

# GROCERY HEADQUARTERS

\$12

SEPTEMBER 2017

**CENTER STORE  
NEW TWISTS  
ON PASTA**

**FOCUS ON FRESH  
A SLICE OF  
AUTHENTICITY**

**SELLING WELLNESS  
TALLYING THE  
TOP TRENDS**

**NONFOODS FOR  
PROFIT  
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**EQUIPMENT DESIGN  
& OPERATIONS  
HOT AND COOL  
FOODSERVICE  
SOLUTION**



## At Your Foodservice

Leading retailers fan the flames with signature dishes, expanded offerings

# WHAT'S KICKIN' WITH CHICKEN?

► Bold flavors and an inviting section can help grocery retailers' prepared chicken programs compete with other outlets.

BY NORA CALEY

**S**OME MAY FIND IT EASY TO PLAN A WEDDING, a class reunion or even the Olympics. Planning dinner, however, can be very difficult. According to the Hartman Group's 2016 Eating Occasions Compass Database, 53 percent of dinners are planned within an hour of eating. This hunger and indecision is driving sales in supermarkets' prepared foods departments – especially for those which have updated their chicken programs.

“Twenty-nine percent of prepared food shoppers decide what's for dinner only when someone says, ‘I'm hungry,’” declares Eric Le Blanc, director of marketing, deli prepared foods for Springdale Ark.-based Tyson Foods. “You've got a pretty good range of tactics across chicken platforms to drive this business.”

Among the tactics, he says, is to make it easy for the consumer to pick up a full meal at a reasonable, not super-discounted, price. “It's a little less rational and more emotional,” Le Blanc says. “Am I going to feel good providing this to my family? I won't feel good if it was \$4.99 but I disappointed my family.”

Further, LeBlanc continues, retailers must keep up with demand. Ten to 11 percent of the time at peak meal times, he notes, rotisserie and fried chicken are out of stock. Just having cooked chicken available leads to an increase in other sales too, as 62 percent of these purchases include basket items unrelated to this



meal. “The retailer gets a total category boost,” he says. “It's incremental and not cannibalizing other sales.”

## PACKAGED GOODNESS

Le Blanc says merchandising and messaging can encourage these shoppers to buy additional fresh items. Instead of grabbing a carton of potato salad, the consumer can pick up strawberries, a bag of salad mix and almonds.

“If I know I can make a great meal just by opening packages, that's going to feel good,” he says.

Additional insights from the Hartman Group – that 81 percent of dinner occasions happen at home – reinforce LeBlanc's sentiments. Of the 81 percent, 35 percent of the meals were prepared from scratch; 34 percent were prepared with some scratch cooking and some prepared foods; and 30 percent of the meals were already prepared.

Some grocery retailers are looking at on-trend flavors to help boost chicken sales. “The spicier the breading the better,” says

Frank Barrett-Mills, corporate chef for Salem, N.H.-based Standex, parent company of BKI, Ultrafryer Systems, and other foodservice and deli solutions. “It seems the bland is fading. Supermarkets are building the product based on their customers rather than what is standard.”

## FOLLOWING THE LOCAL LEADERS

Global flavors are gaining – everything from Indian to Peruvian – depending on the region and even the neighborhood. Some supermarkets are following what the local restaurants are offering, and others are finding inspiration elsewhere. One retailer, Barrett-Mills says, has found success with a breading made from ground salt and vinegar potato chips.

Barrett-Mills agrees that the chicken program can boost sales of other fresh foods, especially in stores where the foodservice experts are trying something new. “A lot of supermarkets are producing their own

## SEALING THE CHICKEN DEAL

### FOR SUPERMARKETS THAT OFFER FRIED CHICKEN PROGRAMS,

the location of the deli is important for another reason. In restaurants, the kitchen is in the back, where workers have an exit to dispose of the fryer oil. Retail prepared foods sections are in the front of the store, so workers often have to wheel a bucket of oil through aisles and past shoppers – a task that is unappealing, not to mention dangerous. “They are taking on a lot of labor intensive operations,” says Mark Copeland, chief marketing officer for Restaurant Technologies Inc., based near Minneapolis. “In the traditional deli, you sliced some meat and served some salad. It was easy to train. You start frying chicken, you have more labor and more risk.”

Restaurant Technologies, which provides oil management, offers a plumbed-in system in which the oil comes in and out through pipes. No matter how the deli disposes of the oil, there is a certain science and art to the oil. “The ones that really do well started doing what QSRs have done for decades, which is they filter the oil and top it off,” says. “Some delis were letting it sit, then dumping it, and it cost them thousands of dollars a year.”

Packaging also plays a role. Flexible packaging can help give consumers more convenience, making the food easy to carry, store, reheat, and dispose of, says Rebecca Casey, senior director of marketing for Vaughan, Ont., Canada-based TC Transcontinental Packaging. “Retailers can take advantage of this trend by adding consumer conveniences that shorten their meal preparation and clean-up time

while still eating foods that are perceived to be healthier than processed foods. Venting technology that keeps fried foods crispy and rotisserie products moist and tasty is also a big win for flexible packaging.”

Eye-catching packaging can even help with merchandising, allowing it to look great while sitting in the warmer. Freshness can give supermarkets an edge in the competition. “Conveying freshness is crucial to developing a successful program,” Casey says. “This could be as simple as signage or labeling that shares the cook time or words like ‘just prepared.’”

Another trend is snacking by Millennials and baby boomers. “The retailer focusing on offering fresh hot snacks at the prepared foods counter and pulling them away from convenience stores will find success,” Casey says.



— Shawn Burcham | Founder & CEO PFSbrands

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high-end deli products with different coleslaws, garlic red potato salad and even some unique uses of rice.”

Spicy chicken is a hot trend now, affirms Jake Bronson, regional sales manager with the Eaton, Ohio-based foodservice equipment manufacturer Henny Penny. Nashville chicken, a regional specialty that involves cayenne pepper, pickles and other ingredients, is gaining momentum nationwide. Further, Bronson says there is a shift away from frozen product toward a more natural and fresh breaded product.

The better deli trend has been going on for some time, ever since some chains stepped up the prepared foods section as a category. “Ever since Whole Foods came and increased the quality and expectations within supermarkets, regional and national chains spent time catching up and have done that. If you go into a new Kroger Marketplace, Publix or Hy-Vee, the deli/prepared food departments look like open markets where you can find a lot of different options, and, as always, some fried chicken,” Bronson says.

The other important trend is branding. “Many chains are branding their chicken and actively promoting their in-house brand/quality,” Bronson says. “The margin for the product is very healthy and it allows them to create some brand interest via a product that is easy to make, easy to carry home and a delicious treat.”



One tactic that works well, Bronson says, is to move the deli department toward the front of the store, preferably right next to an in-store coffee bar. It also helps to have menu boards, a fountain soda machine and seating that looks inviting. “It makes people feel like they are in a restaurant, not just picking up mayonnaise,” he asserts.

### BRAND POWER

Other branding options include partnering with a third party to create a private label chicken offering. Holts Summit, Mo.-based Pro Food Systems Inc. (PFS Brands) offers turnkey brands Champs Chicken and Cooper’s Express for convenience stores and supermarkets. There is also a private label program. “We’re actually giving them a lot of the same support and the same products,” says PFS founder and CEO Shawn Burcham. “They are ultimately flying their own banner, and we are behind the scenes.”

Burcham says half of PFS customers are convenience stores and half are supermarkets. In convenience stores, grab-and-go is important. In grocery, consumers want ease and other features, and some stores are responding with innovative updates. “We are working with a supermarket owner that has a bank that is leaving,” he says. “We are looking at putting a drive-through and a seating area

and retrofit that space.”

As for the menu, Burcham says the big trend now is bone-in chicken. While many quick-service chains are focusing on chicken sandwiches and boneless chicken, supermarkets are offering whole rotisserie chickens and bone-in fried chicken. That will likely change in the next 10 years, as he expects grocers to shift to chicken breasts and other boneless presentations.

Convenience stores and supermarkets have much in common when it comes to getting the chicken program right, says Dan Shapiro, EVP at Lafayette, La.-based Krispy Krunchy Foods LLC, which offers a branded store-within-a-store fried chicken concept. “One of the things that’s happened fairly recently is that QSRs are now looking at convenience stores as competitors,” he says. “The next beachhead is supermarkets, and some supermarkets do a super job.”

Trial is a good way to encourage sales, so when a supermarket or convenience store has a grand opening, Krispy Krunchy brings its food trailer so it can offer samples in the parking lot.

The key is to bring new customers into the establishment. “Can you live off the existing foot traffic that’s there already or do you have to create the demand?” he says. “The deli portion of the supermarket becomes a destination.”



## STAY AND EAT HERE

The eat-in experience helps attract busy consumers, especially Millennials, says Jay Cira, president and CEO of Beloit, Wis.-based Broaster Co., which provides branded turnkey programs. “Younger patrons are especially open to this concept as they do not have as strong of a preconceived idea of what a supermarket might have been in the past,” he says. “And, chicken is a staple food that’s inexpensive and does not have any cultural or religious barriers to overcome, so it appeals to a very wide audience.”

The brand recently launched Genuine Broaster Chicken Spicy, which has Hatch chili, Habanero peppers and Chipotle chili. The bold flavors appeal to a range of consumers, including Millennials. This group also likes to customize their meals, so retailers should offer variations such as different sauces and flavors. The messaging is also important, and supermarkets should highlight the fact that



the chicken is prepared on site. “Keep it fun and lively and most of all, keep it laser focused on the younger consumer to ensure long-term repeat business,” Cipra says.

Cipra notes that Wegmans pioneered the eat-in experience and the upscale feel of dining in a supermarket. “Retailers could learn from this experience and tailor their offerings

to serve in a comfortable, attractive area for a dine in experience,” he says. “To miss out on this trend is to miss out on sales and repeat customers. Retailers should get in the game now before the space becomes too crowded.” He also points to Hy-Vee, with its Market Grille locations, offering Buffalo chicken sandwiches and chicken strips. 



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