

# The Meal Kit Playbook

July 15, 2020

## Meal Kit Overview

The Meal Kit industry was first widely commercialized in Sweden in 2007 with the introduction of “Middagsfrid” - (roughly translated as “dinnertime bliss”). Immediately, the entire food industry experienced disruption and millions of dollars have since been invested into various meal kit companies.



### What do I need to start?

While the space has received heavy investment, you don't need a ton of resources in order to start your own meal kit brand. You just need access to the raw ingredients (though an existing customer base doesn't hurt either).

## What are the benefits of a Meal Kit Program?

Starting your own meal kit program has a number of benefits:

- 1) **Let your regulars get their fix** - consumers want meals from their favorite restaurants in the comfort of their home, but can't always get to the restaurant or more recently are facing limited capacity or other concerns about eating out.
- 2) **Less Costly than other delivery options** - As opposed to on-demand delivery scheduled delivery gives you greater flexibility. With scheduled delivery you don't need to pay/hire staff solely for delivery, instead having them complete deliveries once or twice a week. This also gives you greater flexibility to circumvent large fees from delivery services like UberEats or Postmates.
- 3) **Increase your Square Footage** - 3 hour wait on a Friday night? No problem. With the scheduled nature of meal kits customers are able to enjoy the experience of your restaurant in their home. You can prepare these kits and send them out before you get busy thereby increasing the amount of customers that are able to enjoy your food at once.
- 4) **Bring in new customers** - If customers love your meal kits, they will for sure love your restaurant. Meal Kits are a great way to introduce your food to who will become your new loyal regulars.
- 5) **Recurring revenue** - Some consumers prefer to subscribe to meal kit programs. With customers getting meals every week or month from you this brings in a great second stream of recurring revenue.

## Takeaway

With the emergence of COVID-19, restaurants, caterers, wholesalers, farms, and independent chefs have turned to introducing meal kits into their normal offerings. Below is a step-by-step guide on how to get a meal kit program up and running.

# Execution

## Step 1 - Decide what type of meal kit to offer

Restaurants have taken different approaches into defining what their meal kit program will look like. Overall they can be broken down into three categories.

- 1) **Ingredients and Instructions**- Some consumers love to cook in the comfort of their homes and they don't mind taking the time to cook the meal themselves. These packages include pre-portioned ingredients and a recipe. Blue Apron has been successful in recent years with this offering, but now many restaurants are following suit. These consumers love the process of cooking or are looking to improve their cooking skills.
- 2) **Heat and Serve** - While some consumers love the cooking process, there are plenty who want to simply throw their meal in the oven or microwave and have it ready in a few minutes. With this offering, restaurants often deliver multiple prepackaged meals that the consumer can make with minimal effort when they choose. Oftentimes these consumers are more health conscious and want a combination of high quality meals and convenience.
- 3) **Ready to Eat** - Some consumers want their meal ready to go as soon as the restaurant delivers. This is perfect if you imagine your customers taking your offering on a picnic or having a dinner party with friends and family.

## Step 2 - Package your kit

- 1) **Ingredients and Instructions**- The best boxes for ingredients and instructions are normal packing boxes with ingredients separated in a way that won't cause damage during transport.



Make sure to wrap up anything that shouldn't be cross contaminated or could spill into the box. Individually wrap pasta and garnishes. If you're worried about things spoiling in the heat make sure to include ice packs. There are plenty of environmentally friendly ice packages that customers can safely pour down the drain. We can provide some specific examples if you are interested.

- 2) **Heat and Serve** - The best way to package heat and serve meals is to portion them in small tupperware containers that the consumer can easily put in their fridge or freezer.



These meals are packaged in small tupperware containers and are individually labeled with what each box contains. This setup is usually shipped in a large cardboard containing many meals that the consumer can store and heat at their convenience.

- 3) **Ready to eat** - Best way to box up ready to eat meals is similar to how you box catered meals. We recommend boxing up ready to eat meals in small boxes and letting the consumer mix and match items.



## Step 3 - Outline delivery process

**Make a delivery radius** - We recommend that if you are delivering to consumers via courier or yourself you should set your delivery radius at 6 miles. If you choose to ship your offerings you can reach a wider range of consumers, but be sure to include the necessary preservatives. If you choose to ship, choose One Day Zone A shipping. Anything past Zone A can become very costly to you.

**Choose a Delivery Schedule** - First, pick two days that you want to deliver and after that make sure that you set a cutoff time

Most companies have set delivery days and consumers have to order ahead of time. Scheduled food delivery is a lot cheaper and more scalable for the person providing the meals. You have a couple different options on how to deliver.

- 1) **Do it Yourself** - if you have the employees or can deliver yourself it is an easy way to save money. You'll know exactly how many deliveries are going out that day & can plan your schedule or staffing around these deliveries.
- 2) **Hire a courier service** - There are a lot of courier companies out there, with some of the biggest being GrubHub or Postmates. The big players can charge large fees that can eat away from your profits, so we recommend working with local couriers; we can offer some suggestions based on your location.
- 3) **Don't do it all** - The most cost effective way of delivery is to have consumers come and pick up your offerings, but this limits how many customers you can reach. In early stages of your meal kit program this can be a good strategy, but to scale we recommend you introduce delivery.

### How to get customers to buy your Meal Kit

- 1) **Rely on your consumer base** - This pandemic has affected us all and consumers want to support their local restaurants. Introducing these offerings as an alternative to dining out to your regulars is a good way for them to have your restaurant experience in the comfort of their home.
- 2) **Reach out to publications** - Meal kits are a hot trend and many publications love to highlight the new unique offerings that are popping up everywhere.
- 3) **Post your offerings on Markitplace.io** - We are currently offering our service free of charge to post your listings on our site. Use us to reach a customer base that is looking to try new meal kits from their favorite local food business.