewhat healthier diets. Consumers already know that they have better control over how healthy their meals are when cooking at home compared to when dining out. They are not necessarily wanting farm-to-fridge organic ingredients. Rather, they are simply looking for ingredients that are a generally healthier option.

Communications that clearly call out the health benefits of frozen/refrigerated products and lack of preservatives will appeal to the basic health concerns among a majority of consumers.

AISLE 5:

CONVENIENCE

As consumers return to the office, resume doing more in-person activities (CNBC, 2022), and continue running errands outside of their homes (Gallup, 2022), frozen and refrigerated foods offer U.S. consumers the opportunity to save time in the kitchen. Convenience doesn't mean people are plopping frozen dinners in the oven. Instead, they are making some dishes from scratch while using frozen foods and dairy aisle finds to make their home-cooked meals complete.

56% of consumers believe frozen foods **provide a more convenient way** to manage mealtime*

> *"Frozen is just easier because I don't have a time frame when I have to use it."*
>
> — 50-year-old male

Consumers aren't just looking to the frozen aisle; they are also turning to dairy and refrigerated aisles to make more time for creative cooking in the kitchen.

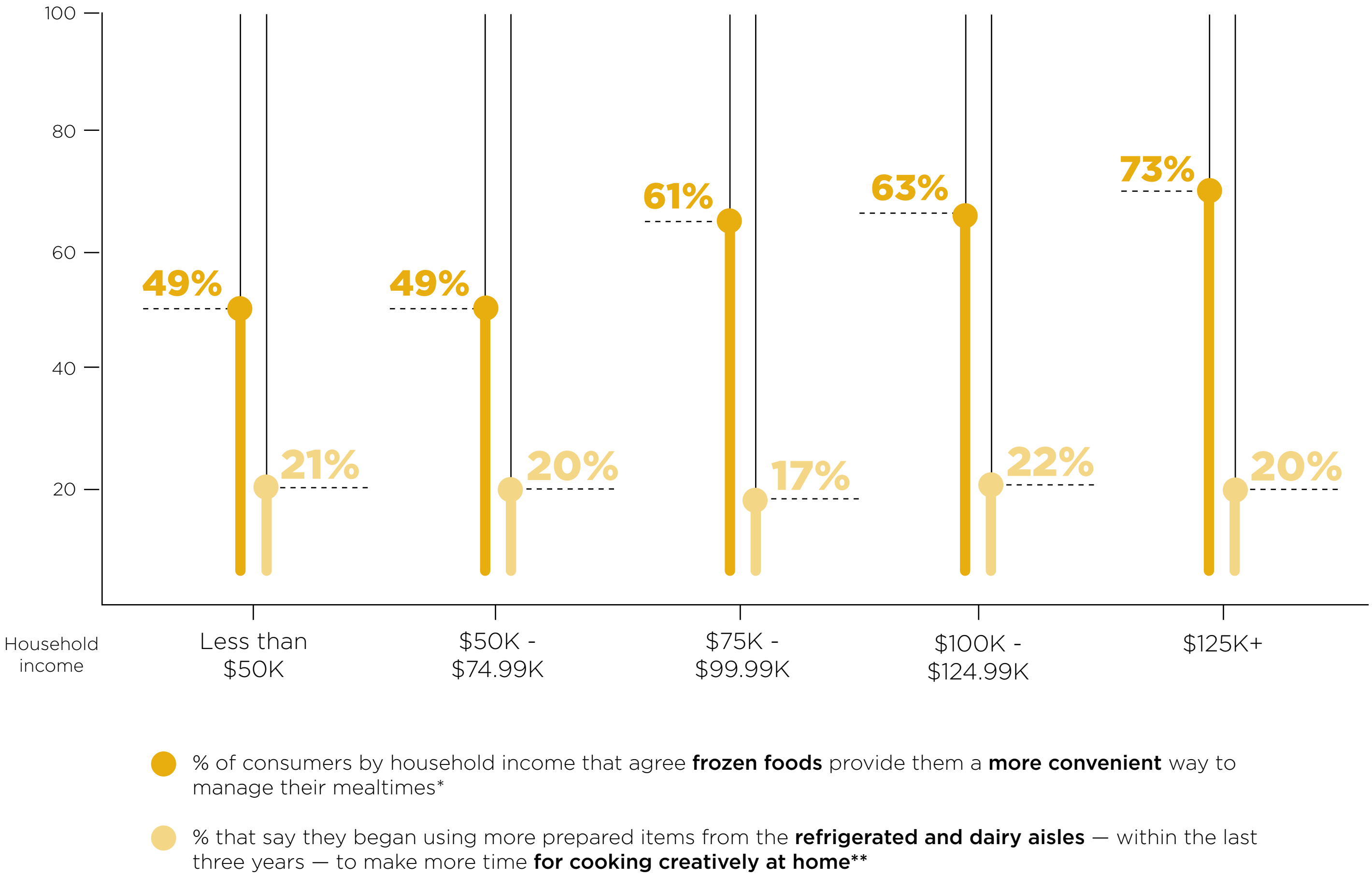
1 in 5

say they began using **more prepared items from the refrigerated and dairy aisles** (e.g., queso, puff pastries, crescent rolls, etc.) — within the last three years — to make more time for cooking creatively at home**

Higher income households tend to more often see value in the **convenience** of **frozen foods.**

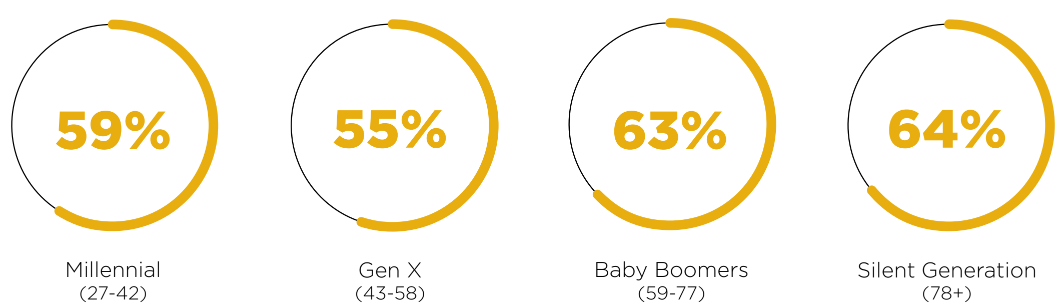
On the other hand, participants' responses remained fairly consistent across household income levels when rating perceived **convenience** of foods in the **dairy and refrigerated aisles.**

How consumers' views on convenience of frozen and refrigerated foods differ by household income level



Older generations are generally in agreement on frozen foods when it comes to their thoughts on perceived convenience.

Consumers who agree frozen food provides a more convenient way to manage mealtimes*



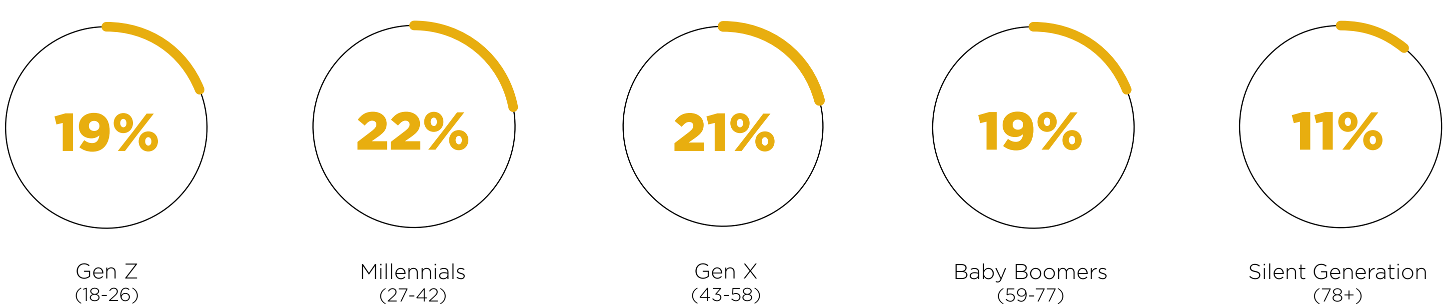
On the other hand, Gen Z consumers' (18-26) opinions about the convenience of frozen foods appear more dispersed, which could indicate they are still forming opinions of frozen food categories:

	Any Disagree[ii]	Neutral	Any Agree[iii]
Frozen food provides a **more convenient** way to manage mealtimes*	33%	29%	39%
The **variety of frozen products** available to choose from **has increased significantly** over the past couple of years*	33%	31%	36%
There is **little difference** between **branded frozen foods and equivalent store brand** ones*	36%	32%	32%
Frozen is just as **healthy and nutritious** as fresh*	37%	33%	30%
Frozen fruits are a **cost-effective** way of making drinks and smoothies*	30%	27%	43%
Frozen is often a **better value** for money than fresh products*	36%	31%	33%

ii: Any disagree is a grouping of respondents who answered either "slightly disagree" or "strongly disagree"
iii: Any agree is a group of respondents who answered either "slightly agree" or "strongly agree"

Similar to household income segmentations, perceptions of dairy and refrigerated foods' convenience did not vary much between nearly all generational groups.

Consumers who have begun to use more prepared items from the refrigerated/dairy aisle in the last three years**



Not only are consumers looking to the types of ingredients that make cooking at home easier to fit into their busy days, they are also finding convenience in new ways of cooking and preparing their ingredients. Air fryers are gaining popularity as more consumers recognize the convenience that the appliance offers.

> *"Actually, my youngest son said he wanted an air fryer for Christmas. I said 'Why?' and he says 'So I can make French fries, mom — healthier!'"*
>
> — 51-year-old female

45%

of all consumers say they use an **air fryer to cook and prepare food***

Popularity of slow cookers appears similar to the popularity of air fryers, as 43% of consumers report they use slow cookers to cook and prepare food.*

35%

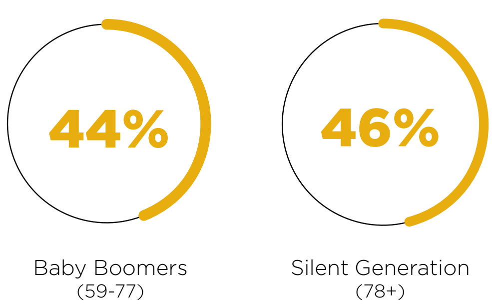
of all consumers anticipate they'll be **using their air fryers more often** in the next 12 months*

29%

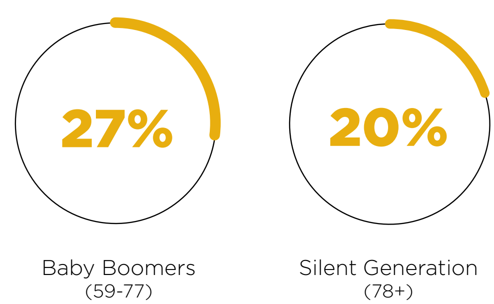
of all consumers expect **to do more slow cooking over** the next 12 months*

In the past 12 months, older consumers have been deep frying less and air frying more.*

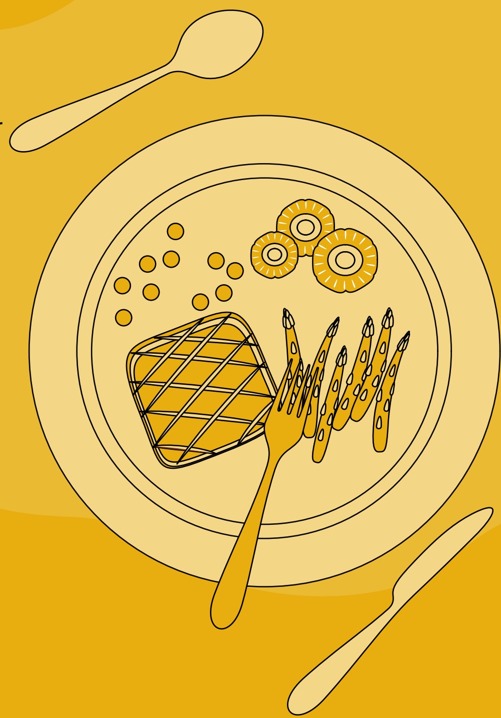
% of adults by generation who say they have been **deep frying less** over the last 12 months*



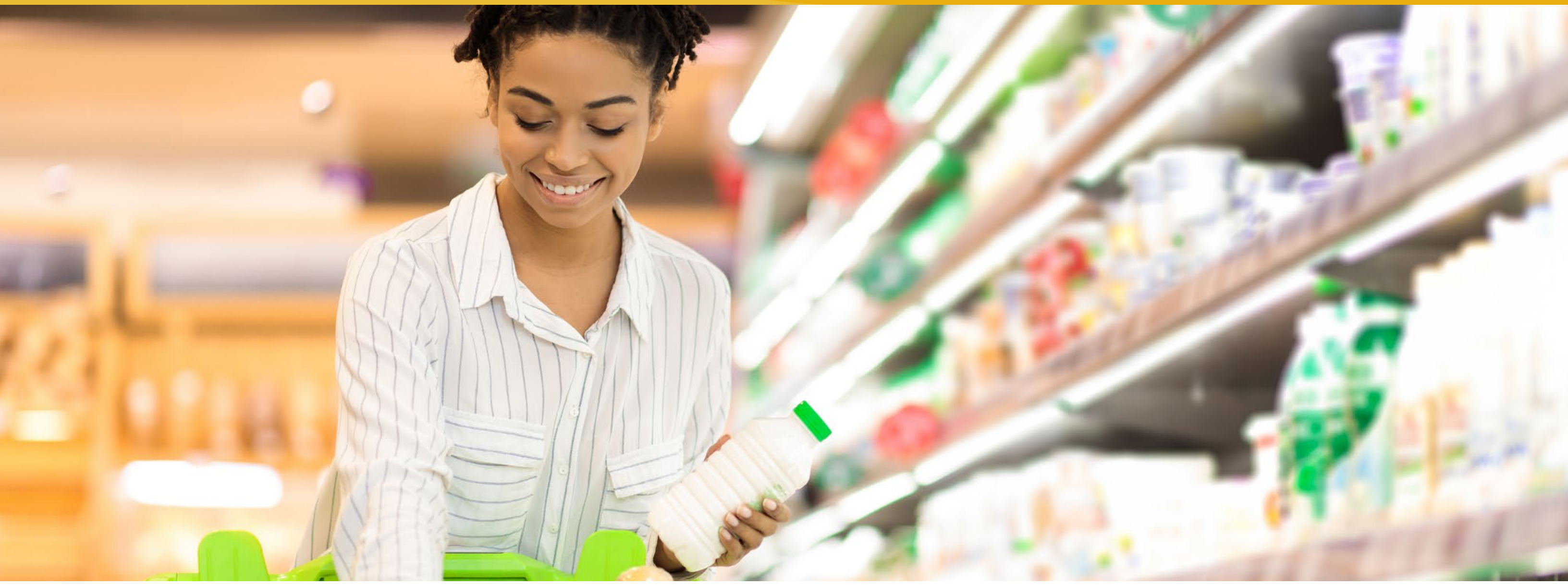
% of adults by generation who say they have been **air frying more** over the last 12 months*

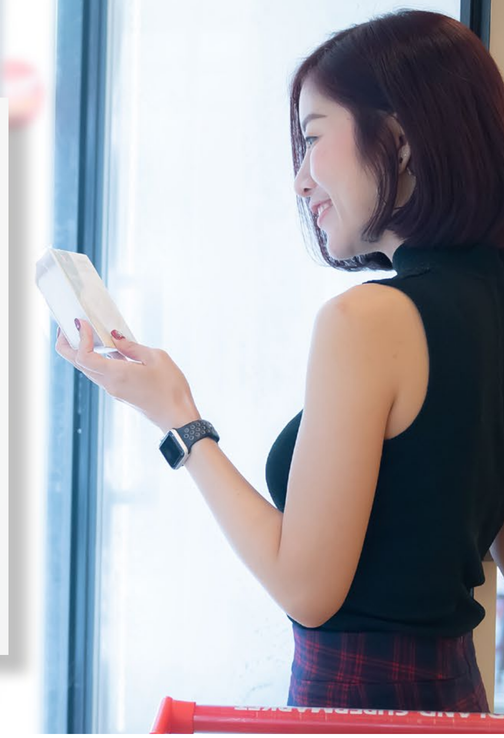


Directional Insight:
Frozen meats and vegetables are growing in popularity due to their convenience and value. Higher income households and consumers within older generational groups are aware of the convenience benefits of cooking with frozen ingredients; however, many consumers in low-to-middle income (LMI) households as well as younger consumers least often indicate being aware of the convenience and cost saving benefits of frozen foods. Consumers far less often recognize the convenience potential of refrigerated and dairy products, and segmentations for generational groups and household income account for little variance in the consumer opinion of refrigerated and dairy convenience.



These findings illustrate two growth opportunities. The first growth opportunity lies in informing consumers that they can continue to have time to cook creatively at home thanks to the time-saving convenience of prepared products from the dairy and refrigerated aisles. The second opportunity lies in educating young and LMI consumers of the time and value benefits of cooking with frozen ingredients. Consider visually dynamic content that drives home the value and time saving components of frozen and dairy or refrigerated foods.





AISLE 6:

THE FROZEN AND REFRIGERATED AISLES HAVE A VARIETY OF INGREDIENTS CONSUMERS ARE LOOKING FOR

Products in the frozen and dairy aisles have an opportunity to stand out to consumers looking for something new as well as those searching for a variety of ingredients that make experimenting more convenient in the kitchen. Consumers are more open to trying new foods and are more focused on cooking meals at home. As shoppers continue to explore new tastes and recipes, they are taking notice of increased variety within the frozen aisles.

REFRIGERATED/DAIRY VARIETY

Dairy remains an essential staple to have on hand in the kitchen, but consumers are commonly incorporating **dairy alternatives** from the dairy aisle into their meals at home.

Around **1 in 6** consumers share they **shop at their favorite grocery store** because they **like its range of products in the dairy aisle***

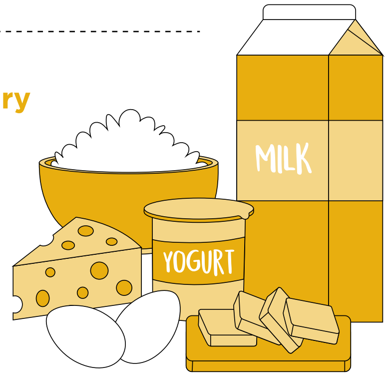
76% of consumers report they always **buy milk during their main shopping trips** or are always **on the lookout for offers on milk** when shopping*

26% of adults say they **are likely to buy more milk** over the next 12 months, while **76%** claim their **buying habits will at least remain the same, if not increase***

93% of consumers indicate they **always or occasionally** buy milk or are always **looking out for offers** on milk when shopping in the dairy aisle*

Among dairy milk buyers, **68%** say they are **always on the lookout** for deals on milk alternatives/flavored milk or say they **purchase** milk alternatives/flavored milk **occasionally or frequently** when shopping in the dairy aisle*

Milk aside, other products in the dairy aisle that are purchased on every main grocery shopping trip represent staple items primarily.



The following represent the top dairy aisle products based on survey results:*

51% Eggs

50% Cheese *(sliced, shredded, block, stick)*

46% Butter/Margarine/Spreads

31% Coffee Creamers

31% Yogurt/Kefir/Skyr

30% Sour Cream/Cottage Cheese/Cream Cheese

Directional Insight:
Consumer preference for dairy or dairy alternatives is rarely exclusive; instead, our data as well as recent industry reports (McKinsey, 2023) suggest consumers are increasingly buying dairy and dairy alternatives together. Further, evolving preferences in flavors and taste contribute toward demand for variety in the dairy aisle (McKinsey, 2023).

The focus on dairy alternatives should be less about catering to vegan and lactose intolerant diets and more about the possible range of variety and flavors different dairy and dairy alternatives offer to consumers.

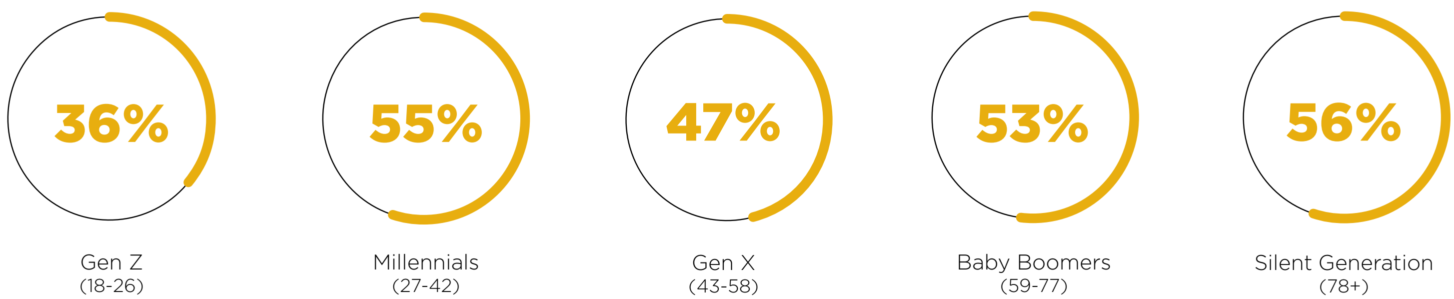
FROZEN VARIETY

While consumers are further along in embracing variety within the dairy aisle, they have recently begun to notice variety in the frozen aisle.

50% feel that the **variety of frozen products** to choose from **has increased significantly** over the past couple of years*

Older generations appear to notice the increased variety of frozen foods.

Consumers say the variety of frozen products available has increased significantly over the past couple of years*

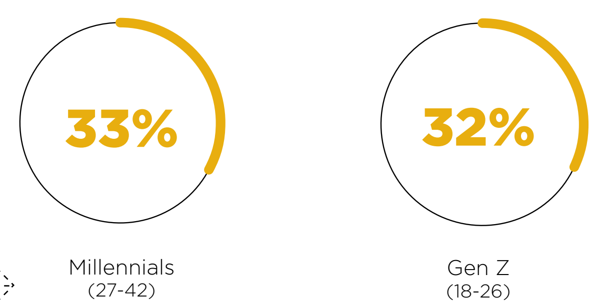


Contrary to older generations, **Gen Z adults less often affirm a significant increase** in the variety of frozen products, suggesting an **opportunity for manufacturers and retailers to educate younger consumers** about the growing variety of frozen products.

A significant share of consumers appears to be embracing variety in the frozen section based on their reported purchases.

1 in 3
younger consumers appear to be driving the increase the most*

1 in 5
of all consumers say they are likely to buy more non-dairy ice cream or frozen yogurt over the next 12 months*



NFRA

Directional Insight:
Products in the frozen aisles have an opportunity to stand out to consumers looking for something new as well as those searching for a variety of ingredients that make experimenting more convenient in the kitchen.

Gen Z values engagement more than product variety. Manufacturers can drive engagement with these younger consumers via interactive and educational content.

A I S L E 7 :

SPENDING LESS WITHOUT SACRIFICING ON INDULGENCE

U.S. consumers remain budget-conscious of food expenses in 2023. While dining out is on the rise, so is opting to trade-down when choosing restaurants. Sacrificing high-end experiences outside the home doesn't mean they have to sacrifice indulgent experiences altogether. According to recent consumer reports, shoppers are finding a better value in creative dishes at home using ingredients found in a grocery store (Business Insider, 2022). Experts in the retail space suggest consumers are looking to limit discretionary spending but still have room to compromise, choosing to swap meals out for premium meals in (CNBC, 2022).

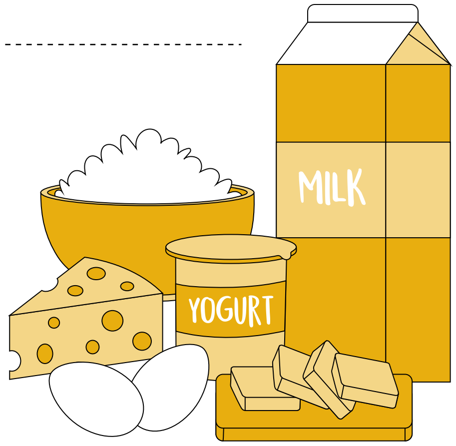
The U.S. Census released findings from a pulse survey conducted toward the end of January 2023 wherein 54.8% of U.S. adults said they are going out to eat or ordering food for delivery less often in order to cope with price increases. Despite news of waning inflation and a more optimistic economic forecast, the U.S. Census' most recent findings from a subsequent pulse survey conducted between the end of July and beginning of August 2023 suggest U.S. consumers are continuing this money-saving tactic. These most recent figures reveal that 54.7% of adult consumers in the U.S. are still dining and ordering out less in order to cope with price increases (U.S. Census Bureau, 2023).

Our survey findings suggest consumers' propensity to place greater value on saving money by dining in and buying frozen and refrigerated ingredients.

DEAL SEEKING ON DAIRY

Data suggests deal-seeking behaviors go beyond frozen foods, spurring dairy aisle purchases as well. While some consumers buy certain dairy aisle products on every main grocery shopping trip, others indicate they are always on the lookout for offers on products when shopping and may not purchase if they don't get a deal.

Consumers are least often on the hunt for deals on dairy staples such as milk and/or flavored milk/milk alternatives (21% and 19% respectively).



The top dairy aisle products consumers seek deals on include the following:*

- **28%** Cheese *(sliced, shredded, block, stick)*
- **27%** Butter/Margarine/Spreads
- **26%** Sour Cream/Cottage Cheese/Cream Cheese
- **26%** Eggs
- **25%** Yogurt/Kefir/Skyr
- **22%** Coffee Creamer

Directional Insight:
As discussed in Aisle 1, consumers' comfort in the kitchen gave rise to increased interest in cooking and exploring new recipe ingredients. Their rising interest in searching for new ingredients could be part of the rationale behind consumers' deal-seeking of cooking ingredients in the dairy aisles.

Offering in-store deals and bargains on dairy products often used in combination with other ingredients on a more frequent basis could move more consumers to purchase them on nearly every main trip, if not every trip.

VALUE CONSCIOUSNESS

Consumers most frequently rate **value for money (66%)**, **taste or flavor (66%),** and **quality (65%)** as influential deciding factors when choosing the groceries that go into their shopping cart*

62% of consumers say **it's too expensive to eat out as often** as they would like to, and **64%** say **they save money or control their budget** by eating at home*

47% of consumers think **frozen is often a better value** for money than fresh products*

50% of consumers say they buy frozen food to help **reduce food waste** at home**

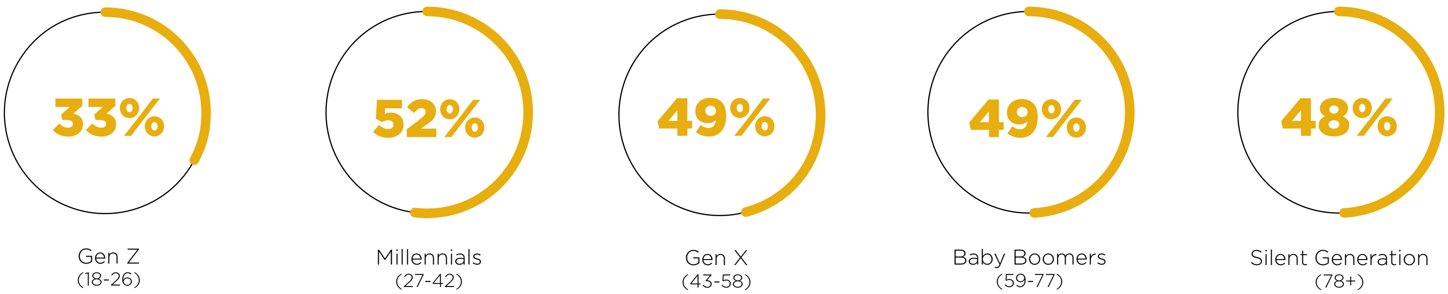
Among those who already buy frozen food to help reduce food waste at home, **86%** anticipate they will **continue to buy frozen fruits and vegetables** to help reduce food waste at home over the next two-to-three years**

46% of consumers say they **purchase and eat more frozen food now** compared to before the pandemic so that they have **fewer trips to the grocery store,** and **46%** plan to **continue this trend****

> *"We can't eat out as much as we used to. It's gotten too expensive. But, we enjoy entertaining so I think we'll be eating in more but trying new things, too."*
>
> — 31-year-old male

Older generations are generally in agreement about frozen foods when it comes to their thoughts **on perceived value of frozen food.**

Consumers that say frozen food is often a better value for money than fresh produce*



However, unlike older generations, data gathered from **Gen Z consumers highlight less awareness** when measuring their perceptions on the **value of frozen foods.** This finding points toward an **opportunity for manufacturers and retailers to educate these young consumers** on the value of some frozen foods (i.e., produce) over other alternatives.

Higher-income households are particularly budget conscious about their spending on food compared to participants in lower-income households.

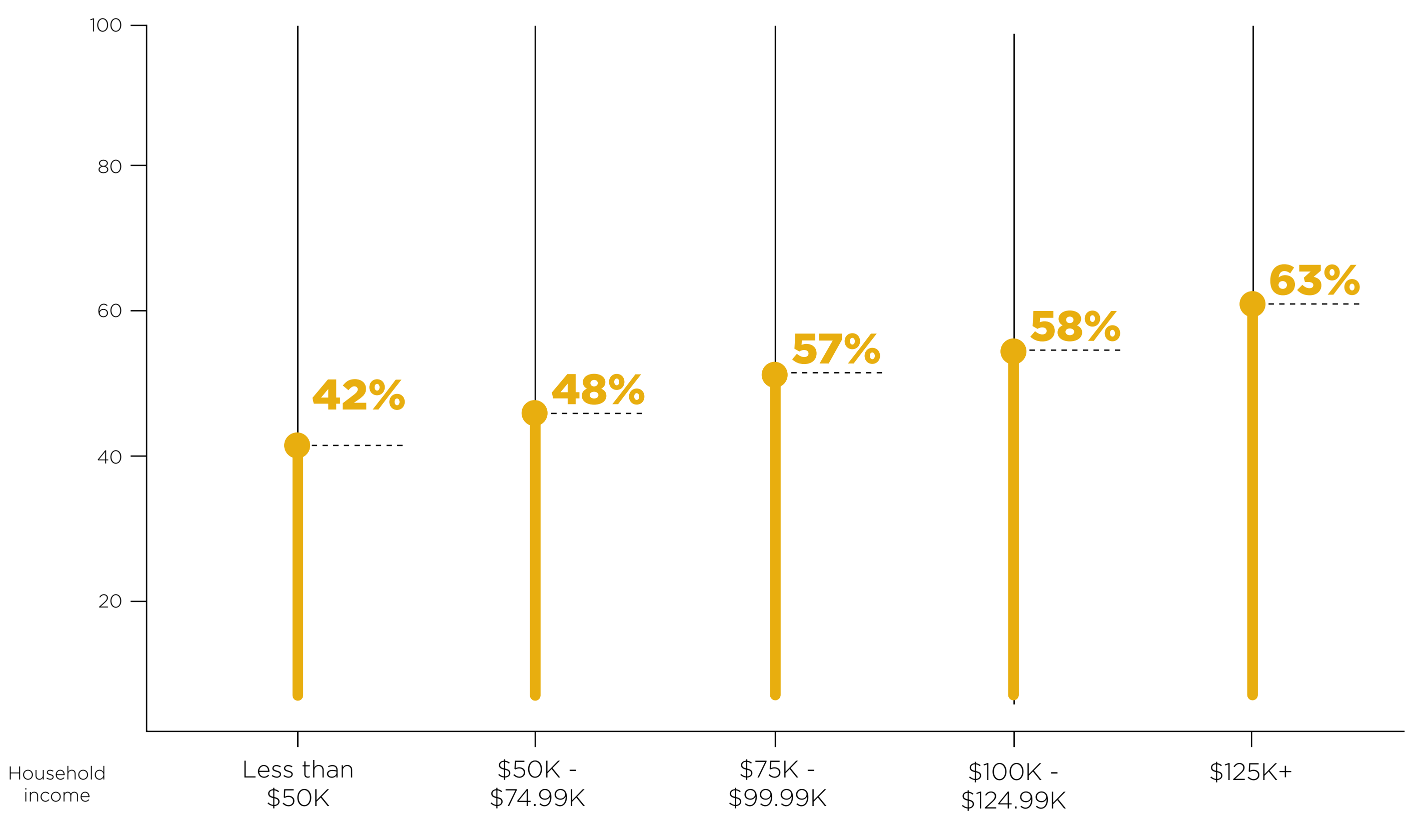
72%
of consumers who report a household income of $125,000 or higher most often share they **save money or control their budget by eating at home***

67%
say they also report feeling that it's now **too expensive to eat out as much as they want to** more often than participants in lower-income households*

63%
of consumers reporting household incomes of $125,000 or higher and

58%
of consumers reporting household incomes of $100,000 and $124,999 believe **frozen is often a better value for their money than fresh products,** while the rate of respondents who feel the same decreases consecutively throughout lower-income households*

Consumers who agree that frozen is often a better value for money than fresh products*



Directional Insight:
Frozen foods appeal to consumers' frugal mindset and interest in DIY indulgence within their own kitchens. Many consumers already recognize that frozen foods have a longer shelf-life, which translates to less wasted food and fewer trips to the grocery store.

As consumers continue to practice thriftiness, they are making a distinct connection between frozen food and less food waste as well as fewer trips to the grocery store. This distinction will help position frozen foods as an affordable and less wasteful solution to eating well at home while on a budget.

AISLE 8:

AISLE VS. BRAND LOYALTY

Consumers appear less brand loyal than in the past due to rising costs. Many are willing to try different brands that provide similar quality and taste at a more affordable price point. Brand loyalty is overshadowed by the desire for quality and health benefits — even package design makes products stand out to consumers (IRI, 2022). Our survey findings reveal that familiarity with brands is not as often an influential factor in deciding which groceries to purchase, especially for Gen Z consumers. As mentioned earlier, aspects such as quality, taste, and value reign supreme in priority for most consumers.

53% of consumers admit they are **buying more store brand products** than they used to in order **to reduce their grocery costs**, and **44%** of consumers think there is **little difference between branded frozen foods and** equivalent **store brand foods***

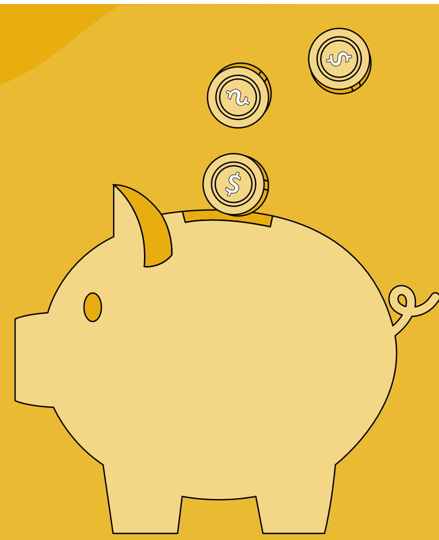
A minority of consumers **38%** admit **knowledge or familiarity with brands** plays an **influential role in their decision** to choose groceries that go into their shopping carts*

Just **27%** of Gen Z (18-26) claim that **familiarity or knowledge of a brand influences their decision** to choose which groceries go into their shopping carts; followed by **38%** of Gen X (43-58)*

Millennials (27-42) **(42%),** baby boomers (59-77) **(41%),** and consumers within the Silent Generation (78+) **(43%)** more often indicate **well-known or familiar brand names influence which items go into their shopping carts***

Millennials (27-42) are the only generational group surveyed where more than half **(51%)** think there is **little difference between branded frozen foods and equivalent store brands***

Directional Insight:
Consumers' main concern when shopping at the grocery store is getting the best products for the least amount of money. They are no longer tied to one specific brand and express a willingness to explore new brands. If they can find a product they like for a better price, they won't hesitate to try something new. Once they find a new brand they love, they are more likely to become repeat buyers (Morning Consult, 2022).



So, how can brands encourage consumers to take them back? The answer is to prove product value. If consumers believe they can get the same quality and nutrition from a cheaper store brand equivalent, prove to them how the branded product appeals more to consumers' expectations of quality and nutrition. If there truly aren't any differences between the quality and nutrition of a branded product and its store brand counterpart, then provide added value by utilizing engaging content such as creative recipes, unique meal-time ideas, and time-saving cooking tips as discussed in Aisle 2 and 4.

Highlighting product quality, taste, and nutrition will attract new consumers to brands. This overarching point is applicable to products found in the frozen and dairy/refrigerated aisles. Living up to consumers' expectations on product quality, taste, and nutrition will turn new customers into repeat customers. Additional opportunities lie in attracting younger consumers, since their associations with brands and product quality, taste, and nutrition are still being formed. Empower consumers to try new brands — as long as consumers think of the frozen and refrigerated aisles as their go-to aisles for cooking and eating at home.

C H E C K - O U T :

CONCLUSION

After running a content analysis that found 947k social and news media mentions related to frozen and dairy/refrigerated foods, conducting 10 in-depth interviews, 10 retail safaris, and gathering data points from more than 12,000 survey respondents, we've found that there is no one singular factor that contributes toward a change in consumers. Rather, multiple factors converged during and after the pandemic to shift how consumers go about cooking and eating at home. Technology played an important role in keeping consumers stocked-up on groceries and in enhancing the cooking experience while under lockdown. Then, consumers collectively discovered their love of cooking meals at home during lockdown, thus becoming more comfortable in the kitchen.

When looking to motivate consumers to continue cooking at home, consider the recommendations above, which can fall under four overarching themes.

FACILITATE ASPIRATION

After gaining confidence in the kitchen, consumers are looking for further inspiration to create and maintain cooking and eating habits. They want to discover new culinary experiences, find ways to connect with others through food, create new traditions surrounding meals at home, and maintain the healthier ways of eating that they became accustomed to during the pandemic. In order to maintain this aspirational momentum, lean on engaging and interactive content that provides consumers with new recipes and creative cooking ideas. Leverage resources, such as QR codes on product packaging, to conveniently connect consumers with relevant online content (i.e., recipes, cooking tutorials, special meal occasions, etc.).

PROVE CONVENIENCE

Convenience is vital for consumers hoping to achieve their cooking aspirations. As many return to their busy in-person schedules and lose out on time spent at home, convenience will be key to empowering consumers to cook at home and maintain healthier diets. In assuring the convenience and efficiency of using frozen foods, consumers are able to free up additional time to exercise their cooking skills at home. However, don't just tell them it's convenient; prove it. Present a side-by-side comparison of frozen products compared to other options, highlighting the similarities in nutritional value and calling out the time saved when opting for the frozen equivalent. Specify estimated cooking and preparation times. Include alternative instructions for those looking for more convenient cooking methods — air fryers and slow cookers are especially convenient cooking methods gaining popularity.

Time saving tech goes beyond handy kitchen appliances. Online grocery shopping and social media proves to be a game-changer for saving consumers' time and mental energy. Consumers embrace automated or programmatic suggestions while grocery shopping online and look toward social media for cooking recommendations. Facilitate omnichannel shopping experiences and leverage social media platforms to promote the convenience of frozen and refrigerated foods.

ENCOURAGE EXPLORATION OF VARIETY

Inspiring consumers' interest in the frozen and dairy aisle is easier when they are aware of all the variety throughout these aisles. Variety strengthens the frozen and dairy/refrigerated dairy aisles — arm consumers with a general understanding of frozen and refrigerated products' benefits to nutrition, taste, convenience, and savings. Informing consumers of this wide variety ensures your products appeal to more people based on their individual tastes.

The U.S. is known to have the most abundance when it comes to consumers' choices in the grocery store. For some, too much variety and too many options can be overwhelming without guidance on how to decide. Educating consumers with the right information to guide their purchasing decisions empowers them to branch out to new products available to them. For example, many consumers often have both dairy and non-dairy alternatives in their fridge simultaneously. Non-dairy options rose in popularity and gained attention in the early 2010s. As more consumers became familiar with these non-dairy alternatives over the past couple of decades, they learned how to incorporate these ingredients into cooking. By the end of the decade, non-dairy alternatives became more "mainstream" (GFI, 2023). Because of this education about variety, many consumers branch out like never before. Rather than allowing consumers to take a decade to naturally embrace new varieties, speed up the process of embracing variety through increased efforts to educate consumers about how variety can serve them in the frozen and refrigerated aisles.

THE FROZEN AND REFRIGERATED AISLES MUST ENABLE CONSUMER EMPOWERMENT

Many consumers felt like they lost control of their lives during the pandemic. During lockdown, the kitchen became a sanctuary up to three times a day where people could take back control of their health, keep connections to others, and derive a sense of accomplishment. Enabling consumers in the aisles to help them take control of their own kitchens will be key to motivating them to continue cooking and eating at home.

METHODOLOGY

The National Frozen and Refrigerated Foods Association (NFRA) commissioned Atomik Research to conduct a comprehensive research campaign to better understand consumers' at-home and in-store behaviors specific to frozen and refrigerated foods. The study consists of two primary methodological approaches — a series of qualitative in-depth-interviews (in-home and in-store) and two quantitative consumer studies.

Findings from all qualitative interviews identified key themes in behaviors and attitudes that were used to inform an online survey. These primary methodological approaches were also informed by a secondary methodological approach that leveraged syndicated social and news media data – a social and news media landscape analysis.

QUANTITATIVE SURVEYS:

Survey 1
The National Frozen & Refrigerated Food Association (NFRA) commissioned Atomik Research to conduct an online survey of 8,016 adults across the United States. The margin of error is +/- 1 percentage point with a confidence level of 95 percent. Fieldwork took place between March 1 and March 7, 2023.

Survey 2
The National Frozen & Refrigerated Food Association (NFRA) commissioned Atomik Research to conduct an online survey of 4,005 adults across the United States. The margin of error is +/- 2 percentage points with a confidence level of 95 percent. Fieldwork took place between May 30 and June 6, 2023. ***Click here to download crosstab data from the surveys.***

SOCIAL AND NEWS MEDIA LANDSCAPE ANALYSIS

A social and news media landscape analysis of consumers' conversation related to frozen and/or refrigerated foods was conducted to uncover and understand trends such as general cooking interests, new cooking/food preparation techniques, new flavors/ingredients, and other topics that presented during analysis. This same approach was applied to news media as well to understand topics being covered in the media.

The retrospective analysis covered a date range between February 1, 2022 and August 15, 2023, and included over 472,650 mentions of frozen and/or refrigerated foods on social media, which hold an ad value equivalency of over $1.38 billion. The analysis also includes over 539,110 news stories mentioning frozen and/or refrigerated foods, accounting for an ad value equivalency of $12.55 billion.

Findings from the social and news media landscape analysis provided insights into trends that helped to inform questions in both qualitative and quantitative methodological approaches as well as lending direct consumer perspectives to other survey findings. The analysis was conducted by Atomik Research via Meltwater, a syndicated social and news media monitoring and reporting platform.

QUALITATIVE IDIs:

Qualitative data were collected from 20 participants throughout the United States using individual qualitative interviews. All study staff conducting interviews had experience facilitating interviews. All interviews were approximately one hour in length. Interviews were conducted in-person throughout five major U.S. metropolitan markets — Boston, MA; Chicago, IL; Charlotte, NC; Phoenix, AZ; and Los Angeles, CA. The sample consists of 10 males and 10 females. Ten interviews took place at participants' homes and 10 interviews took place on-site at a grocer affiliated with NFRA.

All interviews were recorded and transcribed for analysis purposes. Age, household income, race, ethnicity, level of education, employment status, homeownership, marital status, number of children, frequency of grocery store visits, most frequented grocery stores and types of frozen or refrigerated groceries typically purchased were collected from all participants to document the broad demographic distribution of participants.

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* Indicates findings from survey 1
** Indicates findings from survey 2

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