

Impact and Prospects of Prepared Meals on the Catering Market

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Abstract: The increasing pace of modern life has catalyzed the rise of the prepared meals industry, reshaping consumer behaviors and market dynamics in the global catering sector. This study examines the impact of prepared meals on the catering market, focusing on consumer behavior, market dynamics, technological innovations, and sustainability issues. The prepared meals industry has seen exponential growth, driven by consumer demands for convenience, health, and environmentally friendly options. Technological advancements in food preservation, distribution, and packaging have played a pivotal role in improving product quality and safety while extending market reach. Financial analyses of key industry players like Tyson Foods, Inc., Nissin Foods Holdings Co., Ltd., and Nestlé S.A. reveal varied strategies for capitalizing on this growth, highlighting significant contributions to their overall business performance. The sector faces challenges including environmental sustainability, health and nutritional scrutiny, and intense market competition. Strategic responses to these challenges, such as investing in sustainable practices, focusing on health and nutrition, leveraging new technologies, and enhancing consumer engagement, are essential for future success. This research provides critical insights into the evolution of the prepared meals market, offering a comprehensive overview that could guide stakeholders in navigating this dynamic landscape.

Keywords: Prepared Meals, Consumer Behavior, Technological Innovation, Market Dynamics, Sustainability.

1. Introduction

With the acceleration of the pace of modern life, prepared meals have become a transformative force in the global catering market. This trend is driven by a variety of factors, including changes in consumer lifestyles, the pursuit of convenience and speed, and technological progress in food preservation and distribution. The rise of the prepared meals industry has set up a bridge to balance consumers' needs for dietary convenience and health. The prepared meals have reshaped the dynamics of the catering industry, affected consumer behavior, and potentially changed the traditional food consumption pattern. More and more large-scale food companies are entering the ranks of prepared dishes, giving them great development prospects.

Over recent years, the academic community has deeply engaged with the evolving landscape of the prepared food industry, offering insights that traverse the nuances of consumer behavior, technological progression, environmental sustainability, nutritional evaluation, and market evolution.

Starting from how the allure of convenience and improved quality in prepared meals has reshaped consumer preferences, emphasizing the sector's adeptness in aligning with modern demands for both ease and health. Zhao examined the consumer perception of prepared meals and identified a growing trend toward convenience as a primary factor influencing purchase decisions. They argued that the quality and variety of prepared meals have significantly improved, leading to increased acceptance among consumers [1]. The narrative extends into the realm of innovation, where advancements in food preservation technologies not only elevate product quality but also address broader market accessibility challenges. Esteves et al. explored the technological advancements in food preservation, highlighting how innovations such as vacuum sealing and modified atmosphere packaging have extended the shelf life of prepared meals without compromising nutritional value[2]. This technological progress has not only enhanced product quality but also facilitated the expansion of the market by allowing companies to reach a wider audience. From a health perspective, Jennifer et al. conducted a study on the nutritional content of prepared meals, revealing a diverse landscape where some offerings align with dietary guidelines while others fall short [3]. This underscores the importance of regulatory frameworks and labeling standards in guiding consumers toward healthier choices. On the sustainability front, Calderon et al. analyzed the environmental implications of the prepared meals industry. They pointed out the challenges related to packaging waste and energy consumption but also recognized the sector's potential to reduce food waste through precise portioning and extending the usability of ingredients [4].

Other scholars have studied the market economic benefits of prepared dishes, including the industry's market structure, growth drivers, and consumption trends. In terms of market dynamics, Yi et al. provided an overview of the competitive landscape, identifying key players and emerging startups that are innovating within the space. They emphasized the role of digital platforms and delivery services in driving the growth of the prepared meals sector, making it more accessible to consumers [5]. This comprehensive exploration underscores the multifaceted nature of the prepared food industry's journey toward meeting the contemporary ethos of convenience, health, and sustainability.

This study analyzes the impact of prepared meals on the catering market, focusing on consumer behavior, market dynamics, and sustainability. It aims to identify factors driving market growth, assess technological innovations in product development and distribution, and examine health and sustainability implications. The study seeks to uncover future trends and offer insights to help stakeholders navigate the evolving prepared meals market, emphasizing the balance between consumer needs, technological advancement, and environmental and health considerations.

2. The Current State of Prepared Meals

2.1. Characteristics

The prepared meals industry has seen exponential growth, driven by a blend of changing consumer behaviors, technological advancements, and evolving dietary trends. This segment of the market caters to a broad spectrum of consumer needs, from convenience and time-saving solutions to health-conscious and gourmet options. The industry's response to the increasing consumer demand for meals that are not only convenient but also nutritious and tailored to individual dietary preferences. One of the most significant characteristics is the surge in demand for health-oriented meals, including organic, gluten-free, keto, vegan, and plant-based options[6]. This shift reflects a broader societal move towards health and wellness, with consumers becoming more aware of the impact of diet on overall health and well-being. Companies are responding by offering a wider range of healthy prepared meals, incorporating superfoods, and highlighting nutritional benefits to cater to this growing market segment.

Personalization is another key characteristic, with technological advancements enabling companies to offer customized meal solutions. Through online platforms and apps, consumers can now specify their dietary restrictions, preferences, and goals (such as weight loss or muscle gain), receiving tailored meal plans that fit their individual needs. This level of customization enhances the consumer experience, making prepared meals an attractive option for a wider audience. Sustainability concerns are also influencing the prepared meals market. Consumers are increasingly seeking products that are not only good for them but also for the planet. This has led to innovations in packaging, with companies exploring biodegradable and recyclable options, and a focus on sourcing ingredients ethically and sustainably [7].

2.2. Development Trends

In 2022, China's prepared food sector was valued at \$61.14 billion, experiencing an annual growth rate of 25%. Projections suggest this figure will escalate to \$144.8 billion by 2026. Currently, the penetration rate of prepared foods in the Chinese market stands between 10% and 15%, with expectations to rise to between 15% and 20% by 2030. Comparatively, in Japan—a country with dietary habits akin to China—the prepared food market accounts for over 60% of the food sector. This comparison leads to the prediction that China's prepared food industry could potentially expand to approximately \$400 billion upon reaching its full potential. This indicates a significant opportunity for growth within China's prepared food sector, which could surpass current growth projections in the coming years [5].

Technological innovation is fundamentally reshaping the prepared meals industry, introducing a wave of advancements that enhance product quality, safety, and accessibility. Advanced preservation methods like high-pressure processing, freeze-drying, and sous-vide are pivotal in maintaining the nutritional integrity, flavor, and texture of prepared meals for longer durations, diminishing the reliance on additives. Simultaneously, the realm of packaging has seen significant innovations with the introduction of smart packaging solutions. These innovations not only improve product lifespan and safety but also offer consumer-friendly features, such as freshness indicators and microwave-safe materials, thereby bolstering consumer trust and convenience.

Furthermore, the industry's distribution channels have undergone a digital revolution, with e-commerce platforms and meal delivery applications simplifying the process of obtaining a diverse range of prepared meals. This digital shift facilitates easier access to prepared foods, allowing consumers to tailor their orders, opt for meal subscriptions, and enjoy the convenience of home delivery. These technological advancements collectively signify major development trends in the prepared meals sector, emphasizing the industry's move towards greater efficiency, consumer satisfaction, and market expansion.

2.3. Companies

The prepared meals market is highly competitive, with a mix of established food industry giants and innovative startups vying for market share. Nestle, with its range of frozen and refrigerated meals, and Unilever, through its acquisitions and product innovations, are examples of traditional companies expanding their presence in the prepared meals sector. Startups like Blue Apron, HelloFresh, and Freshly have made significant inroads into the market by offering meal kit delivery services and ready-to-eat meals that prioritize freshness, quality, and consumer experience. These companies leverage digital platforms to engage with consumers, offering flexible subscription models, and personalization options that have appealed to a younger, tech-savvy demographic [8].

Emerging players in the sector are also exploring niche markets, such as gourmet prepared meals, ethically sourced ingredients, and environmentally friendly packaging, differentiating themselves

through quality, sustainability, and ethical practices. The competitive landscape is characterized by rapid innovation, strategic partnerships, and acquisitions as companies strive to meet the evolving needs of consumers and gain a competitive edge. The dynamics within the sector underscore the importance of innovation, consumer insights, and operational agility in capturing market share and fostering loyalty among increasingly discerning consumers.

3. Financial Analysis

As shown in Table 1, the financial analysis of the Prepared Foods segment offers a window into the strategic positioning and performance nuances of Tyson Foods, Inc., Nissin Foods Holdings Co., Ltd., and Nestlé S.A. This segment, critical for meeting consumer demand for convenience and quality, demonstrates each company's ability to adapt and innovate within the global food industry landscape. A revised and focused analysis of the Prepared Foods segment highlights how each company leverages this category to drive growth and maintain market relevance.

Table 1: Comparison of three companies

Company	Segment Sales (in billions)	Year-over-Year Sales Growth	Operating Income(in billions)	Operating Margin	Overall Contribution to Company Sales
Tyson Foods, Inc.	\$9.845	1.6%	\$0.823	8.4%	Not specified
Nissin Foods Holdings Co., Ltd.	HK\$751.5 million (Approx. \$95.9 million)	-3.9%	HK\$56 million (Approx. \$7.14 million)	Not specified	Not specified
Nestlé S.A.	CHF 11.7 billion (Approx.\$12.7 billion)	Not specified	Not specified	18.3%	12.5%

Tyson Foods, Inc.: The Prepared Foods segment is a vital part of Tyson's portfolio, showing resilience with a 1.6% growth amidst market fluctuations. The 8.4% operating margin indicates strong cost management strategies, positioning Tyson as a leader in efficiently navigating supply chain complexities and raw material volatility. The significance of this segment is clear, though the exact contribution to overall sales is not detailed, suggesting a diversified and balanced portfolio approach [9].

Nissin Foods Holdings Co., Ltd.: Despite a 3.9% decline in sales within the Prepared Foods segment, Nissin's strategic price adjustments and cost management efforts are noteworthy. This approach demonstrates Nissin's agility in responding to market challenges, emphasizing the importance of adaptability in maintaining profitability. The segment's role in Nissin's portfolio is implied to be integral, though specific details on its overall sales contribution remain unspecified, reflecting a strategic focus on portfolio optimization and market responsiveness [10].

Nestlé S.A.: Nestlé showcases a robust operating margin of 18.3% in its Prepared Dishes and Cooking Aids segment, a testament to its operational excellence and effective strategic pricing. Contributing 12.5% to Nestlé's total sales, this segment is pivotal to the company's global and diversified portfolio. Nestlé's emphasis on innovation and brand strength in Prepared Foods underlines its commitment to growth and consumer preference alignment, securing its position as a market leader in delivering value-added food products [11].

Nestlé's substantial investment in product innovation and brand strength, particularly in the Prepared Foods segment, positions it as a market leader in offering value-added products. Tyson Foods' consistent growth and focus on operational efficiencies reflect a balanced approach to

sustaining profitability while expanding its product offerings. Nissin's adaptability to market conditions through strategic price adjustments and focus on easing raw material costs highlight the importance of agility in the Prepared Foods industry. Tyson Foods and Nestlé, with their extensive portfolios and established brands, leverage their market positioning to cater to diverse consumer preferences and dietary trends.

The Prepared Foods segment presents significant growth opportunities for these companies, driven by consumer demand for convenience, quality, and nutritional value. Nestlé's high operating margin in this segment suggests a strong alignment with consumer trends and efficient cost management, providing a competitive edge in expanding its market share.

The Prepared Foods segment is a crucial growth vector for Tyson Foods, Nissin Foods, and Nestlé, each exhibiting unique strategies to capitalize on market opportunities and address challenges. Tyson Foods demonstrates resilience and operational efficiency, Nissin showcases strategic flexibility in price management, and Nestlé leverages innovation and brand strength to maintain high profitability and strategic market positioning. This analysis reveals the segment's critical role in shaping these companies' overall financial health and strategic directions, underscoring the importance of innovation, brand equity, and market adaptability in the competitive Prepared Foods industry.

4. Potential Challenges and Solutions

In the rapidly evolving prepared foods industry, companies respond to market dynamics, consumer preferences, and technological advances with remarkable resilience and innovation. Looking ahead, the industry faces a complex set of challenges that could impact its financial performance and growth trajectory. This section delves into the potential difficulties facing the industry and draws on existing literature to analyze and outline strategic pathways to address these issues. The Prepared Foods industry has been transformative in meeting the modern consumer's demands for convenience, health, and sustainability. This transformation is underscored by the industry's swift adaptation to the acceleration of modern life's pace, changing dietary trends, and technological progress in food preservation and distribution. The market has seen a surge in demand for health-oriented meals, including options for specific dietary needs, reflecting a broader societal shift towards wellness and health consciousness.

4.1. Challenges

Environmental concerns, particularly around packaging waste and energy consumption, loom large. The industry's reliance on packaging for convenience collides with increasing consumer demand for sustainable practices. The environmental implications stretch beyond packaging, encompassing the entire supply chain from ingredient sourcing to distribution, underscoring the necessity for holistic sustainability practices. Moreover, the industry is at a crossroads with health and nutritional scrutiny. The diverse nutritional content of prepared meals, with some aligning with dietary guidelines while others do not, calls for a delicate balance between convenience and healthfulness. This balance is further complicated by regulatory frameworks and labeling standards, which necessitate clear and transparent communication with consumers about the nutritional value of prepared meals.

Technological adaptation emerges as a crucial area for the Prepared Foods industry. With advancements in food preservation, packaging, and distribution, companies are compelled to invest in research and development to harness new technologies that improve product quality, safety, and accessibility. The swift digitalization of distribution channels, through e-commerce platforms and meal delivery applications, presents opportunities and challenges in reaching a wider consumer base while maintaining product integrity. The competitive landscape of the Prepared Foods market is increasingly saturated, with a multitude of players from established food giants to innovative startups.

Differentiation becomes key in such a crowded market, where companies must innovate continuously to capture consumer interest. This involves not only product development but also branding, marketing, and consumer engagement strategies that resonate with evolving consumer preferences.

4.2. Solutions

To navigate these challenges, the Prepared Foods industry must embrace a multi-faceted approach. Investing in sustainable practices, from eco-friendly packaging solutions to sustainable sourcing, can address environmental concerns while enhancing brand reputation.

Focusing on health and nutrition, through the development of products that meet dietary guidelines and consumer health preferences, is essential in maintaining consumer trust and regulatory compliance. Leveraging technological innovations, by adopting advanced preservation methods and smart packaging solutions, can improve product quality and extend shelf life, thus opening new market opportunities.

Market differentiation and consumer engagement are crucial in standing out in the competitive landscape. Tailoring product offerings to meet specific consumer needs, from gourmet options to culturally specific meals, and leveraging digital platforms for personalized consumer experiences, can foster loyalty and drive growth. Collaboration and strategic partnerships, with technology providers, local suppliers, and sustainability initiatives, offer avenues for innovation, market access, and cost efficiencies.

5. Conclusion

The study concludes that the prepared meals industry has significantly impacted the global catering market by aligning with the modern consumer's demand for convenience, health, and sustainability. The main findings reveal that technological advancements in food preservation, smart packaging, and efficient distribution channels have not only enhanced the quality and accessibility of prepared meals but also propelled the market's rapid expansion. Financial analysis indicates that major players like Tyson Foods, Inc., Nestlé S.A., and Nissin Foods Holdings Co., Ltd. have strategically utilized this segment to bolster their market positions and drive growth.

In light of these findings, the study suggests several recommendations for industry stakeholders. Companies should invest more in sustainable practices, particularly in eco-friendly packaging and sourcing, to address environmental concerns and enhance consumer perception. There is also a critical need for continuous innovation in health and nutrition-focused product offerings to meet regulatory standards and consumer expectations. Additionally, leveraging digital transformation for personalized consumer experiences can significantly enhance market penetration and consumer loyalty. Finally, strategic partnerships and collaboration across the industry can facilitate shared technological advancements and cost efficiencies, fostering a more competitive and resilient prepared meals sector. These insights and recommendations can guide stakeholders in refining their strategies to thrive in an evolving market landscape.

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