

A close-up photograph of several pieces of golden-brown, crispy fried chicken on a dark, possibly black, plate. A small sprig of fresh green parsley is placed next to the chicken. The background is a textured blue fabric. The image is used as a background for a text overlay.

HOW TO MEET CONSUMER DEMANDS AND DRIVE RESULTS IN YOUR DELI

TAKE A NUMBER: THE GOLDEN DELI TICKET

Grocer delis have an unprecedented opportunity to be much more than a lunchmeat and specialty cheeses provider. Changing consumer behaviors and preferences have catapulted the unassuming deli into the spotlight, as shoppers increasingly look for quick mealtime solutions. To be successful in this new era, delis must offer the variety, freshness, transparency and convenience consumers crave. Optimized operations enable delis to better serve consumers and foster efficient, safe work environments for their employees. By assessing internal processes and external trends, delis can take advantage of changing consumer tastes.



DINNER DESTINATIONS

THE CONSUMER METHOD OF
FOOD CONSUMPTION

(PAST THREE MONTHS*)¹

AT HOME

95%

RESTAURANT

85%

DRIVE-THRU
AND
CARRY-OUT

63%

GROCERY-
PREPARED
FOODS

57%

*STUDY FIELDIED IN AUGUST 2015.



SIX WAYS TO OPTIMIZE YOUR DELI OPERATIONS

(Click a chapter title or the arrows at the bottom.)

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RECOGNIZE AND SEIZE GROWTH OPPORTUNITIES

Meeting consumer demands can be an uphill battle. In 2015, retail sales at eating and drinking establishments surpassed those of grocery stores. Then in 2016, the United States Department of Agriculture (USDA) reported that prices declined for grocery store and supermarket food items while restaurant purchases continued to increase by 2.6 percent. It was the first annual decline in supermarket prices since 1967.² But industry projections reveal that delis – particularly with prepared-food offerings – have ample opportunities to shape the changing food landscape. They simply have to embrace the change.



HUNGRY MARKETS GROW HUNGRIER

ANNUAL GROWTH BY FOOD SERVICE SEGMENTS³

- Supermarket fresh-prepared foods: **7.5%**
- Independents/small chains: **5%**
- Restaurants and bars: **4.2%**
- Top 500 chains: **3.5%**
- Other: **3.5%**

FOOD SALES IN THE U.S.^{4,5}

1985:
\$434 billion

2017:
\$2.06 trillion

UNDERSTAND CONSUMER BEHAVIORS AND DEMANDS

Regardless of retail grocers and food service providers competing for a bigger bite of the market, consumers are still hitting the deli counter and grocery store – but their expectations have never been higher. A number of factors influence the way consumers shop for food and decide between dining at a restaurant or buying a prepared meal from the grocery store. For example, while the economy and technology (including apps such as OrderUp™ and Grubhub) may play a role in consumer spending or ordering habits, it's important to stay abreast of general trends around generations, demographics and household compositions. Tracking these details can help you better understand your consumers.



WHO'S HAULING THE GROCERY BAGS?

GROCERY SHOPPER BREAKDOWN¹⁰



**PRIMARY SHOPPER
(SOLE RESPONSIBILITY)
45%**

**SELF-SHOPPER
24%**



**SHARED SHOPPER
(EQUAL RESPONSIBILITY)
22%**

STAY UP TO DATE ON THE EVOLVING FOOD LANDSCAPE

From old-school, traditional meat-and-cheese selections to now full-service bars and prepared-food connoisseurs, the deli food landscape is continually changing. Today's deli isn't your grandparents' meat counter. According to research firm Datassential, the deli case is the fastest-growing segment in grocery stores.¹¹ Tracking trends and pulling actionable insights – such as through shopper cards and smart kiosks or appliance portals – can help you anticipate consumer demands and provide offerings that surprise and delight.



CONSUMER CRAVINGS

WHAT CONSUMERS WANT

Top five healthy ingredients in grocery purchases¹²

- Whole grains: 66%
- Low fat: 55%
- All-natural ingredients: 54%
- No additives, preservatives: 52%
- Low calorie: 52%

WHAT'S TRENDING IN THE DELI

Increased interest¹³

- Locally sourced/grown items: 28%
- Regular rotation of offerings: 25%
- Variety of meats other than chicken: 25%
- Organic items: 21%
- Chef-inspired meal of the day: 21%
- Vegan/vegetarian dishes: 18%

FRESH MARKET

Total perishable department dollar sales change over 2016¹⁴

Deli prepared: 9.3 %

Seafood: 6 %

Deli meat: 5.3 %

Produce: 4.8 %

Deli cheese: 4.3 %

Meat: 2.6 %

Bakery: 2.5 %



AMP UP PREPARED-FOOD OFFERINGS

Prepared foods have continued to gain momentum in the deli, and that's not expected to change anytime soon. The NPD Group's ongoing food service market research found that since 2008, in-store and take-out of prepared foods from grocers has grown nearly 30 percent.¹⁵ And it's no wonder why. Behind this trend are Millennials, whose push for fresh food is now impacting the growth and opportunity for fresh perishables in the prepared deli foods department.¹⁶ A recent survey by Acosta and Technomic found that 64 percent of Millennial diners (18 to 34 years old) consumed grocery-prepared foods in the past three months, versus 51 percent of Baby Boomer diners (51 to 69 years old).¹⁷ Pairing these consumer insights with customer demands for prepared foods can help you create a deli experience deemed restaurant-worthy.

SUPERMARKET FRESH-PREPARED-FOODS SALES ARE EXPECTED TO HIT \$51 BILLION BY 2025 WITH A 7.5 PERCENT ANNUAL GROWTH.¹⁸



UP FOR GRABS

INTEREST BY DELI/FRESH-PREPARED SOLUTION TYPE¹⁹

FRESH “HEAT AND EAT”: 38%

MEAL KIT: 36%

PREPACKAGED, READY TO EAT: 31%

SERVER-STYLE STATIONS: 24%

SELF-SERVE STATIONS/BARS: 23%



OPTIMIZE YOUR KITCHEN FOOTPRINT AND WORKFORCE STRATEGY

Convenient, freshly prepared foods always seem to draw in consumers. Thus, the success of a deli depends on the strength of the team behind it. Staff buy-in is crucial when optimizing deli operations – and this support starts by creating a safe, efficient work environment that keeps employees happy and ensures consistent product quality. But as with any food service industry, it's not the easiest challenge to tackle, especially when other factors play a role in your operations, such as the deli's location and customer visibility. Assess your deli's current footprint and workforce, and look for ways to streamline the experience from the inside out.



OPTIMIZE YOUR FOOTPRINT



MONITOR DAILY OPERATIONS

Consistency is key when optimizing deli operations. A running checklist can help ensure not only superior food quality, but also efficient and safe working conditions. Here's what to consider on a day-to-day basis to ensure your optimizations are helping your deli reach its fullest potential.





THE PACKAGED DEAL: A DELI OPTIMIZED FOR SUCCESS

Now is the time for delis to step up and take back restaurant diners. Is your deli up for the challenge? By tracking trends, knowing consumer preferences and optimizing your space and offerings, your deli can survive the great dining evolution. Taking advantage of these opportunities not only helps your deli operate efficiently and with a customer-first mindset, but it also turns the deli into a must-stop shop for consumers.



SOURCES

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