FMI THE FOOD INDUSTRY ASSOCIATION

POWER of FOODSERVICE AT RETAIL 2021
TOP 10 FINDINGS

1 GROCERY DELI-PREPARED SALES MOVED BACK INTO POSITIVE TERRITORY.

Between pre-packaged item sales and the re-opening of salad bars and cold/hot food buffets in many areas of the country, grocery deli-prepared food sales totaled $13.5 billion, up 0.8% over year ago (Nielsen IQ).

2 RESTAURANTS WIN 2 TO 1 OVER RETAIL FOODSERVICE.

More consumers meal plan for a few days or even the entire week, but when stressed for time or not in the mood to cook, restaurants often end up winning the meal dollar. A majority of consumers point to retail foodservice simply not being on their radar, despite being a good option.

3 GAPS IN RESTAURANT ORDERS FOR TAKEOUT/DELIVERY VERSUS RETAIL FOODSERVICE REMAIN.

Whereas 74% of consumers have ordered restaurant food for pickup, only 36% have done so for retail foodservice. Likewise, 56% of consumers have had restaurant food delivered versus 32% grocery deli-prepared items. As dollars are shifting to foodservice, this is an important area for improvement for retail.

4 RIOR SELF-SERVICE HABITS DRIVE CURRENT COMFORT LEVELS.

Consumers who frequently purchased from salad/olive bars or hot/cold food buffets pre-pandemic, are much more willing to purchase from them now. About seven in 10 consumers absolutely would or maybe would purchase from self-service areas now, but many request frequent sanitation efforts.

5 MEALS ARE SLOWLY BUT SURELY SHIFTING BACK TO FOODSERVICE.

After a year in which meal occasions were by and large home-centric, 23% of Americans expect to prepare fewer meals at home whereas 59% expect no changes. Home-prepared dinners dropped from an average of 4.9 per week in 2020 to 4.6 in 2021. This signals an important opening for retail foodservice to shine.

6 CONSUMERS STILL SEEK CONVENIENCE.

Across all ages, incomes, ethnicities and areas, the most common way of dinner preparation in the U.S., at 55% of shoppers, is combining items they make from scratch with semi- and fully-prepared items. This provides important opportunities for grocery deli-prepared items in a hybrid scratch and convenience approach.

7 CONSUMERS ARE LOOKING FOR SOLUTIONS IN MULTIPLE DEPARTMENTS.

Eight in 10 consumers favor merchandising grocery deli-prepared items beyond the deli. The produce department is the most popular secondary location, followed by the meat department and at checkout..

8 SECRETS TO PRE-PACKAGED ITEM SUCCESS.

Pre-packaged items already had high consumer engagement and quickly ramped up in 2020. Consumers like to see when items were prepared, much more so than where. 52% like the idea of heated pre-packaged items for grab-and-go, a share that rises to 61% among those working away from homeis important to many (60%).

9 RETAIL FOODSERVICE ORDERING PREFERENCES VARY WIDELY.

When in-store, a majority of Gen Z, Millennials and Gen X shoppers prefer using their own smartphone to order grocery deli-prepared foods. But 89% of Boomers prefer to order in person.

10 WINNING WITH MENU VARIATION TO COVER COMFORT AND HEALTH..

While 17% of consumers put a lot of effort into making healthful deli-prepared food choices, for 41% this is more of a moderate effort. This points to winning with a continuum of choice from indulgent and comfort to items consumers see as nutritious and healthful.

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