

# Kevin's Natural Foods: Market Analysis and Product Innovation to Create a Niche in the Market

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## KEYWORDS

- Third-Party Certification
- Kevin's Naturals
- Market Analysis
- Keto Certification
- Paleo Certification

## THIRD-PARTY CERTIFICATION RESEARCH

# Kevin's Natural Foods: Market Analysis and Product Innovation to Create a Niche in the Market

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## Abstract

Kevin's Natural Foods is a health food brand that makes and markets Paleo and Keto Certified prepared meals for people who want to eat healthier but don't have the time for home-cooked meals. Before launching a product, the brand engaged in thorough market analysis and determined that healthy and tasty pre-cooked meals were under-represented in the health food industry. This case study looks at how the brand engaged in this market analysis and how they have leveraged their third-party certifications to attract customers looking for easy-to-prepare and healthy meals.

### KEYWORDS

Third-party certification, Kevin's Naturals, market analysis, Paleo Diet, Keto Diet, Paleo Certified, Keto Certified

## 1 | INTRODUCTION

Between work, school, extracurricular activities, and the endless traffic that millions of people endure during their daily commutes, many people don't have time to dedicate to cooking nutritious, home-cooked meals. A 2011 study by the Organisation for Economic Co-operation and Development (OECD) titled "Society at a Glance" finds the following [1]:

People in the United States spend only 30 minutes per day on average cooking, the lowest in the OECD, as well as spending low amounts of time eating (1 hour 14 minutes per day, the third-lowest in the OECD). But one-third of Americans are obese, the highest rate in the OECD." It might seem ironic that the country that spends the least amount of time preparing food is also the country with the highest level of obesity amongst developed countries. However, a closer analysis of what we are consuming makes it pretty clear why more than four out of every ten Americans are obese [2]. Due in part to our hectic, fast-paced

lifestyles and lack of nutritional knowledge, more than a third of the American population eats some "fast food" on any given day [3]. Furthermore, almost half of U.S. households (46 percent) eat frozen dinners regularly [4].

The industrialization of our food industry coupled with the rat race of modern-day society has essentially turned our meals into highly processed, nutrient-void, prepared foods that are loaded with a concoction of chemical additives, preservatives, and other "fillers." Kevin's Natural Foods, a natural food company based out of California, believes that "even the busiest people should have the ability to eat healthy without sacrificing flavor or feeling deprived." The company offers several Paleo and Keto Certified prepared meals that can be prepared in minutes for people who want to eat healthier but don't have the time for home-cooked meals.

## 2 | FINDING A MARKET NICHE VIA THE IMPORTANCE OF CONVENIENCE

According to studies, 93 percent of consumers claim to want to eat healthier food [5]. Unfortunately, less than one-third of the population (28 percent) have easy and secure access to healthy foods [6]. Taking a couple of hours to prepare a pasture-raised broiled chicken entrée accompanied with organic quinoa and spinach salad might be feasible for a lazy Sunday afternoon. However, during busy work weeks, most people's lunch options are probably limited to the surplus of fast-food chain restaurants next to their workplace or some frozen dinner that the company cafeteria has on sale.

Kevin McCray [IMAGE 1] the founder of Kevin's Natural Foods, believes wholeheartedly that healthy and delicious meals should be an option for people with limited time for cooking and food prep. According to a recent interview, Kevin says that "in the early stages I knew we had something exciting. We would host focus groups and met with hundreds of shoppers, showing them early product ideas and getting their feedback. At that point, I definitely knew then that we were meeting an unmet need by combining flavor, convenience, and health." [7]



IMAGE 1: Kevin McCray the founder of Kevin's Natural Foods

Food brands should undoubtedly engage in a market analysis before launching their brand and product offering. However, knowing how to frame that research is essential for finding an unmet niche within the health food market and industry. While many food brands can easily recognize the growing consumer demand for healthier foods, Kevin combined that consumer desire with the reality of people's busy lives. However, before jumping into marketing and launching their products, the company wisely tested the product before introduction.

To differentiate their products from other meal delivery services and food brands offering prepared meals that are supposedly healthier than the average TV dinner, Kevin realized that the company needed to focus on taste. "We cook everything in our own facility and have two secret weapons: sous-vide meats and incredible sauces," Kevin says. "Sous-vide is a French cooking method that is used by many of the country's top restaurants. It delivers incredible results by cooking vacuum-sealed meat, in a hot water bath, at a precise temperature. The outcome is moist, fork-tender meats that we pair with our signature paleo/keto-certified recipe sauces for five-star entrées, ready in just five minutes." [7]

The company offers sauces, seasonings, signature "heat and eat" entrees and sides, and Thanksgiving gravy [EXHIBIT 1,2,3,4,5]. The meals are pre-prepared, packed in an insulated cooler, and shipped to their customers' front door. The pre-cooked chicken meals only need to be sautéed for 1-2 minutes and simmered with their Keto Certified sauces line. Some of their signature flavors/recipes include Thai-style coconut chicken, teriyaki chicken, lemongrass chicken, and cilantro lime chicken.

In a recent interview with Spearhead Certifications, Kevin says that: "Early on, before we developed the line, we would hold focus groups to hear from people that were trying to clean up their diet. The feedback



EXHIBIT 1: Kevin's Naturals Paleo and Keto Certified sauces. EXHIBIT 2: Kevin's Naturals Certified Paleo and Keto Certified seasonings. EXHIBIT 3: Certified Paleo "Heat and Eat" Entrees. EXHIBIT 4: Certified Paleo and Keto Certified "Heat and Eat" sides. EXHIBIT 5: Keto Certified Gravy.

was remarkably consistent—adopting a healthier way of eating always involved limiting the available options for their meals. Consequently, it took more skill, time, planning, and overall effort to make the lifestyle changes they were gunning for. Time constraints, stress, and other priorities would get in the way of people's good intentions and, over time, make it hard for them to stick with their diets. What's more, a big "ah-ha" moment came when we started hearing that people were getting bored with eating the same foods over and over again. They didn't have the time, knowledge, and/or energy to become a home chef on top of their 50-hour workweeks. These insights ultimately shaped our mission to empower even the busiest people to eat clean without sacrificing flavor. We set out to remove the barriers that made eating clean hard by making it seamless and delicious with Kevin's Natural Foods."

Shortly after launching, Kevin's Natural Foods confirmed the tendencies that emerged from their market research. "No matter how much you prepare, you never know how a brand is going to resonate until you get it out in the market," Kevin tells us. "It wasn't until the line launched in Costco and Whole Foods, about a year after coming up with the concept, that I could envision how fast the growth would come. Once thank you notes from shoppers that found the products started pouring in via social media, I knew it was time to ramp up."

### 3 | TEAM BUILDING, INNOVATION, AND COMMUNITY INVOLVEMENT: OTHER ELEMENTS OF SUCCESS

Another critical element for success that has spurred the company's fast growth is building a functional team effectively. Almost all small business owners and entrepreneurs will struggle with the enormous amount of tasks that come with getting a business off

the ground. Recent surveys have found that at least a quarter of all entrepreneurs log more than 60 hours a week, almost double the national average [8].

One of the keys to the success of small businesses, however, is effectively delegating responsibility to the right people. In the case of Kevin's Natural Foods, co-founder Dan Costa, along with the company's chef Stanley Dimond, have led the charge in developing new products and flavors to keep their customers enticed. Kevin says that "the three of us make a great team. As chefs, Dan and Stan have been cooking up a storm together since 1985. The three of us determine together what products and culinary shortcuts our customers could use to make their lives easier and what flavors we think would hit home. With my background, I bring the nutrition lens, and those two have the culinary chops to bring our ideas to life."

Building a functional team where vital business tasks and responsibilities can be delegated is not only crucial for a healthy work-life balance but can also reflect positively in business growth and financial success. A recent Gallup survey found that business leaders with "high Delegator talent" were able to generate 33 percent higher revenue streams than those companies led by owners who struggled with successfully delegating duties to key members of their team. [9]

Kevin's Natural Foods also thrived through continuing to innovate on their successful Paleo and Keto Certified meals. While many companies might be satisfied with sticking what has worked in the past, Kevin understands that offering novel new products and flavors to their customers is essential in maintaining customer loyalty and satisfaction.

The company recently launched a new line of product

flavors, including their Chipotle Lime Chicken and Chicken Tikka Masala. Product development will continue to be a central aspect of their business model. "We are always thinking about how to give shoppers more culinary shortcuts, flavors, and, ultimately, more meal solutions they can cook up on a busy weeknight," Kevin says.

Along with new flavors and diversifying their product offering, the company has also been expanding its network of distribution channels. While they continue to sell their prepared meals online, they also successfully sell on Amazon and at a variety of retail stores across the country, including Whole Foods, HEB, Raley's Supermarkets, Schnucks, Save Mart, Winn Dixie, Bristol Farms, Better Health Store, Costco, Publix, and The Fresh Market.

While Kevin's Natural Foods has experienced impressive business success since launching several years ago, their company mission goes beyond simply increasing the bottom line. Selling healthy Paleo and Keto Certified prepared meals to people with limited time has undoubtedly worked financially for the company. However, the brand also takes pride in helping people to live healthier lives even when they are constantly on the go. For families whose busy work, school, and extracurricular schedules make healthy eating challenging, Kevin says that "I want busy parents to know that it's possible to provide those meals, and we're here to help prepare them quickly and easily!" [7]

Lastly, in response to the current COVID-19 pandemic, the company has also been on the frontline of a holistic response. Instead of simply buying a year's supply of Ramen Noodles or other "easy to prepare" foods, Kevin's Natural Foods is committed to helping families in its hometown to access nutritious food options. In a news release,

Kevin says that "access to nutritious, easy-to-make meals made with clean ingredients during this epic crisis is a necessity for all." The company announced it is giving more than 6,500 two-serving meals to Second Harvest, which aids residents of San Joaquin, Stanislaus, Merced, and the Mother Lode counties. [10]

#### 4 | THE ROLE OF THIRD-PARTY CERTIFICATIONS IN CARVING OUT A SPECIFIC MARKET NICHE

In the words of founder Kevin McCray, the company decided to invest in third-party certifications early on in the process of growing the brand because, "we liked that the lifestyle diets had a way of convening people around a set of principles that they could readily understand and implement in their own lives." The company was also partial to diets rooted in ancestral health because of Kevin's personal experience using the Paleo diet to manage an autoimmune disorder.

It was the feedback from consumers. However, that confirmed the practicality and usefulness of independent, third-party certifications in establishing a foothold in the market niche they had discovered. "We really appreciated how useful certifications could be when we heard from consumers that they used them for their own litmus test when navigating products on supermarket shelves," Kevin tells us. "For example, even people that weren't religious Paleo diet connoisseurs liked seeing that a product was Paleo Certified because they understood that meant that it wouldn't be loaded with artificial ingredients and refined sugar. It became a resource for shoppers trying to work better habits into their lives."

Besides boosting their Paleo and Keto Certification, Kevin's Natural Foods is also Non-GMO Project Verified, and certified Gluten-Free. Among those

certifications, Kevin says that the "Paleo and Keto certifications have been particularly useful because it gave us an objective measure to reference when customers wanted to understand what qualified our product for these certifications. There are a lot of ways to interpret the diet guidelines, and having a third party like Spearhead Certifications gives us an objective set of principles that are well-defined and regularly scrutinized."

Despite the fact that the pre-market analysis showed an enormous sector of the population looking for healthier, quick food alternatives, getting the word out to those people required some strategic planning. "As a new brand, it was important for us to quickly raise awareness about the line and the product benefits (including the certifications) to an audience that was on the hunt for innovative, clean products that would help them eat better," Kevin says.

Social media advertising and marketing allowed the company to target people who specifically showed interest in healthier eating habits. "We target health-conscious consumers online mainly via social media," Kevin mentions, "and we consistently highlight the certifications in our messaging, and they have become a favorite product benefit."

Its third-party certifications form a fundamental part of a holistic marketing strategy as a company that delivers its meals directly to customers and sells via different online and brick-and-mortar retail venues. Not only has the brand leveraged its certifications to attract individual customers via social media, but it has also utilized those certifications to conquer new retail markets.

"Our Paleo and Keto certifications appealed to retailers for many of the same reasons they were helpful for us. They wanted to have merchandising events and promos that gave their customers unique

product solutions that their customers valued," Kevin tells us. "The last thing they wanted is to promote something as Paleo or Keto only to get complaints that it didn't comply with the diet. The certifications gave them an objective third party measure that they could trust." When communicating with retail buyers and decision-makers, Kevin also mentions that "many retailers would request copies of the certifications during the item set-up process."

A recent study by U.S. Bank finds that 82 percent of small businesses fail due to poor cash flow management [11]. Spending money on third-party certifications, then, might seem like an unnecessary expense during those critical first years of carving out a market niche, building a solid base of loyal customers, and finding your way into new retail markets. However, Kevin McCray believes that investing in independent, third-party certifications at the outset of a brand launch can be a key to long-term success.

"I think certifications are an important asset when building a trustworthy brand that aims to appeal to people engaging with lifestyle diets or looking to maintain specific standards around the food they consume," Kevin says. He believes that these certifications can "strengthen your position and can benefit the brand right out the gate when aligned with other product attributes critical for success such as flavor, convenience, etc."

Though some brands may find that the certification process is rigorous, Kevin also believes that this exactitude and rigorousness can be advantageous for brands that successfully go through the certification process. He urges third-party certifiers to continue to be strong enforcers of their standards because "enforcement of the standards is what generates the trust. The more you can educate people on the enforcement, the better," he believes.

Engaging in a sincere market analysis to find an unmet niche, building a functional team, staying committed to product innovation, continually giving back to the community, and investing heavily in third-party certification have been five elements for success driving the impressive business growth of Kevin's Natural Foods.

## 5 | KEVIN'S NATURAL FOOD CERTIFICATIONS

- Certified Paleo
- Keto Certified
- Non-GMO Project certified
- Certified Gluten-Free

## 6 | CONFLICTS OF INTEREST

The authors report no conflicts of interest.

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