

State of the Industry

Meal Assembly Centers

The Meal Assembly Center (MAC) concept is approaching a decade in existence. The first outlet appeared in 1999 and, as of September 2006, there were over 330 companies with over 950 locations in North America.⁷¹ The Easy Meal Prep Association, Cheyenne, WY, reports sales growth from \$7.2 million in 2003 to a projected \$1 billion by 2010. Sales in 2006 are estimated at \$270 million.⁷²

A survey by Olson Communications, Chicago, IL, reports that consumers' favorite aspects of MACs are:

- Convenience (not having to clean up).
- The party-like atmosphere.
- Unique menu choices.
- Value, compared to restaurants (either eat-in or take-out).
- The "emotional satisfaction" of cooking meals and being able to customize them to their own tastes or dietary needs.⁷³

Around 70% of Olson survey respondents felt scratch preparation of family dinners was important.⁷⁴ But over time, the idea of "cooking" has evolved from true scratch preparation to mixes and microwaving, then to off-site ingredient assembly and packaging. Given busy lifestyles these days, many consumers feel the MAC is a good compromise between takeout and true from-scratch cooking.

Most recently, supermarkets have been entering the MAC business by partnering with experienced MAC operators. McCaffrey's Markets, Langhorne, PA, is adding a MAC in a store expansion. Piggly Wiggly Carolina and MAC operator Dream Dinners, Snohomish, WA, have signed an agreement for a long-term, multi-store operation in which Dream Dinners will provide all the ingredients.⁷⁵

Restaurants

Restaurant sales in 2007 are projected to increase 5% to nearly \$540 billion. Full-service operation sales will reach almost \$182 billion, growing 5.1%, and quick-service outlets will grow 5.0% to just over \$150 billion. Today, Americans spend 47.9% of their food dollars in restaurants.⁷⁶

The restaurant industry has been affected by some of the same forces as the retail food industry. Channel blurring has manifested itself as concepts cross over, for example, donut shops and fast-food operators promoting their premium coffee. Manufacturer-branded foods are promoted in restaurants,⁷⁷ and restaurant-branded products are showing up in retail food stores, such as Subway-branded meats and cheeses sold in supermarkets. Smaller satellite/kiosk formats are appearing wherever customers can be found, to increase penetration of the channel, as with McDonald's.

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