



Coated

The coatings
consumer
uncovered

With Kerry Foodservice,
you're in expert hands



A collage of food images. The top left shows a burger with fries. The bottom left shows a bowl of pickled onions. The bottom right shows a plate of fried chicken. The background is a wooden table.

Contents

- Introduction
- Market sizing
- Research objective
- Out-of-home market
- The consumer –
what are they eating?
- Influences on choice
- A look to the future
- Key takeaways

Introduction

The coatings product market is an area of great opportunity. Kerry Taste & Nutrition undertook a pan-European research study across six markets encompassing both at home and out-of-home consumers. We explored their purchasing patterns, frequency of consumption and what is important to them.

We discovered that coated products are a real treat for the whole family, so we wanted to explore what makes them so special and how they might evolve in the future.

With out-of-home dining returning, coupled with a rise in snacking along with the endurance of the delivery channel beyond COVID-19, foodservice operators need fresh ideas.

Don't miss our interview with James Lipscombe, CEO of The Chesterford Group where he talks about the coated product consumer. We've also taken the opportunity to interview Adrian Coulter, Culinary Director Foodservice at Kerry to get his view from a food design and development aspect. Finally, you'll read about Richard Troman, Senior Innovation and Application Chef for Kerry, and his views on the future of coatings.

We believe in consumer inspiration to deliver actionable insight for our customers to help you identify opportunities and drive innovation. Given the limited amount of research conducted in this area, Kerry Taste & Nutrition are delighted to share this proprietary piece of first to market research.



Market sizing



€23.7bn

The European coatings market is valued at €23.7bn with a forecasted absolute value growth rate of 7% from 2020-2024.



€16.5bn

This market is made up of €16.5bn worth of coated product sales in retail.



€7.2bn

There are €7.2bn worth of coated products consumed out-of-home.



The coated categories predicting the highest growth over the next four years are:

- Coated meat-alternatives (chicken and fish) with 30% absolute growth from 2020 to 2024
- Coated chicken burgers/sandwiches with 5.6% absolute growth from 2020 to 2024

Research objective

We spoke with n=4,096 coated product* consumers across six European markets.

This included both at home and out-of-home consumers of coated products, but this report focuses specifically on out-of-home consumption.

In total, we spoke to n=2,817 regular out-of-home consumers. We asked them about their current preferences with regard to coated products, consumption dynamics and potential future developments. Fieldwork was completed in April 2021.



- United Kingdom
n= 770
- France
n= 761
- Germany
n= 765
- Spain
n= 754
- Poland
n= 525
- Russia
n= 519

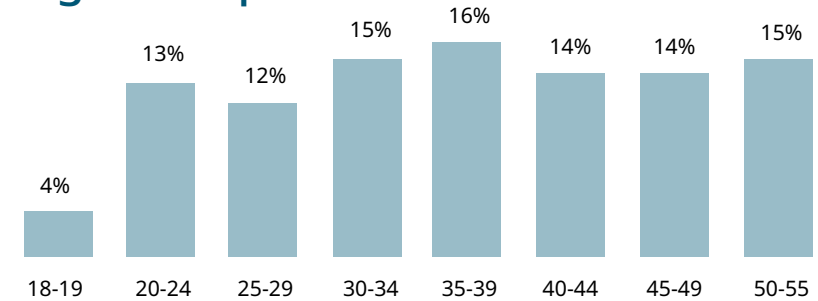
* Note: This includes both battered/tempura and bread crumbed products

Our approach

Who did we speak to?

All out-of-home and at home consumers (n=4,096)
who consume coated products monthly

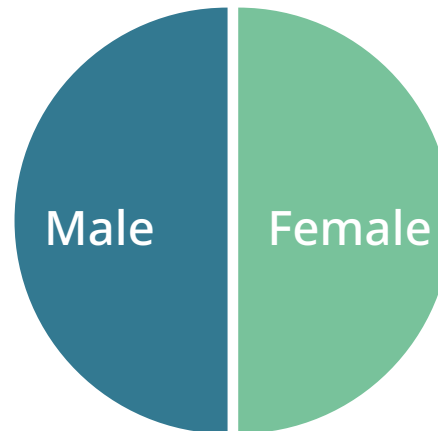
Age Group



Market

United Kingdom n= 770	France n= 761
Germany n= 765	Spain n= 754
Poland n= 525	Russia n= 519

Sex



Note: Quotas were applied nationally to ensure representativeness of samples

We spoke to people with a range of attitudes

Easies



Likely to say...

I don't have time to cook, so I choose things that are easy.
I go for low cost options.
I am influenced by others in my household.

33%

Indulgents

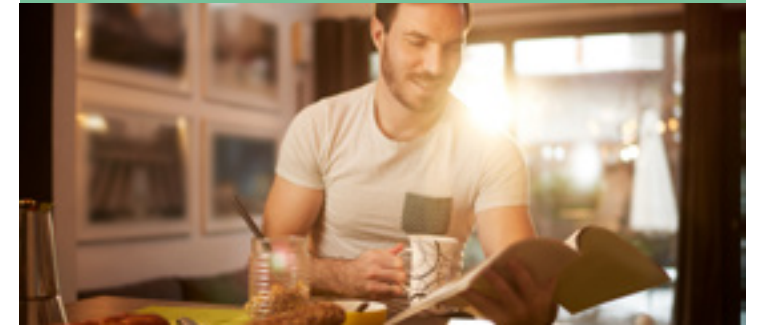


Likely to say...

I love to experiment and try new foods.
Food is all about pleasure.
Taste is what matters most to me.

28%

Ethicals



Likely to say...

I am trying to make choices that are more environmentally sustainable. I always try to make healthy choices and I avoid certain food types.

29%

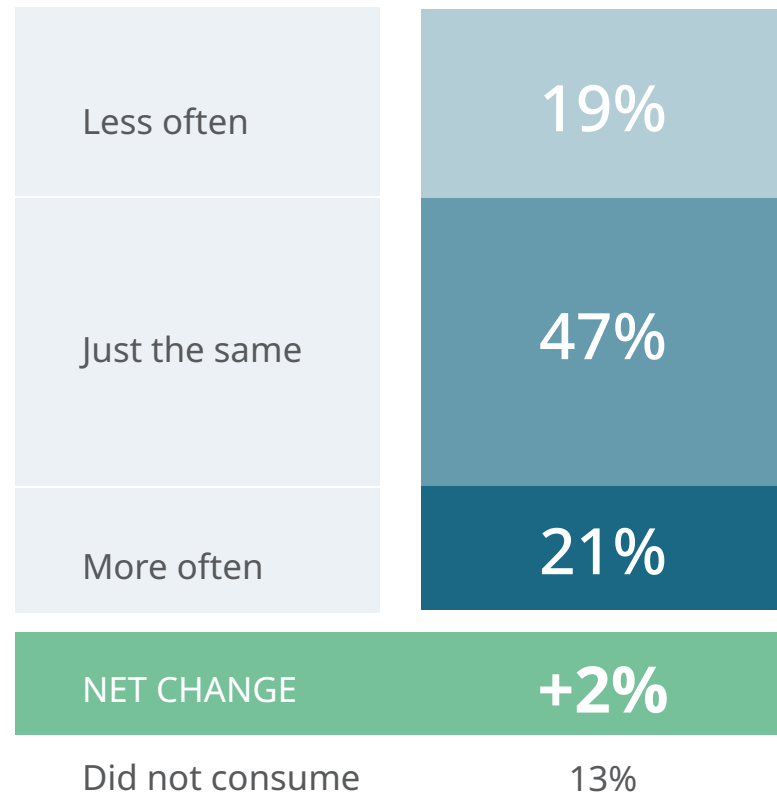


The out-of-home market

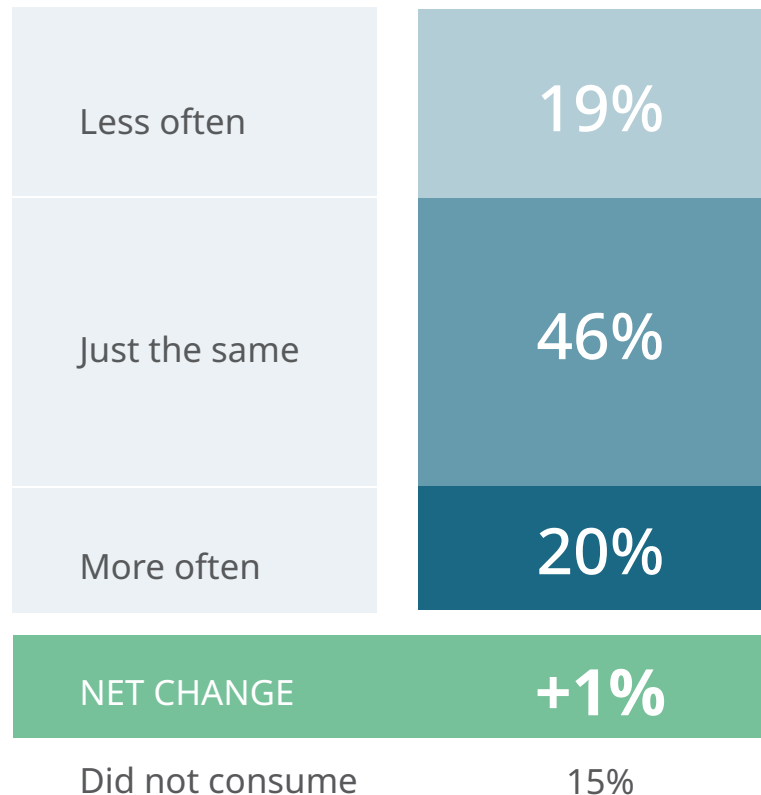


Coated product consumption has been stable over the past 12 months

Consumption frequency: Breadcrumbs products*



Consumption frequency: Batter/tempura products out-of-home*



* Total sample (n=4,096)

Delivery has been key

COVID-19 has had a significant impact on out-of-home consumption, however the increase in foodservice delivery has helped to reduce the impact with many operators pivoting to a delivery model.

This significant momentum behind delivery is seen across all markets except for Russia, where it is growing, but not to the same extent.

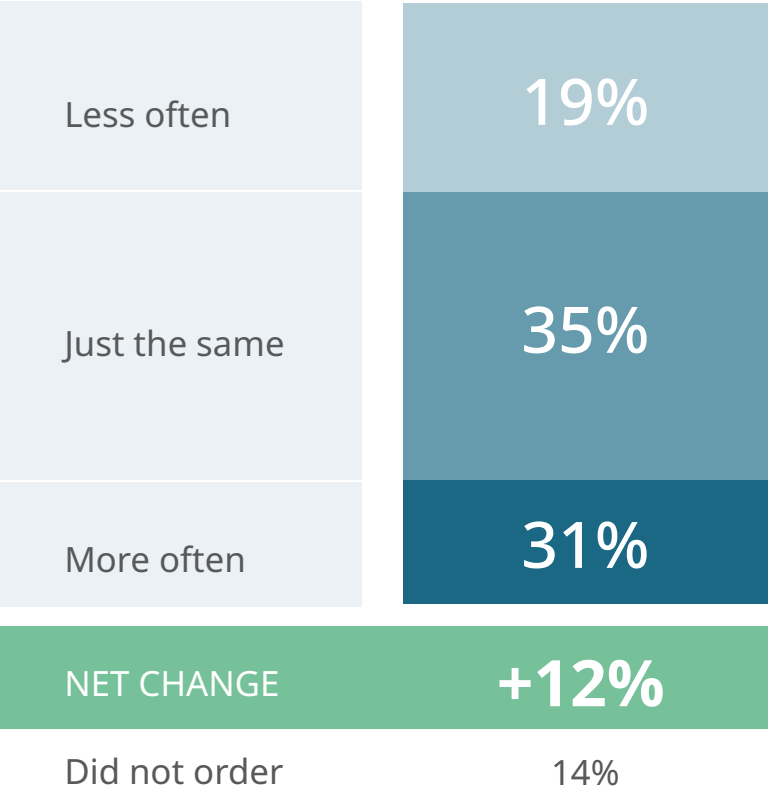
31%

of European coated product consumers are using takeaway delivery services more now than they did last year with just 19% doing so less often.



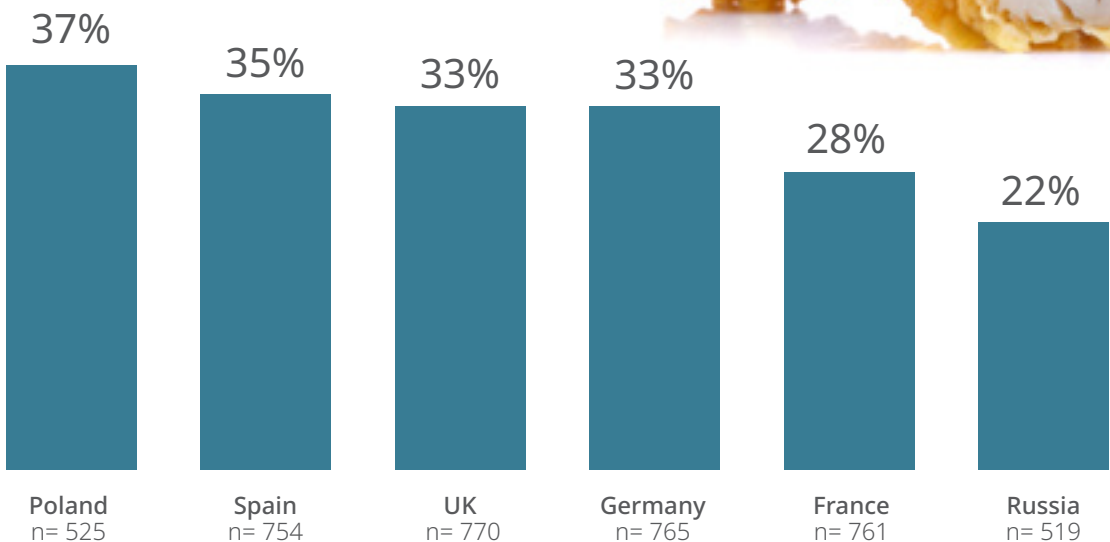
Change in delivery during the past 12 months

Ordering takeaway foods for delivery*



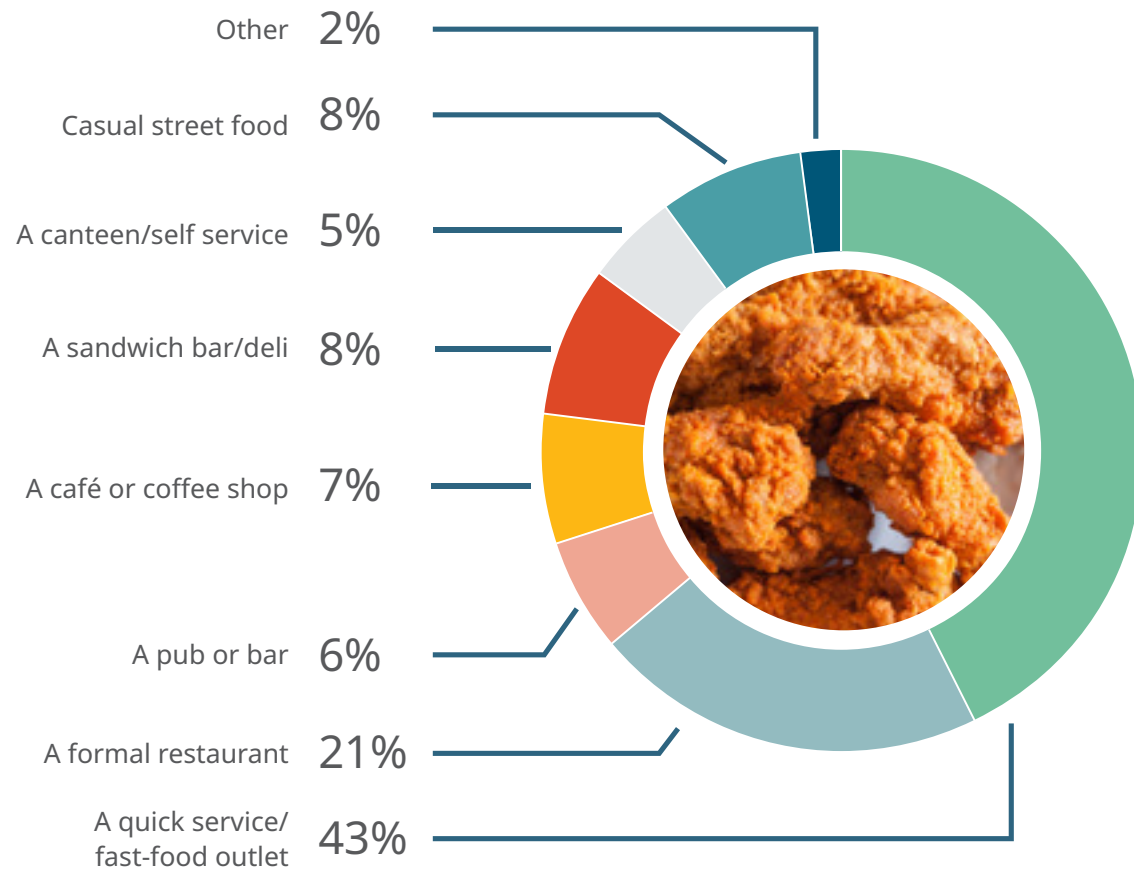
Momentum % ordering takeaways for delivery more often across market

There is a substantial difference by market with regard to the momentum behind home deliveries among coated product consumers.



* Total sample (n4,096)

Choice of outlet for coatings



Out-of-home outlet type

Quick service restaurants (QSRs) are most prevalent in all markets, but **formal restaurants in Spain and Poland account for 33% of out-of-home coated product occasions**, versus 21% in Europe. In France deli's account for 13% versus 8% in Europe.



Family eating experiences

Interesting to note that 49% of all out-of-home coated product occasions in Europe include children; this is highest in Spain.

This shows that coated products are an important part of family meals. Making sharing options an important consideration when selecting and crafting menu items.

	United Kingdom	France	Germany	Spain	Poland	Russia
	n = 523	n = 488	n = 542	n = 568	n = 394	n = 302
Adults only	53%	51%	59%	41%	53%	54%
Children/ both	47%	50%	41%	59%	47%	46%



Lunch and dinner are key dayparts

Main evening meals account for 36% of last coated product occasions across Europe with lunch accounting for 32%. This is influenced by Eastern European consumers where lunch is more prevalent than evening meals when it concerns out-of-home coated product consumption.

Two out of every three last coated product occasions out-of-home were consumed either at lunch or dinner time.

	Total	United Kingdom	France	Germany	Spain	Poland	Russia
	n = 2,817	n = 523	n = 488	n = 542	n = 568	n = 394	n = 302
Lunch	32%	23%	33%	31%	34%	47%	28%
Main evening meal	36%	46%	40%	37%	43%	20%	24%



Coatings beyond main meals

There are opportunities to expand the footprint of coatings in appetisers and snacks to bring joy beyond the main meal.



1 in 8 occasions
were afternoon
snacks across
Europe



1 in 8 coated
product occasions
were appetisers
across Europe

5%

of occasions
were late evening
snacks across
Europe

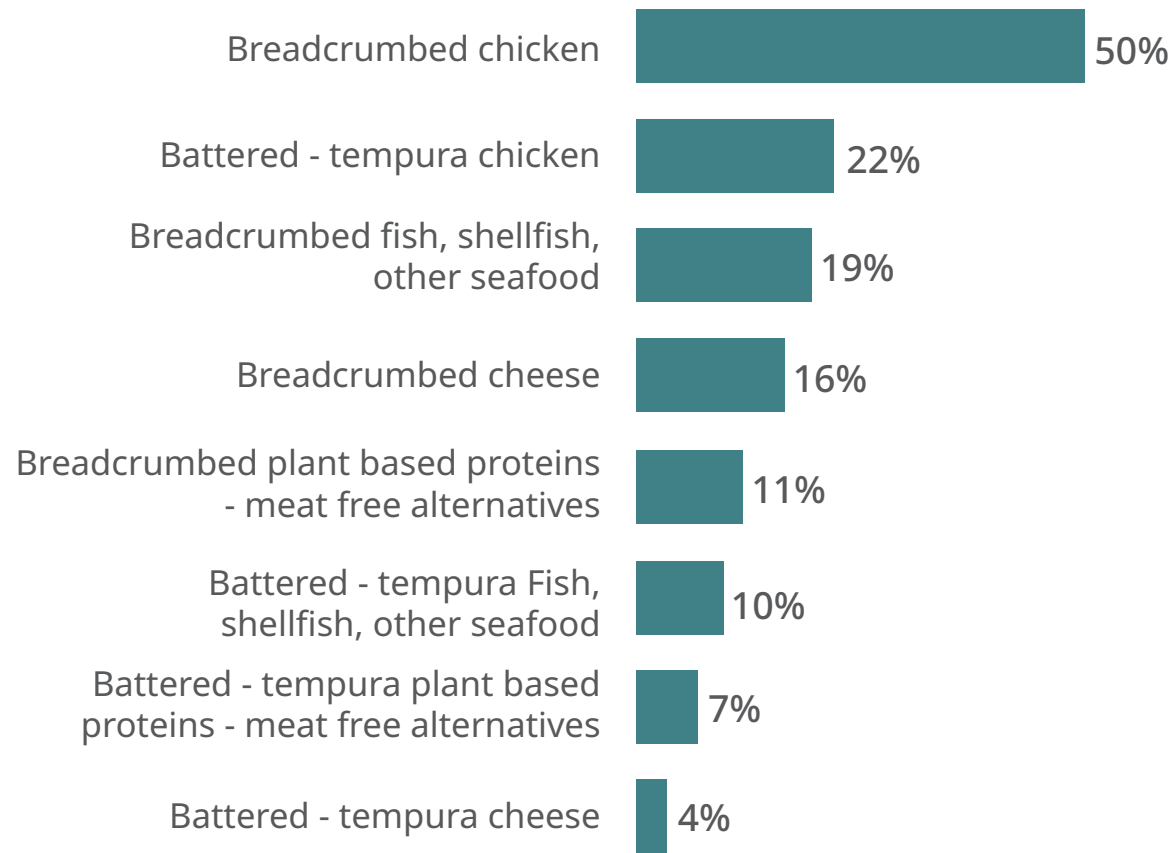


Coated products
are versatile and
can be used across a
range of dayparts

A photograph of two young women sitting at a table in a restaurant, enjoying a meal. They are both smiling and looking at each other. The table is set with two plates of food, each featuring a large burger and a side of golden-brown fries. There are also glasses of beer and a glass of orange juice on the table. The background is slightly blurred, showing the interior of the restaurant with warm lighting.

What coated
products are
consumers eating?

Types of products bought on the last out-of-home occasion:



Chicken rules the roost when it comes to coated products out-of-home.

Chicken is by far the most prevalent choice across Europe with **6 in 10** choosing breaded chicken regularly, accounting for half of the last occasions on which coated products were bought.

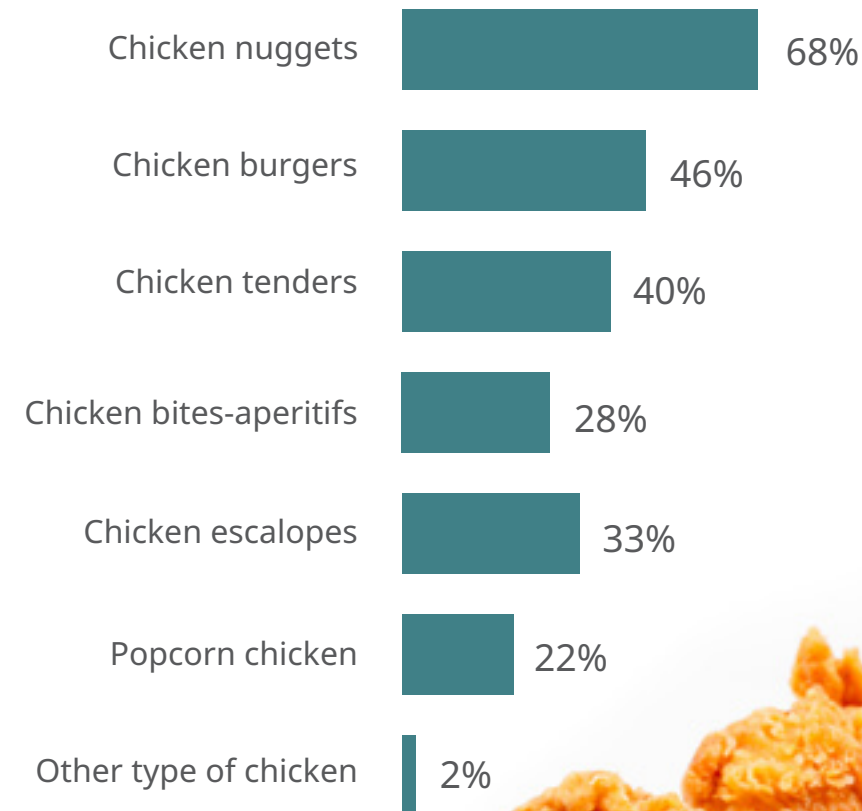
While chicken nuggets are the lead format for coated chicken in all markets, there are some interesting local differences:

42% **Popcorn chicken**
is much more prevalent in the UK

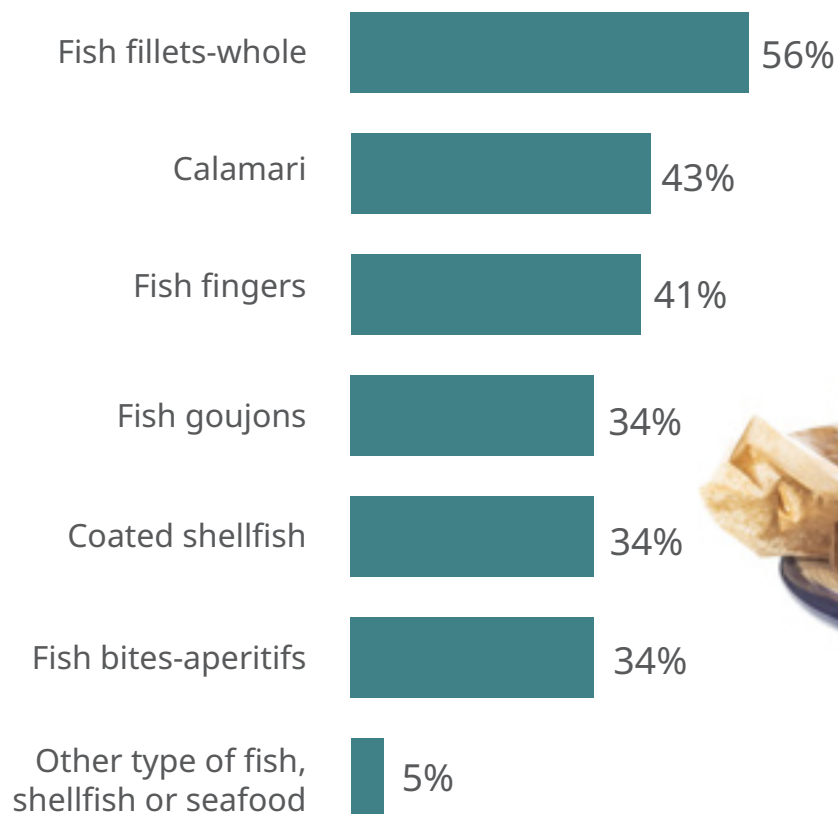
50% **Chicken escalope's**
feature more strongly in
France and Germany

50% **Chicken burgers**
in the UK, France and Spain

Types of coated chicken bought on the last occasion: out-of-home



Types of coated seafood bought on the last occasion: out-of-home



Fish is the next most important protein overall

Whole fish fillets prevail in all markets, but Spain is a notable exception where calamari is the top coated seafood by far featuring on 69% of most recent occasions.

Coated product consumers are open to new taste experiences, but interesting flavour opportunities emerge, showing potential to grow.

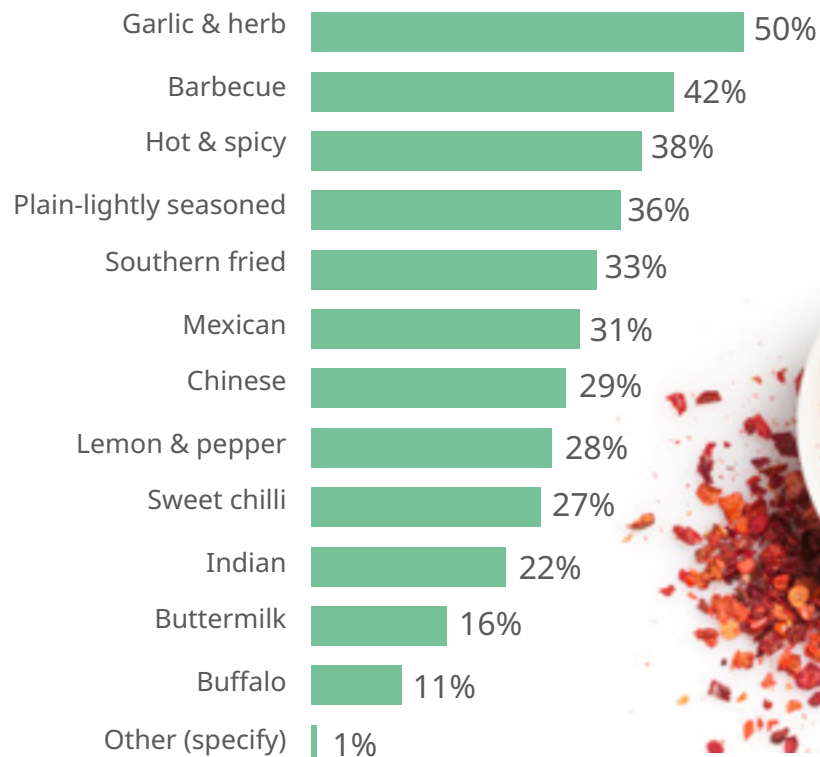
- Buffalo flavour
- Buttermilk
- Indian & ethnic
- Mexican



Internationally inspired flavours

Familiar favourites gravitate to the fore for consumers of breadcrumbed products including garlic & herb, BBQ, hot & spicy and southern fried making up the top five.

Breadcrumb flavours currently enjoyed



It is evident that the variety of flavour options available are more diverse in western Europe. We see southern fried feature more strongly in the UK, Mexican, Indian foods and barbecue in France and garlic & herb in Spain. Plainer options are featuring more strongly in Poland.

We then explored flavours for *future development* with mexican, lemon & pepper and indian in the top three.

Percentage interested in trying/buying in the future





Battered/tempura flavours currently enjoyed

When we examined flavour preference for battered as opposed to breadcrumbed products, we saw a similar picture emerge. The same top four flavours featuring the strongest in terms of current choice preferences.

In terms of *future flavour* possibilities while Mexican tops the list a different picture emerges beyond this with garlic & herb, BBQ and southern fried showing good potential followed by ethnic options, Indian and Chinese.

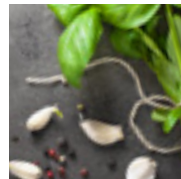
Percentage interested in trying/buying in the future

33%



Mexican

32%



Garlic & herb

31%



Barbecue

29%



Southern fried

28%



Chinese

27%



Indian

27%



Lemon & pepper



About James Lipscombe

James Lipscombe is CEO & owner of The Chesterford Group which operates a fast-growing chain of multi-branded fish and chip takeaways, restaurants & virtual kitchen brands in the UK. Brands include, Bankers, Churchills, fishnchicken® and Serial Grill, employing over 600 people and serving over 3 million meals a year.

Interview with James Lipscombe CEO, The Chesterford Group

Q. What is the difference between the pre COVID-19 and “living with” COVID-19 consumer?

A. Consumers are eating healthier as a result of COVID-19. Vegan and meat free options are now being requested by our customers, so we launched our Green Menu of goujons and plant-based burgers which have been a great success.

Q. How are coated products perceived in the market currently?

A. They are viewed as an indulgent treat but there will be a move to healthier options. For example, we see a trend towards breaded boneless chicken especially amongst millennials, GenZ's and young families.

Q. What are the key pinch points for consumers of coated products?

A. The fry colour is important, if you have too much of a dark finish, consumers assume it is overcooked. We cook fresh to order and the food sits in our heat cabinets which the consumer can view, so colour is critical. Texture is key especially on delivery, to ensure products retain their

crispiness and the product stays warmer for longer.

Q. How can coated products be improved upon?

A. People are looking for that authentic, hand breaded, artisanal coating on products. A rustic breaded coating is popular with our consumers now, from a texture and a flavour profile point of view as opposed to a flatter coating.





“Having products that are flexible enough to create two or three menu dishes out of one menu item helps simplify the business model for chefs.”

Interview with James Lipscombe CEO, The Chesterford Group

Q. Are you seeing an increase in demand for plant-based products and are consumers talking about sustainability?

A. We have introduced our successful Green Menu in response to consumers' desire for plant-based products. Whilst our consumers may not be talking about sustainability, we as a business have a responsibility to do the right thing to reduce the impact we have on the environment.

Q. What does the future of coatings look like?

A. Having products that are flexible enough to create two or three menu dishes out of one menu item helps simplify the business model for chefs. For example, with our Green Heroes, we use them as goujons and in our burger builds which allows us to hold less stock and therefore less wastage.

Q. Any final thoughts?

A. There are a lot of quality chicken competitors (Slim Chickens, Mother Clucker) in the market now, which offer freshly breaded products. Consumers are looking for that freshness of product when the chicken is breaded in front of them as opposed to pre-coated. It's not always achievable especially when you are trying to reduce costs and menu size.





Influences on choice

Taste and the “treat value” of coated products are even more important out-of-home than at home.



Eating out is still considered a **treat and indulgence** for many.*

Taste is the most sought-after need for lunch (60%) and dinner (64%)

Taste is #1 when eating out-of-home and there's rarely willingness to compromise on taste.



Influences on choice of out-of-home breadcrumb product



The top influences on choice are similar for tempura products, with tasty treat status and perfect texture dominating.



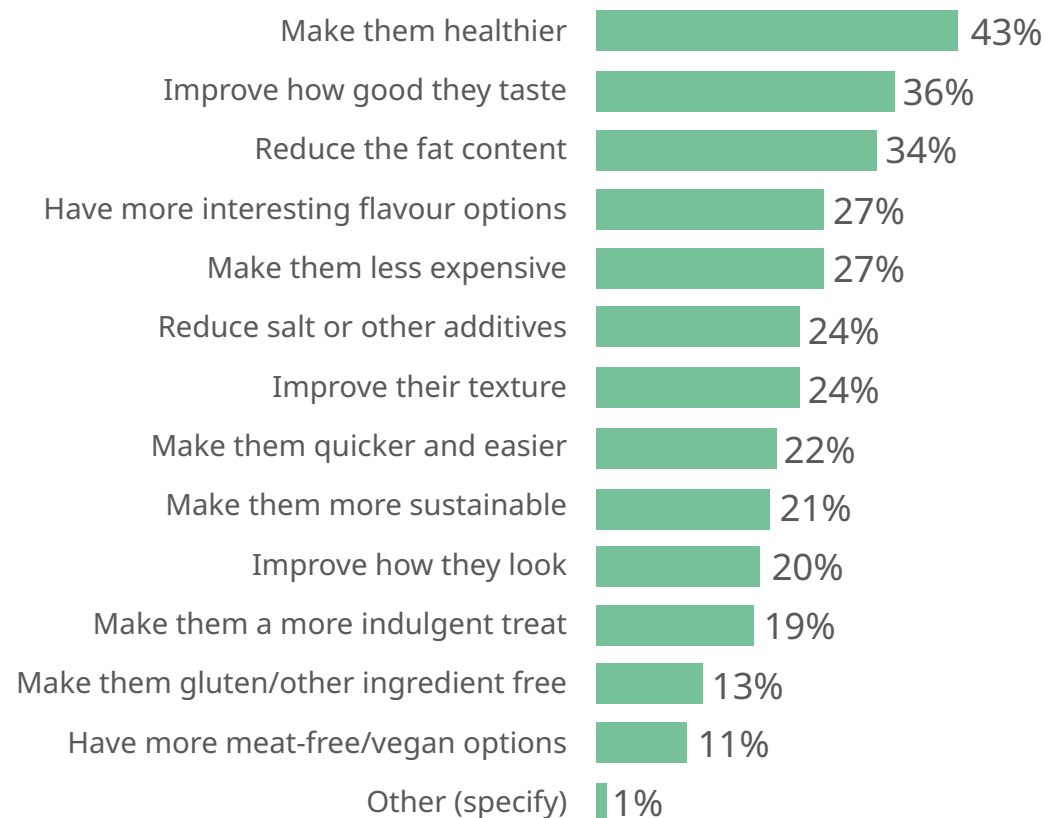
A photograph of three young adults enjoying food and drink outdoors. A woman in the center is smiling broadly while eating a piece of food from a fork. To her left, a man with curly hair has his eyes closed in a happy expression. To her right, another man is partially visible, also smiling. They are holding various items like a cup and a glass. The scene is set against a blurred background of trees and foliage, suggesting a park or outdoor cafe setting. A semi-transparent green rectangular box is overlaid on the left side of the image, containing the text 'A look to the future' in white.

A look to the future



Key priorities for at home and out-of-home

Healthier and tastier options are key for consumers when eating out-of-home and at home.



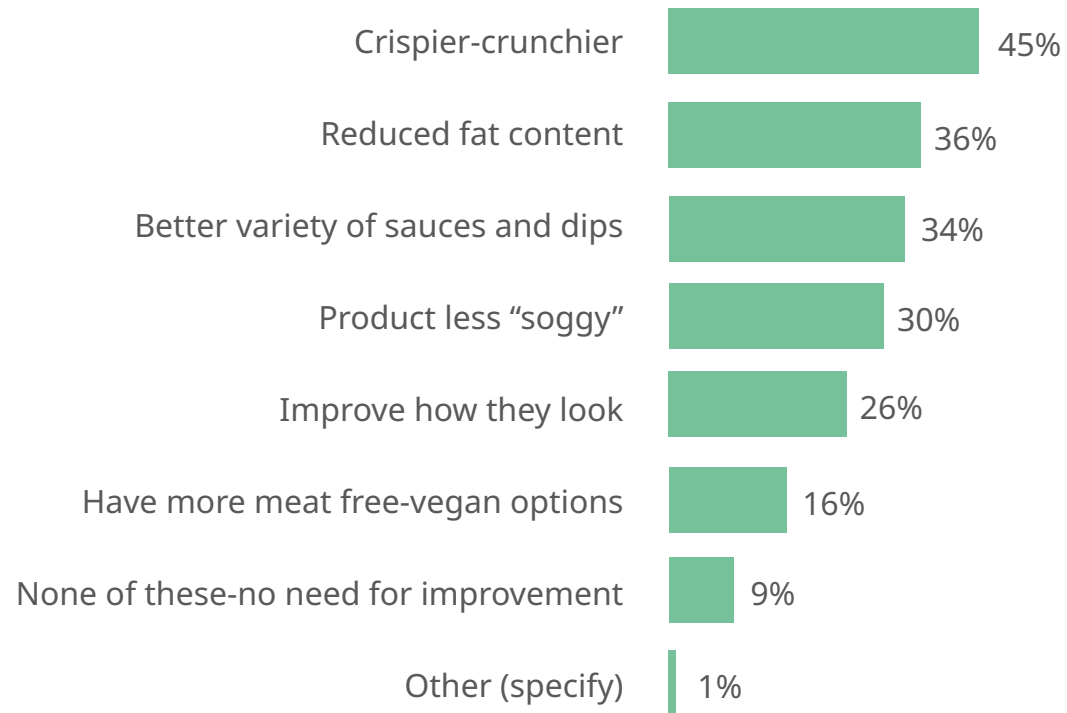
Health matters

A photograph of a family eating outdoors. In the foreground, a young girl with long brown hair is looking towards the camera while eating a piece of food. She is wearing a white top with a blue lace collar. In the background, a man in a green shirt is smiling and looking down at a baby he is holding. The setting appears to be a patio or garden with greenery and a blue structure in the background. The lighting is bright and natural, suggesting daytime.

83% of out-of-home coated product buyers claim they always try to make healthy eating choices.

Among those who have reduced coated product consumption in the past year, health is the key driver of this reduction.

How can out-of-home coated products be made better?



However, when we asked how the out-of-home product experience could be improved it is clear that *texture is a crucial aspect*, with making them "crispier or crunchier" a key priority for improvement ahead of fat content.

Variety in terms of sauces and dips is more important in Eastern markets, Poland & Russia.





About Adrian Coulter

Adrian is our Culinary Director for Foodservice in Kerry Taste & Nutrition. With over 20 years' experience in award winning product innovation and menu application, Adrian is a leading expert in food design and development.

Interview with Adrian Coulter Culinary Director Foodservice, Kerry

Q. Consumers surveyed were asked how can out-of-home coated products be improved. Making them “crispier or crunchier” is a key priority for improvement. How can Kerry help with texture?

A. Texture can be improved using several creative approaches:

Coating design: The capabilities, technologies and expertise that we have around flour is the starting point. Inclusions of cereals, seed and grain will add additional texture and crunch generating interest and excitement.

Back of house operations: Understanding the customers back of house operations and how we can reduce complexity is key.

Cooking style: Improving systems that can help our customers to “cook to order” is important as well as understanding our customers holding equipment.

Packaging design: Once we know the customers packaging design, we can tailor a coating system to suit it.





“When a consumer opens the box, they want to smell the fresh chicken or fish and the herbs or spices. Sometimes the sensory appeal can be more effective than trying to improve the coating system in terms of the texture.”

Interview with Adrian Coulter Culinary Director Foodservice, Kerry

Q. Reducing fat content is a high priority as consumers are trying to lead healthier lifestyles. How can Kerry make coatings healthier?

A. One method is to use a coating system that absorbs less fat based on the starch design. We can also look at coating systems that will regenerate through an oven or dry heat to reduce the amount of fat in the final product.



Q. Are you seeing any novel ways of making coated products less soggy, especially on delivery?

A. Yes, vented packaging will help reduce moisture but it's also about eliminating ingredients that have moisture in them. What we are seeing in coated products is that there is less inclusion of tomatoes, lettuce, onion and more inclusion of cheese, bacon, low water level sauces and dryer elements. It's also about sensory attributes, aroma and taste versus texture. When a consumer opens the box, they want to smell the fresh chicken or fish and the herbs or spices. Sometimes the sensory appeal can be more effective than trying to improve the coating system in terms of the texture.

Q. Any final thoughts?

A. The kitchens of the future will consist of revolutionised equipment, such as, improvements in microwave and oven technology. Nutritionally optimising coated products is also key and using our taste capabilities, we can reduce the salt content in coatings and brining.

Coated product options

36% of consumers would like to see more coated product options with reduced fat content available in an out-of-home context.

This is highest in Spain and Russia where it is at 45% and 43% respectively. These are two markets where there is a heightened focus on calorific content and fat.



Cleaner cooking methods to address fat content

Previous research has indicated that focusing on healthier cooking methods, is an area that consumers have firm views on with steaming perceived as the healthiest method (79%) while unsurprisingly frying is perceived as the least healthy.

People will respond more positively to “cleaner” cooking methods, calling out or introducing new cooking methods could be considered for future menus.

Smart swaps in food preparation can improve health credentials, for example, if food is fried, consider using and calling out the use of healthier oils. Chick-fil-A do this well when they talk about their waffle potato fries “cooked in canola oil until crispy on the outside and tender inside”.

Perceived healthiness of cooking methods



A photograph of a meal on a wooden table. In the foreground, a white plate with a blue rim holds several pieces of golden-brown fried chicken, a whole ear of grilled corn on the cob with charred kernels, and a small blue ceramic bowl filled with a white dipping sauce. In the background, a white tray contains a serving of french fries with a dollop of red ketchup. To the right, a small grey bowl contains sliced red onions. The text is overlaid on the left side of the image.

But let's
not forget

**8 in 10 believe that
food is all about taste
and pleasure.**

A similar proportion love
to experiment and try new
flavors and experiences.

When it comes to coated products, texture, crunch and crispiness are crucial

45%

call for a crunchier, crispier experience to make coated products even better out-of-home



30% want foodservice businesses to make coated products less “soggy”



Texture is second only to taste in terms of influence on out-of-home product choice



Variety is the spice of life

83%

of coated consumers
love to experiment and
try new things.

1 in 3

would like to see
“a better variety of sauces
and dips” to accompany
coated products.

The rise and demand of plant-based coatings

Our research tells us there's an opportunity for foodservice outlets to tap into plant-based coatings.

4 in 10 eat plant-based meat alternatives monthly or more often

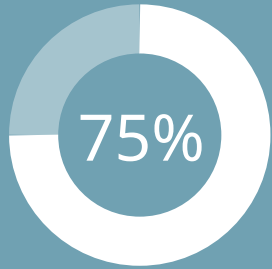
18% eat coated plant-based meat alternatives monthly or more often out-of-home

19% are consuming plant-based coated products more often out-of-home in the past twelve months.

16% of coated consumers would like to see more plant-based and vegan options available



Focus on sustainable coatings



75% of coated product consumers across Europe are “trying to make more sustainable choices”.



When it comes to choosing coated products 1 in 8 claim that environmental impact influences their choices.



UK 14%
Italy 8%
Germany 15%
Spain 15%

% influenced by environmental considerations when choosing coated products





About Richard Troman

Richard is a Senior Innovation and Application Chef for Kerry Taste & Nutrition. He has over 15 years' experience in the foodservice industry working across chains and high-end specialised restaurants.

Interview with Richard Troman

Senior Innovation & Application Chef, Kerry

Q. What does the future of coated products look like?

A. Coated products are here to stay with cuisine variations, flavours and formats evolving. We see new crumb options such as sourdough, brioche, focaccia and new cuisines to pair them with such as Mexican, African and Indian. Coated products in snacking are stepping up too with exciting new options in grab-and-go formats. However, I think the pursuit of a healthier alternative to deep-fried products is the key. Achieving a product that is quality but also offers improved nutrition is an exciting proposition.

“I think the pursuit of a healthier alternative to deep-fried products is the key”

Q. How can Kerry help our customers make coatings healthier?

A. We are looking at how to optimise oven cooked coatings to offer greater quality, but with improved nutrition. Regarding deep-fried batters, we have developed products designed to absorb less oil in the cooking process. This reduces the calorie and fat content of the finished product and improves texture and crunch.





“Consumers mindful of health and environmental concerns are seeking out plant-based options in every area and coated is no different.”

Interview with Richard Troman

Senior Innovation & Application Chef, Kerry

Q. How can Kerry help Operators improve coated products in-store and on delivery?

A. Texture is key for coated products in-store and on delivery. The challenge in store is the quality of the final product versus pre-preparing products, and for delivery, they need to retain their crunch for extended periods and hold warm. We work hard at developing options that stand up to these situations, offering improved texture and extended life.

Q. The research has indicated that 16% of coated consumers would like to see more plant-based/vegan options available, are you seeing this in the market?

A. Absolutely! As the technology in this area improves, and the taste and texture of plant-based options advances, there are fewer barriers to enjoying plant-based options. Consumers that are mindful of their health and environment will seek out plant-based options in every area, and coated products are no different.

Q. Any final thoughts?

A. Coated products are a mainstay of foodservice menus and supermarket shelves, and they are firmly entrenched in the psyche of the consumer. However, due to the demands of a savvy consumer base, we see an opportunity for exciting new flavour exploration in coated products with advancement in technologies. I personally can't wait to eat them.



Key takeaways



Delivery will remain a key platform, this presents an opportunity to optimise coatings for delivery.



Coatings are demographic agnostic, however, play an important part in family meals out-of-home.



Lunch and dinner are key dayparts with an opportunity to expand into snacking and appetisers.



Chicken rules the roost, however, coated products consumers are open to new taste experiences.



Healthier and tastier options are key when eating out-of-home and at home.



Texture, crunch and crispiness are critical to the consumer experience.



Would you like to learn more?

The Kerry Foodservice team are here to support your business. Please get in touch with your sales representative or [contact us](#).

Elaine Druhan

Senior Marketing Manager
elaine.druhan@kerry.com