

*crispy, crunchy, craveable*  
**CHICKEN**

*Winning On & Off the Menu*



**KERRY**

# Contents

- 03 About the Report
- 04 Executive Summary
- 05 Positive Outlook for Chicken
- 06 Key Consumer Drivers
- 08 Foodservice Fanfare
- 09 Winning with Chicken
- 13 Kerry Chicken Solutions
- 14 About Kerry
- 15 Sources and Citations





## About the Report

*Crispy, Crunchy, Craveable Chicken* is a Kerry report detailing the significant rise of chicken over the past decade and the increasing focus on craveability, indulgence, and health driving the popularity of chicken. This report uncovers key opportunities of growth in chicken for sandwiches, tenders, nuggets, wings, and other chicken-based meals on and off the menu.

Additionally, this report also uncovers formulation opportunities to action and implement a winning chicken program for manufacturers and operators that capture consumer attention.

This report leverages the collective expertise and subject matter expertise of Kerry experts, proprietary Kerry content, and consumer insights from our data partners.



Sandwiches



Tenders



Nuggets



Wings



Chicken-based  
Meals

## Executive Summary

The popularity of chicken in foodservice and retail remains indisputable, with high household usage as well as foodservice menu penetration. Consumers perceive chicken as a staple protein, one that is as familiar as it is craveable. Furthermore, the adaptable nature of chicken, across preparation methods, formats, dayparts, cuisines, and flavors, promotes its versatile taste profile on mainstreaming as well as trending retail products and menu items.

The ideal vehicle for many emerging cuisines and flavors, chicken (via sandwiches, tenders, nuggets, wings, and meals) offer manufacturers and operators an ideal canvas for product and menu innovation.

**In order to create a winning chicken program, this report uncovers key building blocks and actionable formulation suggestions.**

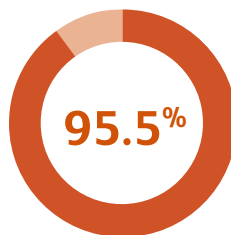
**The future of chicken is promising, as consumers prioritize health without trading off taste. Chicken is the ideal protein for operators looking to appeal to different consumers, regardless of age, ethnicity, or taste preferences.**

## Positive Outlook for Chicken

All meat proteins have experienced growth over the past 3 years (% growth, meat accounted for \$95 billion in sales over the last year).<sup>3</sup> Furthermore, poultry continues on a positive trajectory; 6% gains in the past 5 years; reaching ~\$26 billion in sales.<sup>1</sup>

Almost universally accepted, consumer and industry participation in chicken is the highest of all animal and plant-based protein sources, with 91% household penetration.<sup>1</sup> The story of chicken in foodservice is no different, at 95.5% penetration on foodservice menus, chicken remains the most popularly menued protein, across formats, dayparts, cuisine, and flavors.<sup>2</sup>

**The retail meat department experienced 37% growth in sales (\$) between March and June vs. the same period in 2019.<sup>3</sup> Fresh chicken experienced 23.8% gain (\$) in sales (17.8% in volume) in May 2020 compared to May 2019.<sup>1</sup>**



Penetration of chicken on the menu remained steady at 95.5% over the past 5 years, with Fried Chicken rising 2.8% in menu penetration over 4 years, and Chicken Wings rising 4.4% over the same period.<sup>2</sup>

According to NRN's Top 200 Report, the Chicken menu category is the fastest growing among Top 200 restaurants and tracked retailers, at 8.9% sales growth year over year.<sup>10</sup>

Craveability of chicken has been rising, characterized by innovation on and off the menu. Chicken and Poultry-based product launches grew 18% between 2017 and 2019.<sup>5</sup> Furthermore, breaded chicken product launches grew 26% during the same period.<sup>5</sup> The growth in breaded chicken sales in retail, particularly with foodservice influenced trends in products, is indicative of the transition of chicken wars at home.

The outlook for chicken remains positive, despite the rise in adoption and acceptance of plant-based proteins and the COVID-19 challenge of 2020.



# Key Consumer Drivers

Chicken enjoys wide acceptance not only among consumers, but also by the industry – benefitting from processor focus, industry sales, and consumer consumption. The following illustrates the many drivers of the growth of chicken, from consumer consumption drivers, to manufacturer and operator drivers.



## Chicken is Versatile

Consumption of chicken across formats and flavors, from nuggets and tenders, to sandwiches and wings, invoke indulgence and craveability.



## Demographic Agnostic

Preference for chicken is gender, age, ethnicity, and income level agnostic, appealing to all consumers via various cuisine and flavors.



## Healthy Halo

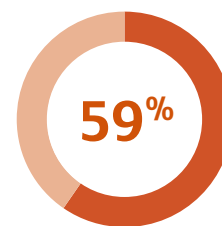
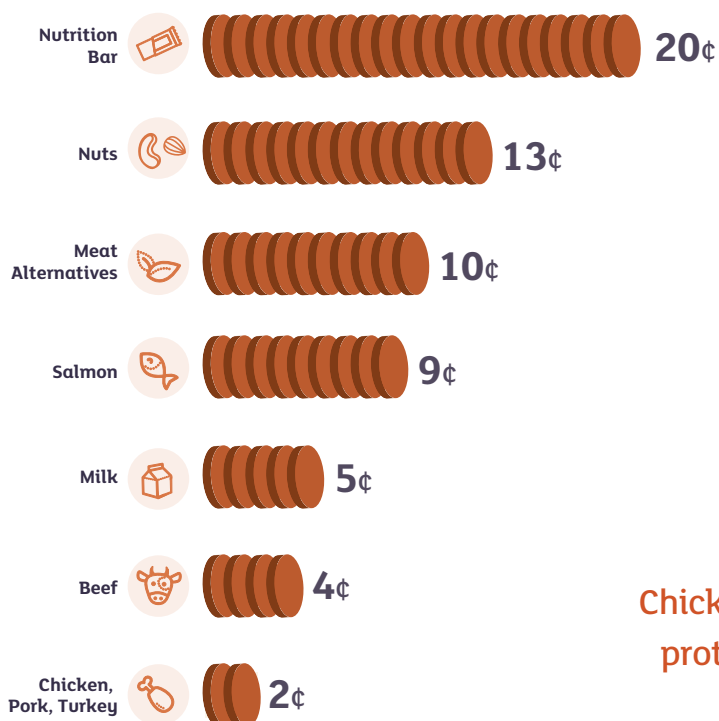
Chicken has a certain healthy halo promoting a "better for you" option to consumers.



## Gateway to Taste Exploration Flavor and Texture

Chicken is the ideal delivery vehicle for any cuisine and flavor. With adventure and craveability staying high on consumer minds, chicken provides them with unique flavor and texture experiences; from tantalizing new heat levels, crispy and creative coatings, to adventurous regional flavors.

### AVERAGE US PRICE (CENTS) PER GRAM OF PROTEIN



59% of Americans see chicken as healthy, more so than any other protein<sup>8</sup>

Chicken can therefore bear the title of a staple protein, least controversial, and checking the box on most consumer requirements.

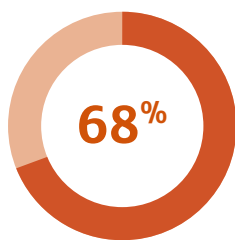
# Industry Drivers

**Mass Consumer Acceptance** – Appealing to a wider audience, manufacturers and operators can be rest assured of the popularity of their chicken products and menu items.

**Versatile Protein** – Chicken is the most versatile of proteins, adapting to any flavor, enabling the operator to use the same protein across the menu.

Chicken has a perfect score on Food Versatility at 100, indicating that it is used in many different applications/dishes; and a score of 94 on Menu Versatility, indicating its use in many different cuisines/ types of restaurants.<sup>2</sup>

Chicken lends itself very well across formats, cuisine, dayparts, and flavors, to provide the manufacturer and operator an ideal canvas for their unique positioning and product ideas, with comparatively lower impact to cost and resources.



Chicken thighs are growing on menus with a 68% increase from Q2 2016-19,<sup>6</sup> especially with the rising popularity of Korean Fried Chicken.

**Operational Efficiency** - There are several building blocks for chicken – taste tonalities, smoke and grill flavors, food protection, marinades, coatings, seasonings- that operators can mix and match to create winning and trending menu items and product solutions. Whole bird utilization is also growing (nuggets, wings, thighs, breast, etc.) offering operators and manufacturers more options for product and menu innovation, while also minimizing processing waste.



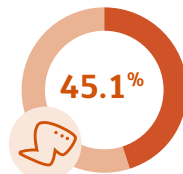
# Foodservice Fanfare

Three key emotional motivators of chicken in foodservice

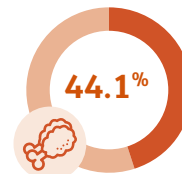
## 1. Craveable and Indulgent

Key Items:

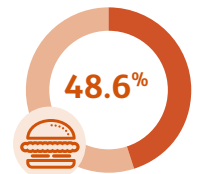
- 8 pc. fried chicken
- Chicken wings
- Sandwiches
- Dinner entrees



Chicken Wings menu penetration <sup>2</sup>



Fried Chicken menu penetration 3% growth vs. LY (7% vs. 4 years ago)<sup>2</sup>



Chicken Sandwich menu penetration 2% growth vs. LY<sup>2</sup>

## 2. Adventurous and Exciting

Key Items:

- Chicken sandwiches
- Chili/heat levels
- Regional/provenance inspired items
- Savory/sweet flavor mashups
- Authentic preparation methods - rotisserie

## 3. Nostalgic and Comforting

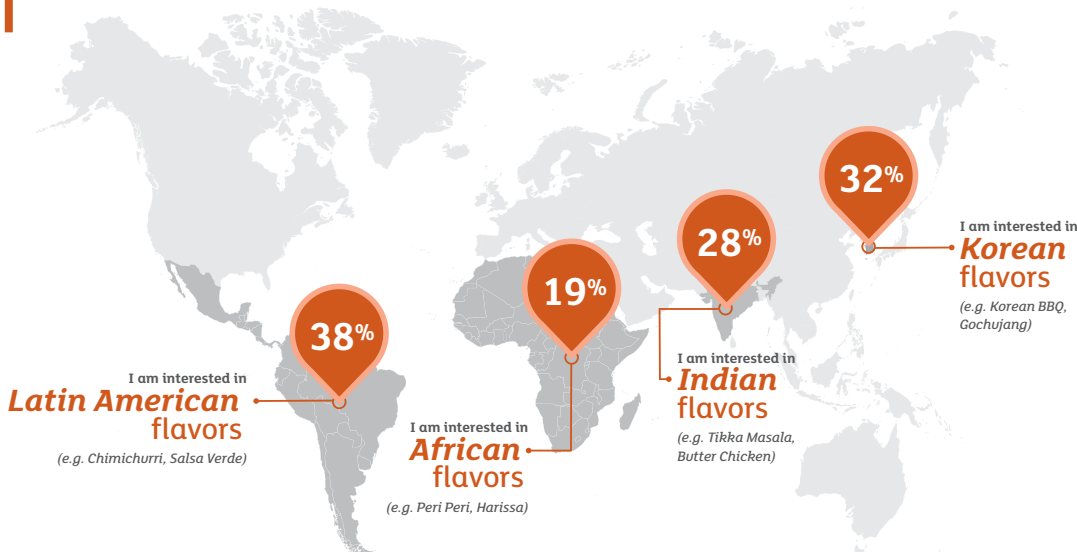
Key Items:

- 8 pc. fried chicken
- Chicken wings
- Chicken nuggets
- Tenders

Several chicken menu items are comforting, both to the adult, and the kids in the family, typically paired with nostalgic and authentic flavors.

### "WHICH OF THE FOLLOWING STATEMENTS ABOUT POULTRY DO YOU AGREE WITH? PLEASE SELECT ALL THAT APPLY"

% Of Repondents Oct 2019 (US)



Nearly a third of consumers are interested in trying internationally-inspired poultry options<sup>7</sup>

# Winning with Chicken

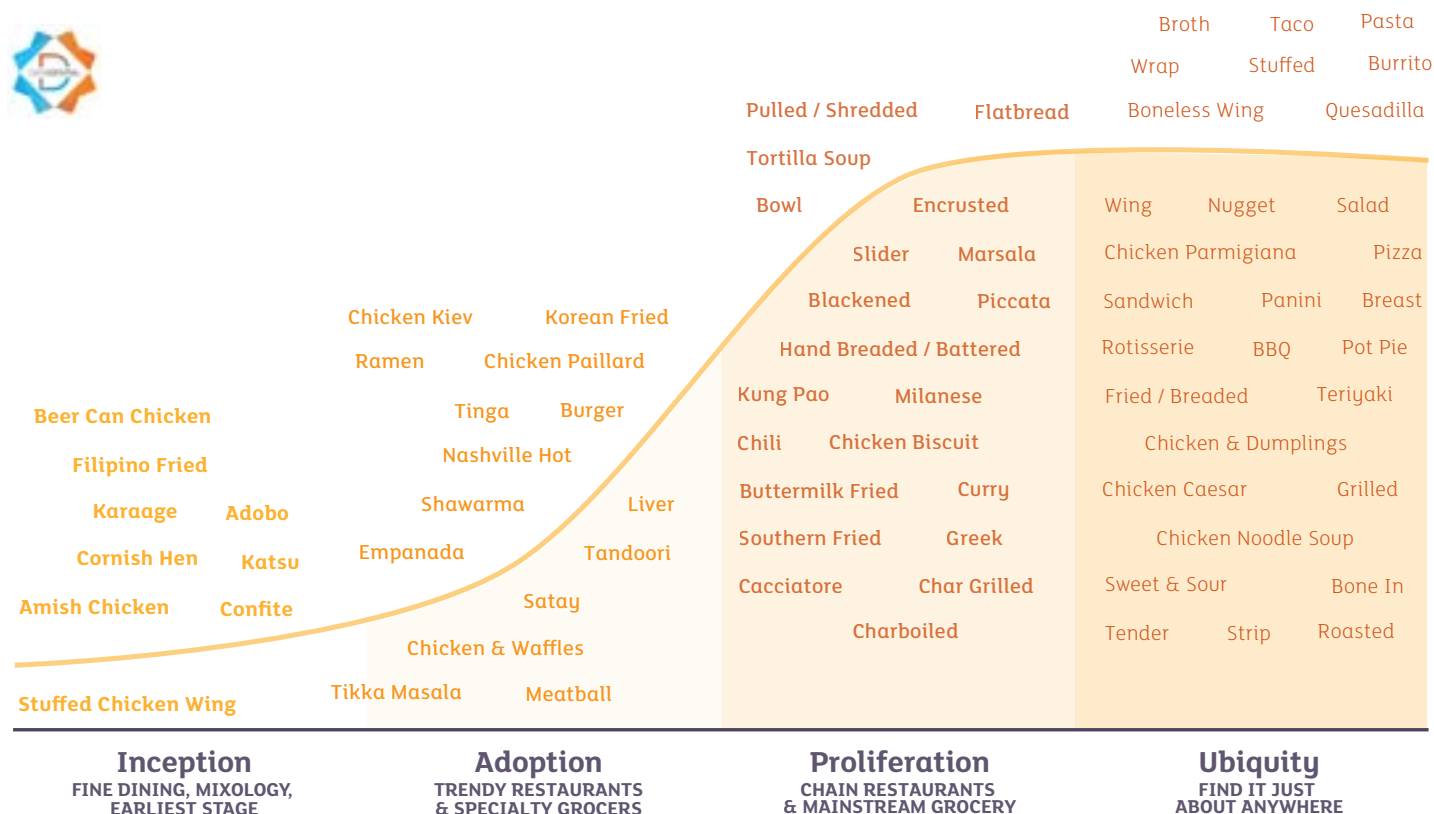
With several avenues to work with chicken, we explore some of the dominant and differentiating opportunities to build a winning chicken program.



## Explore Beyond Convention With New Dayparts, Formats, and Flavors

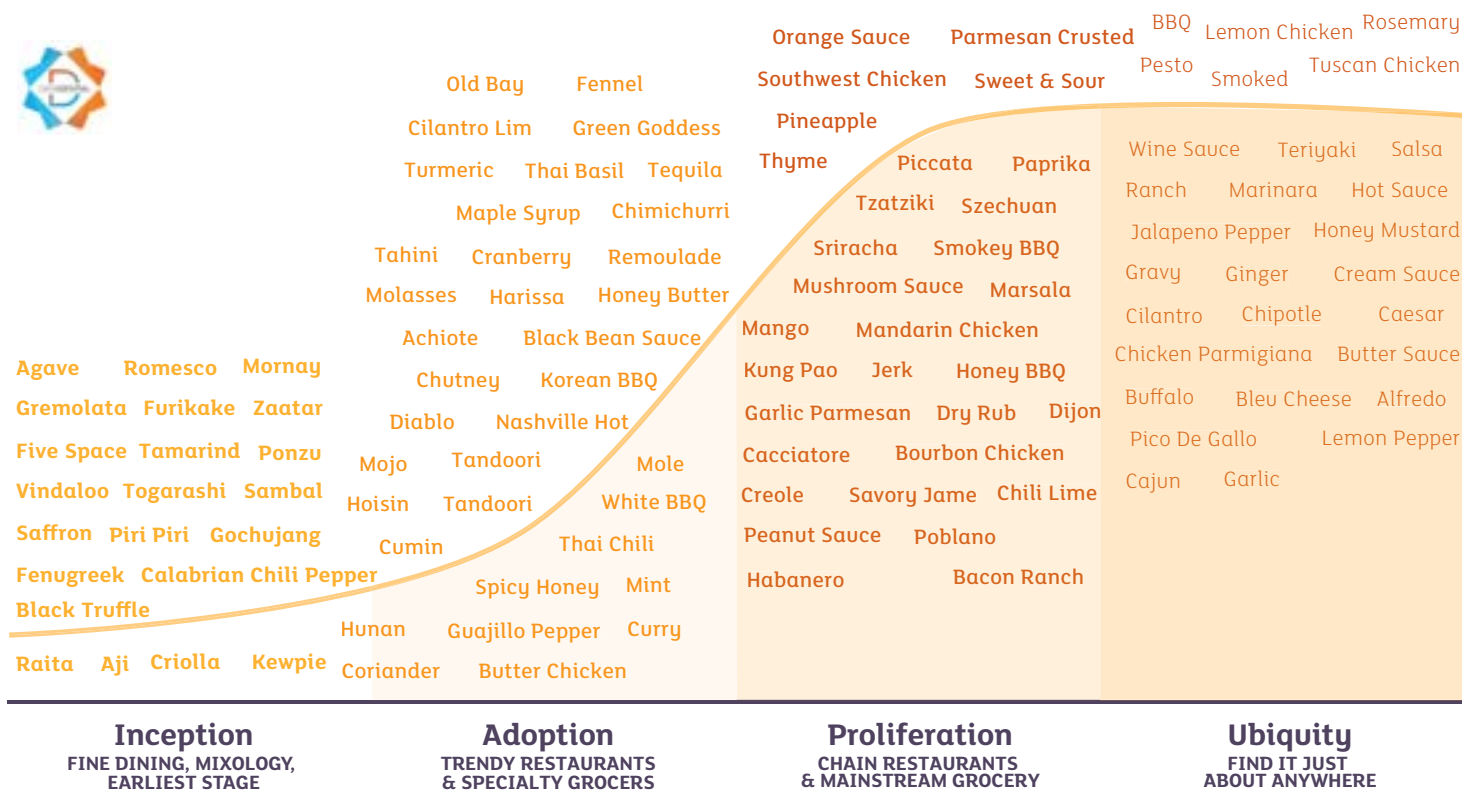
Increasing the penetration of chicken beyond 91% at home, and 95.5% on the menu, can be achieved by attracting consumers with product and menu items across all dayparts. Engaging in innovation across flavors and formats – sandwiches, wings, tenders, fried chicken, etc. and flavors offers a broad range of creativity and brings versatility to the offering.

### CHICKEN DISHES MENU ADOPTION CYCLE APRIL 2020<sup>9</sup>



# Winning with Chicken *Continued*

## CHICKEN FLAVORS MENU ADOPTION CYCLE APRIL 2020<sup>9</sup>



Dinner is a dominant daypart for chicken, however growing occasions include breakfast, lunch, and shareable/snackable appetizers. This brings opportunity to position poultry for new and unexpected uses, as a way to add healthy protein to everything from appetizers and breakfasts to snacks.<sup>7</sup>

**64%** of consumers

believe “high in protein” constitutes a healthy breakfast, giving poultry brands an opportunity to innovate breakfast handhelds and breakfast bowls with poultry as an easy and healthy way for consumers to get a high protein breakfast<sup>7</sup>



Read our 2020 Taste Charts.

# Winning with Chicken *Continued*

## Build Expertise in Coated Chicken – Understand the Building Blocks

From technical, operational, sensorial, to marketing, to build differentiation and drive consumer participation.

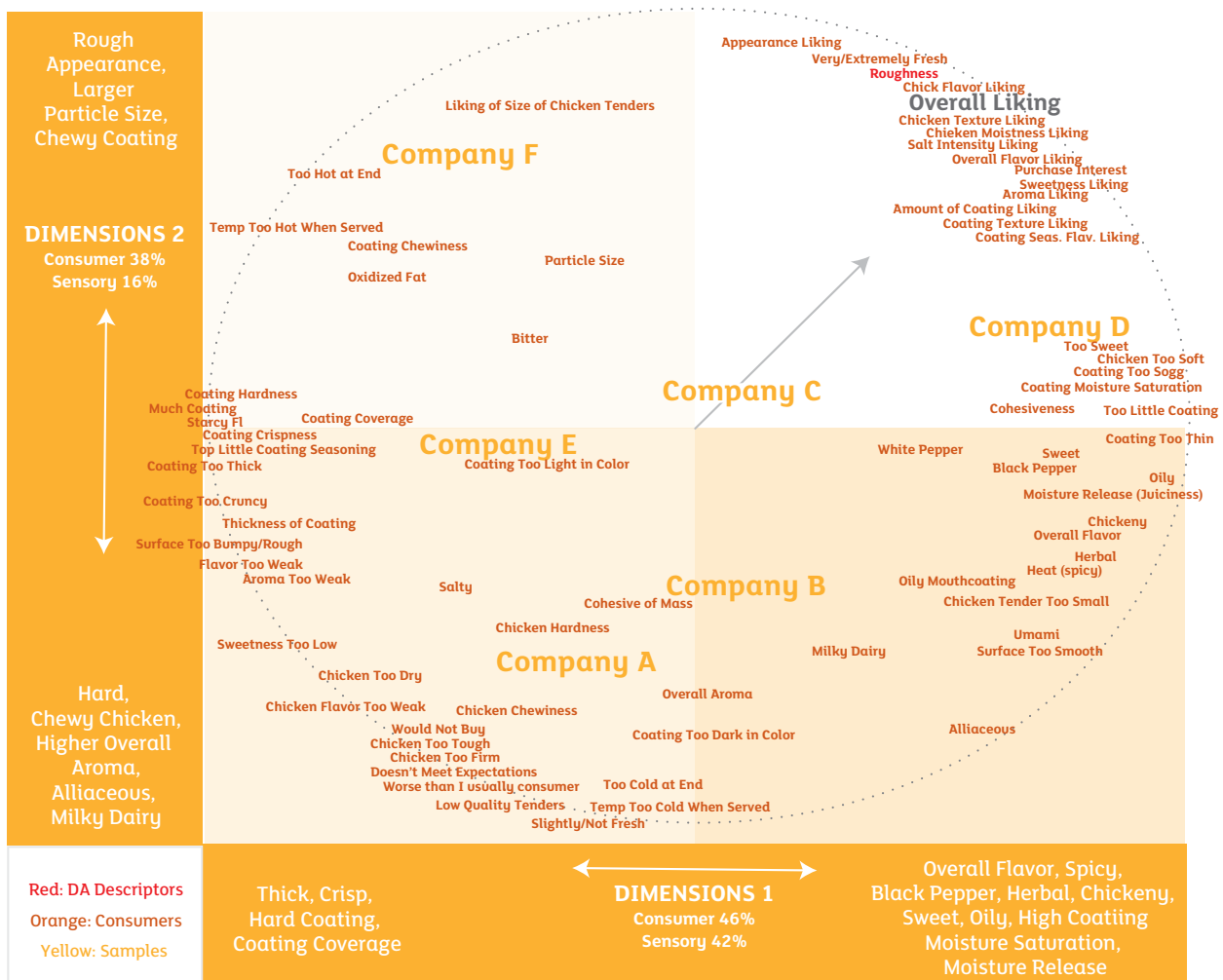
Below is a proprietary view of Kerry's Sensory and Consumer Biplot on Fresh Chicken Sandwiches, visualizing the attributes that drive positive preference and purchase intent for chicken sandwiches. This provides a starting point to guide your formulation and create consumer-winning items.



"The best way to create innovation in this space is by layering in flavors from the substrate to the final batter or coating."

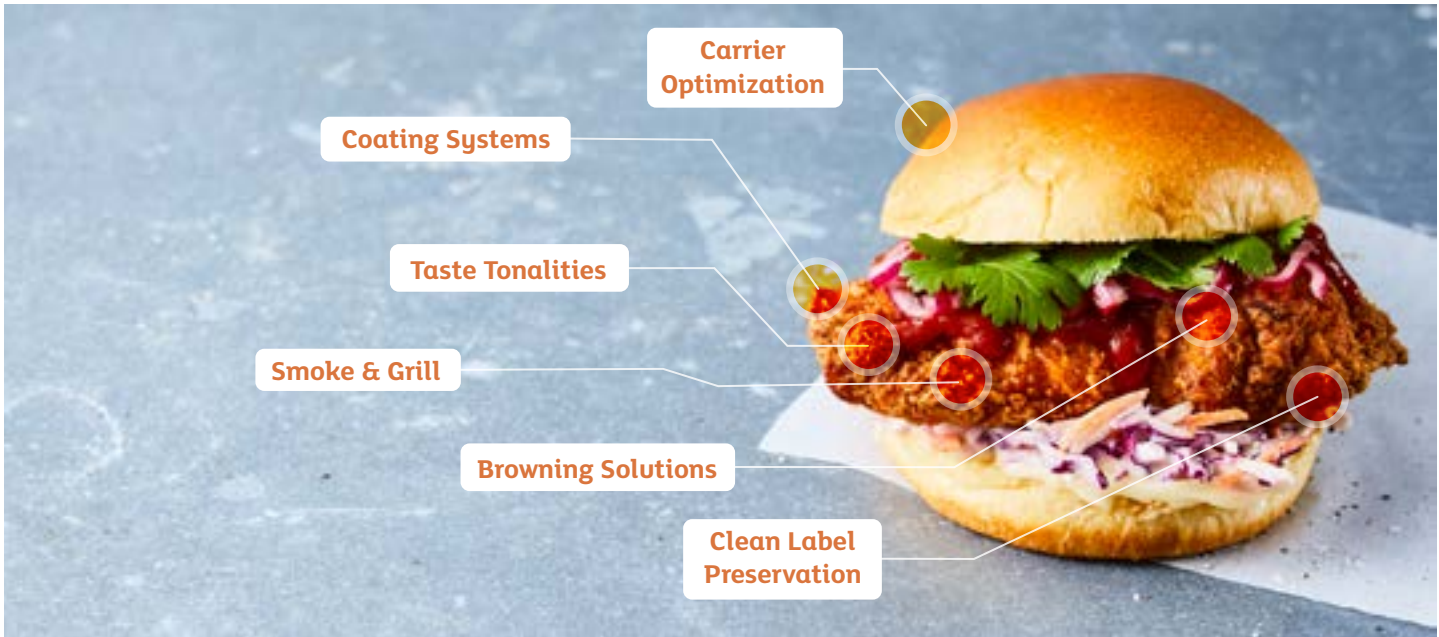
**CHEF DANNY BRUNS**  
DIRECTOR, CULINARY INNOVATION  
NORTH AMERICA

### PLS SENSORY & CONSUMER BIPLLOT: FRESH



# Winning with **Chicken** *Continued*

Choose the Right Technology and Right Partner for Chicken



## Key Dimensions and Attributes

Looking inward, innovation to operations, is equally pivotal to success. Picking the right partner in your journey is therefore important. Evaluate based on key dimensions and attributes:



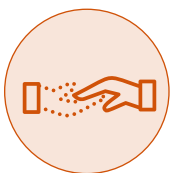
### Consumer Centric

Suppliers who understand consumers – their drivers, and motivations



### Rapid Innovation Capability

“Meaningful innovation” to create market differentiation and winning go-to-market formulations



### Customer Focused

Understand the customer business (processing, manufacturing, end-to-end expertise) and values customer relationships



### Who Can Execute

- Has all the building blocks
- Has experience and expertise
- Has flexible capacity

# Kerry Chicken Solutions



## Coating Systems



## Seasoning Systems



## Smoke, Grill & Browning



Solutions

- Batter
- Breader
- Cracker Meal
- Japanese Bread Crumb (JBC)
- American Bread Crumb (ABC)

- Blends, Topicals, Rubs, Glazes, Marinades, Injects, Sous Vide
- Liquid Seasonings
- Chef's Pass™ Ready-to-Eat

### Red Arrow™

- Condensed Natural Smokes
- Naturally Smoked Ingredients
- Savory Grills
- Browning Solutions



## Taste



## Clean Label Food Protection



## Plant Protein Ingredients



Solutions

### AuthenticSavory™

- Meat & Vegan Meat Flavors
- Cooking Method Flavors
- Vegetable & Herb Flavors
- Dairy & Non-Dairy Flavors
- Concentrated Broths
- Umami & Kokumi Solutions (Yeast & Non-Yeast Based)
- High Performance Yeast Extracts

### TasteSense™

- Taste Modulation (Masking, Mouthfeel & Salt)

- Accel™ Cure Alternative
- DuraFresh™ Cultured Dextrose & Vinegar-Based Antimicrobials
- DuraFresh™ Plus Co-Crystallized Antimicrobials & Cure
- Zesti® Functional Flavors

- Cereshred (Soy & Wheat Shreds)
- PlantFare™ Core (Soy or Pea)

# About Kerry

As consumers demand a return to real food and beverage products, Kerry is responding with better, more authentic, and nutritious taste experiences.

We bring to the table our strong food heritage with 40 years of experience, global insights, marketplace knowledge, culinary, and applications expertise and unique solutions that meet consumers' needs. Kerry began as a dairy cooperative in Ireland, committed to producing real and wholesome ingredients. As we've grown, we continue to provide solutions that satisfy a fundamental need: to eat, to eat well, and to be healthy. Kerry's focus on Taste and Nutrition combines our multi-sensory aroma and texture experience with in-depth knowledge of people, life stage, and daily nutritional needs. By partnering with Kerry, customers are taken on a journey to make food, beverage and pharma products that people enjoy and feel better about.

**We call this *Leading to Better*.**



# Sources & Citations

1. Mintel – Poultry, US – December 2019
2. Datassential – Menutrends, US – June 2020
3. IRI May 2020
4. Nielsen 2020
5. Mintel GNPD Analysis 2020
6. Mintel Menu Insights 2020
7. Mintel 2020, “Embrace Chicken’s Dark Side” and Poultry 2019 Report
8. Mintel 2020, “Chicken as a Condiment” Report
9. Datassential – Menutrends, US – April 2020
10. Nation's Restaurant News – Top 200 Report – June 2020