# FOOD FOR THOUGHT: WHAT FACTORS INFLUENCE THE MEAL KIT PURCHASE?

A study on the important attributes for the decision-making process of meal kit customers

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## ABSTRACT

Accelerated by the COVID-19 pandemic, meal kits have experienced a growing, worldwide popularity resulting in a global multi-billion-dollar industry. However, due to its only recent growth, limited research, particularly in the field on consumer decision-making, has been conducted. This research aims to fill this gap for the Danish market by identifying relevant product attributes customers take into consideration in their purchase decision. Through this contribution, meal kit providers can tailor and market their product offering to a greater extend, facilitating both customer retention and acquisition efforts.

The study draws on the attribute consumer behaviour model introduced by Lancaster as a theoretical foundation and investigates the research question through a combination of interviews with industry experts as well as focus group discussions, in-depth interviews and a survey. Three customer segments within the Danish meal kit market are analysed, to outline potential differences of how they perceive the importance of certain attributes. Moreover, the attribute importance is evaluated on multiple importance dimensions to enhance the validity of the findings.

As a result of this investigation, it has been found that meal kit customers in the Danish market select their meal kit provider based on a variety of attributes such as ingredient quality; price; healthiness; sustainability; convenience; packaging but also public image and deliverability. Moreover, the findings highlight that different attributes vary in their importance across different segments. In particular, the importance of price, convenience and healthiness has been found to vary significantly across segments. Hence, this research provides marketers with insights into the diverging customer preferences in the Danish meal kit market on which basis they can modify and communicate their products more effectively.

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# 1. INTRODUCTION

Consider the following:

*Sophia is a busy mother of three children (3, 7, and 12 years old) living in Denmark. She has a full-time position as a marketing manager and a husbandn who also works full-time as a sales executive. Therefore, they both have a lot of responsibilities and have plenty of weekly appointments. Besides the usual work and family responsibilities, they also attend social events which take up a lot of their time and attention. Sophia puts a lot of emphasis on a healthy diet and prioritizes that especially her children get at least one healthy meal a day. This in turn requires additional time for the planning process of deciding what to cook, the grocery shopping, and the actual cooking process itself. Her husband Mads tries to support her but is naturally also tied up in his work. Therefore, Sophia and Mads often feel guilty for not being able to adequately take care of their family, especially their children, and prepare a healthy meal for them every day. Due to their scarcity of resources, they decided to subscribe to a meal kit service with the aim of preparing healthier food and adequately caring for their family. They live in an area lots of meal kit providers service and are faced with the decision to select their meal kit provider.*

Sophia and Mads reflect the situation many current or potential meal kit customers find themselves in. In general, consumers attempt to make choices that are beneficial for them and make their lives better in some way, which is scientifically termed utility maximization (Elster, 1986). One way in which customers attempt to maximize utility is the quest for convenience (Jiang, Yang, & Jun, 2013), which has long been an ongoing trend in the food industry, with new developments constantly emerging. In the 1950s, the introduction of frozen meals to the food market came with the combination of home appliances such as microwaves. The latter have already enabled customers to save time and effort in their food preparation (Jabs & Devine, 2006). Moreover, shopping convenience has been one of the principal motivations underlying customer inclinations to adopt online purchasing. As customers spend less time to go grocery shopping, they can spend more on other activities, which has reinforced the desire for convenience and shifted the attention to more frequent online shopping activities (Jiang, et al., 2013). This demand for convenience is still growing and is primarily measured by customers in terms of the benefits they receive relative to the costs and drawbacks they require (Kumar & Reinartz, 2016).

However, according to Hertz and Halkier (2017), consumers also consider nutrition, taste, health goals, food wastage, environmental impact and new experiences when choosing a meal kit provider, while Chandradasa (2008) also mentioned service quality dimensions, extending the way in which utility for meal kit customers can be generated. Thus, the variety of considerations with which meal kits are selected in the pursuit of utility maximizations, suggests a more complex decision-making process when purchasing a meal kit.

## 1.1. ABOUT MEAL KITS IN THE FOOD MARKET

The global food market has an estimated value of 7.5 trillion euros, making it one of the largest segments of customer spending (Marley Spoon, 2020). When narrowed down to the global food service market, it is valued at 3.8 trillion euros. The latter can be described as the sale of food and beverages prepared for immediate consumption or takeaway, as well as home deliveries. Thereby, the meal kit market lies at the intersection of the grocery and restaurant sub-segments. In 2019, the global meal kit market was valued at 4.2 billion euros and is expected to reach a value of 16.4 billion euros in 2027, making it one of the fast-growing niche markets (Sherry, 2020). This growth appears be accelerated by the global COVID-19 pandemic. While the long-term effects have not yet been determined, the immediate impact on the retail business is significant. This is especially true for food and grocery shopping where there is an increase demand for serving consumers at home (Roggeveen & Sethuraman, 2020). According to Dannenberg, Fuchs, Riedler, & Cathrin (2020), there is a general boost in the grocery trade and a disproportional high growth in online grocery trade. Therefore, customers are getting progressively more familiarized with new ways to go shopping. However, the sudden increase in online grocery shopping (Nielsen, 2020) also comes with it its challenges. It is important to mirror the in-person shopping experience with online shopping, so that things like impulse-purchases can be encouraged (Roggeveen & Sethuraman, 2020). Overall, the increase in online grocery shopping comes in favour of meal kit providers, as more consumers become familiar with online food delivery options and thus consider meal kits a viable option.

The concept of meal kits originated in Sweden in 2008 with Linas Matkasse being the first official meal kit start-up, aiming to reduce food waste (Konrad, 2015), which then spread further through the westernized world with many meal kit providers starting in Europe (Hello Fresh, Marley Spoon, Aarstiderne) and the US (Blue Apron). In general, meal kits are known as a subscription service that provides its customers with pre-portioned ingredients in various stages of processing, often corresponding with recipes for those ingredients, which presumably reduces food waste as each ingredient is provided in the exact quantity needed for the recipes (Konrad, 2015).

### 1.2. DANISH MEAL KIT PROVIDERS

Overall, there is little public information on the size and characteristics of the meal kit market in Denmark, impeding an assessment on its current state. What can be derived is that there are at least 19 different meal kit providers in Denmark, as outlined in *Table 1*, which all vary in their scope of activities. However, due to the lack of publicly available data, this list is not exhaustive. Among the listed providers, many offer ready-to-eat meals which just require heating up such as Simple Feast, Sundtakeaway and HALKÆR ÅDAL. On the other hand, there is also a large group that requires customers to still cook the meals from scratch. Among those are Marley Spoon and Hello Fresh, which are both internationally successful meal kit providers that have experienced strong global revenue growth amidst the COVID-19 pandemic and are among the most widely known meal kit brands (Rees, Balji & Flanagan, 2020). Within that category of “still-require-cooking” meal kits also fall Aarstiderne, Skagenfood and Retnemt, which are of Danish origin and already operate for a long time in the Danish market. One meal kit provider, who does not offer full meals and thus represents a different type of meal kit, is EAT GRIM. They offer a subscription box of “ugly” fruits and vegetables, which otherwise would be thrown away due to their non-conformity of food standards. Their boxes are not assembled with a recipe in mind but based on what’s available and in season. What has also been observed is that some meal kit providers have a specialization that can either be based on a culinary background (Skagenfood is specialized in fish, DailyNam in Asian food, Simple Feast is vegetarian / vegan boxes) or sourcing (Aarstiderne sources organic, Den Grønne Asparges sources locally). Consequently, customers have a wide selection of meal kits at their disposal that can service a large variety of taste preferences.

| Meal Kit Provider | In the Market since | Product Description |
|---|---|---|
| Aarstiderne | 1999 | Box with pre-portioned, organic ingredients to cook a set weekly menu, with the corresponding recipes. |
| Bonzo | n.A. | Box with set pre-portioned and pre-cooked meals, where customers only need to do minimal cooking / warming up. |
| DailyNam | 2020 | Box with pre-portioned ingredients to cook an Asia-inspired set weekly menu, with the corresponding recipes |
| Den Grønne Asparges | 2012 | Box with pre-portioned, local ingredients to cook a set weekly menu, with the corresponding recipes |
| Det Danske Madhus | 2004 | Box with pre-portioned and pre-cooked individual meals, where customers only need to do minimal cooking / warming up. |
| Eat Grim | 2018 | Fruit and vegetable box, whose items are unrelated to a recipe and provides customers with “ugly” food that would otherwise be discarded due to nonconformity of shapes |
| FAMILIEMÅLTIDER.DK | 2009 | Box with pre-portioned ingredients to cook a set weekly menu for the family, with the corresponding recipes |
| Gaia | 2019 | Box with pre-portioned and pre-cooked plant-based individual meals, where customers only need to do minimal cooking / warming up. |
| HALKÆR ÅDAL | 2012 | Box with either a set menu or customized meals of organic pre-portioned and pre-cooked meals, where customers only need to do minimal cooking / warming up. |
| Hello Fresh | 2020 | Box with pre-portioned ingredients to cook meals which are individually selected by customers |
| Kokkens Hverdagsmad | n.A | Box with pre-portioned and pre-cooked menu, where customers only need to do minimal cooking / warming up |
| MåltidsBoxen | n.A. | Box with pre-portioned ingredients to cook meals which are individually selected by customers |
| Marley Spoon | 2019 | Box with pre-portioned ingredients to cook meals which are individually selected by customers |
| Mydietpal | n.A. | Box with either a set menu or customized meals of pre-portioned and pre-cooked meals, where customers only need to do minimal cooking / warming up. Aimed at assisting with calorie tracking |
| Nemlig.com | n.A. | Box with either a set menu or customized meals of pre-portioned ingredients to be cooked by customers with the aid of the corresponding recipes. |
| Retnemt | 2006 | Box with pre-portioned ingredients to cook meals which are individually selected by customers |
| Simple Feast | 2014 | Box with pre-portioned and pre-cooked menu (primarily vegan or vegetarian), where customers only need to do minimal cooking / warming up. |
| Skagenfood | 2001 | Box with fish at its main dish to cook a set weekly menu, with the recipes provided. |
| Sundtakeaway | 2015 | Box with pre-portioned and pre-cooked menu, where customers only need to do minimal cooking / warming up. |

*Table 1: Meal Kit Providers in Denmark*

### 1.3. RESEARCH QUESTION

The scenario of Sophia and Mads outlined a situation and decision-making background many meal kit customers face and highlighted the many different dimensions customers take into consideration to maximize their utility prior to purchasing. With the emergence and accelerated growth of the meal kit industry, marketers are keen on discovering ways to increase customer retention and accelerate sales to capture a larger share of individuals such as Sophia and Mads who could become meal kit customers. However, to fully understand the unique selling proposition that drives meal kit sales, it is paramount to understand why customers purchase meal kits in the first place. Due to the novelty of meal kits, there is only limited research available, in particular research related to consumer buying behaviour. Previous literature has so far been focused on understanding small combinations of factors or product attributes that influence customers in the decision-making process for meal kit providers. Cho, Bonn, Moon & Chang (2020) primarily focused their research on four product attributes, namely quality; convenience; price; and variety. While also and Chandradasa (2018) conducted research in that field, the overlap with Cho et al.’s (2020) findings of relevant attributes and factors is limited. Moreover, all these studies have been performed with US population samples, limiting the generalizability of the findings to other markets. As a matter of fact, while meal kits originate in Scandinavia and have been popular there for an extended period of time (Morrison, 2020), research in these markets on consumer behaviour patterns in the context of meal kits has been limited. Also, as Denmark is a more mature market with many competitors where meal kits are already established, product attributes could play a different role than in growth markets (Morrison, 2020). Subsequently, due to the lack of research in this field in general and Denmark in particular, this study aims to explore product attributes that influence customers' choice between meal kit providers for particularly this market.

***Which product or service attributes influence the purchase motivation of meal kit customers in the Danish market?***

In specific, this study aims to uncover two aspects. (1) A general overview which attributes customers take into consideration when deciding on a meal kit. (2) Which of these attributes are particularly important. These insights will assist meal kit providers in establishing an understanding of consumers' subjective perceptions and their prioritization of attributes which in turn can be used in the development of customer retention and acquisition strategies.

### 1.4. THESIS STRUCTURE

In order to properly investigate this research question, the thesis is divided into six chapters. While ***Chapter 1*** offered an introduction into this field of study***, Chapter 2*** provides a more defined overview on previous research in this field and presents the theoretical foundation that creates the knowledge foundation on which the research is built and interpreted. Next, ***Chapter 3,*** the methodology, describes the methods chosen to answer the stated research question, offers an understanding of how the data is collected and examines the quality of the data collected. Hereafter, ***Chapter 4***, the analysis is separated into two parts. The first section outlines consumers' purchase motivations and identifies potentially relevant product attributes based on the theoretical foundation and the expert interviews with meal kit providers. The second section validates and extends these attributes through focus groups and in-depth interviews. ***Chapter 5*** critically discusses the findings of the analysis in detail related to the context of this study, taking into account the theoretical foundations from Chapter 3. The paper then derives some practical implications and recommendations for the future research and discusses major limitations and drawbacks of this study. Finally, ***Chapter 6*** serves as a brief conclusion to answer the research question.

# 2. THEORETICAL FOUNDATION

In this chapter, the theoretical foundation for this research will be outlined. As a first step, a review of the existing literature will provide an overview of the current extent of research in this field, emphasizing the research gap which this study aims to fill. Based on the evidenced lack of research in the field of consumer behaviour of for meal kit customers, the second section provides a review of consumer behaviour models eligible for the food sector and outlines the decision-making model applicable for this study. The review will focus in specific on the consumer behaviour perspective of multidimensional attribute decision making which will be the focal point of this study due to its validity and congruence with the research question. Hereafter, the meal kit business is defined through the Abel matrix which provides a basic understanding of what constitutes a meal kit. In that, the model builds on the attribute model that has at its core the assessment of attributes relevant to the customer, by focusing as well on relevant customer needs and product attributes and how those can be served.

## 2.1. PREVIOUS LITERATURE ON MEAL KIT ATTRIBUTES

This section aims to provide an overview on the research that has already been conducted in the field of meal kits in general and on the consumer preferences within meal kits in particular. Thereby, this section begins with an overview of what has been studied in relation to meal kits, continues with an in-depth look at the most influential attributes identified, and ends with a clarification of the current research gap in detail.

So far, research in the field of meal kits has been rather limited and focused primarily on their environmental impact as well as how they relate to customer diets and food habits. For instance, studies conducted by Gee, Davidson, Speetles, & Webber (2019) as well as Heard, Bandekar, Vassar & Miller (2019) discuss the energy consumption of meal kits in comparison with supermarkets. While their findings differ in terms of which solution is more sustainable, they both argue that the inclusion of meat as well as the additional packaging associated with shipping the meal kit is a decisive factor in the emission production. Moores, Bell, Buckingham, & Dickinson, (2020) on the other hand researched the impact of meal kits on customer diets. As meal kits are becoming increasingly popular in developed countries, they complement busy lifestyles with pre-measured ingredients and recipe instructions delivered to their home (Moores et al. 2020). Hence, these meal kits have the potential to influence consumer diets and population health and can support health-promoting dietary behaviours, such as eating vegetables, and enable cooking at home. Moores et al. (2020) found that the meal kits have health-promoting qualities as they often contain plant-based ingredients, but improvements to the recipes would make these meal kits even more health-promoting. Finally, there is one other study which investigates the cultural phenomenon of meal kits. The researchers claim that although meal kits providers aim to connect consumers more to the food system by providing simple cooking options, they fail to adequately address gender and culture aspects, thus radically limiting their performance potential (Khan & Sowards, 2018).

The research field this study is particularly interest in, namely how meal kits generate value for consumers and how they select meal kits, has also received some attention as of late, but to a similarly limited extent as the other research fields. Specifically, Cho et al. (2020) identified typical meal kit consumer characteristics and discovered several impactful product attributes of meal kits. They outlined four product attributes, namely quality; convenience; price; and variety that play a central role in the value generation of customers and impact the repurchase intention. While also and Chandradasa (2018) conducted research in that field, the overlap with Cho et al.'s (2020) findings of relevant attributes and factors is limited, indicating the necessity for more extensive research. A key limitation of these studies in the context of the Danish meal kit is that they have been conducted based on US population samples, limiting the generalizability of the findings to other markets. Hence, while these findings can provide a starting point for researching relevant attributes for the Danish market, further investigation is needed if they also hold significance here.

Providing more insight into the existing findings on meal kit customers and their priorities when selecting a meal kit, Cho et al. (2020) claim that a typical meal kit consumer appears to have a high level of education as well as a high likelihood of being employed in a higher-level position, implying that meal kit customers generally enjoy comfortable income levels. Simultaneously, the customer base appears to face time constraints associated with their higher level of employment and increased responsibilities. These insights on the customer characteristics coincide with their finding that convenience is a key attribute for customers when evaluating meal kits (Cho et al., 2020). Moreover, Cho et al. (2020) investigated other attributes potentially relevant for the US meal kit market such as food quality, discovery of new recipes and pricing and health-considerations. These purchase drivers were researched with their effects upon users' perceived value, and intention to continuously use meal kits. Specifically, food quality and variety have been found to be the most important meal kit attributes due to the high value they generate for the consumers, as well as pricing and convenience (Cho et al., 2020). While Chandradasa's (2018) findings confirm the importance of food quality for meal kits, they disagree on the importance of product variety, as his results did not confirm the hypothesized relation between product variety and value creation for the customer.

In sum, research on meal kits is an emerging topic, with little research on them in general and even fewer in relation to consumer behaviour and value generation, which provides the theoretic foundation for the purchasing decision. However, as evidenced by the recency of the existing research, it appears to be a topic that is relevant to the academic community, providing purpose to research in that field. When evaluating the findings relevant to this research questions, it can be observed that only small sets of meal kit attributes have been analysed and only based on US samples. Due to economic and cultural differences across markets, these findings cannot be directly translated into the context of the Danish market, underlining the necessity for research in that field. Hence, due to the relevance of research in the field of consumer preferences of meal kits as well as the lack of research in the context of the Danish market, the validity of this research is evidenced as it strives to fill this research gap.

## 2.2. CONSUMER BEHAVIOUR MODEL FOR FOOD CHOICES

The understanding of how consumers approach their purchasing and consumption choices is a key insight marketeers strive for and has been mapped out in a breath of consumer behaviour models. Research in the field of consumer behaviour draws insights from a variety of fields such as psychology, economics, and philosophy, yielding a wide range of consumer behaviour models that differ in complexity, internal or external locus. Vasileva (2017) outlined that especially the rational choice theory, based in the field of economics, is among those models most applicable to the food industry and has already been widely employed.

Among the rational choice models, one of the most widely known is the consumer preference model, which applies the variables of (1) consumer income (2) the price of goods (3) consumer preferences (4) behavioural approximation of utility optimization to predict consumer choice within the limitations imposed by the four parameters (Elster, 1986). As part of the rational choice models, its basic assumption is that consumer behaviour is driven by the desire to maximize utility, through benefit maximization and cost minimization (Elster, 1986). However, there are two implicit assumptions inherent to this model that need to hold true for the model to be applicable. Firstly, the notion that the information needed to make a rational choice is readily available and secondly that consumers are non-satient and their desire for more goods is infinite (Jackson, 2005; Vasileva, 2017). While the first one can hold true for the food market as information on goods is often readily available, food consumption is often considered finite, rendering the applicability of the consumer choice model limited. Nevertheless, utility maximization tools are widely used in consumer choice research due to the simplicity with which it captures most of the key aspects influencing the decision-making (Jackson, 2005). This is exemplified in the research conducted by Baltas and Doyle (2001) on brand selection, by Gracia & de Magistris (2008) on organic food, and by Cicia, Del Giudice & Scarpa (2002) on olive oil.

Combating the limiting assumption of non-saturation, the attribute model of consumer preferences, also called the Lancaster model, is often considered as an extension of the consumer preference model, as it still contains at its core the concept of utility maximization (Vasileva, 2017). Lancaster's (1966) assumption was that consumers base their choices not necessarily on the product themselves but on their attributes and how the consumers value those attributes. Similarly, to the consumer preference model, it enjoys high application levels in the food sector (Jackson, 2005).

Nevertheless, according to both Lindgren & Konopa (1980) as well as Van Ittersum, Pennings, Wansink & Van Trijp, (2007) the validity of attribute importance measurement methods is often low. They argue that this is based on researchers' general assumption that attribute importance is unidimensional, which contradicts general findings that what is considered important based on personal values and desires (dimension 1) may be unimportant when making a decision (dimension 2). Thus, there might be attributes considered relevant (e.g., the desire to fly safely) in general, but are less relevant at the point of decision making (safety considerations are usually omitted when making a purchase decision as airlines offer the same level of safety) (Van Ittersum et al., 2007). Their subsequent conclusion drawn, based on research from Myers & Alpert (1968), is that there is no single definition of attribute importance but that it is a multi-dimensional concept where importance levels vary depending on the dimension. Hence, to ensure the quality of the research in the field of attribute importance, it is key to investigate each attribute in more than one dimension.

The three dimensions of attribute importance (*Figure 1*) outlined by Myers & Alpert (1968) are salience; relevance and determinance. Salience is determined by the degree of ease with which attributes come to mind when viewing or thinking about the product and attributes that are perceived as salient are considered more important than non-salient attributes (Wansink, Van Ittersum & Painter, 2005). This dimension is especially important when attribute information is only internally available. The relevance dimension captures the importance associated with the attribute for the individual which is determined by the extent to which the attribute satisfies the individual's values and beliefs and can also include external attribute information (Schwer and Daneshvary, 2000). Lastly, determinance reflects the importance of an attribute in the moment of choice and according to Fisher (1995), attributes that have a higher level of determinance are considered to be more important.

*Figure 1* further outlines the methods with which each dimension can be tested. Van Ittersum et al. (2007) emphasize the necessity to apply the correct methods corresponding to the dimension that is being researched to ensure the validity of the findings. This implies that, according to them, there is only one accepted method for assessing importance in the salience dimension (the free-elicitation method), whereas the relevance and determinance importance dimension can be tested via multiple methods. However, it has been found that studies frequently apply multiple methods within one research that measure different dimensions of attribute importance without segregating and clarifying the dimension it relates to (Van Ittersum et al., 2007). For instance, as mentioned previously in the airline example, the safety attribute is often considered important in the relevance dimension but unimportant in the moment of choice (determinance dimension), which would result in incoherent findings in research if the author does not acknowledge and vocalize the difference of dimensions.

Hence, to perform comprehensive and exhaustive research with a high validity requires a multi-dimensional approach that clearly outlines the dimension and corresponding method under assessment and interprets the results of each analysis separately.

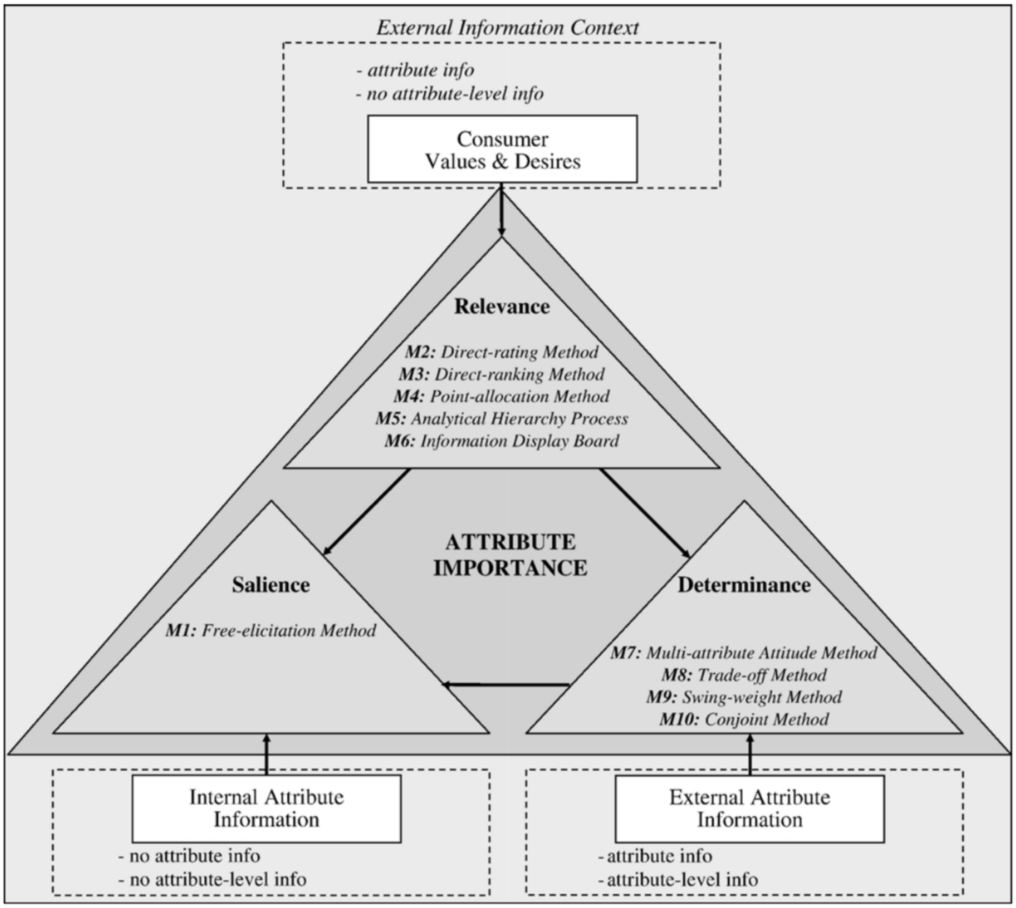


*Figure 1: The Three Dimensions of Attribute Importance (Van Ittersum et al., 2007)*

As the core of this research is centred around the identification and validation of purchase drivers or attributes that are relevant for the meal kit consumer in Denmark, the research will utilize a multidimensional attribute model due to its high applicability and successful utilization within the food sector as well as its superior insight generation in comparison to unidimensional attribute models. More specifically, as this research aims to examine which aspects customers take into consideration, a mixed-method approach that includes salience and relevance dimension methods would offer insights in excess of what would be obtained if the research were focused on only one dimension (Van Ittersum et al., 2007). Assessing attributes among the salience dimension, is required to uncover and evaluate relevant attributes that cannot be extracted through external means. The relevance dimension will allow this research to conclude which product attributes in specific are relevant when taking into consideration individuals' values and beliefs and has been found to be particularly critical when making the decision whether to buy at all (Van Ittersum et al., 2007). To counterbalance the lack of validity in research that employs a mixed-method approach that has been found in the research of Van Ittersum et al. (2007), the methods, outlined in the methodology section, will be applied, analysed, and interpreted separately.

### 2.3. THE MEAL KIT BUSINESS

To facilitate the comprehension of what constitutes a meal kit, Abell's three-dimensional definition model will be applied to define the meal kit business. His model has been widely used across industries and is quintessential as a starting point to strategy and positioning considerations (Moenaert, Robben & de Gouw, 2008). Abell (1980) outlined, that to define the business, essentially three dimensions need to be assessed, namely *the customer groups*; *the customer needs* and the *technology* with which these customers are served. With that, he has a more customer centric focus on how a business is defined as opposed to the resource centric view that was commonly applied prior to Abell's model (Abell, 1980). Moreover, with its centricity on relevant customer needs that outlines the attributes that are relevant for their customer groups, it relates to the work of Lancaster's attribute model (1966) and the consumer behaviour philosophy chosen for this research.

Often, these dimensions are depicted in the form of a three-dimensional matrix, each axis corresponding to one dimension with the factors relevant to each dimension placed among the axis lines. Sometimes, the proximity to the origin is indicative for the importance, i.e., the closer to the origin the more important, but since that information is not accessible the order of the factors on each axis is random. This overview enables marketers to grasp the key aspects relevant to the business rapidly and make choices concerning strategic positioning, as companies seldom manage to service all segments and customer needs (Moenaert, Robben & de Gouw, 2008).

A depiction of the Abell matrix for the meal kit market can be found in *Figure 2*, on which the subsequent assessment is based. It is imperative to comprehend that this assessment focuses on the entirety of the meal kit market and not individual businesses, and most of them will not satisfy all factors in all dimensions to the same degree, but rather focus on certain segments, customer needs and technologies, resulting in the unique positioning of each meal kit provider. Hence, this assessment aims at providing a broad outline of how the meal kit business is defined.

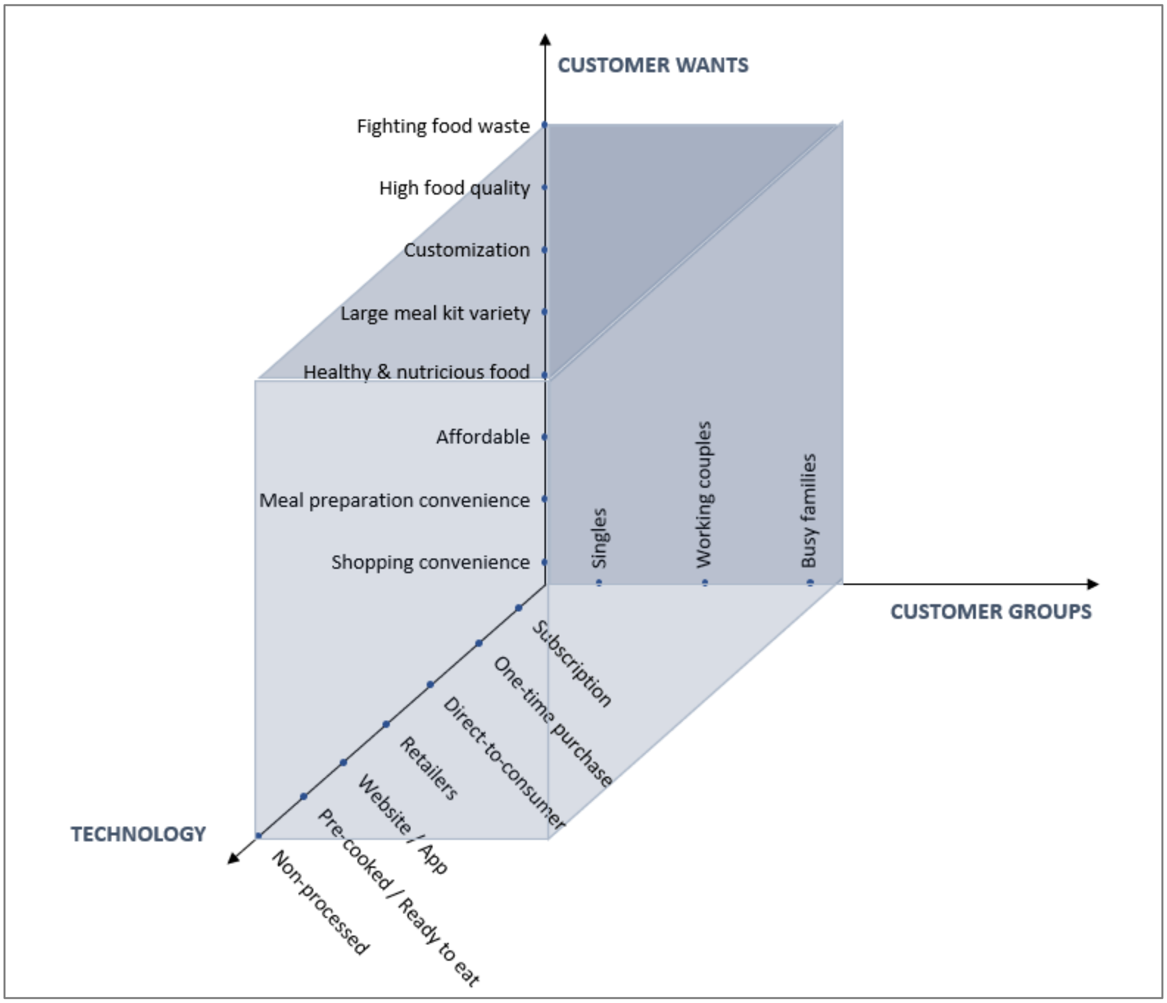


*Figure 2: The Three-Dimension Definition Matrix Applied for the Meal Kit Market*

The *customer group* dimension essentially outlines the different customer segments that are within the meal kit business (Abell, 1980). While the Danish meal kit market is considered closed, with little public information on how the players segment the markets, already the breath and types of meal kits available give an indication of the key meal kit segments. Firstly, many meal kit providers such as Hello Fresh, Aarstiderne, Simple Feast and Marley Spoon offer some form of family box, implying families with children to be a key segment for those businesses. Moreover, based on research performed by Cho et al. (2020) on US meal kits, it seems that there is also a significant market for singles and couples. While findings on the US market cannot always be translated into other markets, the fact that many meal kit providers in Denmark offer portions for couples and one of the largest providers in Denmark, Aarstiderne, includes offers specifically for singles validates this generalization. Within those three household clusters, single-person, two-person and multi-person households, a shared social demographic characteristic seems to be a high degree of education as well as a high probability to be employed (Cho et al., 2020), implying that meal kit customers generally enjoy a comfortable income but potentially also time constrains due to their employment. In sum, all three segments share the tendency to be well educated and employed and differ primarily based on the household size.

Based on these customer groups, the *customer needs* can be identified. Abell (1980) defined this as the wants and needs that motivate the customer to make the purchase. While the motivations and attributes particularly relevant for the Danish market are to be investigated as part of this study, Cho et al. (2020) already outlined some of the motivations that are relevant for the US meal kit market which can be used as a proxy to gaze what might be important for Danish customers: grocery shopping time savings (convenience) and the discovery of new recipes. Moreover, the demand for high quality ingredients was confirmed to be a key dimension of how customers perceive the value of the meal kit in Cho et al.'s research (2020). Furthermore, as dietary preferences vary between customers, the ability to customize meal kits or provide a large selection is a key consideration for at least US meal kit customers (Cho et al., 2020), which could be a motivation that is similarly prevalent in the Danish meal kit market. As large providers such as Aarstiderne, Marley Spoon or Hello Fresh either provide a large selection of boxes or enable highly customized boxes based on a recipe pool in Denmark, implying that at least the meal kit providers believe this to be important. However, this will have to be validated as part of this research. Related to the field of food quality and variety are health considerations which were also included in Cho et al.'s (2020) research but were not found to have a significant impact on purchase intention. However, since some meal kit providers include this as part of their mission statement, it can be derived that this is at least for some customers a want (Hello Fresh, 2021). Additionally, when reviewing the mission statements and value proposition of the meal kit providers operating in Denmark such as Hello Fresh and Marley Spoon, the focus on sustainability through food waste reduction and sleeker supply chains appears to be another motivator (Hello Fresh, 2021; Marley Spoon, 2020). In support of this, Mintel (2016) found that particularly single-person households are concerned with the reduction of food waste. Lastly, pricing considerations, such as the desire to shop affordably, appear to be key among customers (Cho et al., 2020) and is an offering that Hello Fresh in particular outlines as part of their mission statement (Hello Fresh, 2021). Hence, there is a breadth of customer wants that can be either derived from the offering of existing meal kit providers or from research on other markets.

The last consideration to include is how these customer needs are being satisfied, which is an observation Abell (1980) termed *technology*. This dimension does not only consider the technologies of production of a good, but also the technology to distribute and market it. As food is a good that is consumed with a high frequency, many meal kit providers offer a subscription service (Hello Fresh, 2021; Marley Spoon, 2020). However, supermarkets and online grocers also offer single purchase meal kits (The Economist, 2018) which could satisfy the customer wants to a similar extent depending on their focus on convenience. In the context of the meal kit market, there are different approaches on how the meal kit is "produced" with some meal kits only including wholly raw produce as provided by EAT GRIM whereas other offer almost ready to eat meals as serviced by Simple Feast, outlining the different degrees of food preparedness available which in turn service the varying convenience wants of customers. To further satisfy the need for convenience, many meal kit providers offer their boxes in a direct-to-consumer manner with the food being delivered to the customers doorstep forgoing any retailers or wholesalers in the process (Hello Fresh[2], 2021). Inherent to such a delivery system is an online ordering process via the website or an app so that customers can order and modify their subscriptions quickly and on an ongoing basis. However, some of the consumer wants can also be met via the conventional retail meal kit offering that has already been observed which explains why Cho et al. (2020) also included grocery-store based meal kits in his meal kit definition.

When reviewing the matrix now as a whole, it can be observed that depending on the combination of customer groups, customer wants and technologies, alternative modes to obtain food, such as online shopping or ordering take-out, could service customers in a similar way as meal kit providers. For instance, customers primarily looking for convenient, easy food but do not like cooking and are not price sensitive might prefer to order take-out whereas others who are solely interested in shopping convenience are satisfied by just ordering their weekly groceries online from a retailer. This highlights the high potential for substitution of meal kits but also indicates that the lines defining a meal kit can be blurry and overlapping with other modes of food sourcing.

# 3. METHODOLOGY

In the following chapter, the methodology of the research approached is outlined. The structure of this chapter is oriented towards the research onion introduced by Saunders, Lewis & Thornhill (2009). Initially, the philosophy of science will be presented on which the rational and research approach is based. In a next step the overall research design will be presented which provides an overview of the strategy and choice of methods, which are discussed more in depth in section 3.4 and 3.5. The penultimate section presents the data collection methods and analysis techniques that have been chosen in congruence with the consumer behaviour model, that provides the foundation of the research and the preceding research design. Lastly the validity and reliability of the data is discussed.

## 3.1. PHILOSOPHY OF SCIENCE

The philosophy of science consists of ontological, epistemological, and methodological considerations (Guba, 1990). While the methodological considerations will only be described in the research design section, the following part concentrates on the first two considerations.

The research questions suggest taking the theoretical perspective of social constructivism because it seeks to understand how the world is constructed and interpreted by the researchers. Social constructivism differentiates between two key questions. The first question deals with how knowledge is constructed, while the second question deals with whether knowledge is situated or general. Regarding the first question, there are three common answers to this. The first answer states that knowledge is constructed from the external world and there is an objective reality which we are learning more and more about. An example for this is information processing. The second answer states that knowledge is constructed from our internal processes. This suggests that reality is subjective and based on the individual's perspectives. The last answer states that knowledge is constructed from the interaction of external and internal factors. Thereby, knowledge is created when the outside world is seen through our beliefs, cultures, and social interactions. An example is mentioned by Mahn & John-Steiner (2012) who argue that people use cultural tools to understand the world and have different ideas of what can be considered to be reality. Regarding the second key question of social constructivism, it has to be differentiated whether knowledge is seen as situated or general. Situated means that it depends on the time, place, and context of the learning. This means that something that may be true at one time, could become false at another time or another location. However, when knowledge is seen as general, it means that it remains constant and universal.

In social constructivism there are two perspectives called ontology and epistemology. Ontology in social constructivism argues that *"reality is independent but is constituted by the realisation that it has as subject: Facts only happen when people collectively determine them"* (Rasborg, 2009, p. 352). Epistemology in social constructivism, on the other hand, describes a perception "*that scientific theories content solely or mainly are conditioned by the social factors surrounding the research process"* (Rasborg, 2009, p. 352). This means that knowledge is always socially constructed, as a product or result of the meaning constructions of the parties involved, such as between the moderators and the focus group participants. Therefore, the acquired knowledge can never be considered as the one truth or reality but is only a construct of processes of several interpretations and meanings. This perspective means that the outcome of this research project can only be understood as one out of many other possible meanings.

In this thesis, the researchers applied social constructivism as it matches their research aim to examine the behavioural patterns and the subjective opinion that consumers assign to the meal kit market. The researchers are aware that the knowledge gained is a social construction based on the choice of the problem area, problem formulation, theoretical foundations, and the methods applied. Furthermore, the social construction is influenced by the participants of the focus groups and the participants of the in-depth interviews. Therefore, any conclusions made by the researchers are made in the light of social constructivism, in that there is an objective truth, but the truth is always a particular perspective (Rasborg, 2009). This means that any conclusions made by the researchers are made from their perspective based on their cultural background and their society where they were raised. Therefore, researchers with a different cultural background and from a different society might have another perspective, which would lead to the usage of other methods and theories, thereby answering the same research question in a different way.

### 3.2. RATIONALE & RESEARCH APPROACH

The purpose of this study is to understand what are the different attributes that influence how customers choose a meal kit provider. The researchers attempt to make not only a theoretical but also a practical contribution by conducting expert interviews and using existing data which is ultimately tested empirically. Since there are many different types of meal kit customers and their individual context differs as to why they have decided to subscribe to one of them, Jabs Kirk Devine (2006) suggest that a broad approach must be applied to fully understand the complexity of the different customer contexts. So far, there is only limited academic literature on meal kit services and especially little with reference to the Danish market. Therefore, in a new and under-researched topic, a qualitative approach appeared most appropriate to better identify the key attributes for meal kits, as it provides a more thorough overview of what factors come into play compared to quantitative research (Aschemann-Witzel, Gimenez, & Ares, 2018). The qualitative research approach aims to gain new insights from an under-researched topic, requiring the researcher's interpretation to gain a better understanding of customers' purchase motivation and behaviour (Zikmund, Babin, Carr, & Griffin, 2013). Holbrook and O'Shaughnessy (1988) argue that a scientific study of consumer behaviour must be based on the ability to make meaningful interpretations of human behaviour. Following this reasoning, an inductive approach was used in which new theories are developed on the basis of observations (Kennedy, 2018). Thereby, the aim is to reveal new understandings from the primary data collected. According to Arsel (2017), interviews and focus groups are the most appropriate method for collecting data from customers, as they can express their subjective opinions and share their views and experiences more accurately. It is particularly important not to ask closed questions, but to establish an interactive exchange with the customer, as this is the best way for the researcher to understand the customer's perception and, with targeted counter-questions, to gather the most reliable answers and avoid any kind of misinterpretations. This is also aligned with the theoretical perspective of social constructivism and thus aims to understand the best possible subjective reality of the participant.

### 3.3. RESEARCH DESIGN

As outlined in the philosophy of science, the methodological considerations will be presented in this section, i.e., how the researchers obtained knowledge (Guba, 1990), based on the research design of the study depicted in *Figure 3*. In line with Babbie's (2020) definition of qualitative research this study centres around answering the questions of what the important product attributes for meal kit customers are and why they come into place. While the relevance and weight of drivers based on importance can be derived from the study, the focus is not on a precise quantitative assessment of how much those factors influence the purchase decision but to provide a general overview and a preliminary prioritisation of important product attributes. As Van Ittersum et al. (2007) outlined, it is essential to assess attributes among three importance dimensions, since some are not equally important in all three, as evidenced by the airline safety example. In the context of this research, evaluating attributes among the salience dimension, is required to uncover attributes that cannot be extracted through external means as they are innate. On the other hand, the relevance dimension enables this study to conclude which product attributes are important when taking into consideration individuals' values and beliefs and has been found to be particularly critical when making the decision whether to buy at all (Van Ittersum et al., 2007). As a precise quantitative assessment is not within the scope of this study, the determinance dimension will be omitted, as its research methods are purely quantitative. However, further investigation into this area on the basis of this study is strongly encouraged for future research.

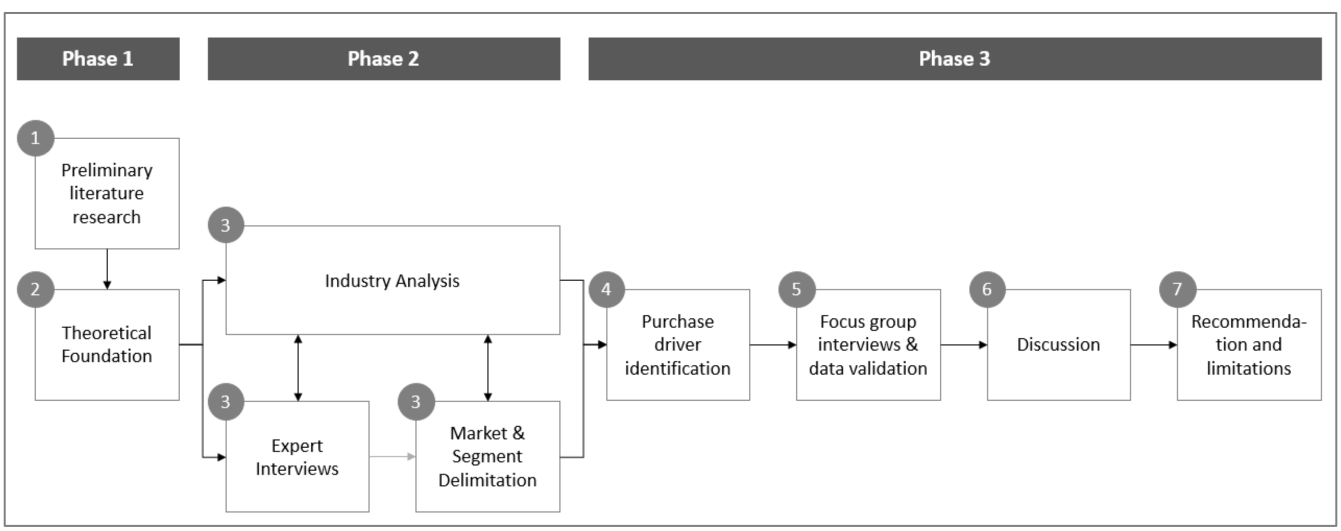


*Figure 3: Research Design*

The study is conducted in several phases. Phase 1, which is covered in step 1 and step 2, was of an exploratory nature and aimed to gather knowledge of existing research in that field, insight on the industry as well as an understanding of potential research approaches and in particular a study of consumer behaviour models to build the scientific foundation on which the analysis is built. Such a broad exploration of knowledge is especially helpful when information and data on the topic is scarce and the research question strives to investigate unspecified factors, such as what; why; and how specific aspects come into play (Babbie, 2020). The subsequent phase was also of an exploratory nature, covering the steps 3 and step 4, where a more targeted literature review resulted in an in-depth industry analysis of the market in form of a PESTLE and a Porter's 5 forces assessment. Simultaneously to the industry analysis, expert interviews were held with European meal kit providers, to assist in the delimitation of the customer segments to be investigated as well as obtain their perception on important meal kit attributes. The industry analysis was done in conjunction with the expert interviews, as an understanding of the industry was required prior to conducting insightful interviews. The results of the latter directed towards specific topics to be assessed in more depth in the industry analysis as well as narrowed its scope, as only a single-market approach was chosen since the experts outlined significant consumer behaviour differences across markets. Based on the industry analysis and the expert interviews, a set of attributes was identified that presumably influence the purchase decision of meal kit customers. Phase 3 was of both exploratory and explanatory nature. While the goal was to validate the attributes identified as well as get an assessment of their relevance across the purchase decision, a secondary goal was to uncover any other attributes that have been omitted by the literature assessment and interviews. This is done in steps 5 to 7, where focus groups and in-depth interviews were conducted with the previously identified segments. Moreover, at the end of each focus group and each interview, all participants were asked to rank the identified product attributes in a survey according to their personal importance to enable a valid comparison among the participants and obtain their relative relevance. Also, as the data per participant was collected at a single point in time, the time horizon of this study focuses on is cross-sectional and not longitudinal data as per Saunder et al.'s (2009) definition. This mixed method approach of data collection ensures the validity of attribute-based consumer behaviour model as it considers multiple dimensions of attribute importance as outlined by

Van Ittersum et al. (2007). At last, the insights generated were analysed and summarized in the discussion chapter of the study on which basis a conclusion was formulated together with directions for future research.

### 3.4. THEORETICAL FRAMEWORK & LITERATURE REVIEW

A generally supported notion is that in order to investigate or even develop a specific research question, knowledge of preceding research in that field, or related fields is quintessential to conduct meaningful research (Adams, Khan, Raeside, & White, 2007). According to Edwards & O'Mahoney (2014) especially in under-researched areas, relevant insights can be obtained by critically assessing concepts and ideas in related fields. While the meal-kit industry is being researched more in depth- as of late, the studies primarily focus on the health and sustainability effects of subscribing to a box and not about the purchase drivers behind them. Subsequently, an iterative approach was chosen, where with progression of the literature review and expert interviews, a more in-depth understanding of the industry was obtained as new information emerged.

To start with, to better understand the relevant product attributes of meal kits, an overall understanding of the meal kit industry is inevitable. In order to examine the business environment of meal kit companies and assess competition, the authors have applied two theoretical frameworks: the PESTEL analysis and Porter's five forces. These two frameworks allow the authors to obtain a better insight of the industry environment and simultaneously to better understand which external factors impact it. The business environment then has a strong influence on how companies can operate in this specific industry (Adcroft & Mason, 2007). For example, interventions of new regulations by governments can restrict the operations of firms. Furthermore, the technical development, social values or the economic situation in the Danish market are drivers that determine whether the industry will be pushed to grow further or not as well as highlight influential factors for a potential customer base, such as disposable income, technological affinity, and dietary preferences. Therefore, it can be stated that macro- and microenvironmental aspects not only influence the operations of individual companies but also affect and shape the industry itself. The PESTEL analysis facilitates the understanding of the current market situation and its respective growth potentials and operating limits. In turn, the porter's five forces analysis assist in gaining in-depth understanding of the current competition. This understanding is crucial to better identify potential threats or the strengths and weaknesses of the meal kit industry (Abdullah, 2009). Knowledge about these aspects affects profits and future planning of meal kit companies and determines which important product attributes companies should focus on to stay competitive.

***PESTEL***

The PESTEL framework is an internationally accepted model that is one of the most widely used tools to assess the macro environment of companies and industries (Yüksel, 2012). The framework looks at the environment the industry or company operates in, from six perspectives, namely Political, Economic, Social, Technological, Environmental, and Legal. In general, the PESTEL analysis provides an outline for each of the perspectives on what factors currently influence the industry and its key players, namely, the companies (meal kit providers); customers; competitors; and suppliers. As the focal point of this study is to assess what drivers affect the purchase decision of meal kit customers, the PESTEL analysis was used to discover the macro-economic influences that could impact how customers select their provider. Preece, Chong, Golizadeh & Rogers (2015) also highlight that companies that aim to serve their customers well, need to tailor their offering to match the environment their customers live in. Moreover, the PESTEL analysis highlights any limitation the industry faces that could hinder companies within it to provide the service level and product features desired by customers.

***Porter's 5 Forces***

In addition to the PESTEL framework, which centres around the macro-environment, Porter's revised framework (Porter, 1979) was chosen to assess the microenvironment of the meal kit industry. The assessment of the microenvironment via the lens of Porter's five forces is critical as it outlines the competitive state of the industry, via an analysis of five areas: bargaining power of suppliers, bargaining power of buyers, rivalry among existing competitors, threat of substitutes and threat of new entrants. According to Porter (1979), defining the industry's structure enables a better understanding of the commercial success of companies within it, which in its essence are the revenue and cost drivers. As the focus of this study is to review relevant product attributes, which can essentially influence revenue, a review of the five forces outlined can yield significant insights. While all factors should be considered, especially the assessment of buying power and the threat of substitutes can give indications on potential purchase drivers for customers. For instance, low price sensitivity and switching costs could indicate that the price point of customers is a relevant dimension.

### 3.5. EXPERT INTERVIEWS

Despite an increasingly globalized world, desired product attributes are not necessarily the same across countries or even across segments within a country. As a matter of fact, the definition of a customer segment is based on the separation of customers into groups depending on their needs and wants (Gavett, 2014). In turn, different needs and wants, like the need for providing a quick dinner vs. the need for a healthy dinner vs. the desire to try out new cuisines, can be driven by different factors. Hence, different customer segments can demand different product attributes to various degrees (Geuens, Brengman & Jegers, 2001). As already outlined in Abell's matrix for meal kits in *Figure 2*, there are several customer groups, and an even larger set of customer wants that could be taken into consideration. Subsequently, it is necessary to make a delimitation on the market(s) and / or segment(s) to be considered in this study. Moreover, their perception on which attributes are important for customers can be obtained to both validate and add to the findings from the industry analysis, based on secondary data and indicate in which direction further research should be conducted.

To gather these insights, four expert interviews were held with key players of the industry. This was necessary, as existing research or publicly available information on the Danish meal kit market is limited, making the collection of primary data quintessential to segment the market correctly. Initially six European players were contacted, selected based on fulfilling the selection requirements: online-only sales; and multi-market operations with a service offering in Denmark, of whom the four interviewees responded. The criteria were applied to ascertain whether customer characteristics and subsequently important attributes differ across countries. The interviews were conducted with Sophia

Kamm from Hello Fresh, a leading meal kit provider in Europe; Aurelie Poilleux from Marley Spoon, a large meal kit company that operates in direct competition with Hello Fresh; Daniel Frantzen from Aarstiderne a Danish meal kit provider who is the largest provider in Denmark, and Jonna Tuominen from Simple Feast, a meal kit provider, specialized in vegan and vegetarian meals. The interviews lasted on average 30 minutes and focused on their business model, their positioning in specific in the Nordic market, market specific customer characteristics and behaviour, and an outline of their core customers as well as an assessment of churn drivers. An interview guide blueprint (Appendix 1) was used across companies to ensure that the same key questions were asked across companies to enable comparability. However, the questions were modified slightly to accommodate the individuality of each company. The transcripts of these interviews can be found in Appendix 2-5. The data gathered from these interviews was used to delimit the focus groups and interviews of the study, as industry insight was needed to ascertain whether specific customer segments and countries are inherently different, which would then require a focus group delimitation. Moreover, the insights obtained were used in tandem to the PESTEL and Porter's five forces analysis to outline a preliminary set of potentially relevant product attributes.

## 3.6. DATA COLLECTION & ANALYSIS

### 3.6.1. Focus Groups

Based on the product attributes identified from expert interviews as well as the industry analysis, focus groups were conducted to validate the attributes but also identify any additional purchase motivations that were not discovered so far. Especially the initial questions were purposely kept open-ended so that participants could outline what they considered important attributes and motivated their purchase decision, without being probed by the interviewers. This form of free-elicitation method has been found by Van Ittersum et al. (2007) to grasp the salience dimension, which this research aims to capture, most accurately, since participants express the attributes that are most prevalent in their memory more quickly and frequently.

For exploratory studies such as this, where the goal is to identify purchase motivations and relevant product attributes, focus groups are especially insightful as they on one hand validate preceding research but also allow to obtain insights that cannot easily be obtained via other forms of data collection (Greenbaum, 1998; Walden, 2012). A focus group research approach is highly beneficial in this case, as this study centres around *what* factors customers take into consideration and *why* they do so, which, according to Morgan (1997), is a key strength of focus groups. Compared to individual interviews, a focus group is intended to create a dynamic between participants that can better capture the true viewpoints of the individual participant's reaction, agreement, or disagreement about a specific topic (Schwab, 2020).

In total, two focus groups were conducted with five participants in each group, lasting 60 minutes respectively. The selection of participants of the focus groups is based on the segment delimitation outlined in section 4.1.1, namely families; couples; and singles with a high education level between the ages of 25 and 70 who currently own or have owned a subscription meal box and reside in Denmark. The group size has been chosen in line with academic standards (Greenbaum, 1998; Walden, 2012) to allow sufficient participation time per participant (12 min), while simultaneously ensuring that the group size is not too small to generate relevant insights. The reasoning for conducting two focus groups instead of one, rests on two pillars. Firstly, they function as control groups for one another, and thus increasing the validity of the data by reducing the risk that the insights obtained are skewed due to groupthink or selection bias. Secondly, by having couples and singles in a separate focus group, it enables the discovery of differences in purchase driver importance across groups, such as for instance price sensitivity and need for convenience.

Due to the ongoing COVID-19 pandemic, the focus groups were conducted online, instead of in person, to ensure the safety of the moderators and participants. Moreover, the interviews were conducted in English, since the requirement of attending the focus group was of Danish residency, not nationality, resulting in an international participant group. Since a segmentation criterion was a high level of education, an English level close to fluency can be assumed, which was confirmed by the participants prior to the focus groups.

### 3.6.2. Interviews

In addition to the focus groups, four in-depth interviews with families were conducted with the same goal of validating and uncovering important product attributes and to assess their importance in the salience dimension. Initially, a focus group was also planned for families, which had to be restructured due to difficulties in arranging a joint appointment. Compared to segments like singles who have less time constraints, families are generally much less flexible when it comes to scheduling (Morgan, 1997), resulting in the authors decision to conduct individual in-depth interviews. To increase the validity, the development of the interview questions was preceded by the extensive literature review in combination with the previously held expert interviews. Thereby, the interviews were semi-structured in nature to ensure the objectivity of the research process (Louise Barriball & While, 1994). Furthermore, this provides a flexible instrument to obtain information from the field (Yin, 2003). As with the focus groups, the core interview questions were focused on validating the proposed product attributes and uncovering novel attributes as well as investigating the salience dimension. The conversations started with broader questions on the topic as a whole and then narrowed down to specific elements that were part of the purchase decision. These included the participants' definition of meal kits, the positive and negative experiences, and finally the importance of specific product attributes. The same questions were used in every interview, but each time slightly adapted according to the answers of the respective participant. For example, more attention was paid to the attributes the participant had already mentioned in their positive or negative experiences, as these seemed particularly relevant due to the high salience. As stated by Christopher et al. (2011), using the same set of questions provides a structure for the interviews and facilitates the comparison of the cases afterwards. The time required to respond to the questions was analysed as well.

The interviews with the four families each lasted between 30-45 minutes. As with the focus groups, the selection was based on the segment delimitation outlined by the expert interviews, and therefore consisted of families with high incomes and a strong educational background. The families all consisted of two parents and two children, where the parents are already over 40 years old but under 70. Furthermore, all interviews were held online to ensure the safety of the moderators and participants due to the ongoing COVID-19 pandemic.

### 3.6.3. Survey

As Van Ittersum et al. (2007) outlined, research should not limit itself to only one dimension of attribute importance to obtain the most comprehensive insights. However, they suggest to clearly segregate which dimension is to be reviewed as well as choosing the appropriate method of evaluation since using a combination of several attribute importance dimensions measures has been found to reduce overall validity (2007). Since the research aims to investigate why customers buy meal kits and what are the most important attributes for them in general the relevance dimension plays a key role in the answering the question. Consequently, a survey, employing the direct ranking method, which has been confirmed as a valid method to test the relevance dimension, has been included at the end of the interviews and focus groups to obtain the relevance importance (van Ittersum et al., 2007). Within the survey, the participants were asked to rank the identified key purchase drivers according to their personal importance from most important to least important.

### 3.6.4. Transcriptions

All expert-, focus groups-, and in-depth interviews were audio-recorded with their participants' consent. The audio recordings were always made with Microsoft teams and mobile voice recording software at the two locations of the interviewers. This ensured that in the event of technical or internet problems, a complete recording would still be available for the final analysis. Thus, as two mobile phones were used for the recording, there was always a version with a sufficiently good audio quality that allowed the interviews to be recorded accurately. Since the quality of the recordings were assured, it enabled the moderators to focus fully on the process and participate in the conversations. Subsequently, the expert interviews, focus groups, and in-depth interviews were all transcribed. Transcription is the process of transforming the verbal communication of the interview participants into written words (Kvale & Brinkmann, 2014). The transcription was done with the aim of writing down the precise dialogue of the participants. However, any small talk done during the recording that was not relevant to the study, such as preliminary greetings, was excluded (McLellan, MacQueen & Neidig, 2003). The complete interviews were conducted in English and therefore transcribed in the English language. However, commas and dots were placed in the transcriber's own interpretation (Kvale & Brinkmann, 2014).

### 3.7. RELIBAILITY & VALIDITY

Subjective research methods have been criticised for lacking the academic approach, as they are not objective (Gioia, Corley, & Hamilton, 2013). Qualitative research is subjective by nature but with specific selected methodologies and research methods, validity and reliability can be raised to an acceptable academic level.

Reliability is described as "*the degree to which the finding is independent of accidental circumstances of the research*" (Kirk & Miller, 1986, p.20). Validity, on the other hand, is the "*degree to which the finding is interpreted in a correct way*" (Kirk & Miller, 1986, p.20). This means it describes the credibility of the researcher's findings and thus their subjective conclusions. For fulfilling the validity aspect, the researchers aimed at rigorous data collection and academically recognised analyses, such as evaluating importance in multiple dimensions as outlined by Van Ittersum et al. (2007), that are aligned with achieving the set research objectives. To improve reliability, a consistent research approach was applied. This includes, for example, the interview guide blueprint (Appendix 6) which was used for all interviews and focus groups in order to ask the same questions to each participant. This mitigates biases such as the interview bias, the interpreter bias, or the subject bias and will thus increase validity and reliability (Saunders & Lewis, 2012). Furthermore, diversity and variation in consumer behaviour were taken into account in order to infer the results as accurately as possible to the population in general. For example, there are demographic differences in the number of households, particular dietary preferences, food intolerances, but also differences in the frequency of weekly meal kit orders. Considering these differences ensures that validity and reliability are further increased (Dion & Borraz, 2017). Additionally, Carter, Bryant-Lukosius, DiCenso, Blythe, Neville (2014) argue that triangulation can improve validity and reliability. It means that multiple methods or data sources help researchers to develop a more complete understanding of a relatively unknown topic. While the mixed method approach of utilizing both focus groups and in-depth individual interviews, as well as a survey, already enhances reliability and validity, the survey was limited to the participants of the focus groups and interviews. This implies that a larger-scale quantitative survey among a new sample population would further strengthen the validity of findings from the focus groups, interviews and the initial survey. However, due to resource constraints of the researchers and the difficulty to find volunteers for the focus groups and in-depth interviews in the Danish market, adding a quantitative survey was deprioritized as better access to meal kit customers is needed to find ensure a large enough sample size to be statistically significant. However, it is a step that is strongly encouraged to be included in future studies.

Nevertheless, there are also some more limitations that come with qualitative research and need to be incorporated by the researchers in the final analysis, as they affect validity and reliability. The first aspect is *social desirability*. In personal interviews and especially in focus groups, participants often feel tempted to respond in a socially desirable manner even though it does not represent their true opinion. (Podsakoff, MacKenzie, & Podsakoff, 2012). For instance, participants might rank sustainability higher especially in focus groups with more listeners. The second aspect is the *context-induced mood* which the researcher cannot influence in their participants. This means that the participants are in different contexts at the time of the interview. For example, a person may be thinking about other things that concern them more, such as family, health or work problems. Or it can just be simple criteria, such as one of the participants has just eaten and the next is totally hungry and would much rather talk about food (Podsakoff, MacKenzie, Lee, & Podsakoff, 2003). A third aspect is the *geographical location* of all participants and their backgrounds. As all interview and focus group participants were localised in Copenhagen, there may be different opinions and preferences in the rest of the Danish market and may therefore impact the generalisation of the study results (Podsakoff et al., 2003). Finally, a fourth aspect is the *group size* of the focus groups. While Walden (2012) argues that a smaller focus group of five-to-six participants is useful to get an in-depth understanding of a topic, there is a risk of not getting enough input from different perspectives and thus limiting the validity.

# 4. ANALYSIS

## 4.1. THE DANISH MEAL KIT INDUSTRY

This section provides an introduction to the Danish meal kit industry by describing the micro- and macroeconomic environment. The insights obtained here can be used to outline potentially relevant product attributes for the average consumer as well as highlight trends and limitations for the industry players.

### 4.1.1. PESTEL Analysis

Customer purchase decision making processes are affected by an interplay of external and internal variables, such as attitudes & beliefs, but also age, income and the cultural environment (Furaiji, Łatuszyńska & Wawrzyniak, 2012). While some are innate and can only be influenced through a limited extent, many of them are shaped by external stimuli in which the individual operates (Furaiji et al., 2012). Hence, in order to fully grasp the purchase decision making process of meal kit customers in Denmark, it is key to understand the current state of their environment, how it is evolving and distil how it could impact attribute preference of customers. Moreover, it assists in outlining the boundaries and opportunities the businesses servicing those customers face. Hence, starting with an analysis of the macro environment provides a sound indication of the overall landscape of the Danish meal kit market as well as highlights underlying trends that might impact the industry. As outlined in the methodology section, the PESTEL model offers a comprehensive framework to conduct this assessment. Subsequently, the following section conducts a PESTEL analysis of the Danish meal kit market to better understand the macro-environment of the industry.

***Political Factors***

The Political element of the PESTEL framework, describes the extent to which government policy intervenes in the economy and thus influences the profitability and long-term sustainability of any company (Drummond & Ensor, 2006). Since most meal kit companies operate in multiple countries, they are exposed to changes in the political environments across these markets. Hence, it is crucial to diversify the systematic risk and consider political factors in the strategic planning process. Specifically for the Danish meal kit market, three different factors can be identified: political stability, food legislation and taxation (Drummond & Ensor, 2006).

Firstly, *political stability* has an impact on industry growth and the organizational performance of meal kit companies. High political stability allows companies to operate in a stable business environment and at the same time have a predictable market growth trend (Drummond & Ensor, 2006). On the other hand, low political stability can reduce investors and stakeholders confidence in the company and limit growth opportunities of the industry due to a lack of capital. As a matter of fact, most leading meal kit companies operate in westernized countries such as the USA, Australia and Central Europe including Denmark which are considered to be very politically stable (World Bank, 2019).

Secondly, different *food legislation* across countries can have an influence on the sourcing, packaging, labelling, or distribution of the products for meal kit companies, if they have multi-market operations. As part of the European Union (EU), Denmark has to adhere to regulation imposed by the European Commission, which ensures standardized food quality, especially concerning animal products (European Commission, n.A.). Overall, Denmark is among the leading EU members when it comes to facilitating the single market approach, limiting barriers for trade where possible (International Trade Administration, 2020), which explains why most meal kit companies in Denmark also operate in other European markets. Nevertheless, in addition to European policies, countries have country specific food policies as well. Thereby, Denmark has specific regulations concerning meats and fish (Ministry of Environment and Food in Denmark, 2021). This means companies exporting animal products to Denmark or importing it from Denmark to process in their facilities need to comply with such legislation as well as any new policies and adapt their processes accordingly, while keeping their operational efficiency as high as possible. Thus, the country specific laws on food and food quality can make the entry to any new market difficult, especially since in the beginning meal kits usually get imported from outside the country until the demand is high enough to justify a production facility in the market. Hence, there are some inefficiencies in place for multi-market meal kit providers that do not source and produce animal products in Denmark separately, which can negatively impact profitability and inhibit the reduction of prices, as profit margins are lower.

Thirdly, *taxation* of the respective country has an impact on meal kit companies, as high taxation directly influence the profitability of the companies. On the other hand, countries with low taxation can lead to higher corporate profits, which can be invested in innovation and development again or can be carried over directly to consumers in forms of lower prices (Mitchell, 2012). Denmark has a relatively high taxation as a percentage of gross domestic product (GDP) and, at around 46%, is twelve percent higher than the average for OECD countries (34%) (Einhorn, 2019). The higher taxes are also reflected in meal kit prices, where a Hello Fresh portion starts at 3,99€ in Germany, with overall lower tax rates (Einhorn, 2019), versus ~5,-€ in Denmark. Similarly, Marley spoon charges higher prices in Denmark. Hence the high taxes can result in another barrier for companies to charge consumer friendly prices.

***Economic Factors***

Overall economic prosperity, trade, availability, and price for input resources as well as the average income and purchase power are all examples of the economic element of the PESTEL analysis (Drummond & Ensor, 2006), that can significantly influence the meal kit industry. Hence, it is critical to examine each in detail for the Danish market to determine the economic opportunities and limitations players in this industry face.

Concerning their overall *economic prosperity*, Denmark is one of the most stable economies in Europe and has grown steadily in recent years (Forbes, 2018). Apart from the first six months of 2020, there has only been a positive GDP growth rate in the period from 2018 to 2021 (Trading Economics, 2021). The six months in which a decrease in the GDP rate was identified can be explained by the global COVID-19 pandemic which resulted in negative GDP across the globe, not just in Denmark. The GDP growth rate determines the aggregate production of a country and is therefore a relevant indicator for economic health (Eurostat, 2020). Broken down into GDP per capita, it also offers key insights into the living standards and purchasing power of a countries' citizens (Eurostat, 2020). Meal-kits are by nature not an essential good, but an add-on, or even a luxury good and are subsequently also more likely to be discontinued in times of economic distress. Therefore, it is advantageous for meal-kit providers to offer their products and services in countries with high GDP per capita rates, such as Denmark. Additionally, Denmark has been historically one of the top countries to do business based on the World

Bank's ease of doing business index, making it attractive for companies to operate in this market (World Bank[2], 2019). Specifically, while it is process intensive to set up a business in Denmark, all other elements of conducting business operations, such as getting credit, paying taxes, obtaining permits and legal protections are favourable in Denmark (World Bank[2], 2019). Consequently, the ease of doing business as well as a growing economy fosters an environment in which meal kit providers can prosper.

Linked to overall economic prosperity is the average *income and the purchase power* of Denmark's population. Overall, the Danish population has the second highest average income in Europe (The Local DK, 2015), but due to high taxes and social contributions, it only ranks 8th when it comes to purchase power (Eurostat, 20w0). Nevertheless, due to comparably low income-inequality and a low poverty gap (OECD, 2019), the income is distributed more evenly, resulting in a stronger middle-class compared to other European nations (Kochhar, 2017), facilitating a larger number of people to be in the financial positions to purchase non-essential goods and potentially pay a premium on them.

In general, many of the resources required to produce a meal kit are commodities, which are not always produced in the country of sales, making *trade* inhibitors a potential threat. Several meal kit companies source produce not just from one country, but Europe wide, further emphasizing that this a relevant dimension to assess (Hello Fresh, August 2019; Aarstiderne, 2021). As highlighted previously, Denmark facilitates trade with other EU members as much as possible through limiting trade legislation (International Trade Administration, 2020), resulting in a large fraction of its import and exports attributed to other EU countries, especially its neighbours Germany and Sweden. As a matter of fact, due to its size Denmark is highly dependent on trade explaining their active advocacy for liberalizing trade even further (Ministry of Foreign Affairs of Denmark, n.A.). Moreover, Denmark's currency has been relatively stable in the last 20 years (European Central Bank, 2021), facilitating the import and export of goods. Hence, the free flow of goods in and out of Denmark ensures the import of goods necessary to produce meal kits, as well as ship locally produced meal kits into other countries such as Sweden. While there are small hurdles for imports and exports of certain foods in and out of Denmark in form of taxation as discovered previously, there are no additional barriers from an economic point of view, implying that while it might be more costly to import or export specific goods into and from

Denmark, such as meats, it is still possible to source the relevant produce needed for meal kits, rendering the taxation constraint imposed fairly limited.

***Social Factors***

Understanding the impact societal norms and values can have on meal kit purchases is essential in order to obtain a holistic view of the macro-environment as well as to gaze its influence on the consumer decision making process. Hence it is important to analyse customer behaviour and the demographic trend of the country in question (Drummond & Ensor, 2006). Latter supports companies to communicate the appropriate message to the customers in case of societal changes (Johnson et al., 2014) and thereby increasing the attractiveness of the offered product for their target group. Thus, the social factors have to be analysed and taken into consideration by meal kit companies. Especially relevant to the meal kit industry in Denmark could be demographic factors such as age, education level and family structures, as it impacts the interest in, and prioritization of food, since a higher educational background fosters higher income (Patrinos & Psacharopoulos, 2018), which in turn enables consumption of non-essential goods, such as meal kits. Additionally, it is quintessential to assess the country's attitude towards food and the value Denmark's population attaches to home cooked meals as well as assess how customers nowadays prefer to shop for groceries. This is especially relevant, since the COVID-19 pandemic resulted in a significant disruption of the normalized lifestyle (Biggs, Tawfik, Avasare, Fovargue, Shavdia & Parker, 2020), not just in Denmark but globally, which could alter perceptions on what’s important in these dimensions and how customers shop.

In terms of age *demographics,* Denmark is similar to other developed countries, with a median age of 42 years according to Statistics Denmark, the central authority on Danish statistics from the Ministry of Interior and Housing (2021). Concerning the level of education, the Danish population is on average more highly educated than their European counterparts. In general, Denmark outperforms most other countries when it comes to the percentage of people with a university degree by 8 percentage points compared to the European average (European Commission, 2020). Higher education has been found to correlate with higher income as well as overall higher positive earnings (Patrinos & Psacharopoulos, 2018), which explains why customers of meal kit boxes are usually well educated with well-paying jobs (Cho et al., 2020), as it is not an essential good, but a luxury add-on for those who can afford it. Hence, Denmark provides, from an education demographic point of view, great conditions to offer meal kits as it has a higher density of highly educated people who can obtain jobs with a wage that allows them to purchase meal kits.

When considering the overall *food culture* in Denmark, research has shown that in comparison to other OECD populations, Denmark is 5th in place when reviewing the time spent eating and drinking on a daily basis, only overtaken by the European countries already known for their close relationship with food: Italy, Spain, France and Greece (The Local FR, 2018). Hence, there is already a high emphasis on food consumption and meals, no matter if home cooked; eaten in a restaurant or ordered, highlighting it as an important element of daily life. Moreover, due to the COVID-19 pandemic, progressively more people return to cooking and baking more frequently (The Economist, 2020), resulting in an increase in spending on groceries overall (The Economist², 2020). Some early studies have shown that the impact of COVID-19 on food habits will in fact have a prolonged effect as the pandemic altered food consumption profoundly (EIT Food, 2020). According to the innovation community on Food of the European Institute of Innovation and Technology (EIT) (2020), the focus on actually enjoying meals, as well as having a more balanced, healthy and sustainable diet will be prevalent even post COVID 19. Lending further proof to this anticipated trend, the country report for Denmark, provided by the Euromonitor International (Anonymous, 2021), found that there is an increased interest in health-supporting products. Hence, while Denmark is already a country where food culture and meals are cherished and valued, the COVID-19 pandemic even further manifested the importance of a quality meal in the minds of people. Subsequently, the Danish food culture provides a great basis for meal kit companies, servicing the desire for a good meal.

When diving deeper into the food preferences in Denmark, it has been found that Denmark has the highest density of organic-produce retail sales in the EU (Appendix 7), which is still expected to increase over the subsequent years. Especially organic vegetables and dairy produce has seen an increase in retail sales from 2017-2019 of 20% and 36% respectively and when considering all produce groups, the increase in sales from 2009-2019 was 280% (Statistics Denmark, 2021). This can be attributed in part to a very early adaptation of organic produce by supermarkets, since one of the largest retail chains in Denmark started offering them already in the early 80s, significantly earlier than other European countries, which implies that the adoption of organic produce already had more time to progress (Voinea, 2015). However, when looking at the sales data by Statistics Denmark (2021), it shows that the large increases in sales volume occurred primarily over the last six years, indicating that consumers have only started purchasing organic produce extensively during the last couple of years, which resulted now in over 50% of the Danes purchasing organic produce on a weekly basis (Kaad-Hansen, 2021). Hence, the rise in organic sales is also driven by a shift in consumer minds as they become more aware about the impact of their food choices and put greater emphasis on sustainability animal welfare and generally ethically conscious sourcing (Deloitte, 2019). Based on this trend, it is not food in general that is important to the Danish population, but also having high-quality organic food, which is a demand meal kits have to take into consideration when designing their offering.

Building on the organic food trend, emerges the trend to eat more healthily. This is in part fuelled by the COVID-19 pandemic as outlined in the research of EIT Food (2020), but to a certain extent also inherent to the Danish food preference. Ditlevsen, Denver, Christensen & Lassen (2020) found that there is a close relation between the focus of purchasing organic produce and health-consciousness in Denmark, stating that in their study at least 60% of organic customers consider health to be an important determinant of their purchase decision. This preference is not only unique to customers who prefer organic food, but to a wider range of customers, as they also consider a healthy and balanced diet important, irrespective of the sourcing of produce (Food Nation, 2019).

Another important aspect when considering societal influences in the macro-economic environment of the meal kit industry is not just who shops groceries and what kind of products are purchased but also *how they are purchased*. Accelerated by the COVID-19 pandemic, European online sales for groceries have been soaring in the past year, and while the increase might not continue at the same rate post COVID-19, the overall trend to progressively more online shopping for groceries is expected to prevail (Günday, Kooij, Moulton, Marek & Omeñaca, 2020). In Denmark specifically, research by Frank & Peschel (2020) has found that the adoption rates for online grocery retailers are increasing, in part driven by the increase in stores offering such a service, such as nemlig.com and the stores under the coop brand, but also driven by the customer need for convenience and time savings.

This increase in online grocery sales paves the way for the online-meal kit market as it familiarizes customers with the process of ordering produce online, thus reducing potential mental hurdles of online meal kit purchases.

A trend fuelled by the adoption of online shopping and the heightened use of advanced technology in the food sector but also by increasingly diverse dietary habits, is the personalization of food. The ability to select items for consumption based on personal preferences in other areas such as TV and movies on demand, resulted in consumers looking for a similar experience when it comes to food. Research by Deloitte on Uber Eats in Australia (2019) highlighted personalization as one of the emerging trends to food delivery, as consumers demand meals catering to their dietary preferences. In Europe, companies such as MyMuesli in Germany as well as nemlig.com the Danish online food retailer already pave the way for increased personalization in Europe. While MyMuesli is pioneering the field of fully customizing the ingredients for a staple food item (MyMuesli, 2021), Nemlig.com accelerates the standardization of personalized customer experience by customizing touch points based on behavioural data and past purchase patterns (Impact, n. A). Consequently, the emerging trend in the broader food sector to a more personalized customer offering will also be reflected in the expectations customers have of meal kits.

***Technological Factors***

The widespread adoption of new technologies has led to both disruptive and incremental innovations in various industries and forced companies to make new strategic decisions, since technology adaptations can affect consumer behaviour as well as raise, alter or diminish industry barriers. Subsequently the assessment of technological factors such as the development of new technologies (Drummond & Ensor, 2006) and dependence on technologies such as the internet (Johnson et al., 2014) can highlight potential trends and limitations for the meal kit industry.

According to Jeff Yorzyk, Director of Sustainability HelloFresh US, "*Meal kits live where technology meets the traditional food system*" (22 March 2021), which already highlights the influence technological developments have on the meal kit industry. Overall, a large part of the customer experience of meal-kit customers occurs online, making technological advancement in the area of digitalisation a key factor in the macroeconomic environment of the meal kit industry. Within the EU, Denmark is a pioneer in AI-powered social innovation, driven by the desire of the Danish government to utilize AI solutions and digitalization to improve the social well-being of its population (Minevich, 2021). Such advances can not only be used for social welfare projects but also to optimize future processes in the creation of meal kits, from adjusting the recipe offering based on weather data (Machurick, 2019), to robotic packing of meal kits, to applying block chain technology to track the ingredients in an individual box, and lastly to delivery of meal kits via drones (The One Brief, 2019), all resulting in improved customer experience, more sustainable meal kits and firm profitability. Additionally, Denmark is also a frontrunner in digitalization in international comparison according to the EIBIS digitalization index 2019 / 2020 (European Investment Bank, 2020). Hand in hand with those trends goes the roll out of 5G networks, as it facilitates AI and digitalisation efforts through superior connectivity (Attaran, 2021). The increase in bandwidth, coupled with lower battery consumption is a necessary development, since research has shown that Denmark has the highest demand for 5G due to its high mobile data traffic and internet usage (Incites, 2020).

Moreover, this shows that the Danish population is already highly engaged with digital solutions and experiences fewer hurdles of internet and mobile data accessibility than other European countries. Overall, Denmark's internet coverage reached 95% in 2020 (Statistics Denmark, 2021). Such an infrastructure is key in making sure that meal kit customers can easily access the website and apps to order their boxes and manage their subscription. As a matter of fact, 23% of women and 20% of men already used their internet connection in 2020 for food and grocery related activities (Statistics Denmark, 2021). However, when looking at age demographics, Statistics Denmark (2021) finds that the age group > 60 years uses the internet significantly less than younger people, even though it is the fastest growing age group when looking at overall online purchases (Statistics Denmark, 2020), which has been even further accelerated by the COVID-19 pandemic. Thus, even though older people are currently not as adept at online shopping and struggle to subscribe to meal kits, this demographic segment is rising and could become a potential customer group with the appropriate service offering.

Almost all adoptions of innovative technologies go hand in hand with more sophisticated data collection and analysis. Not only does the gathering of behaviour and consumption data from previous interactions allow companies to provide a more personalized customer experience, but it also enables predictive models to run more accurately. For instance, the online food retailer nemlig.com, customizes the user interface and adjusts product placement based on previous purchase history (Impact, n. A), which assisted them in generating more turnover and website traffic, while sales data of meal kit providers has shown seasonal purchase patterns, enabling them to forecast and manage their production volumes more adequately during holidays (Helm, 2018). Moreover, Tao, Yang & Feng (2020) found that text mining, especially of social media platforms, can generate insights into consumer opinions and preferences, and dietary pattern characterisation.

In sum, while the meal kit market is highly dependent on the internet, Denmark's high adoption rates and exceptionally high internet usage make this an attractive market to launch a web-based product. Moreover, being a pioneer in AI and digitalization can facilitate the automation of processes and optimize the customer journey even further, given that the data generated through the processes is analysed adequately.

***Environmental Factors***

According to Johnson et al., (2014) the environmental factors relate to views, habits, and activities of both citizens and its government on topics such as sustainability, waste, pollution and climate change. Hence, it is key to review the stance of the Danish population on such topics and match it with the positioning of meal kits as well as its carbon footprint, to see if there is an overlap in the country's environmental mindset and meal kit providers offering to then further identify if the environmental factors pose rather an opportunity or a challenge to meal kit companies.

While a trend in most European countries towards a more environmentally conscious life has been observed, Denmark and a certain group of countries showed an exceptionally high density of high environmental consciousness (Golob & Kronegger, 2019). According to the study by Golob & Kronegger (2019), citizens in those countries are on average more engaged in pro-environmental practices which is strongly reflected in their purchasing habits. Also, they are willing to pay more for products that adhere to their standard of sustainability. Moreover, Golob & Kronegger (2019) observed that a main characteristic of people with a strong focus on sustainability and the environment is that they are also on average better educated and in higher paying jobs, than those with only moderate or weak opinions towards a more environmentally conscious life. As it has been established in previous sections, Denmark's population is better educated and more prosperous, which, based on the characteristics outlined by Golog & Kronegger (2019), could indicate why Denmark has such a high density of environmentally conscious citizens. Subsequently, meal kits must cater to this customer demand, as their services are usually targeted towards individuals that are both educated and financially well off. While meal kits in themselves are considered sustainable, since they attempt to reduce food waste (Hello Fresh, 2021), there are also considerations such as the additional packaging that is needed in comparison to conventional shopping, as well as the carbon emissions associated with production.

In sum, the Danish population is more conscious of the environment and puts greater importance on purchasing environmentally friendly products and services, which requires meal kit providers, despite the proven reduction in food waste, to further work on their packaging emissions, as well as provide a service that allows customers to reduce the number of trips to food retailers to be considered an environmentally friendly option.

***Legal Factors***

*The* last dimension of the PESTEL analysis outlines the legal aspect and the regulatory structure of the market (Drummond & Ensor, 2006). As mentioned in the political section, a careful evaluation of the legal framework and regulations is necessary in order to avoid incurring penalties and subsequently financial and reputational damage to all stakeholders but also to assess potential benefits associated with any regulations (Johnson et al.. 2014).

Overall, Denmark has strong contract laws (World Bank², 2019), ensuring that any contractual agreements, given that they are drawn up correctly, are also enforced. On average, the time spent resolving a contractual dispute as well as the process behind it is superior to other OECD countries, which further nurtures the image of Denmark being an attractive country to conduct business in (World Bank², 2019). Moreover, Denmark is ranked among the top 10 countries with the most secure Intellectual Property (IP) laws in the world and thus offers a working environment in which IP is well protected (Property Rights Alliance, 2020). While it's difficult to patent food creations, because most of them are not novel or non-obvious, it is possible to patent for instance specific algorithms or processes, (Reed, 2016), which can become relevant in the future due to the advancements of technology in the food sector. Moreover, brands can trademark their name and design to inhibit copycats from offering a cheaper, low quality version of their meal kits, ultimately harming the overall brand image (Reed, 2016).

Equally well protected are consumer rights in Europe, and thus Denmark, with the introduction of the General Data Protection Regulation (GDPR), taking effect in 2018. Those stronger data protection laws ensure the privacy of personal communication and data by enabling individuals to access, amend and delete as well as stop the processing of their data (Fefer & Archick, 2020). Companies are charged significant fines for non-compliance, thus providing an effective motivator to adhere to GDPR. Such regulation imposes boundaries for data analytics. Firstly, it limits how companies use personal data to profile their customers, which is widely used to analyse and then predict the behaviour, and preferences of said customers (Crook, 2019). Secondly, prior to using personal data for non-essential business practices, consent has to be given for each form of data usage (Crook, 2019). Subsequently, while Denmark fosters a legal environment that is business friendly, the European data protection laws inhibit the collection, processing and usage of data which can become limiting to businesses, including meal kit providers in the future.

#### 4.1.2. Porter's 5 forces

With the PESTEL analysis, a macro-environment analysis has been performed to obtain a basic understanding of the environment of Danish meal kit market and, if necessary, to be able to better evaluate its external limits and opportunities. Following suit with a more in-depth analysis in form of a Porter's 5 forces assessment, that highlights the relationships among the industry players, additional insights are obtained (Drummond & Ensor, 2006). Historically, Porter's analysis reviews the companies and their rivalry within the industry; customers, suppliers, potential new entrants as well as substitutes, which gives a holistic overview of the key stakeholders (Drummond & Ensor, 2006). While the five forces do not provide extensive additional information on potential purchase drivers and preferred product attributes, it creates a knowledge foundation on which the insights from the analysis will be built. Moreover, depending on the bargaining power of buyers and threat of substitution the necessity to serve the to be identified attributes and purchase drivers grows stronger or weaker. Thus, in the following sections each of the five forces is being assessed in turn. It should be noted that there is very little publicly available information on the Danish meal kit market and its players, limiting the extent to which quantifiably metrics can be presented considerably. *Figure 4* provides already a summarized overview of the key findings.

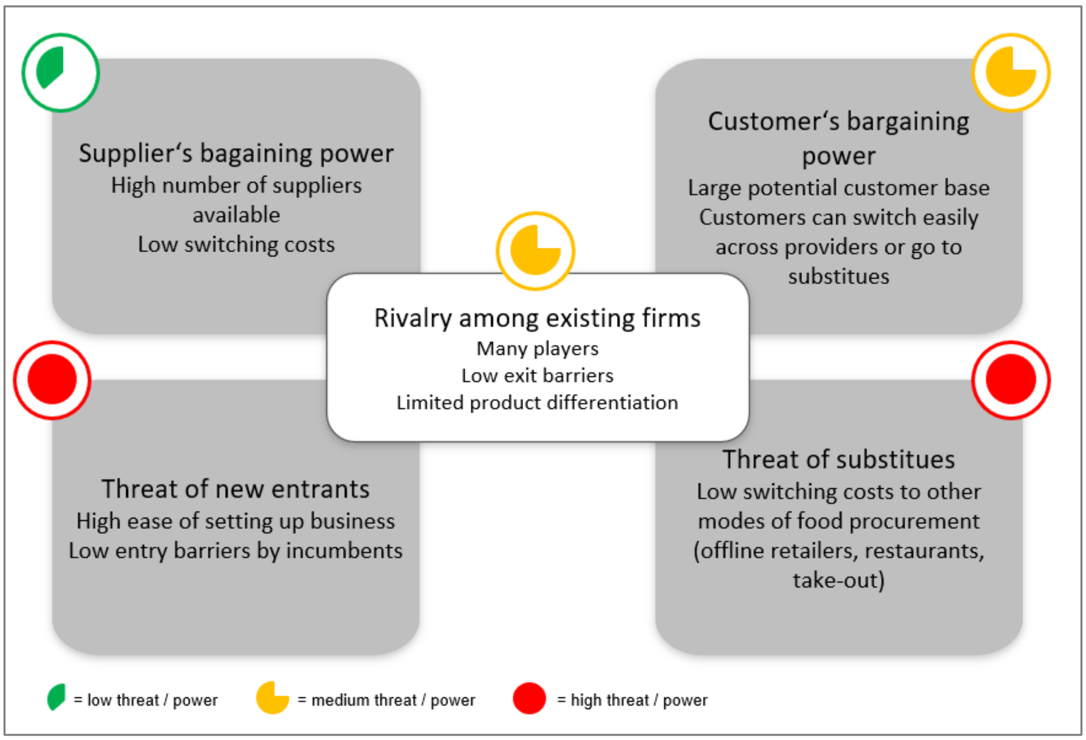


*Figure 4: Overview of Porter's 5 Forces for Danish Meal Kit Industry*

### ***Rivalry amongst existing firms***

The extent of competition among companies in the industry is dependent on a variety of factors, such as the number and size of competitors, the life cycle stage the industry is currently in as well as any exit barriers unique to the industry (Drummond & Ensor, 2006). While there is no publicly available data on the market size, companies market share, revenues or profits in Denmark on meal kits, the abundance of meal kit providers, outlined in the introduction of this research (*Table 1*), overall indicates a fairly fragmented market (Morrison, 2020). While there are a lot of providers of Scandinavian origin such as Aarstiderne, Skagenfood, Grim and Simple Feast, more and more companies with international origin entered the market such as Marley Spoon and Hello Fresh (Hello Fresh, 2021). This can be in part attributed to the proximity to Sweden, where meal kits originated, but also because of its attractive market. The PESTEL analysis highlighted a higher density of potential customers with the resources available to purchase meal kits based on the economic and social environment in Denmark, and also that the political and legal environment make it an attractive market for businesses to operate in, enabling the growth of companies. Another aspect making this industry competitive is the fact that the larger existing meal kit companies in Denmark vary only slightly from each other, as the difference in service offering and product is often marginal. While Hello Fresh and Marley Spoon primarily differ in terms of their value proposition, with Hello Fresh focusing on value for money; personalization; and an enjoyable cooking (Hello Fresh, 2021), and Marley Spoon position themselves more as a service that reduces food waste, increases family time and is healthy (Marley Spoon, 2020), the service and product provided in itself are quite similar. Both offer related recipes, allow their customers to build their box based on individual recipes and offer customers the same subscription options. This example highlights the inherent difficulty for companies within the industry to differentiate, as all of them are based on the subscription-based business model; offer often related recipes, as there is only a finite number of dishes available that suit the Danish customer base; and have a focus on sustainability. Moreover, as the purchase decision occurs online and customers have low switching costs (Wells, 2017), they can easily and frequently compare providers and change across meal kit companies on an ongoing basis. In sum, the key dimensions with which providers can differentiate and make customers stick, is the brand image and produce related aspect such as ingredient- and recipe variety; quality; ingredient sourcing; as well as the ease of preparation and whether they offer a fully customizable box based on a pool of recipes or provide a set box per week but a wider variety of boxes, i.e., vegetarian, pescatarian, low carb etc. As the PESTEL analysis highlighted, Denmark has a high density of organic retail sales (Appendix 7), which could translate into a similar demand for online sales in general and meal kit sales in specific. In fact, one of the largest meal kit providers in Denmark, Aarstiderne sources almost 100% organic items for its boxes (Aarstiderne, 2021), which is echoed also in other providers such as Simple Feast, resulting in gradually setting an industry standard for organic food in meal kits.

Reviewing the life cycle stage, the Danish meal kit industry is currently in, it can be classified as between the Growth and Shakeout stage, according to the stage definitions outlined by Johnson, Whittington, Scholes, Angwin & Regnér (2011). While the Danish meal kit industry still faces low entry barriers as well as experiences a COVID-19 fuelled growth (Morrison, June 2020), which is characteristic of the growth stage, the existence of mature players such as Aarstiderne and Linas Matkasse who service the market for a long time and the increase in competition (Morrison, June 2020), are commonly attributed to the shakeout stage or even the mature stage (Johnson et al, 2014).

In conculsion, the Danish meal kit market can be categorized as having an already pronounced and still increasing competitive rivalry that can be attributed to its current life cycle, the large number and size of its competitors and the limitation to differentiate inherent to the product. Thus, it is key for companies to build strong brand loyalty and an exceptional customer experience to keep customers engaged.

***Threat of new entrants***

Since Hello Fresh and Marley Spoon, entered the market within the last two years, in 2020 and 2019 respectively, it must be assessed if there is an ongoingly strong threat of new entrants that could further increase competition or if the entry barriers are large enough to deter any new entrants (Hello Fresh, 2021; Marley Spoon, 2020). According to Drummond & Ensor (2006) as well as Johnson et al (2014), a key factor to consider is if already existing incumbents are able to outcompete new entrants if the offering is undifferentiated. Moreover, governmental policies such as trade legislation, ease of doing business and state-ownership for key industries, as well as the requirements to start up a business such as capital requirements, and supplier and distributor relations can influence the ease of entry.

The primary aspect to be considered are potential barriers inflicted by well-established companies already operating in the industry. It is possible that existing industry players may have already established cost advantages and stronger brand loyalty which enables them to retaliate against new entrants. However, while the competition for meal kits in Denmark is growing fiercer, the market is still growing (Morrison, June 2020), and since the market is assumed to be fragmented, no single company is in the financial position to start a price war. Nevertheless, older incumbents such as

Aarstiderne potentially benefit from a stronger customer loyalty and brand image since they have been operating in the market for a longer period of time and were able to build their customer relationships ongoingly.

The analysis of Denmark's political and economic environment already outlined the liberal approach the Danish government takes on business legislation. Not only is Denmark considered one of the countries with the highest ease of doing business index (World Bank[2], 2019), facilitating the start-up and operation of business there, but it also reduces trade barriers where possible and is actively pursuing a single market approach in Europe (International Trade Administration, 2020). However, there are some distinct laws on food importation specific to Denmark, which marginally inhibit the flow of animal products (Ministry of Environment and Food in Denmark, 2021) making it more cumbersome for companies entering the Danish market to import their boxes or ingredients from locations outside of Denmark. Hence, while this constitutes a small barrier for new entrants it is negligible, due to its size and otherwise liberal trade legislations. Lastly, there are currently no state-owned enterprises for meal kits, as the Danish government focuses its investment on public sector involvement such as in the transportation (Christensen & Greve, 2018), or energy industry (Ørsted, 2021).

When reviewing the capital requirements and relationships to successfully enter the Danish meal kit industry, an overall high dependency on good distributor and supplier relationships (Aarstiderne, 2021; Hello Fresh[2], 2021) can be identified since customers expect high quality ingredients that arrive in excellent condition, requiring a continuous optimization of the logistics and supply chain. This explains why some meal kit providers are slowly vertically integrating by building up their own distribution fleet such as Aarstiderne (Aarstiderne 2019) while still relying on their existing partners until they have a fully operational fleet. Also, Hello Fresh started to build up its own delivery fleet in the DACH region but for now relies on their distributor in the Nordics to deliver the meal kits to keep the fixed costs upon entering those markets low (Hello Fresh[2], 2021). Moreover, even incumbents such as nemlig.com (nemlig.com, 2021), Simple Feast (Simple Feast, 2021) and Skagenfood (Skagenfood, 2021), still rely heavily on logistic companies and local distributors to deliver their meal kits. Hence, new entrants will have to establish a strong relationship with a supplier, and while the number of freight transportation enterprises in Denmark is increasing since 2015 (Statistics Denmark, 2021), some providers such as DAO that are well suited specifically to quick food delivery are already in partnerships with incumbent meal kit providers. Furthermore, the importance of supplier relations for meal kits providers in Denmark must be emphasized, since the customer value and overall quality of a meal kit is driven in large part by its ingredients. Especially in Denmark, where there seems to be a higher-than-average preference for sustainably sourced and organic food (Appendix 7), having suppliers that meet that standard is key. Thus, many meal kit companies have close relationships with their suppliers such as Aarstiderne (Aarstiderne, 2021), Hello Fresh (Hello Fresh[2], 2021), Marley Spoon (Marley Spoon, 2021) and Skagenfood (Skagenfood[2], 2021). However, sourcing of produce in Denmark in specific and in Europe as a whole is not highly competitive due to the multitude of agricultural producers that service organic, biological and conventional ingredient demands (Allen, Bas-Defossez, Weigelt, Marechal, Meredith & Lorant, 2018). And while especially organic food is not produced in high volumes yet in Denmark, causing a potential gap between demand and supply, the volume has been increasing in the last years (Appendix 7). Moreover, most meal kit companies operating in Denmark do not source there exclusively (Aarstiderne, 2021; Skagenfood[2], 2021; Marley Spoon[2], 2021), as the ingredients indigenous to Denmark limits the variety in produce and recipes offered which could harm customer satisfaction. This analysis also indicates that meal kit providers have usually lower fixed cost, especially in comparison to offline retailers, as they outsource the sourcing and delivery of its products and only need facilities to receive and package the ingredients for the meal kits, resulting in an overall leaner supply chain (Hello Fresh[2], 2021).

Hence, while there are hurdles to overcome, the barriers to entry for the Danish meal kit market are currently still quite low, implying a high threat of entry. This conclusion is based on the fact that the resources required to enter the Danish market such as ingredients and distributors are not posing a big limitation, and neither does Danish legislation on conducting business. In fact, Denmark has one of the business-friendliest economies in the world and the country specific legislation on meat is a hurdle that is possible to overcome by either sourcing in Denmark, accounting for additional cost in pricing or reducing meat in the offering altogether. However, while the market overall is still growing, the high number of already existing meal kit providers makes the environment more competitive and can ushers in a new phase of the life cycle where more mature players can react hostile to new entrants. So while entry barriers overall are still low at the moment, the Danish market may evolve to a more mature industry soon.

***Threat of Substitutes***

In addition to companies entering the industry, the emergence of substitutes can make an industry even more competitive (Johnson et al, 2014). A high threat of substitutes implies low switching costs for customers to switch to alternative products that fulfil the same needs (Drummond & Ensor, 2006). Even though the meal kit market is a growing market, the majority of the Danish population still prefers to buy, prepare and cook groceries themselves or forgo the food preparation process entirely by ordering take-out or eat in a restaurant, as evidenced in Denmark's high supermarket density (Nordea, 2021) and prioritization of eating out (Deloitte, 2020). Moreover, since many meal kit providers offer the option to pause the meal kit subscription, customers face no cost to discontinue their meal kit consumption temporarily and switch to the alternative methods of food sourcing outlined above.

Specifically in the area of conventional offline food retailers, meal kits are under pressure. In 2016, over 68% of people were not even interested in ordering food online. However, this has particularly changed during the global pandemic COVID-19 (Biggs et al., 2020). In 2020, statistics show that around 60% of people order food online (including ready meals and groceries) at least once a week (Resendes, 2020), but it remains to be seen if this behaviour persists in a post COVID-19 world as not everyone was satisfied with their online shopping experience (Günday et al., 2020). Especially since the retail market is becoming increasingly competitive, supermarkets are reacting strongly to competitive threats (Nordea, 2021), such as meal kit providers, taking their market share. Subsequently, their competitive reaction can have significant impacts on the meal kit industry. The most obvious threat is the offering of meal kits as well through offline retailers and many supermarkets already started to provide meal kits without a subscription, so customers can purchase them individually on a day-by-day basis (The Economist, 2018). In Germany, the food retailer REWE group started offering meal kits online and offline and already attracted a large customer base (Allen, 2017), highlighting even further the potential threat of substitution by retail offerings. Moreover, Gee et al. (2019) emphasized that meal kit customers still frequent conventional retailers as meal kits usually only cover 3-4 meals a week, which could entice customers to switch to a retailer-offered meal kit during their shopping trip.

In addition to being substituted by retailer kits, meal kits can also be exchanged with other sources of food procurement. Cho et al. (2020) found that convenience is one of the key functional value drivers associated with meal kits. However, this trait is not unique to meal kits but also associated with online food shopping in general and often being the primary motivator for first time buyers to try out online shopping (Begley, Marohn, Mikha & Rettaliata, 2020). Overall, the adoption of online grocery shopping has been found to increase in Denmark over the past years (Frank & Peschel, 2020), which has further accelerated during the COVID-19 pandemic. Coop, one of the largest food conglomerates in Denmark, has seen a 400% increase in its online sales volume between January 2020 and January 2021 alone (Coop, 2021). Furthermore, they indicated that the percentage of the food sold that was organic increased to an all-time high of 42%, indicating that customers are consciously purchasing high-quality ingredients not just in meal kits but also in online retailers where possible (Coop, 2021). Since food quality has also been identified as a key purchase motivator by Cho et al. (2020), the increased availability of high-quality food at similarly convenient procurement can pose another threat of substitution. However, the magnitude of the threat is also depending on how well the other needs of meal kit customers are met, such as reasonable pricing and produce variety (Cho et al., 2020)

As outlined already in section 2.3 where the meal kits business was presented, the threat of substitution is high as there are many alternatives to the subscription-based model of meal kit suppliers and low switching costs for meal kit customers. For one, they can choose to purchase offline-retail meal kits without a subscription and secondly the emergence of online food retailing is offering similar benefits in terms of convenience and quality. Nevertheless, there are also other purchase motivations and consumer needs that are being satisfied by meal kits so depending on which needs are more prevalent, and if those can be satisfied by substitute products, the threat of substitution changes.

***Supplier's bargaining power***

With raw produce being the main input resource for meal kits, it is important to assess the supplier's bargaining power in the Danish Meal kit market. Both Drummond & Ensor (2006) as well as Johnson et al. (2014) agree that the bargaining power of suppliers is highly correlated with the market fragmentation. If the supply is controlled by a few players, they are in a stronger position to dictate prices, whereas in the opposing scenario, where the market is almost perfectly competitive, meal kit providers face low to no switching costs across suppliers, resulting in a very low bargaining power for suppliers. The supplier's bargaining power is especially important to consider, as it can result in higher or lower resource prices (Drummond & Ensor, 2006), which can in turn negatively or positively affect meal kit provider's profit margins.

As already identified above, Allen et al. (2018) outlined that the agricultural production in Europe as a whole is strong, being one of the leading food exporters globally. Moreover, research into the different meal kit providers highlighted that most of them source ingredients from across Europe (Aarstiderne, 2021; Skagenfood[2], 2021; Marley Spoon[2], 2021), primarily due to the limitation the Danish climate poses, which would make the supply of things such as spinach, asparagus and garlic during the wintertime difficult. This highlights that meal kit providers usually do not face the limitation to only seek suppliers in one country but engage with the extensive agricultural landscape located outside of Denmark. However, as identified in the PESTEL analysis, one of the emerging trends in Denmark is that customers consume significantly more organic food and are actively seeking products and services that meet that need (Kaad-Hansen, 2021) – a trend that is expected to grow even further (Statistics Denmark, 2021). Hence, meal kit providers need to ensure that they service that need as well to stay competitive. While the number of European producers growing organically is lower than conventional farming (Appendix 7), it still amounts to 16.5 million hectares of farmland and almost half a million of organic farmers (Willer & Lernoud, 2019). This number is expected to increase even further as the EU's target is to increase organic farming from 3%-8%, depending on sources, in 2019, to at least 25% by 2030, making organic food readily available (Willer & Lernoud, 2019). Within Denmark, the Ministry of Food, Agriculture and Fisheries of Denmark (2015), also outlined several initiatives to increase the number of organic production and make it more resilient by investigating, educating, researching, providing subsidies, and promoting sales. This aims not only at establishing organic produce as a more standard from of sourcing but also to extend the local offering of organic ingredients.

Subsequently, the overall bargaining power of suppliers is low for conventional produce and only marginally higher for organic produce, as its supply is scarce in comparison to conventional agricultural production but still big enough in the European Union to satisfy meal kit providers that chose to source organically. Moreover, with both country-specific and European initiatives to facilitate the production and sales of organic goods a further boost to organic farming can be expected.

***Customer's bargaining power***

Not only suppliers but also customers can exert a bargaining power on companies, depending on the concentration of businesses, customers' competitive threat and their switching costs (Drummond & Ensor, 2006). Generally, customers have a high bargaining power when there is only a small concentration of them, which have low switching costs, and are very price sensitive, as companies are dependent on and fighting for loyalty of a few customers (Johnson et al., 2014).

Firstly, since the meal kit industry for now predominantly conducts business in a direct-to-consumer fashion, it has a much larger customer base than industries that sell to retailers or wholesalers, as meal kit providers sell directly to the end-consumer (Hello Fresh², 2021) and do not have to negotiate with a smaller number of retailers. So, while there is no public data available on the magnitude on the Danish meal kit customer base, one can assume that the customer bargaining power dimension associated to the concentration to buyers is much lower for meal kits than for conventional food producers, as those commonly need to negotiate with a small number of retailers (Johnson et al. 2011).

Secondly, meal kit customers experience low to no switching costs. Almost all providers enable their customers to pause their subscriptions and since there are no flat fees associated with the meal kit subscription models in Denmark, customers are also always able to cancel their subscriptions without incurring a sunk cost. However, some meal kit providers, such as Aarstiderne (Aarstiderne², 2021) and Simple Feast (Simple Feast², 2021), make their offering more sticky by providing add-ons such as fruit boxes or breakfast kits to customers particularly looking for time savings. In addition, loyalty programs, such as the one introduced by Skagenfood where customers get extra salmon, can create stickiness (Skagenfood[3], 2021). Nevertheless, information on other providers is readily available to customers, facilitating the switching across meal kit companies. As outlined by Statistics Denmark (2021), a noteworthy share of the population already uses their mobile devices for grocery related activities, so the process of researching and organizing food can already be considered standard practice. Hence the switching costs associated with the core offering itself are comparably low.

Thirdly, the competitive threat of buyers must be considered which in its essence means if customers are able to supply themselves with the desired good, because the product in itself is fairly undifferentiated (Drummond & Ensor, 2006; Johnson et al., 2014). In the previous section the competitive threat of substitutes has already been analysed and has been found to be of at least medium intensity, if not high. Latter depends on the customer profile, since there is a wider array of alternative products and services that satisfy a subset of the needs fulfilled by current meal kit providers.

Thus, the bargaining power of customers can be considered moderate. While the direct-to-consumer approach, where individual customers only make up a small share of a company's revenue, diminishes the bargaining power of customers, the limited differentiation of the product offering and low switching costs places customers in a stronger negotiation position and makes meal kit providers more dependent on keeping their customer base. However, the extent to which buyers can substitute meal kits is dependent on the customer need the meal kit primarily satisfies, as some are easier substituted than others, explaining why the overall bargaining power of customers is only moderate and not high.

## 4.2. MEAL KIT ATTRIBUTE IDENTIFICATION

In the following section, the findings from the expert interviews will be presented. Firstly, the market and segment relevant for this research will be defined based on their assessment on customer characteristics. Secondly, their assessment of desired attributes and meal kit features will be used in conjunction to the industry analysis to outline a set of preliminary attributes that are to be validated among the focus groups and in-depth interviews.

### 4.2.1. Market & Segment Specification

While the research question in itself already limits the customer groups to be analysed to the Danish market, it is still prudent to investigate if and how those customers differ in comparison to other countries or whether customers in specific country clusters share such similar customer persona's that they can be considered one. Moreover, it needs to be assessed which segments Danish meal kit providers specifically serve so that their customer characteristics can be considered when making assumptions about important product attributes. The subsequent section will focus on those delimitations by discussing the insights generated from the expert interviews after briefly introducing the interviewed companies.

***Interviewed Companies***

As mentioned previously, four expert interviews were conducted with meal kit providers servicing the Danish market, namely Aarstiderne, Hello Fresh, Marley Spoon and Simple Feast. The interviewees and their corresponding company are depicted in *Table 2*. Aarstiderne is, at least according to their company representative Daniel Frantzen (Appendix 2), the market leader and oldest meal kit provider in Denmark. They offer a large variety of subscription boxes that have a pre-set weekly menu, where the customers cook their meals with the ingredients and recipes provided from scratch (Appendix 2). Hello Fresh and Marley Spoon on the other hand are new to the Danish market, having entered only during the last two years (Appendix 3; Appendix 4). However, they are both large international players that are globally among the biggest meal kit providers there are (Rees et al., 2020). They follow the same concept, where customers can select several individual meals each week for their meal kit subscription, offering a bit more customization compared to Aarstiderne's set weekly menu. Customers then cook their meals from scratch with the recipes and ingredients provided. Simple Feast differs from the other providers in that it offers primarily ready-made meals where customers only need to heat up the precooked food (Appendix 5). Similarly to Aarstiderne, they provide a variety of set weekly menus.

| Meal Kit Provider | Interviewee |
|---|---|
| Aarstiderne | Daniel Frantzen |
| Hello Fresh | Sophia Kamm |
| Marley Spoon | Aurelie Poilleux |
| Simple Feast | Jonna Tuominen |

*Table 2: Overview of Companies and Interviewees of Expert Interviews*

***Market delimitation***

When assessing whether the Danish meal kit customers are inherently different to other customers, all four companies affirmed that the markets in Europe in fact differ across countries. While they all conceded that on a broad level some share similarities and can be grouped together, such as Denmark, Sweden, and Norway (the Nordics) or Germany, Austria, and Switzerland (DACH region), there are also significant differences even within countries of one sub-region. While the interview with Sophia Kamm (Appendix 3) indicated that there are a lot of similarities in the Nordic countries in terms of income-level, importance of sustainability and food quality, the expected standard of sustainability is even higher in Sweden and that especially food habits differ across countries. Daniel Frantzen (Appendix 2) on the other hand highlighted that people in Denmark put a larger emphasis on organic food as opposed to the customers in the Swedish Market. Following that narrative of differences across the Nordics, Jonna Tuominen (Appendix 5) indicated that there is a difference in price sensitivity and food preferences between Denmark and Sweden, with Danes being a little bit more willing to pay high prices, whereas Swedes require the family offering to be more family friendly than Danish citizens. Interestingly enough, the interview with Aurelie Poilleux (Appendix 4), indicated that dietary habits do not vary a lot across countries as *"a vegetarian from Sweden or a vegetarian from Germany will like similar things"* (Aurelie Poilleux, 05.03.2021, Appendix 4), however simultaneously confirm that specific types of dishes are more popular in some countries than others. Thus, as an investigation of product attributes across markets is not recommended due to the dietary, preferential, and economic differences across countries, the subsequent study will investigate exclusively the Danish market and will limit the focus group and interview participants to residents of Denmark.

***Segment delimitation***

Concerning the relevant customer segments in Denmark, most interviewed companies were in consensus about who their main customers are and their characteristics. Sophia Kamm (Appendix 3) pointed out that the differences across markets are in fact larger than the differences between their core customer segments as all customers share a similar mindset, which is a notion that was shared by the other companies. Generally speaking, meal kits seem to be predominantly ordered by couples with higher educational backgrounds and a double income, as well as families with multiple children where both parents work. The combination of high-income and time constraints the customers face, is an aspect that all companies highlight, as meal kits are a luxury add-on that can only be afforded by people who generate a high enough income to enable the purchase, but simultaneously do not have the time anymore to grocery shop and cook extensively (Aurelie Poilleux, Appendix 4). This insight is also validated by the drop of orders a lot of companies face during the holiday seasons when customers have time again to go grocery shopping and cook (Daniel Frantzen, Appendix 2). Moreover, inherent to the product, meal kits are predominantly ordered by people who value quality food, would like to offer slightly healthier food to their families, and want a joint dinner experience. Also, while the meal kits are in the end consumed by people of both genders, the order for the meal kit is usually placed by a woman, as the key decision maker for food among couples and families is still predominantly female. In terms of age demographics, the bulk of their customer is on average between 30-55 years old, since younger people often do not have the income available or the time limitation to encourage a purchase, whereas older people are less likely to purchase a meal kit since the order process occurs on a digital platform (App or Website) which is not an environment they are familiar with. However, the age boundaries are fairly flexible as they also differ slightly across companies, with Marley Spoon customers starting around mid-20s (Aurelie Poilleux, Appendix 4), and Simple Feast targeting slightly older (mid 30s) people with their premium offering. Also, Daniel Frantzen (Appendix 2) outlined that since they operate already longer in the market, they also have a customer base that is around 70 years old, since they signed up when they were younger. Subsequently, while the average age is 30-55 years, there are still relevant customer groups outside of the average. Moreover, Daniel Frantzen (Appendix 2) highlighted that singles are becoming an increasingly relevant customer group and the fact that it is not a popular target group among other companies as of now is a result of the lack of product offering specifically to individuals, as producing single portions is more costly.

***Defined target group for analysis***

Based on the assessments made in the previous sections, the final delimitation of this study's focus group will centre on the Danish market and specifically on the meal-kit customer segments of singles, couples, and families with participants between the age of 25-70. While it became apparent that there are significant similarities between the three groups, in fact many companies do not differentiate between them, since key characteristics, income, scarcity of time and appreciation for food were the same, each customer group will still be evaluated independently. This assessment approach is founded in the interest to explore if any of the attributes and their corresponding importance differs significantly across those groups, contrary to what the industry experts indicated. Also, while the purchase is often made by women, it is possible that their respective partner was included in the purchase decision beforehand, subsequently the authors will abstain from making a delimitation based on gender.

### 4.2.2. Product Attribute Identification

The industry analysis has highlighted the strong competition and low switching costs in the meal kit market in Denmark. Therefore, it is imperative for meal kit providers to differentiate themselves from the competition and better fulfil customer preferences in order to ultimately gain a larger market share. Based on the expert interviews, Porter's five forces analysis as well as the macro environmental influences and limits (PESTEL), nine product attributes have been identified as potentially relevant for meal kit customers. *Table 3* provides a brief overview of them prior to being explained more in depth. These will be then discussed and potentially validated in the focus groups and interviews conducted as part of this research.

| Product attribute | Definition |
|---|---|
| Quality of ingredients in meal kits | Product attributes that relate to the taste, freshness, appearance and smell of the food item, as well as it's molecular make-up. |
| Sustainability of ingredients | Aspects concerning the sustainability of the sourcing of produce. For instance, if it was sourced organically, locally or with less pesticides. |
| Variety of ingredients and recipes | The extent to which recipes and ingredients vary over time and with the seasons. |
| Health aspect of recipes and ingredients | The extent to which customers desire to eat more healthily and if they feel that meal kits support them in that ambition. |
| Kid-friendliness | Whether the meal kits are tailored enough to the segment, for instance, kid friendliness for families. |
| Price | The price per meal kit or per portion. |
| Sustainability of packaging | Whether or not the packaging is considered to be environmentally friendly. |
| Convenience | The time savings associated with forgoing the planning, shopping, and preparation of meals. |
| Customization | The extent to which customers can customize their orders based on their dietary preferences. |

*Table 3: Overview of Potential Meal Kit Purchase Drivers*

***Quality of ingredients in meal kits***

*"People want fresh ingredients"* (Aurelie Poilleux, 05.03.2021, Appendix 4), sums up essentially what is a key element of customer satisfaction of meal kit customers across all of Europe, not just Denmark. According to her, irrespective of variety, preparation time, sustainability or attractive price, if the food quality is inferior to customer expectations, they will be dissatisfied and discontinue their subscription. In this context, the term food quality relates to all product-related quality elements such as freshness, taste and appearance of produce as well as its molecular make-up such as fat content and marbling in meat (Brunsø, Grunert, & Fjord, 2002). This notion, that produce quality is an essential element to retain customers, is shared across all interviewees of this study. In fact, Sophia Kamm emphasized the heightened food quality standard that is expected in Denmark (Appendix 3) compared to other countries. This requirement for high quality can be associated with the fact that meal kits are

perceived as a luxury product (Jonna Tuominen, Appendix 5; Aurelie Poilleux, Appendix 4), which suggest that it is critical for meal-kit companies to meet the quality expectation of customers. Those industry insights have also been validated in previous research. According to Reilly (2019), customers expect a superior produce quality resulting in restaurant-level dishes than they would have when grocery shopping at retailers, which was also discovered by Cho et al., (2020) who found that food quality to be one of the most important meal kit attributes, at least in the US. Hence, adequate produce quality can be assumed to be a minimum requirement product attribute for meal kit customers.

***Sustainability of ingredients***

As an extension to the quality of ingredients attribute outlined in the previous section, there is a growing emphasis on the process quality of produce, i.e., how that product has been produced, such as organically, locally, animal-friendly and pesticide free (Brunsø et al., 2002). Denmark, together with Sweden had Europe's highest density in organic retail sales with 11,5% (Appendix 7) in 2018, which is the equivalent of a spend of 312€ (2320 DKK) per capita on organic food. Additionally, the Danish government still subsidizes organic farming and invested heavily in the last years to double the surface area of organic farms until 2020 as well as stimulate the availability of organic products in public institutions (Halkier, James, & Straete, 2017). Integrating the findings of the micro- and macro assessment of the Danish meal kits market, organic and local produce have been found to be key differentiating aspects of a meal kit due to the highly competitive landscape. The demand for a high process quality when sourcing produce has not just been outlined in the literature, such as by Kaad-Hansen, (2021) but has also been confirmed throughout the expert interviews where all respondents indicated that there is a growing demand for both organic and local food (Appendix 2-5). Aarstiderne, who considers itself the biggest meal kit company in Denmark, positions itself clearly as a fully organic meal kit company (Daniel Frantzen, Appendix 2). Also, both Marley Spoon and Hello Fresh source what they can organically, even though that is not their positioning suggesting that they see a demand from their customer base to service this attribute (Aurelie Poilleux Appendix 4; Sophia Kamm, Appendix 3). Thus, sourcing ingredients sustainably appears to be another product attribute customers could base their decision on.

***Variety of ingredients and recipes***

In his assessment of the US meal kit market, Cho et al. (2020) identified that customers demand a high variety in ingredients, menus and recipes as the average meal kit customer would like to try out new recipes and cuisines as part of his subscription and identified this, together with produce quality, to be the most relevant product attribute. Contrary to the findings from Cho et al. (2020), Chandradasa (2018), found in his study of the US market that produce variety does not have a significant effect on the value creation of meal kit companies. For the Danish market, the expert interviews conducted with the European meal kit providers unanimously agreed with Cho et al.'s results. Moreover, the industry analysis outlined that the Danish meal kit market is highly competitive, with low differentiation and switching costs where the key aspects to drive differentiation are food-item related, such as sustainability but also variety, emphasizing the need to offer ongoingly different ingredients and a wide variety of recipes. Daniel Frantzen (Appendix 2) did not only highlight the necessity to ensure variety within a subscription box to keep customers interested but furthermore elaborated that Aarstiderne at the same time also offers a large variety of boxed to choose from so that customers can switch and adjust the meals they get based on their changing preferences. Similarly, Jonna Tuominen (Appendix 5) confirmed that variety seems to be of great importance for the customer base of Simple Feast. Hello Fresh and Marley Spoon do not provide a fixed menu per box and ensure variety by offering a large variety of recipes each week that can be merged into a box to offer customers the choice to select different dishes on an ongoing basis. Hence the extent to which they enable to variety implies that those companies recognized the demand from customers, suggesting it to be an important attribute. Subsequently, the variety of the product offering could be a decisive factor for customers in the Danish market.

***Health aspect of recipes and ingredients***

In the macro-environmental analysis of the societal factors of PESTEL, it has been highlighted that there is an emerging trend, fuelled by the COVID-19 pandemic, to eat more health conscious (EIT Food, 2020). Moreover, studies have shown that the Danish population already prior to COVID-19 demanded high levels of healthy food options, especially those that are also committed to purchasing organic produce (Ditlevsen et al., 2020). Since Denmark has a high density of organic retail sales, the assumption can be drawn that health consciousness is high as well. The trend towards a healthier lifestyle is also echoed in customer preferences of meal kits. Simple Feast offers only vegetarian and vegan meal kits, however Jonna Tuominen pointed out that "*half of our customers are not even vegan or vegetarian. They just want to eat more sustainable and healthy"* (10.03.2021, Appendix 5). Similarly, Daniel Frantzen (Appendix 2) confirmed that there is a visible trend to more healthy meal kits at Aarstiderne. While the representatives from Hello Fresh and Marley spoon did not specifically mention the health aspect during the interviews, they both include health considerations in their value proposition or mission statement (Hello Fresh, 2021; Marley Spoon, 2020). Moreover, Mintel (2016) highlighted a difference in appeal between single and multi- households, stating that single-person-households value healthy meal alternatives more than their multi-person household counterparts. In sum, the healthiness of the meal kit offering could be another defining aspect for customers when selecting a meal kit provider, specifically for singles.

***Kid-friendliness***

An aspect that wasn't mentioned specifically in literature or prior research on meal kits was the element of how tailored the meal kit offering is to the segment it services. However, the interviews indicated that there might be slight preferential differences between customer groups which impacts how they purchase their meal kits. Firstly, Jonna Tuominen (Appendix 5), outlined that especially in Sweden the kid-friendliness of meals is imperative and that they had to tailor their offering more to satisfy that need. Moreover, a study in New Zealand found that parents are influenced in their food choices by the, often fussy, taste preferences of their children (Maubach, Hoek & McCreanor, 2009). This was further confirmed in research conducted by Gram (2015), who found in an observational study in Denmark and the US that children's food requests, whether healthy or unhealthy, were always considered when making food purchase choices. Hence, it should be investigated if there are similar purchase influences for families in place, among meal kit customers in Denmark.

***Price***

As the macro-analysis analysis outlined, the Danish population has the second highest average disposable income in European comparison, with only Luxembourgers earning more (The Local DK, 2015). Moreover, compared to other countries, it has a large and prosperous middleclass that further feeds into a stable purchasing power of the Danish population (Kochhar, 2017), which would then result in a higher ability to pay for luxury and non-essentials items such as meal kits. Moreover, as identified in the market delimitation, the core customers of meal kits are primarily well-educated individuals, often in a relationship, with double income that obtain wages usually even above the average Danish income. Nevertheless, Cho et al. (2020) finds that US customers of meal kits require a moderate price to value ratio, making price one of the four key drivers for value creation of meal kit companies. Also, Nielsen's (2018) review of the US market indicated that a high price is considered an obstacle to purchase frequency and overall stickiness of the boxes. While conclusions drawn from one market do not necessarily hold true in other markets, they appear to have some validity in the Danish market. Hello Fresh's acquisition strategy is in large at least moderate sensitivity to price has also been confirmed by Sophia Kamm (Appendix 3) from Hello Fresh. Since their strategy is in large part discount driven to attract customers, they do see a discontinuation of subscription once the discounts are no longer valid. Jonna Tuominen from Simple Feast (Appendix 5) also confirmed that price is a relevant dimension and that a certain number of churned customers can be attributed to price. Marley Spoon on the other hand follows another philosophy in line with their more elevated positioning by stating that their target group are usually customers who are comfortable with their price point (Aurelie Poilleux, Appendix 4). Subsequently, a further assessment on the relevance of price needs to be made to come to a coherent conclusion of how sensitive meal-kit customers in Denmark are to pricing.

***Sustainability of packaging***

Sustainability is one of the emerging trends of the last years and one of the key elements that many meal kit companies strive to perfect. Generally speaking, the density of environmentally conscious customers is much higher in the Nordics than in other areas of Europe (Golob & Kronegger, 2019) which explains why Ditlevsen, et al (2020) find in their study of organic and conventional food consumption of Denmark that organic consumers include sustainability and environmental concerns much more into their purchase decision than conventional customers. Specifically the packaging of the meal kits appears to be incurring emissions in excess of retail shopping. While some research has shown, that overall emissions for meal kits are lower than for retail produce, with streamlined supply chains, reduced foot waste, lower transportation emissions and meal kit refrigeration emissions offsetting the slight increase in emissions due to increased packaging (Heard, et al. 2019) there are also studies that indicate the emission savings are not large enough to offset the additional packaging emissions (Yorzyk, 2021).

To address these issues, many meal kit providers strive to continuously reduce emissions and make their packaging more sustainable. HelloFresh in Germany and Austria offers their customers to recycle their packaging materials which then can be re-used for future boxes (Bredehoft, 2016), while Simple Feast started a pilot of offering fully reusable boxes to their customers to cut down packaging waste even further (Appendix 5). Both Marley Spoon and Hello Fresh advocate that they operate carbon neutral, and all four interviewees strongly emphasized how important sustainability and the wellbeing of the climate is not just for them as a company but also their customers: *"We always think about sustainability. We are always trying to reduce the packaging, to have recyclable materials or to not mix paper and plastic so you can easily recycle. So sustainability is super important for us"* (Aurelie Poilleux, 05.03.21, Appendix 4). Hence the sustainability of their product as a whole but also the packaging in particular seems to be an omnipresent factor for meal kit providers. In sum, the high density of environmentally conscious people as well as customers purchasing organic produce indicates that packaging and sustainability concerns could play a role in the decision-making process of a meal kit purchase.

**C*onvenience***

A key factor emerging from the expert interviews was that customers expect a high level of convenience, primarily due to the fact that the core customer base of meal kit boxes are working individuals, some with kids, pressed on time. In the context of meal kit boxes, convenience is framed as the required level of preparation time, culinary skills, appliance use and overall energy input, which should be substantially lower than the conventional cooking process (Cho et al., 2020). While the trend to more convenience has been increasing ongoingly in the past years, it has been accelerated by the COVID-19 pandemic even further and heightened the expectations concerning convenience when it comes to grocery shopping. Specifically, online food shopping has seen higher adoption rates due to the convenience it offers (Frank & Peschel, 2020). The assumption of convenience being a relevant purchase motivator specifically for meal kits has also been confirmed in previous research by Cho et al. (2020) on the US meal kit market. In Denmark, almost all meal kit providers attempt to keep preparation and cooking time within a short amount of time, or at least offer boxes and recipes specifically tailored to that need. While Marley Spoon has their recipes set to a maximum of 30 minutes preparation time (Aurelie Poilleux, Appendix 4); others, such as Simple Feast, provide already cooked and ready to eat meals that just need to be heated (Jonna Tuominen, Appendix 5) while Aarstiderne simply offers boxes specifically for quick dinners. Thus, since previous research, overall industry trends and company perceptions all seem to indicate that convenience is a relevant factor, convenience seems to be a strong motivator for subscribing to a meal kit.

***Customization of box***

Personalization and customization of goods and services has been a trend that has reached the food sector from other industries such as TV on demand. Not only is there a growing number of start-ups that enable customers to custom make their own food items (MyMuesli, 2021), but also the overall online shopping experience is growing increasingly more tailored due to the use of data driven personalization (nemlig.com, 2021). Moreover, there is a significant number of consumers following a special diet in the Scandinavian market. A study of the Swedish market outlined that over a quarter of its research group indicated that they follow a special diet or dietary recommendations (Axelsen, Danielsson, Norberg & Sjöberg, 2012) and the global increase in food allergies (Jones, 2020), further underlines the necessity to customize meals and switch out ingredients. While some meal kit providers such as Marley Spoon and Hello Fresh already enable customers to assemble their box with recipes of their choosing, not all meal kit providers follow that business model. Aarstiderne provides a large variety of boxes with set menus each week, however Daniel Frantzen (Appendix 2) noticed a growing demand from customers to personalize and customize their orders in more depth, especially from younger people. Thus, it would be relevant to investigate if the extent to which customers can personalize their meal kit orders has an effect on their purchase decision and under which circumstances this is desired.

## 4.3. FOCUS GROUP, INTERVIEW AND SURVEY RESULTS

Based on the previously defined segments, participants were sampled to attend the different focus groups and interviews to obtain the following two insights: (1) Which attributes do they take into consideration (2) How much do they take them into consideration, i.e., how important are they? To obtain the first insight, the focus groups and in-depth interviews were held to firstly discuss and validate the potentially applicable attributes outlined in section 4.1.2. and secondly identify any new attributes and factors that so far have been omitted. The second insight is generated by evaluating the importance of the discussed attributes among the salience and relevance dimension outlined by Van Ittersum et al. (2007). The salience dimension is captured by analyzing the ease with which the attribute comes to mind when the participants were invited to think about their meal kits. On the other hand, the survey yields insights into the relative importance of the product attribute when compared to the other attributes under investigation, outlining the importance in the relevance dimension. Participants were asked to rank the attributes identified from most important to least important, which translated into a numeric value where 1 = most important and 9 = least important.

### 4.3.1. Description of Sample

A total of four in-depth interviews and two focus groups with five participants each were conducted. The researchers attempted to sample participants randomly to ensure a large variety of subscriptions to different meal kit providers, resulting in the most valid insights. As seen in Appendix 8, most participants had or have subscribed to Aarstiderne, which is to be expected as it is currently the market leader in Denmark and thus has the proportionally largest customer base. Furthermore, all in-depth interviews were conducted at a time convenient for the participant to ensure that the participant was able to converse on this topic without disturbances. The focus groups were held at a fixed date in accordance with the availability of the participants.

An attempt was made to keep the groups as diverse as possible while simultaneously corresponding with the determined segment delimitation under section 4.1.1. to be reflective of the overall population. All participants are either current or former subscribers to a meal kit provider in Denmark and where either born or relocated here for professional or educational reasons and live in the Copenhagen area. They have all confirmed to be the primary or at least co-decision maker for food and therefore also for their meal kit provider. As evidenced by the segment delimitation, most meal kit consumers have a high educational background and a double household income. This sample includes 12 out of 14 participants who have at least a bachelor's degree, evidencing an overall high educational background. Similarly, most participants confirmed a comfortable monthly income, whereas couples and families have, as expected, a larger household income compared to the singles segment. Furthermore, 9 out of 14 participants were female, which is quite close to the expected distribution of 70% female consumer for meal kits (Aurelie Poilleux, Appendix 4). The average age in the couple segment is 29.2 years, singles 34.6 years, and parents (family segment) 39.8 years. This is supported by current literature as consumers of this age are most likely to subscribe to meal kits as a result of time scarcity, or quest for convenience (Cho et al., 2020). In the family segment, all participants had two children each, with none of them continuously ordering the family box as they felt it was not suitable for their children and therefore did not meet their needs. Finally, other data were gathered to investigate whether there are any hurdles in delivering the meal kit boxes to people who live in multifamily houses compared to consumers who own their own house.

All in all, the researchers believe that the sample is sufficiently diverse in terms of context, backgrounds, and preferences of the individual participants and thus sufficiently reflects the overall population. An overview of the demographics of the three individual segments (couples, singles, families) is shown in Appendix 8.

Having examined the sample, the subsequent sections will outline the results of the analysis beginning with the participants definition of meal kits and then analyzing the results of the in-depths interviews and focus group discussions.

#### 4.3.2. Meal Kit Definition

As part of the theoretical foundation, Abell's three-dimensional business definition model has been applied to outline the meal kit business by reviewing the current offering and the existing literature on meal kits in general. While it has been categorized as a consumer centric model, the authors were interested to see how customers define a meal kit and its purpose in comparison to how the industry views it. Hence, part of the interviews included a section where the participants definition of a meal kit was discussed, with the results outlined in the following section:

One definition almost all participants had in common was that it is a product that provides the pre-portioned key ingredients and recipes to make a meal, or as Speaker 4 (families) put it: "*A meal kit for me is basically that I have pre-proportioned food, […] to make a meal. And like some instructions on how to make the meal*." (Appendix 14). Only one participant outlined that she also "*thought of not-portioned vegetables. Netto had this, where you could order everything, and you would get it brought and then you had to cook the meal yourself*" (Appendix 10). Both definitions fall under the umbrella of how participant described meal kits, namely as "*tools to create better food at home*" (Appendix 10). Derived from the element of already pre-portioned ingredients, is also a greater degree of convenience. While for some the convenience is centred around having the food delivered to their door and avoiding the shopping trip, some confirm that also food baskets sold in store constitute a meal kit. Thus, while the majority of meal kit providers follow a direct-to-consumer business model, this is not a necessity imposed by customers. On the other hand, some associate the key convenience with a greater ease of cooking by having either partially pre-cooked ingredients or simple recipes so that there is "*a minimum effort for you to actually create the meal in the end*" (Appendix 9). This highlights a wide spectrum of what is perceived as and expected from convenience. Nevertheless, there seems to be a strong distinction from ready-made meals. One participant clearly stated that "*it is something where I still need to do something. For example, you still need to do the cooking and you just get ingredients. Even if some* *of the things are precooked, you still need to do something with it*" (Appendix 10). Also, other participants explained that, while it should ease the preparation of the meal, it should still involve some form of preparation which ties back to the statement made earlier depicting meal kits as a tool to make better home-cooked food.

### 4.3.3. Couple Segment Results

| COUPLE | Speaker 1 | Speaker 2 | Speaker 3 | Speaker 4 | Speaker 5 | Mean | Ranking[1] |
|---|---|---|---|---|---|---|---|
| Quality of ingredients | 3 | 2 | 1 | 1 | 5 | 2,4 | 1-2 |
| Sustainability of ingredients (locally and organically produced) | 5 | 1 | 5 | 4 | 8 | 4,6 | 5 |
| Variety of ingredients and recipes | 6 | 5 | 4 | 2 | 4 | 4,2 | 4 |
| Healthy ingredients and recipes | 1 | 3 | 3 | 3 | 2 | 2,4 | 1-2 |
| Price per meal box | 8 | 7 | 2 | 8 | 3 | 5,6 | 6 |
| Sustainability of packaging | 4 | 6 | 6 | 7 | 7 | 6 | 7 |
| Convenience | 2 | 4 | 7 | 5 | 1 | 3,8 | 3 |
| Customisation (possibility to choose ingredients) | 7 | 8 | 8 | 6 | 6 | 7 | 8 |

*Table 4: Survey Results Couple Segment[2]*

***Quality of ingredients in meal kits***

The notion expressed in the expert interviews that meal kits are perceived as a luxury good and therefore come with the expectation of high quality has been strengthened by the findings from the couples focus group. According to the survey, four out of five participants rated the quality of the ingredients as one of the top three key purchase drivers for them (*table 4*). This resulted in the lowest mean ranking (2,4) which implies that the quality of ingredients together with the healthiness of

[1] Ranking based on mean values
[2] From dark green (best) to dark orange (worst)

ingredients is the most important product attribute participants look at when making a purchase decision when compared to the other attributes in question. Hence product quality appears to have a high attribute importance in the relevance dimensions.

When assessing the perception of importance on the salience dimension, product quality is a topic that appears to be somewhat important but is not the first thing that comes to mind for most participants. Only Speaker 4 included quality as a dimension that has a strong positive impact on his purchase decision for meal kits without being prompted. He confirms that "*you can just tell a big difference in the quality of the ingredients, whether it be the vegetables or the meat. The taste and the freshness is much better with meal kits. So, for me, that's a big plus*" (Appendix 9). Speaker 1, who stated that you can "*actually see the quality of the goods*" (Appendix 9) when comparing supermarket and meal kit produce, included this consideration only much later in the discussion. However, not everyone is sufficiently satisfied with the quality of some meal kit providers, which then seems to become quite important and prevalent in memory. For example, Speaker 3 stated early on that they cancelled their subscription to HelloFresh after just two weeks because "*it was too basic and compared to what we actually pay for*" (Appendix 9). Quality perception appears to be also influenced by the presentation of the products. As Speaker 1 compares Aarstiderne and Simple Feast, she feels that Simple Feast's boxes are much better prepared as "*it felt like the presentation was better*" (Appendix 9). Lastly, Speaker 3 points out that seasonal vegetables are something that meal kit providers should pay attention to as it "*gives them a higher quality again*" (Appendix 9), drawing a connection to ingredient variety. However, seasonal vegetables and variety in recipes is examined in more detail under section variety. Thus, quality appears to be only a moderately salient attribute, unless it is dissatisfactory, becoming “negatively-salient”, meaning people remember the negative experience strongly.

***Sustainability of ingredients***

Based on the micro and macro analysis of the Danish market and the expert interviews, the sustainability of ingredients as a key purchase driver seems to have a particularly high relevance for meal kit customers. However, when looking at the survey results, there seems to be very mixed relevance (*table 4*). With an overall mean of 4,2 and an aggregate rank of 5, sustainability of ingredients appears to have on average a lower importance than other attributes. However, what should be noted is that there appears to be a large variance in opinion on the importance with rankings classifying this attribute from most important to least important. Thus, aggregate measures might distort the fact that there are different sub-segments within the sustainability dimension for the couples segment, who attach different importance values to the product in the relevance dimension.

The salient importance of sustainability exhibits similar disparity. Speaker 2 outlined as a key reason for her purchase that *”the best experience I've had is actually with Aarstiderne because it's organic, everything they have is organic and most of it is locally produced, which is very valuable to me and very important to me”* (Appendix 9), implying high salience. She specifically mentions Aarstiderne's "*sustainable fishing and also reproduction, which supports local produce and sustainability*" (Appendix 9). Conversely, the lack of sustainability can also cause dissatisfaction. Speaker 3 mentions that the long transportation from Marley Spoon from other countries bothers her and is pointless from her point of view: *"Everything is from the Netherlands. So, we are getting meat and vegetables from the Netherlands. I think some of it is from Germany as well. And from my point of view, it's not that sustainable. It's not nice when we know that we have good ingredients in Denmark as well"* (Appendix 9). While this indicates that this dimension is salient and thus important product attribute to those two individuals, it is not a notion shared by everyone else and not one they discussed without being encouraged to do so. Speaker 1 confirmed that she loves the aspect of her meal kit being organic, but only after she mentioned other aspects such as product variety. Moreover, Speaker 4 agreed with the statement of Speaker 1, but focused her statement on the enhanced product quality associated with Aarstiderne which is derived from its organic sourcing. Thus, similarly, to the relevance dimension, there are very different opinions on the sustainability factor. Hence, the salience cannot be determined unilaterally for the whole segment but appears to be variant across individuals

***Variety of ingredients and recipes***

Variety of ingredients ranks on average as the 4$^{th}$ most important product attribute (*table 4*) and appears to be a less controversial dimension than sustainability with most values being close to the mean. This implies that this attribute is less important on the relevance dimension than for instance product quality or convenience, but still carries more weight than packaging or sustainability considerations. Subsequently, it appears to be a moderately important product attribute on the relevance dimension.

However, the variety of ingredients and recipes seems to be at the forefront when participants think about their meal kit experience, indicating a high salience of this product attribute. Speaker 2 describes a strong positive association with having a larger variety as it is "*quite fun to explore, to try and mix it up a bit sometimes and try something new*" (Appendix 9). She also extends on the need for seasonal differences: "*I think it's super important that they support the seasonality. And also, I think there's a natural need for when the summer comes, you want to eat more lighter, and fresher, and eat berries. And not heavy potatoes or heavy dishes*" (Appendix 9). Speaker 1 highlights Aarstiderne in particular and says that variety is "*one of the reasons why I stick with Aarstiderne, because I could switch between the boxes. And I love that there's multiple vegetarian options*" (Appendix 9). Conversely, dissatisfactory ingredient or recipe variety can negatively affect the perception of the meal kit. In particular, Speaker 3 refers to a meal kit she unsubscribed from because certain ingredients were used excessively: "*they have creme fraiche for everything. And that was just ridiculous because that's the same dressing you're using for everything*" (Appendix 9). Also, other participants agree with Speaker 3, such as Speaker 2 who is "*sometimes a bit less satisfied with the boxes when there is a seasonal vegetable or fruit, as they use it a lot - like a lot*" or "*We've gotten that a lot lately, like every time. And I'm like, I don't want to eat that much Spitzkohl, so I am like please bring me something else*" (Appendix 9). Speaker five also shares this notion that a certain variety is important, as she confirmed that her meal kits are repeated "*after two weeks and that's boring*" (Appendix 9). These results suggest that variety of ingredients and recipes is a highly salient product dimension.

***Health aspect of recipes and ingredients***

Eating healthy seems to be a decisive factor for the choice of meal kits. Not only was it confirmed in the survey in which all participants of the couple focus group had listed the health factor among the top three main key purchase drivers, but their verbal statements during the discussions were also consistent with this. Based on the survey, it is together with product quality to most important attribute in the relevance dimension (*table 4*).

As a matter of fact, this importance level is mirrored in the salience dimension as well as it is the "*first one and most important* [attribute] *one for me*" (Appendix 9). This attribute was vividly discussed by the participants and elicited freely suggesting that there is a strong association between health considerations and meal kits in participants minds. Speaker 5 even sees meal kits as a motivator to start a healthier diet: "*a more healthy diet was definitely a motivator for us to go for the meal kits*" (Appendix 9). As Speaker 1 confirms, they are even willing to invest more time in the kitchen for a healthier nutrition: "*If I would not use the service, I would probably eat more junk food. Let's be honest, I'm so busy at work that I wouldn't find the time to cook. This service however forces me to cook. So, it might take more time for me actually, instead of going and getting some kebab or any of those, you know. But with meal kits it actually keeps me on track. So I get my dose of vegetables as well and make sure I eat healthier*" (Appendix 9). However, meal kits are still not healthy enough for other consumers like Speaker 3 mentioned. She says that she checked the calories of the specific meals and then she was "*actually really shocked, because it was quite a lot. So that's also a thing that has made me wonder if I want to continue this, because I could basically create my own very healthy meal on nemlig.com if I wanted to*" (Appendix 9). Lastly, the tailored nutrition meal kits can offer are positively noted by Speaker 5 who describes, that "*my boyfriend needs more calories than me*" and that "*the boxes are precisely how much we need*" (Appendix 9). She also agrees with Speaker 1 that they need more vegetables in their daily nutrition and would cook them less themselves without the meal kits.

***Price***

Denmark, as already outlined in the PESTEL Analysis, has the second highest disposable income in Europe and a relatively large middle class, increasing the overall market size of individuals being able to purchase non-essential goods, such as meal kits. The survey results exhibited in *Table 4* outline very different viewpoints on its importance among the participants. Price is either seen as one of the most relevant drivers or absolutely irrelevant. If the demographics (Appendix 8) are taken into consideration, it can be observed that the two youngest in particular attach more importance to price who are also earning less than the other participants. Hence, price can be considered either an important or unimportant attribute in the relevance dimension based on the personal/household disposable income available.

When evaluating the discussion statements, pricing was not one of the factors people took into consideration on their own but only when prompted. However, when invited to discuss the matter, the same divide as observed in the survey result established itself. Speaker 2 outlined that pricing was "*not a big deal*" (Appendix 9). She even says that they save money and reduce waste by using meal kits "*because if we go to the supermarket, we would have too many leftovers and we won't eat it*" (Appendix 9). Another participant explained that while it was a relevant topic when "*I started as a student. So, price was a factor. And after that, that's why I wanted to try Simple Feast because it was more expensive, it was more luxury, and it also had some good value*" (Appendix 9). Nevertheless, others underlined that, "*regarding the price, it actually was a factor for us. And I was influenced and so I used the discount codes*" (Appendix 9) and also Speaker 5 argues that "*the price has a big effect on us because we know that we could just order on nemlig.com and it would be as easy to get it delivered and we would even have leftovers. I mean we could pay the same and then have leftovers and still even get nicer ingredients like organic vegetables and stuff like that. So, it definitely is a big factor for us*" (Appendix 9). In sum, as participants did not directly associate price when asked to think about their meal kit experiences it suggests only low salience. However, as some participants later on confirmed that it is in fact a big factor for them it can still be concluded to have some importance.

***Sustainability of packaging***

An increasing number of consumers are paying attention to the company's sustainability performance when selecting products. However, when compared to other product attributes such as price or quality, it appears to be less relevant, indicating a low importance on the relevance dimension. *Table 4* shows that it is the second least relevant aspect for the participants as well as a strong coherence of opinion with rankings that are closely aligned.

Nevertheless, in the interviews some participants explained that they are already aware of the way their meal kits are packaged, as Speaker 5 reveals: "*Another thing is their packaging which is not* *very eco-friendly. The boxes are made of plastic which I guess you throw away. They promise that they'll try to make it more sustainable. So, I guess we'll see how that goes*" (Appendix 9). Moreover, Speaker 1 already recognizes some differences in the comparison between the packaging of Aarstiderne and of Simple Feast, where Simple Feast "*is already packed better and in sustainable packaging. That was also something that I stand for and that was important for me. So not everything would be in plastic packaging*" (Appendix 9). Thus, sustainably of packaging appears to be very salient for at least some of the participants, implying that they do associate high importance to packaging, however these findings cannot be generalized as only two out of five mentioned packaging.

***Convenience***

Based on the survey, convenience appears to be another controversial topic. While it is highly important for some, other participants considered it only to be of moderate or even weak importance in comparison to the other purchase drivers (*table 4*). Nevertheless, in aggregate it is the third most important attribute in the relevance dimension, suggesting it to be important.

During the focus groups, convenience is by far the most frequently used argument of the participants why they order meal kits and is directly addressed during the description of meal kits in general: "*It should be easy to create it or make it and it should be convenient and time saving*" (Appendix 9) or "*I think the best experience is how easy it has been to cook the meals. And that's basically why I chose it, because it's easy in a busy daily life*" (Appendix 9). Under convenience, three main topics were identified: preparation time, time saving, and shared work. Firstly, preparation time is one of the negative points where consumers have a different expectation than what meal kit companies offer: "*I actually have to say I'm disappointed that whenever Aarstiderne says 45 minutes or 30 minutes preparation time, it doesn't necessarily mean that. I started off with the Vegan Box and it took me over an hour to cook it. So that annoyed me quite a bit. And I scaled down to a vegetarian just because of the fact that it's less cooking time*" (Appendix 9). Speaker 2 also agreed and "*can totally relate to the thing with how much time it takes to prepare some of the recipes. I think some of the miscalculation is because they have calculated the time for people who know how to do so*" (Appendix 9). She justifies it by saying that "*if you haven't seen the recipe before, I need to read it first and need more time to prepare* *the ingredients and so forth*" (Appendix 9). However, Speaker 2 also says that "*It's easy to follow, so you can follow the recipes*" (Appendix 9).

Secondly, the next aspect of convenience is about time saving. For example, for Speaker 5 convenience is the most relevant key purchase driver as "*it was more how much time we can save*" (Appendix 9). This is not only about cooking time but also about other aspects as Speaker 2 describes: "*We don't have to go to the store to do grocery and stand in the line*" (Appendix 9). Speaker 1 adds that even the process of deciding what to cook is eliminated by meal kits and saves time: "*it's easier when the instructions are there. Because that is in written form and it's easier to follow a recipe rather than trying to cook something up from scratch yourself or decide what to cook. That is, it takes away the decision making*" (Appendix 9).

Finally, the third aspect that especially the female participants emphasize is the shared work in the kitchen with their boyfriends, which is made possible by meal kits and saves them time for other things: "*my boyfriend cannot cook, and he does not want to learn how to cook. So, then I was like, am I supposed to cook every day? And if I don't cook, then we order, which is usually like fast food or junk food. So that was another reason why I chose this. And then we can split it equally, both money and time*" (Appendix 9). Also Speaker 2 "*can so relate to that. And again, when you have a recipe, you can just give the recipe to your boyfriend and he can follow it. No questions asked. Maybe where the pan is and where to find whatever kind of tool*". She even describes it as "*the best part. That's a great point. You really have to write it down and bold it and highlight it*" (Appendix 9). But not only the shared work aspect is mentioned but also the romantic side of Speaker 1 comes out and mentions that she finds common time with her boyfriend with meal kits: "*we kind of spend time together and actually cook the meal together*" (Appendix 9). In summary, convenience seems to be a very influential and enormously important key purchase driver for customers based on their interview statements and the salience with which it springs to mind.

***Customization of box***

As observed in other industries, there appears to be a growing trend towards a more customized service and product offering, which has been suggested to obtain a foothold in the meal kit industry as well during the expert interviews. However, this was not validated as part of this focus group, as all participants rated the customization driver as the least important purchase driver in comparison to the other product attributes (*table 4*).

During the interviews, the topic of customization was not initiated by the participants and they did not associate meal kits with customization, implying low salience. When enticed to discuss the topic, Speaker 2 outlines that they already have *"such a great variety that I don't feel a need for customization actually. Because if you don't like the vegetarian menu next week, then you can just go and choose the pescatarian menu, or you can go and choose, I think it's called like all around the world. So, there are so many different recipes that you can select"* (Appendix 9). She also says that it is extra time consuming, which defies the purpose of the meal kit as *"I also need to sit and customize it, that will also take time. And, you know, then I might as well just do my own menu and show up on nemlig.com. So, I think you can just go and choose a menu because they have so many different ones. And it's super easy and I'm sure that you'll find something that you like. So, yeah, it's fine. There is no need for me at least to customize the meal kits too much"* (Appendix 9). Nevertheless, she agreed that it "*might be nice if you could ask for no crème fraiche or you know something like that*" (Appendix 9). One participant also indicated to value the ability to customize to her order because *"if you don't like a dish in particular, like for example, we got one day chili sin carne, which is super spicy which we don't like but we have to eat both of them"* (Appendix 9). While this customization benefit is manly founded in taste preferences, other participants consider it more as a tool to manage food intolerances or allergies: "*I am lactose intolerant and I feel like this is a problem for me with any of the vegetarian and pescatarian boxes, because there will always be something from dairy and I cannot substitute it. It would be nice that I could request and say this is something that I need them to swap with something that's an alternative"* (Appendix 9). This is also agreed by Speaker 3 who "*cannot eat or customize it if there is grated carrot in the meal or crème fraiche*" (Appendix 9). Subsequently, customization appears to be an appreciated feature in this focus group and an important product attribute for people with food allergies and intolerances once the discussion is initiated but does not appear to be very salient.

***Additional insights***

In addition to the key purchase drivers already identified, two other aspects were repeatedly mentioned by the participants that had not yet been considered by the researchers: *customer service* and *food waste*.

Regarding the customer service, the participants talk about the problems of the meal kit delivery to their apartments, the language selection of the recipes, and the additional free information that is automatically provided along with the meal kits. Thereby, Speaker 1 mentions a case where she asked the meal kit company *"to ring the doorbell when they bring the package because we don't have a code at the front door. So, one of our first packages was actually stolen*" (Appendix 9). However, there are also other opinions, as in Speaker 2 describes: "*We live in an apartment building but we have no issues. They actually do have a key. I don't know how they got the key from our building, but I guess, someone gave them a key as there are a lot of people ordering meal kits*" (Appendix 9). But there are also some participants like Speaker 3 who don't want to give their keys. Another service is mentioned by Speaker 1 who says that "*I'm an English Speaker and I don't have the language selection. And it's a pain that I have to either ask my boyfriend to translate or something, which he doesn't necessarily always know how to translate because it's kind of the cooking slang. So, I think that's a big issue*" (Appendix 9). Last but not least, Speaker 1 describes a positive service as they "*sometimes get instructions on how to preserve the ingredients which is very useful information. Or they explain more about the producer of something that you've got in the box. For me I really like it and sometimes I read it. However, the useful instructions on how to preserve the ingredients, and they actually help me preserve the product or ingredient for a longer time, that is very helpful*" (Appendix 9).

With regard to the second driver, it is about less food waste that the participants value. "*It's definitely less food waste because I love shopping. So, I still go shopping once a week, but I used to spend insane amounts of money on food just because everything was on discount*" (Appendix 9). Speaker 2 also says "*We go way less and only buy for whatever we need - like the super basics*" (Appendix 9). This not only leads to less food waste but also that the participants save "*a lot of money on food*" (Appendix 9).

#### 4.3.4. Single Segment Results

| SINGLE | Speaker 1 | Speaker 2 | Speaker 3 | Speaker 4 | Speaker 5 | Mean | Ranking[3] |
|---|---|---|---|---|---|---|---|
| Quality of ingredients | 4 | 1 | 2 | 1 | 2 | 2 | 1 |
| Sustainability of ingredients (locally and organically produced) | 8 | 6 | 7 | 2 | 1 | 4,8 | 5 |
| Variety of ingredients and recipes | 2 | 5 | 3 | 5 | 8 | 4,6 | 3-4 |
| Healthy ingredients and recipes | 5 | 2 | 6 | 3 | 7 | 4,6 | 3-4 |
| Price per meal box | 6 | 3 | 1 | 4 | 3 | 3,4 | 2 |
| Sustainability of packaging | 7 | 7 | 8 | 6 | 4 | 6,4 | 8 |
| Convenience | 1 | 8 | 5 | 7 | 5 | 5,2 | 7 |
| Customization (possibility to choose ingredients) | 3 | 4 | 4 | 8 | 6 | 5 | 6 |

*Table 5: Survey Results Single Segment[4]*

***Quality of ingredients in meal kits***

The findings from the focus groups conducted with the singles segment strongly resonate with those from the couples' segment when assessing the quality of ingredient importance, as it is on average the most important aspect. Four out of five participants determined food quality as the most or second-most important aspect that they take into consideration when making a purchase decision (*table 5*). Thus, food quality has been confirmed as the most important product attribute, in the relevance dimension of attribute importance.

Similarly, the participants of the singles focus group did not discuss food quality upon their initiation, suggesting low salience. The notion that an adequate quality of ingredients is a minimum requirement for many customers prior either completing a purchase or continuing a subscription has been confirmed, as the "*first thing* [he considers] *is the produce itself. You know, where does it come from if it is meat or poultry? What kind of a life did it live? Was it good? All that stuff. If it is vegetables,*

[3] Ranking based on mean values
[4] From dark green (best) to dark orange (worst)

*the first thing I look for is, is it organic? Is it with or without pesticides? All that stuff. Then after that I began looking at the pricing and packaging and so on"* (Appendix 10). The fact that one of the participants discontinued her meal kit subscription because the food was rotten, is lending further proof to this notion as well as outlines the potential "negative-salience" that is associated with having dissatisfactory food quality. The necessity for adequate quality is also echoed in the statement of Speaker 3, naming food quality a key driver to build customer loyalty. Moreover, Speaker 4 outlined that she switched to the vegetarian meal kit options because for her the animal protein was not of satisfactory quality. However, most participants also highlighted that they look closely at the relationship between the price and value they get. While expecting a high level of food quality, they also actively seek where they *"can get enough value for the money"* (Appendix 10) and are not willing to pay any price for quality food even if they consider it to be the most important aspect in their decision-making process. Hence, quality of ingredients appears to be primarily negatively salient, and closely connected with the pricing of the meal kit, suggesting low salience only.

***Sustainability of ingredients***

Interestingly, the value attached to sustainability of ingredients seems to be polarizing. While two out of five interviewees indicated it to be highly important, the remainder considered it to be among the three least important factors they include in their purchase decision (*table 5*), explaining why the mean score (4.8) is on the lower end of the spectrum. Moreover, when ranking the purchase drivers by their mean, sustainability of ingredients is only the 5th most important aspect for the average participant. However, since the opinions on the necessity of sustainable sourcing seem to be diverging significantly, the mean value is skewing the insights obtained to a great extent, which makes it necessary to investigate the two sub-groups more in depth. Thus, the attribute importance is either very high or very low in the relevance dimension.

From the interviews, the divide in the attribute importance is mirrored. However, participants did not discuss the topic without being prompted, indicating an overall lower importance in the salience dimension, even for those that then outlined it as important to them. Those that attach little value to it, often state that while they think it's nice to have and a great bonus, they would not pay significantly more for an organic box. Moreover, Speaker 1 outlines that "*technically I would like it to be important*" (Appendix 10) but due to the difficulty to verify the organic souring he does not recognize the added value of subscribing to an organic meal box. On the other hand, those that have indicated it to be one of their top priorities when making a meal kit purchase decision elaborated that the sourcing is "*the first thing I look for*" (Appendix 10). Moreover, it should be noted that they both indicated that they are not able to afford every type of meal kit as *"it's really too expensive to order the meal kits and you have to have a good income to afford* [it]*"* (Appendix 10), but still try to purchase organic meal kits within their means, further underlining how committed they are to sustainable sourcing. Lastly, Speaker 2 also outlined that organic sourcing *"was really high on my list"* (Appendix 10). Subsequently, there seems to be a clear divide between customers, where some fall into the category where sustainable sourcing is a necessity, whereas others perceive it only as a bonus they do not actively seek out. However, it is not a product attribute that they consider right away, thus making it only weakly salient.

***Variety of ingredients and recipes***

The necessity of a varied meal kit subscription and product offering has not just been evidenced in literature but also through the conversations with industry experts. The survey confirms this notion. With an overall mean score of 4,6, it shares the 3rd and 4th place with the health aspect, placing it among the aspects the average participant takes into consideration to a greater extent. However, we again see a difference in opinion among respondents either indicating this to be a relevant or less relevant product attribute.

Outlining the importance during the interviews, Speaker 2 associates *"new inspiration, new ingredients meaning new varieties and new tastes"* (Appendix 10) as one of her strongest positive memories with meal kits. Similarly, Speaker 5 outlined great product variety and surprising foods to trigger strong positive memories about his meal kit subscription. Interestingly, all participants (Speaker 2, Speaker 4, Speaker 5) that indicated in the ranking lower relevance on variety, told us that they know very well how to cook. On the other hand, the other two participants, who ranked variety to be a key factor they consider, didn't mention variety specifically in their statements but outlined that they are not a great cook and it's harder for them to come up with recipes and dishes they want to prepare and thus really value the convenience from outsourcing the "*thinking part*" (Appendix 10).

Subsequently, it can be hypothesized that while people who already know and enjoy cooking appreciate ingredient and recipe variety but do not need it to the same extent as "non-cooks" do, as they often deviate from the recipes, since they *"don't always agree with their recipe"* (Appendix 10), and find new use cases of the food they get delivered on their own. Conversely, individuals with a lower cooking skill set focus much more on the recipe and ingredient variety they receive as they are not deviating from the recipe and are thus much more dependent on the meal kit provider to provide the needed variety. Thus, ingredient and recipe variety appear to be a factor whose importance is also in the salience dimension controversial, as it was either mentioned extensively or not at all. This implies that no generalizable results for the salience dimension can be derived but require further investigation.

***Health aspect of recipes and ingredients***

For this attribute, a mixed importance evaluation is depicted in the survey results. Three out of five participants considered it to be among the less relevant factors they include in their decision-making process, whereas two participants considered it to be relatively important (*table 5*). This resulted in an average ranking of 4.6, putting it on par with variety of ingredients, making it the 3rd or 4th most important aspect the participants considered when making a meal kit purchasing decision. However, the results suggest that there appear to be sub-groups that attach either high or low importance to it in the relevance dimension, which should be taken into consideration when interpreting the results.

Conversely to the findings of the couple's focus group, there does not seem to be a unanimous accord on how relevant the health aspect is in their purchase decision. While some *"perceive* [meal kits] *as being more healthy"* (Appendix 10) and specifically Speaker 3 outlined that he subscribed to a meal kit to *"eat a little healthier"* (Appendix 10), others stated that they do not actively seek out meal kits to eat more healthy. One participant explained that after substituting ordering out with meal kits *"just ordering the meal kits itself already made it healthier. I mean, sometimes they also have stuff like Burgers, but then it makes a difference if you self assemble a Burger or if you order from a Burger store."*

(Appendix 10). In addition, two participants noted that they do not need meal kits to eat healthy because they either already know how to cook healthy food or they already follow a health schedule. Notable among the participants who found healthiness to be less important was the fact that they consider meal kits to be already a health upgrade to their previous food source. Thus, they are not actively searching for extra healthy options, as outlined by Speaker 1 who stated that: *"If it's there, it's nice, but it's not like I'm specifically choosing the options with low carb or low calories. But it's nice that you can see it quite easily and so it's nice that also for the regular things you can just check."* (Appendix 10). Subsequently, the extent to which healthiness is included in the decision-making process is not just dependent on the overall motivation to eat healthy, but also the individual's definition of a healthier diet. While some consider the health aspect decisive in their food shopping, not all of them necessarily need meal kits to assist them in that journey, whereas others consider meal kits per-se healthier and do not seek out specifically healthy options. Moreover, only one of the statements concerning the health aspects of recipes and ingredients was freely elicited. In fact, the majority of the discussion was initiated by the interviewers, suggesting low-to-moderate salience.

***Price***

Similar to the findings of the couples focus group, price seems to either be a key factor or irrelevant. According to the survey, three participants consider it to be highly relevant, one moderately relevant and 20% not very relevant. However, it should be noted that the average ranking for price is significantly higher for singles (3.4) compared to couples (5.6), since the majority of the singles consider it to be an influential aspect of their purchase decision whereas the couples depict the opposing trend where it is predominantly a non-influential aspect (*table 5*). Moreover, based on the ranking, price is the 2nd most important purchase consideration for singles, whereas it is only in 6th place for couples. This can in part be attributed to the fact that singles do not have the comparably high-income household levels of couples, which is a notion that was confirmed by Speaker 4 who thinks "*it's really too expensive to order the meal kits and you have to have a good income to afford* [them]" (Appendix 10).

Overall, this attribute appears to be closely associated with meal kits as it was mentioned frequently and without being prompted as a key consideration. When reviewing the content of the focus group discussion, there was a general consensus that "*price is very importan*t" (Appendix 10), with many of the participants comparing the meal kit they get with what they could otherwise buy at the supermarket or order online. It should be noted that the participants emphasize that they are looking much more closely at the "*value for* [..] *money*" (Appendix 10), where they look quite closely at the correlation at product quality and price. One participant outlined that the reason why she chose her meal kit provider in the end was because "*with EAT GRIM that's quality and price, also compared to the Superbrugsen, for instance*" (Appendix 10). Moreover, Speaker 5 stated that "*I mean, it has to be fairly priced. It doesn't have to be overpriced, but not underpriced either*" while explaining why he looks closely at the relationship between price and product quality. The participant who ranked price lower than the others, explained that he is using it as a replacement to ordering food, explaining that "*I never really compare it to the supermarket.* [...] *But I'm comparing it to ordering take out, because if I would be regularly at work, we are eating out each day because we don't have something we can eat and work. So it's basically going to restaurants every day. And when I worked from home before I ordered the meal kits I was always like, I can just order something because normally I would go to a restaurant right now so I would pay the same price if I order now - it is actually often even cheaper*" (Appendix 10). Thus, he perceives meal kits to be actually a cheaper option, but also concedes he would not continue his subscription if he were to go back to work and eat at restaurants for lunch daily.

***Sustainability of packaging***

Based on existing literature, the assumption was formulated that the high density of sustainably conscious individuals in Denmark would also result in a stronger preference for sustainably conscious packaging. In comparison with other considerations, the participants almost unanimously voted it to be the least important element they consider, relative to other product attributes resulting in a mean score of 6,4 (*table 5*).

Nevertheless, almost all participants exhibited various degrees of environmental consciousness. While Speaker 5 tries to pick up his meal kit box, instead of having it delivered to reduce the tax on the environment, Speaker 4 stated that "*it hurts every week to put the cardboard box into the bin*" (Appendix 10). However, she also conceded that "*I prefer EAT GRIM that much that I do it anyway*" (Appendix 10). One participant also outlined that while sustainable packaging "*is a little bit more important,* [...] *it is easier to say when you get interviewed kind of and saying that you're really focused on sustainability and everything. But I think all in all, price is an even more important factor than sustainability*" (Appendix 10). So there seems to be a general notion that the participants would and do appreciate more sustainable forms of packaging, as for instance Speaker 1 explained the degree of sustainability in his meal kit box resulted in a strong, positive association with his provider. However, most participants do not seem willing to compromise on other dimensions because the "*first thing is the produce itself. You know, where does it come from if it is meat or poultry? What kind of a life did it live? Was it good? All that stuff. [...] Then after that I began looking at the pricing and packaging and so on.*" (Appendix 10). Hence, while participants appreciate sustainability efforts, they prioritize other product attributes to a greater extent. Moreover, some don't think about the packaging instantly when talking about meal kits, making it low, at most moderately, important on the salience dimension.

***Convenience***

Interestingly enough, convenience scored in the survey ranking very low. However, we can also see that the rankings are not unanimous. While it is the most important aspect for one participant, it is only moderately relevant for two and not relevant for the remaining two participants. This results in a mean score of 5,2 and an aggregate ranking, making it the 2nd least important aspects the participants considered on average (*table 5*). This stands in strong contrast to the results that were observed from the couple's focus group, where the results placed it as the 3rd most important aspect for the average participant.

During the focus group discussion one participant explained that the strong appeal about meal kits is founded in "*the convenience. So basically that I don't need to do the grocery shopping and I don't need to put too much effort into thinking of what I actually want to do*". He also ranked it in the survey as the most important aspect, but when reviewing the statements, the other participants gave it is interesting to see how Speaker 2 explained in the beginning that she subscribed "*mainly for* *convenience*" (Appendix 10), but then when asked to rank some of the factors discussed, she placed it as the least important consideration in comparison to the other aspects listed. Another participant thought it was handy to have the food delivered to her floor in the apartment complex she was living in, so she would not have to carry the groceries, but then also added that other aspects such as product variety are more important to her than that. Lastly, Speaker 3 also outlined that when he starts looking for a new subscriber, elements such as subscription model and delivery dates and times will play a larger role than they do now when he is just focused on price. Moreover, the ease with which the participants broached the topic suggest a strong salience, as all of them mentioned it as a consideration for their meal kit subscription.

***Customization of box***

Similar to other purchase drivers, the ability to customize meal kit subscriptions yields mixed results. With a mean score of 5 and subsequently derived mean ranking of 6 (*table 5*), demand for customization at least in aggregated relative terms was not confirmed, but the variety of survey respondents highlights the diverging opinions on the topic.

During the discussion, some participants categorically considered it irrelevant, while others confirmed at least moderate appreciation for customizability. On one account, a participant noted that "*if I don't get something - for instance green kale - if that's not enough, then I go to a farm and buy some green kale. But if there is a lot of red cabbage. I just invented new foods.*" (Appendix 10), implying she doesn't need customization and actually values the unpredictability of her meal kit. Moreover, Speaker 3 outlined that while customization is potentially relevant in the beginning, it is not so necessary in the long term as that would just create an ongoing requirement to select individual dishes and ingredients, which can oppose the benefits of convenience. On the other hand, two participants outlined that customization of meal kits and dishes would be valued. Speaker 2 explained that especially with her allergies and intolerances, the ability to switch out specific ingredients offered by her meal kit provider is helpful. Another participant then went on to explain how dissatisfied he was when his provider, despite offering customization, did not service that: "*I have an allergy towards some types of potatoes and I put that in as well. So, they say you can customize it, but they never did that with me*"

(Appendix 10). Moreover, Speaker 1 outlined that especially the large variety inherent to the business model of his provider, where he can just pick and choose the dishes individually for his next box, provides him with a large degree of customization and satisfies his picky food preferences. Overall, it also does not appear a salient attribute, as participants only discussed it upon initiation of the interviewers and did not elicit it freely.

***Additional insights***

Similarly, to the couple's focus group, also the singles identified additional factors they take into consideration when making a purchase decision. One thing that was mentioned as well was the reduction in food waste that motivates customers to buy a meal kit. Specifically, Speaker 2 positioned it as one of her key motivations as she "*subscribed because I thought that it was a good thing to help against food waste*" (Appendix 10), which was echoed in the sentiment of another participant who stated that "*I hate throwing away food. There is always a use for something*" (Appendix 10).

Two other participants highlighted that they also consider the public image of a company. While Speaker 4 gave an example of how negative publicity, such as the employment conditions at nemlig.com, adversely affected her willingness to purchase at a provider, Speaker 3 outlined an experience he had where "*the face of the company, was one of the most famous chefs. I don't know how involved he actually was in preparing the food and everything, but at that time, it had a very legit food. My opinion of it, due to the branding, was that, all right, this meal box is super legit. This is good food and now they don't have that same branding anymore and I think that definitely had an effect*" (Appendix 10). Latter further explains how the public image and advocacy of certain key people seem to have an effect on individuals purchasing decisions.

### 4.3.5. Family Segment Results

| FAMILY | Speaker 1 | Speaker 2 | Speaker 3 | Speaker 4 | Mean | Ranking[5] |
|---|---|---|---|---|---|---|
| Quality of ingredients | 2 | 1 | 1 | 2 | 1,5 | 1 |
| Sustainability of ingredients (locally and organically produced) | 1 | 2 | 3 | 6 | 3 | 2 |
| Variety of ingredients and recipes | 5 | 8 | 5 | 4 | 5,5 | 6 |
| Healthy ingredients and recipes | 8 | 3 | 2 | 3 | 4 | 4 |
| Kid-friendliness | 6 | 6 | 7 | 5 | 6 | 7 |
| Price per meal box | 9 | 9 | 8 | 8 | 8,5 | 9 |
| Sustainability of packaging | 3 | 5 | 4 | 7 | 4,75 | 5 |
| Convenience | 4 | 4 | 6 | 1 | 3,75 | 3 |
| Customisation (possibility to choose ingredients) | 7 | 7 | 9 | 9 | 8 | 8 |

*Table 6: Survey Results Family Segment*[6]

***Quality of ingredients in meal kits***

When analyzing the results of the survey, the similarity to the survey results of the two focus groups (couples and singles) become apparent. All four participants in the in-depth interviews for the family segment agreed that quality is one of the most important drivers for them (*table 6*). While two of the participants even identified it as the most important driver for them, it comes in second place for the other ones, resulting in by far the lowest mean across segments of 1,5, highlighting the relative importance of this attribute,

When evaluating the results of the interviews, a much stronger salience than compared to the other two segments becomes apparent. Almost all participants exhibited strong memories of food quality in conjunction with meal kits. Speaker 1 describes that it is important to her that when she

[5] Ranking based on mean values
[6] From dark green (best) to dark orange (worst)

opens the box it contains good quality. With over 10 years of experience in meal kits, she has tried a wide variety of providers. As a result, it sometimes happened that the quality of some providers was quite poor: "*If you open the box and you see the salad is brown or something is moldy, then that's a bad experience for me*" (Appendix 11). When it comes to quality, the freshness of the products is particularly mentioned across the interviews. For Speaker 2 it feels like the ingredients come "*fresh from the field to the plate*" (Appendix 12). She also says that high-quality food needs to have "*a lot of the high nutritional value in it and it's fresh and tastes just really good*" (Appendix 12). Speaker 3 even draws comparisons between companies with regard to the freshness of the products, which illustrates the importance it has for him: "*With Aarstiderne the food was really fresh but with Simple Feast I would say it was a bit less fresh*" (Appendix 13). Speaker 2, on the other hand, compares meal kits to the entire food market, including also supermarkets and recognizes clear advantages for the meal kits: "i*t just tastes much better and that keeps us coming back. You really have a difference. Even an apple is much tastier than the normal supermarket apples*" (Appendix 12).

***Sustainability of ingredients***

While the mean of the sustainability of ingredients driver has only a moderate relevance for couples and singles, it seems to be a much more decisive purchase criterion for families, as identified in the survey results (*table 6*). There, it was ranked as the second most important key purchase driver for families in aggregate. However, as with singles, there are also signs of extreme differences in opinion among families. While Speaker 1 selected the sustainability driver as the most important criterion, Speaker 4 considers sustainability in 6th place to be relatively unimportant compared to the other key purchase drivers.

When evaluating the interviews, the high importance of the rankings is mirrored in high salience as participants strongly relate it to food quality and meal kits in general and exhibit a high ease or memory. Speaker 4 states that "*it's super important to have organic and local sourcing*" (Appendix 14). He particularly likes that he "*can track the food back to the source*" (Appendix 14). This is also important for Speaker 3, as he mentions the different regulations and views of organic food in other countries: "*Because when I go buy tons of organic food, but then it doesn't come from Europe. It actually means* *that it could come from everywhere and the rules for organic food are different somewhere else*" (Appendix 13). Thus, the participants agree that they prefer local ingredients, even if it does not have the typical supermarket quality that they expect. Speaker 4 gives an example about Danish spinach: "*You don't get spinach from Spain. You get this new type of spinach which grows in Denmark. It's not a soft one and it's a little bit rougher, but they tell you some nice way on how to prepare it and then it tastes like really, really awesome*" (Appendix 14). Thus, organic sourcing appears to be an essential criterion for families as exemplified by Speaker 1's statement that it "*has to be organic*" (Appendix 11).

***Variety of ingredients and recipes***

According to the survey results in *Table 6*, the *variety* driver was rated as moderate by three participants in the family segment and as unimportant by the last one. The mean value of 5.5 was ranked at position 6, with only the mean values of *price*, *customization* and *specifications* being rated as less important. As a result, variety appears to be a bit less decisive criterion for families in the relevance dimension compared to the survey results for couples (*table 4*) and singles (*table 5*).

However, during the interviews, participants mentioned variety and emphasized its importance extensively without encouragement from interviewers, implying high salience. The interviews centred around three main topics: *repetition and variety importance*, *inspiration*, and *seasonality*. Firstly, most participants agree that some variety in recipes and ingredients are necessary to avoid getting bored: "*obviously one very important thing is, if you not just use it for a couple of times but if that's part of your everyday life, then you want to have some variation in it*" (Appendix 14). Speaker 3 agrees with Speaker 1 and limits the time frame to two months: "*At some point the recipes become repetitive. In the beginning it's super exciting. But after about two months, you start seeing the same thing over and over again*" (Appendix 13). Speaker 1, on the other hand, is satisfied with having a variety to choose from each week, thus decreasing repetitive behavior: "*the thing that we liked was that you could just choose from 10 or 15 different dishes again each week. And then you could also create your own dishes. And we really liked that because sometimes it's a little bit annoying to have fish every week or something. So, that was a great thing*" (Appendix 11). However, variety includes not only different dishes but also any supplementary things, as Speaker 4 describes, "*Another reason why we choose Aarstiderne again* *is because we have all the supplementary things you can get from them. I can have a fruit box in addition to the food, where I can actually choose between many, many different ones*" (Appendix 14).

The second main topic that participants agreed on is the inspiration they get from Meal Kits, bringing some variability to their eating patterns: "*We use it also to get inspiration for new dishes*" (Appendix 11). This is not just about the recipes but also about "*a new ingredient or a new way of preparing the food. Maybe with an ingredient you already know but you prepared it in a different way. So, then if it turns out to be delicious and obviously not too difficult, then you will cook it again*" (Appendix 12). Speaker 2 mentions the example of cabbage in Denmark: "*they managed to do really good stuff with Spitzkohl or some kind of cabbage that you would usually cook until it's dead. And then next to your potatoes and here it comes with a more innovative approach*" (Appendix 12). Families seem to find the entire concept especially relevant once there are newborns, as they need more time, and they cannot think about what to cook every night as Speaker 3 describes. He particularly likes to be inspired by a wide food variety of regions, "*There is a variety and inspiration that they take from. There could be something that is Asian style, something that is more Nordic, or something more from the south of Europe. So, that's why I think it is good thing*" (Appendix 13).

Finally, the seasonality subject was discussed by the participants. While for Speaker 1 "*It's not important*" (Appendix 11) it seems to be more relevant for Speaker 3 and Speaker 4 and even to be a decisive criterion: "*we're back to Aarstiderne because you have the balance that include kind of like seasonal things, which is nice. For example, we are now getting asparagus and rhubarb and stuff like that*" (Appendix 14). Speaker 3 in fact would like to have more seasonal products included than those from the Nordic countries: "I *appreciate the seasonality. But I think because it is a Nordic company, I think within the seasonality there is not a lot of variety*" (Appendix 13). Thereby, he mentions examples of ingredients that cannot be grown in Denmark. "*For example, if it's the month of the aubergine, you will eat aubergine in all the different ways. And I would definitely like that*" (Appendix 13). This, in turn, does not seem to be entirely feasible if he wants to have organic aubergines, as in the previous key purchase driver section he claimed that he only wants to buy organic products locally, as other countries do not have the same regulations for organic products as Denmark.

***Health aspect of recipes and ingredients***

When analyzing the survey results, three out of four of the participants in the family segment agree that health is one of their three most important key purchase drivers, suggesting it is very important in the relevance dimension. Only Speaker 1 considers health to be unimportant and sees only price as less important relative to the other key purchase drivers. Thus, a larger sample size will be needed in the future to determine whether Speaker 1 was merely an outlier or whether there are significantly more customers from the family segment who share her opinion.

However, the interview analysis also reveals mixed opinions. Speaker 1 seems to only care that the food is fresh: "*It doesn't have to be vegetarian, or it doesn't require that there is a lot of cabbage or something to be healthy. It has to be fresh*" (Appendix 11). However, Speaker 2 and Speaker 4 clearly disagree: "*For me a meal kit really needs to include some healthy food*" (Appendix 14) and "*I guess health is also relatively high*" (Appendix 12). For Speaker 3, healthy food also seems to play an important role. However, he claims that meal kits have not changed anything in his cooking behaviour and that he was already eating healthy before: "*I think we are on the same level because we usually eat very well. [...] So, when we had the time to cook, we were trying to be kind of healthy. So, yeah, the healthy part is really important*" (Appendix 13). When analysing the ease with which people consider this aspect, the interviews show that it’s not the first aspect that comes to mind when thinking about meal kits as exhibited in the duration it takes for them to mention it. Thus, it can be surmised it is only moderately salient.

***Kid-friendliness***

With regard to families, the segment-oriented purchase driver was added to the eight other key purchase drivers identified. This concerns whether the meal kit is tailored to the needs of families and whether it is also suitable for children. In the survey ranking of the family, this driver has moderate to no importance. The average value is ranked only 7th out of 9, suggesting that this aspect is not as relevant compared to the other drivers.

Conversely, the salience is high as evidenced by the ease and speed of inclusion of kid friendliness in their meal kit consideration. Moreover, the interview analysis, reveals some insights into what is important to the families once the interviewers breached the topic. Speaker 2 says that many of the meal kits recipes are not suitable for her children, so she still has to go shopping and cook them something separate. She says that she "*once tried the kids' box that are offered for families, but we were debating which kids should eat that because it was good for grown up kids' food, but not for the little ones*" (Appendix 12). Speaker 3 agrees with Speaker 2 and adds an example: "*I can say that the food is not always kid friendly, at least not all the time. Then there is a Simple Feast, for example, that gives you a small box with some veggies for the kids. But that is not a meal, it is just a snack*" (Appendix 13). He would rather order two and a half portions instead, "*where the half meal is for the kids and its actually kids friendly. Or else, they can still make the Asian style food, but then they make it in a kid friendly version as well*" (Appendix 13). Thereby he wishes for the kids a "*small box with rice and sauce and things that are not too spicy for the kids*" (Appendix 13). Speaker 4, on the other hand, thinks it is especially important that the food is ready quickly for the kids: "*if you have hungry kids, you can't say that they have to wait. You need to be really fast getting that ready. So, then I had the tendency to move very fast over to meal kits which takes around 10 minutes only*" (Appendix 14).

***Price***

In the survey results, price was ranked at the last place for families and was thus determined to be the most irrelevant purchase driver for them. For two participants it was the least important and for two others it was the second last. Only customization of meal kits was even more irrelevant for the other two, which will be examined in more detail under the customization section. Nevertheless, price has the lowest mean for families. This is a significant difference compared to the survey results for singles, where price per meal kit box was still chosen as the second most important key purchase driver.

When examining the interview results, similar findings can be observed. For Speaker 1 "*price is not important at all, no*" (Appendix 11). For Speaker 2, price plays a role but is mainly secondary. However, she orders meal kits only at an irregular rate. Therefore, she says, if meal kits were "*more a regular element, price would definitely become more important*" (Appendix 12). Speaker 3, on the other hand, sees meal kits more as a service for which he is willing to pay a little more money and therefore does not see it as expensive. He also claims that he would probably spend more at the supermarket because he buys a lot of extra stuff that he does not buy when having the meal kits. Thus, price does not seem to have a decisive influence for the families and the other key purchase drivers are clearly more relevant, such as the time savings factor, the child-friendly aspect, or the quality of the food element. As the lack of discussion and the statements evidence, it is not a salient attribute because the interviewers had to initiate the conversation on this topic. This is to be expected as importance in the salience dimension is captured by the ease with which participants think about an attribute when viewing or remembering a product and naturally an attribute that is not important will not be thought about.

***Sustainability of packaging***

Meal kits often come with a lot of packaging and the family segment participants expressed different opinions on this. The survey results show that Speaker 1 ranked it as the third most important driver, while for Speaker 4 it was ranked as the third to last driver. The other two participants considered the sustainability driver of plastic packaging to be relatively moderate. However, the mean value was ranked 5th out of 9, which gives it a moderate relative importance. Especially in comparison to the results from the couples and singles, the value is ranked to be more important relative to the other drivers and thus seems to have greater relevance for the families.

The interview analysis yielded the following insights. For Speaker 3, the sustainability of packaging is important, but he has not really considered it as a crucial parameter so far: "*Well, that is important, of course. But to be honest, I actually didn't consider it that much when I started buying it. But luckily for me, I have to say that these companies are very, very much sustainable because everything that was in the package was complete. So, you could completely separate it and do all your differentiation of waste*" (Appendix 13). Speaker 2, on the other hand, talks more about the reduction of transportation emissions and says that this should be highlighted a bit more. She suggests that "*they could use electric vehicles or something like that*" (Appendix 12). In terms of packaging, however, Speaker 2 is relatively satisfied compared to take-away food: "*compared to takeout or take-away food packaging this is much better because there we sometimes said that this was unacceptable, and we shouldn't do that anymore. It's ridiculous*" (Appendix 12). Speaker 1 is also satisfied with the current solution where they receive a wooden box which is collected by the meal kit companies and reused: "*So, we just put them out and they take them back and reuse them. But of course, there are some plastic things in the box where the food is packed in, but it seems to be minimal*" (Appendix 11). Speaker 3's statement subsequently summarizes the salience of this attribute quite well. While they think it is kind of important it appears to be not important enough to take it into consideration when subscribing to a meal kit, suggesting low salience.

***Convenience***

According to the mean result of the survey ranking of the families, convenience was determined as the third most important key purchase driver. It was selected as the most important driver for Speaker 4 and as moderate for the other three participants. In comparison to the survey results for couples and singles, families agree with the couple segment that convenience is one of the most important drivers, while it was selected as less important for singles segment.

As with the couples and singles, the interview results were able to find many insights that originate from interviewee-initiated conversation points, that imply high salience. Firstly, it is very important for most families that the meal kits are simple and time saving: "*I like it to be something that's easy. So, I don't have to worry about too much about what to buy and cook. So, it should be easy and fast*" (Appendix 11). Speaker 4 refers especially to the children: "*we needed the food to be ready every evening for kids and that was difficult sometimes as we don't have so much time. Because first you have to pick things and then get it ready for every evening*" (Appendix 14). Although Speaker 3 ranked convenience only as position 6 in the survey analysis, in the interview analysis he even describes the time saving reason as the main reason why they order meal kits: "*But the real thing is that, even though you get to learn, what this kind of Meal Kit is good for is exactly saving time. So, I would say that is the main reason why we have been doing that*" (Appendix 13). These divergent results therefore require more precise definitions of convenience and a larger sample size in future research in order to better validate the results of the analysis. Another aspect that was discussed in the family interviews was the planning process: "*I think that's why we've had it for ten years, because then we don't have to think about shopping for dinner. And it's easy when we come home just looking at the recipe and start* *cooking*" (Appendix 11). The driver is especially mixed with the variety driver: "*We don't have to think about what to cook and have something different every night*" (Appendix 13).

However, the participants also mention some bad experiences. For example, families have also experienced that the indicated cooking time takes sometimes twice as long: "*sometimes they told me that it takes around 20 minutes to make this meal kit but then it actually takes about 40 minutes. So, it's kind of a bad experience*" (Appendix 14). Or that certain things were missing from the box: "*we were missing the tools to make the food of the second day. And it happened more than once*" (Appendix 13).

Besides the findings mentioned so far, it has to be noted that Speaker 2 thinks a bit differently about the convenience aspect, as they use meal kits mainly for holidays. Therefore, they prefer more complicated meals, which also take a little longer to prepare but are of a particularly high quality. In future research, it is necessary to investigate with a larger sample size how big the proportional share of vacation meal kit users is, as they have completely different expectations about the convenience driver such as time saving aspect.

***Customization of box***

Similar to the couple survey results, the mean value of customization was identified by families as one of the least important key purchase drivers. Only price was classified as even more irrelevant, as described earlier. Nevertheless, customization was determined as the most irrelevant driver for Speaker 3 and Speaker 4.

With regard to the interview analysis, the following details have been found. Firstly, similar to the other segments, participants did not breach the topic unless requested to consider it implying low salience. When analyzing the content, customization is, at least for Speaker 3, not an important driver because he has no allergies or food intolerances: "*it's not an issue. Because I mean, we don't have any allergies or intolerances that we know about at least. So, we never thought about any kind of customization*" (Appendix 13). Speaker 1, on the other hand, would like to have it "*but it is not a must have. For instance, Aarstiderne doesn't have it and it is not going to make me switch to another provider*" (Appendix 13). However, Speaker 2 has family members with special diets, which means she needs a transparent recipe, which she was not given with some meal kit providers: "*So, when I look* *through the ingredients but there are some special diets in the family that turned out to be a bit too complicated*" (Appendix 12). She also mentions that one family member needs gluten-free products and therefore cannot eat normal pasta. Therefore, the family member's portion is usually divided among the rest of the family and gluten-free pasta is cooked separately. Finally, one last family member is lactose intolerant, resulting in them sometimes ordering the lactose free box, which does not include ingredients like parmesan. However, parmesan contains very little lactose, and she would like to be able to customize the box and add it to the box. She says that meal kit companies "*try to keep it 100 percent clean, which is understandable. But that's when we need to add our own stuff in it. As we realised, that is sort of the icing on the top that's missing on those kinds of boxes*" (Appendix 12).

***Additional Insights***

As with the other two analyses for singles and couples, additional key purchase drivers were also identified for families.

To start with, customer service was also discussed among families, as it had been among couples already. Speaker 1 appreciates the customer service when something is missing in the box: "*it's a good experience if you can just contact them and then they give you for example the meal for free if something's missing*" (Appendix 11). However, she has also had a bad experience when the packages were not delivered on time, and she had to go shopping somewhere else. Therefore, it is important to her that the meal kit provider informs her in time if a car breaks down or the delivery does not arrive on time, to enable her to buy an alternative somewhere else. Speaker 4 combines the topic of delivery with the mobile apps of the different providers: "*I think the app was quite bad. There were always issues and you weren't able to see whether the order was confirmed or not*" (Appendix 14). However, he is very satisfied with Aarstiderne's mobile app: "*the basic functions are so much more convenient. When I order there, I can choose nearly every day of the week to get it delivered. Whereas with Simple Feast I need to be at home on a Sunday to receive the delivery, which is really, really bad. [With Aarstiderne] I can just get it delivered on Wednesday and even reduce it to two meals instead of four meals. I have all that flexibility. Not that I use it all the time but it's super convenient and I know it works well and it's just two clicks in my app*" (Appendix 14). Another additional insight was mentioned by Speaker 2. She appreciates that Aarstiderne has "*opened this one space in Copenhagen, where they try to move away from only being this box provider. So, they have this kind of a garden where you can actually stay and have some food*" (Appendix 12). She says that this concept makes the meal kits more tangible and more real than just going online and doing click and order. The last insight comes again from Speaker 4 who values especially the loyalty programme of certain providers: "*you get some really cool loyalty add-ons every three weeks where you get some extra salmon on top of it*" (Appendix 14). This is not yet the norm for all meal kit providers and can be a key driver for long-term customer loyalty.

#### 4.3.6. Summary of Findings

On the basis of the results, it can be concluded that all attributes that have been determined on the basis of the industry analysis and expert interviews are attributes meal kit customers appear to take into consideration. However, the extent to which these attributes are considered differ across the segments examined, as evidenced in the variety of importance. The main findings concerning the importance level of the survey results, as well as the focus groups and interview results are presented in *Table 7*.

| Product attributes | | Couples | Singles | Families |
|---|---|---|---|---|
| Quality of Ingredients | Salience Importance | High when quality is insufficient, otherwise moderate | High when quality is insufficient, otherwise low | High |
| | Relevance Importance | Rank 1-2 | Rank 1 | Rank 1 |
| Sustainability of ingredients | Salience Importance | High – Low depending on sub-segment | Low | High |
| | Relevance Importance | Rank 5 | Rank 5 | Rank 2 |
| Variety of ingredients and recipes | Salience Importance | High | High-Low | High |
| | Relevance Importance | Rank 4 | Rank 3-4[7] | Rank 6 |
| Health aspect of recipes and ingredients | Salience Importance | High | Moderate - Low | Moderate |
| | Relevance Importance | Rank 1-2 | Rank 3-4[7] | Rank 4 |
| Kid-friendliness | Salience Importance | Not applicable | Not applicable | High |
| | Relevance Importance | | | Rank 7 |
| Price | Salience Importance | Low | High | Low |
| | Relevance Importance | Rank 6 | Rank 2 | Rank 9 |
| Sustainability of packaging | Salience Importance | High – Low depending on sub-segment | Moderate | Low |
| | Relevance Importance | Rank 7 | Rank 8 | Rank 5 |
| Convenience | Salience Importance | High | High | High |
| | Relevance Importance | Rank 3 | Rank 7 | Rank 3 |
| Customization of box | Salience Importance | Low | Low | Low |
| | Relevance Importance | Rank 8 | Rank 6 | Rank 8 |

*Table 7: Summary of Main Findings*[8][9]

[7] Green layout due to Shared 3rd place
[8] From green (3 best), to yellow (moderate), to orange (worst)
[9] From rank 1 (most important) to rank 9 (least important)

# 5. DISCUSSION

In this chapter, the contribution of this research and its implications will be discussed. First, the participants view on the meal kit definition will be discussed in comparison to the definition via the Abell model. Secondly, the key findings relating to the research question will be presented. Following suit, the practical implications of this research will be outlined as well as recommendations for future research to further develop knowledge in this under-researched field. Lastly the limitations of the study will be pointed out.

## 5.1. INSIGHTS ON CUSTOMER MEAL KIT DEFINITION

The outline of the meal kit business through the Abell model in section 2.3 provided a broad definition of what constitutes a meal kit and highlighted, similarly to the Porter's 5 forces analysis, a high substitutability. When comparing that to the definition of how the participants of this study viewed a meal kit, a narrower scope is observed. In particular, the ready-to-eat factor on the technology dimension, i.e., the minimal to no cooking efforts, has been negated frequently. The participants describe meal kits through various statements which in their essence are reflected in the statement of one participant who describes them as "*tools to create better food at home*" (Appendix 10). This statement does not only encapsule the aspect that it should still be created at home, implying some form of preparation effort, but also that it is actually a tool, not an end-product, consumers are looking for. Moreover, several participants delimited the necessity to have it delivered directly to their home. In fact, it was stated that customers would be at least open to purchasing meal kits either offline, through traditional brick and mortar retailers, or through other online food retailers. In conjunction with that, customers explained that the subscription model is not the only one applicable for meal kits, but that the ability of purchasing a singular meal kit on the go through conventional retail chains is also an acceptable alternative.

These findings highlight two aspects in particular. Firstly, meal kits appear to be strongly segregated from ready-made food such as take out or food delivery services such as Wolt. So, while research has found that eating out is an integral part of the Danish food consumption (Deloitte, 2020) it does not appear to cannibalize strongly with meal kits. Secondly, the broad concept of meal kits as a tool, as well as the possibility to source this tool through other channels than direct-to-consumer underlines the high potential of substitution through conventional and emerging food shopping habits. Moreover, this underlines that consumers do not segregate their shopping channels much. This implies, that meal kit providers on the other hand could also benefit from this convergence of food shopping by extending their product offering. As a matter of fact, both Aarstiderne and Simple Feats include add-ons to their meal kit subscription, which appears to be more and more important to differentiate: *"I think there are so many providers now that are really good at providing these kinds of convenience and the surprise, but at the end of the day, it's actually frugal to get these add-ons."* (Appendix 14).

Hence, the definition of meal kits for now is a bit narrower than initially assumed through the Abell model, but still broad enough so that alternative modes of food shopping can service the same wants and needs. As a result of this high substitutability, a degree of convergence with other modes of food shopping can be observed. However, it remains to be seen if this is a trend that continues to prevail or diminish in a post COVID-19 world.

## 5.2. FINDINGS ON PRODUCT ATTRIBUTES AND THEIR IMPORTANCE

### 5.2.1. Discussion of Findings

The aim of this research was two-fold: identifying which attributes are taken into consideration by meal kit customers in Denmark, and then offering an outline on how important they are. Based on the findings in the analysis chapter, it can be concluded that all factors outlined in section 4.1.2. have been found to be included in the decision-making process of meal kit customer purchases in the Danish market in varying degrees. The conclusion has been drawn based on the observation that all factors have been confirmed during the focus groups and interviews to be important to at least a sub-set of the participants. Moreover, several other relevant attributes, such as deliverability, food-waste reduction and public image, which are presented in more depth at the end of this section, have been implicated to influence the decision-making process. These findings in specific answer the part of the research questions that centers around the identification of relevant attributes for customers. As a second part of our research aimed to perform a preliminary investigation on how important these purchase motivations are, meaning how much influence they have over the decision making, the subsequent section will focus on an importance evaluation of each purchase motivation.

***Quality of ingredients***

The results of the focus groups, interviews and survey are very much in line with what has been found in meal kit research on other markets as well as confirm the statements from the expert interviews that food quality is a key product attribute and purchase motivator. Similarly to the findings of Cho et al. (2020) on the US market, food quality appears to be a decisive factor for meal kit customers in the Danish market. Specifically in the surveys, food quality was the product attribute the participants considered unanimously to be most important across all three segments that were under investigation. As this dimension captures how personal values and beliefs coincide with the product attribute under investigation (van Ittersum et al. 2007), the quality of ingredients appears to be a highly valued product attribute. During the interviews and focus groups the notion that "*People want fresh ingredients*" (Aurelie Poilleux, 05.03.2021, Appendix 4) is also validated. While it is not a salient attribute for singles and couples, meaning they do not discuss it extensively, especially not without being prompted, families elicited their opinion on food quality more freely and strongly emphasized how important the food quality is for them. Something that stood out across all segments was that almost all participants who had a negative experience with food quality remembered that quite vividly and indicated strong dissatisfaction that led to un-subscription. This "negative-salience", where an attribute is strongly remembered if the customers are dissatisfied also underlines the assumption that food quality is a minimum requirement meal kit companies must get right to satisfy their customers. However, for families, superior food quality appears to not be just a minimum requirement but to create a positive experience as evidenced by the high salience.

When evaluating the interviews of all three segments separately, the difference specifically between the singles segment and the others stand out. The majority within this focus group explained that they look more closely at the relationship of value-for-money when making their purchase decision and that they are not always able to afford the high-quality meal kit they would like to subscribe to. For the couple's and families' segment such considerations were not a large part of the decision to purchase a meal kit, but focused more on the freshness, taste, nutritional value and presentation, inherent to the dimension of food quality.

***Sustainability of ingredients***

Previous research on food consumption in Denmark outlined a strong preference for sustainable and especially organic food products compared to other countries, which was echoed in the offerings and pursuits of the companies servicing the Danish market (Kaad-Hansen, 2021). These companies either offered fully organic meal kits or tried to include organic produce as much as possible in response to this demand in Denmark. The segment analysis highlighted that there are differences in how much importance is attributed to that dimension across and within the segments. Both the singles and couples segment exhibited difference in opinion on whether this factor is important or not during the surveys. While singles had quite a clear divide and labelled it as the most important or least important dimension, couples had a larger variety of importance rankings, ranging from important; to moderate; to not important at all. Thus, while the average ranking was comparably low for the couple segment ($5^{th}$ place out of 8), the results outline a need to further segregate the results. The family segment on the other hand almost unanimously voted this to be the $2^{nd}$ most important product attribute and a significant purchase motivator for their decision-making process.

Insights from the interviews and focus groups across the three segments highlighted the large discrepancies of importance perception across individuals. While the family segment participants expressed to attach a high value to organic and local sourcing unanimously and without being encouraged, implying high importance in the salience dimension, the couples and singles segments discussed the topic a bit more hesitantly. Within those two groups, only one participant mentioned the sustainable sourcing as a motivator for the purchase decision during the open-ended questions in the beginning and the topic was only discussed upon invitation of the interviewers. During those conversations, candidates either outlined that they think it is important to them, whereas other state that “*technically I would like it to be important*” (Appendix 10), but they just do not feel the need to prioritizing that.

Consequently, sustainable sourcing appears to be a product attribute whose influence on the purchase decision is highly dependent on the segment being serviced. Hence, the assumption that this is a generally relevant dimension which was derived from the industry analysis and expert interviews only holds partially true. While families appear to demand sustainable sourcing to a great extent due to the high importance uncovered in the salience and relevance dimension, the couples and singles segment indicate that there are further sub-segments that have different expectations concerning sustainable sourcing.

***Variety of ingredients and recipes***

Based on the insights of the expert interviews as well as preceding research of Cho et al. (2020), the variety of ingredients and recipes have been expected to be key considerations customers incorporate into their decision-making process. When comparing that with the results of the analysis, they indicate in aggregate a coherence with previous research and the interviews. The survey results across all three segments place it to be an at least moderately important product attribute, with families placing it at the lower end of the moderate spectrum and singles at the top end of the moderate spectrum. Within the singles segment, there appear to be sub-groups that value the variety of ingredients and recipes attribute to different extend which invites a further investigation into the topic, but still enables the preliminary conclusion that the product attribute is at least moderately relevant.

Interestingly, within the singles segment the participants ranking recipe and ingredient variety as important did not discuss it a lot during the focus groups, whereas those that ranked it as less relevant to them associated strong positive memories with the variety they experienced in their meal kit boxes. This pattern of either high salience or high relevance has not been replicated in the other segments, underlining the necessity to investigate this dimension for that customer segment even further to get a better understanding of customer needs. As a matter of fact, within the couples focus group and the family interviews product variety was discussed freely and in depth, implying high salience which in turn implies high importance (van Ittersum et al., 2007). Hence, ingredient and recipe variety appear to be important attributes for the majority of meal kit customers in the salience dimension as they are prominent in the participants memory, however only moderately in the relevance dimension as other factors are prioritized.

***Health aspect of recipes and ingredients***

Compared to previous research and the expectations the meal kit providers expressed during the expert interviews, this analysis yields insights that appear to coincide only to a certain extent with those findings. Firstly, the overall relevance for this attribute appears to be quite high, as outlined in the high rankings (*Table 7*), which confirms COVID-19 fuelled trends to a healthier lifestyle (EIT Food, 2009). However, when assessing the importance on the more granular segment level, differences in the importance level appear. In fact, the couples segment participants evaluated it to be much more relevant, than either of the other two segments, which only ranked it to be moderately relevant compared to other factors.

Similarly, the couples focus group exhibited a much stronger salience than the singles focus groups or family interviews with many participants outlining it as a key motivation to purchase their meal kits. Specifically, in both the family and singles segment, the health aspect of recipes and ingredients was often not part of the initial motivation to purchase a meal kit. Moreover, participants seemed to have polarizing opinions on whether this is relevant. While some consider it to be a great tool to *"eat a little healthier"* (Appendix 10) and consider it something that is "*really important*" (Appendix 13), others ate already healthily prior to the meal kit subscription or do not actively seek out healthier options. In addition, while some participants concede that it is important to them, it is not highly salient as they often need to be triggered to discuss this topic.

Hence the health aspect of recipes and ingredients appears to be overall important but particularly relevant to the couple segment, whereas the other two segments seem to have sub-segments that differ in opinion on its importance. These insights contrast Mintel's (2016) findings that associate a higher importance level with single-person-households than multi-person households to which couples belong. Moreover, Ditlevsen et al.'s (2020) findings that there exists a relation between the commitment to purchasing organically and health consciousness could not be validated, as the importance evaluation for these two factors do not show a coherent pattern. However, this could be due to the size of the sample and would have to be examined with a larger sample size.

***Kid-friendliness***

The expert interviews with the different meal kits providers outlined that especially for the family segment, segment specific considerations such as kid-friendliness play a role in the purchase decision making process (Jonna Tuominen, Appendix 5). The interviews which were conducted further emphasized that this is a field parents actively take into consideration. Firstly, the dimension appeared to be quite salient, meaning that participants mentioned the kid-friendliness during the discussion in large part without being encouraged to consider it. Secondly the statements highlight that they both actively look for that and would appreciate a more kid-friendly offering as they also highlight that this is often not the case yet and subsequently do not purchase the meal kits for their kids as well. This is in line with research from Maubach et al. (2009) and Gram (2015) who found that parents are influenced by the fussy taste preference of their children. While important on the salience dimension, the relative importance of this purchase driver is quite low, being only in 7$^{th}$ place out of 9 in the family segment. Latter implies that this is an attribute parents do not prioritize over the other dimensions. Hence, kid-friendliness, while important for parents, is not a highly relevant product attribute, as evidenced in the low ranking. However, it would be viable to investigate its importance in the determinance dimension to gaze its impact in the moment of choice.

***Price***

While pricing has been determined to play some form of role in the decision-making process of meal kit customers in Denmark, the magnitude has not been specified due to the variety of opinions on it, as well as the lack of research in this domain. When evaluating the survey results on the relative importance on pricing across all three segments, the differences in price importance can be observed. While it is the 2$^{nd}$ most important aspect singles take into consideration, it is not important at all to families purchasing a meal kit. Within the couple's segment, participants also fall into those two categories, making price a polarizing topic within the meal kit market. Subsequently, the relevance and thus the importance of it vary significantly across the segments investigated.

In line with the findings of the relevance dimension, price is a non-salient attribute for families, as it is both not an association they make on their own and dismiss it as secondary once prompted to discuss. Within the couple's segment, the topic of pricing was not mentioned by the participants initially and required probing by the interviewers to be discussed, indicating lower salience. However, the insights generated mirrored the split observed in the survey results where participants either confirmed that "*the price has a big effect on us"* (Appendix 9) or either "*not a big deal*" (Appendix 9), suggesting at least moderate importance for part of the group. The interview results from the singles segment were more unanimous with almost all participants outlining that they take price into consideration to a large extent. Moreover, these statements were in large part salient, meaning they were given by the participants without being led to that topic, further underlining that this is an aspect that is tightly intertwined with their memory of meal kits. In addition, this focus group highlighted that pricing is also considered as a constraint in some cases as participants are not able to freely switch between meal kit providers.

Subsequently, pricing is a highly influential factor for the purchase motivation of the singles segment and irrelevant factor for the family's segment. Within the couples group a divide has been observed that makes this attribute either important or not important in the relevance dimension and weak-to-moderately important in the salience dimension.

***Sustainability of packaging***

As meal kit providers put a growing emphasis on the sustainability of their packaging and delivery, it has been assumed that the sustainability of packaging could be an attribute that affects the purchase motivation of customers. This assumption has been further affirmed by Ditlevsen et al. (2020), suggesting that organic consumers in Denmark also focus on other sustainability dimensions, and Denmark having been found to have a high density of organic customers. When assessing the importance in the relevance dimension, this does not appear to be validated. Both within the single and couple segment, this attribute was ranked as one of the least important ones. While the family segment appears to have a slightly stronger preference for sustainably packaged meal kits it still appears to be only moderately relevant being ranked 5$^{th}$ place out of 9.

Compared to the low importance in the relevance dimension, sustainability of packaging appears to be more salient among some participants. Within the couples segment some participants freely elicited memories of either as a strongly positive factor or a negative one if the packaging did not meet their standards, implying high salience for these individuals. Within the singles, packaging was only for one participant an aspect that was closely tied to a positive or negative memory, which would imply salience. The remainder discussed it only when prompted and conceded that it was either something very important to them or outlined that "*it is easier to say when you get interviewed kind of and saying that you're really focused on sustainability and everything. But I think all in all, price is an even more important factor than sustainability*" (Appendix 10). This is mirrored in other participants statements that while they consider it important, it takes a backseat to other factors such as price and quality, making it at most moderately salient. Within the family segment it is not a topic that was discussed much and only upon invitation by the interviewers. They often highlighted that while important it is not something they actively consider and that they are actually satisfied with the current degree of sustainability offered by providers, resulting in a low salience and thus low importance.

Overall, this dimension does not appear to be critical across all segments. It appears to be more important within the couple's segment due to slightly higher salience, but both the singles and family segments outlined it to be either moderately or lowly relevant in both importance dimensions.

***Convenience***

Somewhat in line with Cho et al.'s (2020) findings on the importance on convenience for meal kit customers, as well the affirmation by the expert interviews that convenience is a highly relevant dimension, convenience has been found to be an at least moderately important purchase motivator for the couples and family segment. They both ranked it to be on average one of the top three attributes that are important to them, however also exhibited a large variance in response values, so while it is on average an important product attribute in the relevance dimension, it does not appear to have the same importance to everyone within those segments. The single segment however almost unanimously, with one exception, voted it to be a non-important product attribute in comparison to other factors, implying low importance on the relevance dimension. As this finding strays from expert interview expectations and research, it would be viable to investigate this phenomenon further.

As a matter of fact, convenience was overall the most salient product attribute when compared with the other purchase motivators under investigation and was also discussed extensively across all three segments. Specifically, it was frequently mentioned as the initial purchase motivation and appeared to be strongly associated with meal kits within the participants memory, implying high salience. Moreover, participants mentioned both positive and negative memories associated with this aspect, indicating that it is both positively as well negatively salient. Furthermore, the discussion highlighted that there are different aspects to convenience, such as the planning of the meals, the shopping and the ease of preparation. As the survey results within the couples and family segment were so varied across participants, it would be viable to investigate further if that stems from difference in convenience definition.

It can be concluded that especially for the family and couple segment the findings from Cho et al. (2020) and the expert interviews have been confirmed due to high importance in both dimensions. Particularly the single segment considers it less important as evidenced by the low ranking in the survey. Hence it would be interesting to investigate how important this attribute is in the determinance dimension for the single segment to get a more profound understanding of its importance.

***Customization of box***

The importance ranking in the survey was consistently low across all three segments, with only one participant out of fourteen ranking it among the top 3 product attributes, suggesting low attribute importance in the relevance dimension. When assessing the importance in the salience dimension two things stand out. One, it does not appear to be an aspect that is closely linked to meal kits in memory as participants often did not bring it up without being prompted to discuss the aspect, implying low salience. Second, when invited to discuss it, participants of all three segments split in one of the two sub-sets, those who deem it unnecessary and those who value it due to dietary restrictions. Elaborating on the latter, the analysis found that in each segment at least one participant struggled with allergies or intolerances, strongly emphasizing how important it is to have an offering that can be tailored to their dietary needs. This finding is in line with Axelsen et al. (2012) who found in their study on the Swedish market that a subset of the population tailors their diet to their dietary limitations. Hence, while it has been suggested that there is a growing demand for customization in both expert interviews and related industries (Daniel Frantzen, Appendix 6), it does not appear to be a universally important product attribute, that can significantly impact the purchase motivation. However, investigating specifically the segment of people with allergies and intolerances can yield some insights on how these people can be served better, as it appears to generate value for them.

***Additional Insights***

As part of the focus groups and interviews, participants were invited to share their thoughts on relevant aspects that motivated their purchase decision at the beginning of the sessions as well as encouraged to mention any outstanding relevant factors towards the end. Through this approach, attributes that were not considered so far by the authors, expert interviews and existing literature could be uncovered. As all these novel attributes have been elicited by the participants through memory association, meaning they have been discovered while thinking about meal kits, they can be assumed to have a high salience, in accordance with Van Ittersum et al.'s (2007) definition of the salience dimension. However, evaluating these in the other importance dimensions (relevance & determinance) in future research can extend the knowledge on their importance.

As part of these questions, several aspects have been mentioned that were not considered in other research up until now. Firstly, and most prevalent was the alleviation on the environment associated with meal kits as they reduce food waste. Several participants stated that they *"thought that it was a good thing to help against food waste"* and "*hate throwing away food. There is always a use for something*" (Appendix 10).

Secondly, several customers emphasized the importance of good deliverability. In fact, this can be associated to be a negatively salient attribute because it has only been mentioned by individuals who had issues receiving their packages. Even if those experiences are in the past, they appear to still be prevalent in memory, so it is key that those instances are minimized as much as possible. Especially individuals who live in an apartment complex and cannot give their door key to the meal kit provider are concerned with how their boxes will be delivered when they are not at home.

Thirdly, participants mentioned that public image influences how they purchase meal kits. While one participant exemplified how he felt that *"this meal box is super legit"* (Appendix 10) due to association with a famous chef, whereas others mentioned public scandals, such as the employment condition scandal at nemlig.com to affect their purchase decision.

Lastly, there were several comments about aspects that upgrade the overall experience of the meal kit. For one, two participants mentioned that information on the preservation and handling of ingredients is something they appreciate, while others especially outlined that the existence of a great app or loyalty programs incentivizes them to either stick or switch to that particular meal kit provider.

#### 5.2.2. Condensed Answer to Research Question

The aim of this research was to investigate which product attributes influence the purchase of meal kit customers in the Danish market. In conjunction with the attributes derived from expert interviews and the industry analysis, the aspects of food waste reduction; deliverability; public image and add-ons have been found to be included in the considerations of a meal kit purchase. While all investigated attributes appear to be included to some extent in the evaluation of which meal kit provider to subscribe to, some have been outlined as particularly important. Most critical for all three segments was the quality of ingredients which has been found to be the most important relative to the other attributes as well as appears to be a minimum requirement to be satisfied with the meal kit. Moreover, the healthiness as well as the variety of ingredients and meals has been outlined as key attributes evidenced in primarily high salience and relevance importance. These findings also highlight that the attributes directly related to the ingredients appear to be overall more important. Interestingly, the importance of two sustainability attributes is not correlated. While ingredient sustainability appears to be highly important for the family segment, within the couples and singles segment only sub-groups attached strong importance to it. Packaging sustainability on the other hand has been majorly categorized as a less important attribute. As last noteworthy finding was that the extent to which pricing was considered important varied significantly across segments.

### 5.3. PRACTICAL IMPLICATIONS

Several practical implications for meal kit companies can be derived from the analysis and findings. These implications are not only valuable for existing companies but can also create benefits for new companies that enter the Danish market. The findings show that convenience is only one of the aspects that consumers consider in their decision-making process regarding meal kits and that there are significantly more attributes consumers consider when deciding for meal kit. In fact, the findings of this study confirm that all nine of the attributes identified affect the consumer to various degrees in their decision-making process and extended the list of attributes that have previously been found considerably with the addition of novel product attributes. Furthermore, this study revealed that the product attributes have varying levels of importance across the different segments.

Through this knowledge, meal kit providers are better equipped to design or tailor their product offering for the different sub-segments. While the interview with meal kit company representatives outlined that they do not segment their customer base extensively, the research findings highlight a different prioritisation of some attributes across segments, which should be taken into account when marketing their products. This is particularly important as the industry analysis pointed out growing competition and a strong threat of substitution which requires meal kit providers to understand and serve their customers exceedingly well.

As a matter of fact, many participants were very critical about their meal kit providers and openly expressed their criticism on some aspects. One criticism was the often incorrectly predicted preparation and cooking times, which resulted in a diminished reliability towards the meal kit providers. Another criticism was the delivery schedule, where deliveries were offered on only one day of the week, causing delivery problems, especially for multiple family homes, because the meal kit boxes were simply left in the entrance area for everyone else to see and access. Both criticisms are seen as limitations and as inconvenient for customers, which is why meal kit providers are recommended to explore and implement new possibilities and, in the best case, offer on-demand delivery solutions. Moreover, especially in the family segment, it has been found that children's tastes and preferences have not been sufficiently met so far. Therefore, meal kit providers are encouraged to make an additional effort to provide meals and ingredients also for the younger members of the household in addition to the adult meals.

Furthermore, it became apparent that, in addition to the classic meal kits, any add-ons were valued a lot. For example, supplementary options like breakfasts, school lunches for the kids, or individual products like a specific wine or olive oil were mentioned. This is particularly interesting as, both the outline of the business model via the Abell matrix as well as the participants statements on their perception of meal kits, indicates an overlap and convergence with other food shopping channels. This development suggests that in order to stay competitive in this industry meal kit companies are encouraged to extend their business offering beyond that of meal kits.

Overall, these implications and recommendations have relevance for all marketers and managers who want to better understand the consumer decision-making process with respect to daily meals. An improved understanding of the complexity of the consumer's decision-making process will enable them to highlight the benefits of the product and its most valued attributes and thus position themselves more optimally in the eyes of the consumer. Ultimately, a clear message with the appropriate attribute benefits will drive the consumer to subscribe or purchase individual products of this respective meal kit provider.

## 5.4. FUTURE RESEARCH

While this study provides a starting point in exploring the product attributes that are relevant in the decision-making process of meal kit customers in Denmark, it does not offer an exhaustive analysis of the topic. As a matter of fact, there are several suggestions to further investigate in this field.

Firstly, due to resource constraints of the researchers, in particular the difficulty of acquisition of study participants for focus groups and in-depth interviews in the Danish market, the inclusion of a quantitative survey with a larger sample population was considered infeasible. However, the authors recognize the importance of triangularity in research to develop a comprehensive understanding of the topic under investigation and increase the study’s validity and subsequently emphasized the necessity to include this in further investigations (Patton, 1999). Thus, to validate the findings of this research, a study including a larger samples size of the meal kit market in Denmark is encouraged.

Secondly, this study only examines attributes of customers who are or have been subscribed to a meal kit provider, and therefore fails to include individuals who are aware of meal kits but have not yet chosen to subscribe to one. Therefore, it would be particularly interesting to investigate and identify the attributes and their importance for this respective segment so that meal kit providers can apply this knowledge to improve their customer acquisition rates.

Lastly, as the scope of this study was based on a qualitative assessment on which attributes are taken into consideration as well as a preliminary assessment which ones appear to be relevant, including a quantitative dimension to gaze exactly how important each aspect is, would significantly deepen the knowledge on this topic. In relation to this, the inclusion of testing the importance of attributes among the determinance dimension as introduced by Van Ittersum et al. (2007) would not just offer the desired quantitative extension of this qualitative research but would further extend the obtained knowledge by assessing which attributes are actually included in the moment of choice, which can differ to those in the salience and relevance dimension.

### 5.5. LIMITATIONS

While this study provides relevant findings in this area of research, it has some limitations, confining the generalizability of the results. Firstly, the dataset of this research consists of two focus groups with five participants each, and four additional individual in-depth interviews. Morgan (1997), in contrast, recommends holding at least three to five focus groups. Therefore, two or three additional focus groups would have provided even more validity, improving the overall quality of the research project.

Secondly, the participants were sampled from specific groups in the closer surroundings of the researchers and were mostly known to the researchers or connected through a third person. Although several above-mentioned measures were taken to reduce biases and maximize the representativeness of the study, such as using two focus groups to function as the control group for another, it is not improbable that the sample population includes some kind of pattern or error. This high probability of selection bias through convenience sampling could be avoided in future investigations by employing a higher level of randomization during sampling.

Thirdly, the sample population does not represent an optimal picture of the actual demographic distribution. Although the average age of singles (29.2) and couples (34.6) is at the lower end of the defined age range identified from the expert interviews, a more balanced sample population with a slightly older age average would enable the researchers to give more sophisticated and reliable conclusions.

Lastly, meal kits are a relatively new research topic, which has been reinforced by the global COVID-19 pandemic and is therefore still evolving and flexible to changes. Therefore, the data collected can only be considered representative for the time when the research was conducted, as consumer behaviour can change rapidly once pandemic interventions such as lockdowns or the like are lifted again.

# 6. CONCLUSION

The aim of this research was to explore the relevant product attributes in the Danish meal kit market for the existing customer base. In order to investigate this topic, a set of potentially relevant product attributes has been developed on the basis of existing literature on meal kits, an analysis of the Danish meal kit industry and interviews with meal kit providers in Denmark. In order to investigate this topic, a set of potentially relevant product attributes has been developed on the basis of existing literature on meal kits, an analysis of the Danish meal kit industry, and interviews with meal kit providers in Denmark. These attributes have then been tested via focus groups and in-depth interviews of the three primary segments of the market: singles, couples and families. In applying this approach, it has been found that there is a large variety of attributes that customers take into consideration. While some of them are ingredient related such as quality, sourcing and healthiness, also other aspects such as convenience, pricing and packaging appear to play a role. As a matter of fact, consumers appear to also evaluate factors such as food waste reduction and public image when considering their purchase.

When evaluating the importance of the identified attributes among multiple dimensions, the analysis found that some attributes significantly differ across the three segments identified. These findings contradict with the industry players expectations that the three segments are fairly homogenous in their preferences. While pricing has been found to play a much larger role for customers within the single segment, the results also suggest that couples include the healthiness of their meal kit into their consideration to a greater extent than the other segments. Furthermore, while one of the assumed key benefit of meal kits, namely convenience, appears to be an important attribute within the couple and family segment, it does not seem to be equally important to customers in the single segment. In addition, there seems to be a divide both across segments as well as within the couples and singles segment whether the sustainability of sourcing is a decisive attribute or not.

Hence, these findings do not just highlight a breath of dimensions which meal kit providers need to focus on, but actually outline the preferential differences across segments. Subsequently, meal kit providers can utilize these insights to position themselves more sharply in the market and help build the competitive edge that is needed to succeed in this competitive market. Moreover, the research provides the qualitative foundation on which future research, that outlines attributes importance more precisely, is built. Thus, this research does not just have academic relevance but offers practical implications for a market that is expected to continue its steep growth and alters how people connect with food.

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