

# SN SPECIAL REPORT

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Supermarket Deli **2.0**

The Next  
Evolution of a  
Key Department

Tyson

## Supermarket Deli 2.0

The Next  
Evolution of a  
Key Department



Instill “delis of tomorrow” with elements that satisfy America’s new way of eating. Boost average transactions – by 15%, build destination trips, expand the user base, and make the department a springboard to storewide sales.

Delis are key to supermarkets meshing with new American eating patterns. With rapid consumer change, and fresh deli competitors emerging such as convenience chains and online deliverers, supermarkets feel heat to transform this department into a customer-centric, chef-informed destination hub.

Many admire Whole Foods Market, Publix, Wegmans and Harris Teeter as deli retailers that ring authentic in convenience, freshness, food quality, value and innovative thinking – balancing their need to offer new foods and paying mind to classic deli customers who love their tried and true sliced meats, chickens and salads. But experts estimate it will take three to five years for most supermarkets to catch up to these leaders with meaningful changes that effectively secure deli’s status against sandwich shops, fast feeders, restaurants and other formats.

Welcome to the world of Supermarket Deli 2.0. It is a place where deli, the third most important department in a shopper’s selection of a food store, improves enough to compel consumer trips on its own and challenge produce and meat for the #1 or #2 spot of influence, says Gary M. Stibel, CEO, New England Consulting Group.

“Shame on supermarkets because the deli business is a fraction of what it should be. Subway shouldn’t exist. Deli should be growing at three to four times the rate it is right now,” adds Stibel. “Supermarkets fail to understand they have a tiger by the tail. There isn’t enough entertainment, theater or excitement.”

Deli can do more to meet its potential, suggest findings of the SupermarketGuru-National Grocers

Association 2012 Consumer Survey Report. Two-thirds of U.S. adults (67.9%) consider the fresh-food deli “very/somewhat important” in their choice of a primary supermarket. But that figure was 70% in 2011 and 75% in 2010. Those who said “very important” slid from 42% in 2010 to 36% in 2011 and 33% in 2012.

Still, prepared takeout foods are an enormous opportunity. About eight out of 10 consumers (78.4%) eat takeout up to three times per month, the survey said. Though that’s down from 83% in 2011, if people feel more confident in this election year, they’ll spend more on takeout before they transition back to full-service restaurants.

Supermarkets already have a strong take-out base to build on. The Food Marketing Institute said this in 2010, according to A. Elizabeth Sloan, Ph.D., president, Sloan Trends Inc., who cited it in a recent *Food Technology* review of top food trends: “Supplying 20% of all take-out meals,



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Arlene Spiegel  
Hospitality-Restaurant-Retail Consultant

supermarkets are experiencing their strongest year in six years as a source for ready-to-eat takeout and heat-and-eat meals – product categories that are of interest to 55% and 47% of shoppers, respectively.”

Done right, deli can be “a game-changer,” believes hospitality-restaurant-retail consultant Arlene Spiegel, president, Arlene Spiegel & Associates. “It will drive traffic [and] a better customer experience. It can elevate a brand position in the supermarket genre. It can set the tone for your standards, for your quality position, for your gourmet aspects. The deli can de-commoditize a supermarket.”

She recalls that when Publix “decided to break out and go head-to-head with the Whole Foods Market brand, they understood it was a huge commitment, and that their foodservice would have to be more chef-centric and restaurant-like than just incremental improvement in the deli department. It was a way of thinking about where value is migrating, especially with discerning shoppers who now have a lot of choices.”

Spiegel analyzed some of the nation’s top supermarket deli operators – and saw a consistent 12% to 15% lift in the average deli transaction once a deli became more chef-centric and restaurant-like. Therefore, she urges supermarkets to “get back to the original intent of the word delicatessen. It was about specialty and delicacies. Over two generations, the deli concept has been abbreviated. Think about signature sandwiches, salads and entrees.”

An Americana focus could be a sweet spot for supermarket delicatessens aiming to recapture an earlier department essence. “Americana... factors ranging from local and farm-raised foods to American regional cuisines will be among the most promising food trends over the next decade... Interest in American regional cooking and food traditions will soar. Two-thirds of adults (67%) say they really enjoy American foods,” said Dr. Sloan, citing 2009 GfK Roper research.

### Consumer trends shaping deli

To achieve Deli 2.0, supermarkets will need to strategize against key consumer trends shaping the department's future, experts told *Supermarket News*, such as:

- They eat quickly and on the go. People short on time and on irregular schedules snack on 48% of their eating occasions, Hartman Group CEO Harvey Hartman told the FMI 2012 audience.
- They abhor boring food. Pushed by the economy to eat at home more, they want innovation from the deli. Restaurants pull guests with new items: 60% of quick-serves, 68% of family restaurants, 84% of casual eateries, and 86% of fine-dining spots told the National Restaurant Association (NRA) they planned to add new menu items in 2011, according to Dr. Sloan.
- By eating small portions every few hours, people hope to rev their metabolism and manage their weight. Also looking to save money, 30% of consumers said they would "cook smaller portions" this year, in the 2012 DuPont Teflon Be Cook Aware survey.
- Demand is rising for locally grown or made, sustainable and organic foods. In 2011, 87% of fine-dining restaurants, 63% of casual, and 59% of family-

dining spots offered locally produced foods on the menu, said Dr. Sloan, citing NRA.

- Multiple generations live under one roof – which means a chief household shopper at the deli counter could represent numerous taste preferences and people. According to the Pew Research Center, the largest rise of multi-generational households in decades occurred between 2007 and 2009, surging to 51.4 million Americans from 46.5 million. Pew later showed that 39% of adults age 18-34 lived with their parents or moved back home for a while because of the economy.
- These younger adults will soon bring new food standards to the supermarket deli when they shop – because college dining has improved. In 2011, Technomic said 44% of college students figured dining into their choice of a school. Also, younger school-age children are growing up exposed to diverse foods: a new School Nutrition Association survey shows most school cafeterias in America offer Mexican and Asian dishes, and many experiment with Middle Eastern, Greek, Kosher/Halal and Indian foods. Delis will need new flavor combinations and presentations to satisfy them – often using chicken as a principal ingredient.

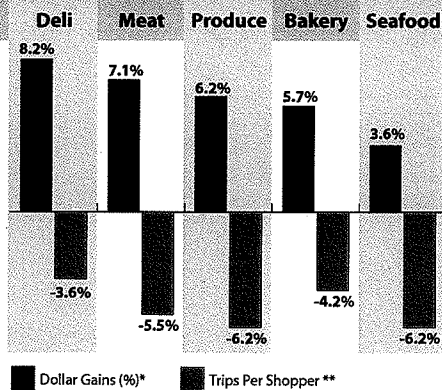


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### Step up to the table: Ideas that build appeal

- Time-of-day merchandising suits more eating occasions. Encourage purchases for immediate consumption, and grab-and-go pickups for upcoming snacks and meals.
- Stimulate buys of complete meal solutions – mains, sides, salads and desserts – with strategic, appealing integration of hot and cold food displays.
- Build total-store performance with deli. Visually cue deli shoppers (deli is in 28% of supermarket baskets, says Nielsen Perishables Group) to related specials and pairings, such as sandwich breads with sliced deli meats, and wines with robust chicken dinners. Most consumers (53%) serve chicken and wine together at home, notes the 2011 Nielsen Perishables Group Attitudes & Usage Study.
- Be shopper-centric. Court shoppers from all age groups with authenticity, professionalism and convenience, says Neil Stern, senior partner, McMillan Doolittle. "The deli needs to compete against street offers – they need to improve signage, communications, décor, and most of all, the food," he says.
- Target messages along the entire path to purchase to earn a place on the trip plan. Use social media, circulars and signs, plus links to supplier sites for promotional savings, serving ideas and food knowledge.
- Recapture the original specialty and delicacy aspects of delicatessen with signature offerings, says Arlene Spiegel, president, Arlene Spiegel & Associates.
- Think and act more like successful restaurant operators to make deli a compelling go-to place for breakfast, lunch, dinner and snacks. Snacks now account for 48% of America's eating occasions (Hartman Group research, 2012).
- Play up the skill set, personality and cuisine diversity of retail deli chefs. The more approachable and relatable they are to shoppers, the more effectively they can personalize the deli experience—as at New Seasons Market in Oregon, which features them on the chain's website.
- Empower deli clerks with food information to answer increasing shopper questions about sources, ingredients, allergens, fat, calorie and sodium content (International Dairy-Deli-Bakery Association, 2010). Mobile devices could help with this, and with expediting orders and payment.
- Place delis upfront in the store layout for quicker in-and-out convenience. Augment with mobile secondary displays, which capture impulse sales from 43% of shoppers.

### Despite fewer trips to the store, deli sales grow faster than other perishables



\*Source: Perishables Group FreshFacts powered by Nielsen, 52 weeks ended Dec. 31, 2011.  
 \*\*Source: Perishables Group FreshFacts Shopper Insights powered by Spire, 52 weeks ended Dec. 31, 2011.

Average Basket	\$37.62
With deli in the cart	\$60.56
Produce in the cart	\$55.82
Bakery in the cart	\$55.74
Meat in the cart	\$61.58
Seafood in the cart	\$76.40

Source: Perishables Group FreshFacts Shopper Insights powered by Spire, 52 weeks ended Dec. 31, 2011.

**Deli contributes 17% of perishables dollar sales. Perishables contribute 30% of total-store dollar sales, up from 27% in 2006.**

Source: Nielsen Perishables Group FreshFacts, 2011.



## Persuade along the entire deli path to purchase

Most trips to the supermarket deli are planned, about 60% of the time depending on the food category. Total-deli shoppers are about 25% of supermarket shoppers, notes Tyson Foods research. Deli trips add up to 15 per year, and multiple deli items land in 28% of baskets, reports Perishables Group FreshFacts powered by Nielsen.

"Deli is becoming more of a destination visit and might be the only stop in a trip [for some shoppers because of] time compression and convenience trends. This has enormous implications for placement in the store and [remote] checkout procedures," says Neil Stern, senior partner, McMillan Doolittle.

But that's not everyone. To attract deli shoppers requires many platforms to message them while they plan trips – circulars, websites, social media, direct mail promotions and coupons. In stores, prominent, convenient layout and impulse merchandising pull people in. For example, Tyson data show 43% of supermarket shoppers buy from mobile warmers in secondary locations. They especially buy rotisserie chicken and fried chicken



**"Signs in the beverage aisle bring people to the deli. Influence shoppers when they're somewhere else in the store."**

Eric LeBlanc, vice president of marketing – deli and convenience store, Tyson Foods

– the largest hot prepared foods categories in the deli – in peak traffic periods. By contrast, 80% of rotisserie chicken sales come from a concentrated 1.6% of the total-store shopper base.

Interrupt the shopping trip to gain people's attention for prepared foods because the hot self-serve case in deli is 20 to 40 feet off of the main traffic flow, suggests Eric LeBlanc, vice president of marketing – deli and convenience store, Tyson Foods.

"You want to reach people who read signs in-store. Merchandising works, whether items are promoted or not... Signs in the beverage aisle bring people to the deli. Influence shoppers when they're somewhere else in the store."

And within the deli, signs such as "Made here by our staff" and "Great for midday snacks" connote freshness, quality and impulse.

Tyson data from 1,300 store tests show that in deli a reduced-price ad in the circular lifts sales by 8%, but interruptive POS merchandising without a lower price (full margin) lifts sales by 12%. Promote and merchandise together to spike sales by 50% and more.

LeBlanc also suggests showing off categories that are likelier to capture typical non-deli shoppers: "Chicken wings are the highest impulse. If a person has made a wing purchase in the past 30 days, their purchase intent in the next 30 days for wings is even higher than their purchase intent for rotisserie chicken."

Supermarket delis might widen their user base with more prepared foods that look artisan, yet sell at price points similar to sandwich meats. A shift such as this, which Phil Lempert, CEO of SupermarketGuru.com, anticipates will come, could showcase deli value and versatility, especially for larger, multi-generational households.

## Take the temperature of your deli department

Savvy deli operators profit when they leverage the buying dynamics of hot and cold foods. Better assortments and crisp presentations logically pair hot and cold displays, and people buy fuller meal solutions – appetizers, soups, mains, sides, desserts and beverages. Two examples: Promote rotisserie chickens, the hot foods gateway item, with cold salads, the cold foods gateway item. Also, display accompaniments alongside main dish foods to maximize their connections and sales opportunities. "This is where menu planning comes into play. Most supermarkets are guilty of selling items, not solutions," says Stern.

"Delis have to change their mental attitude to be less about individual items and transactions, and more about meal solutions and experiences," concurs Stibel.

To satisfy different meal and snack eating occasions, time-of-day strategies can succeed in supermarket deli. These would involve hot and cold prepared foods, plus sliced meats, cheeses and sandwiches, and impulse items staged at the deli counter such as desserts, chips and beverages, experts told *SN*. But it can get tricky.

Day part strategies "really require attention to local market opportunities. Most supermarkets were built with a residential population in mind, which made sense for traditional shopping patterns. They did not follow the same site requirements as restaurants would consider," Stern says. "That said, are you close to office buildings for a lunch destination, or other retailers with a large employee base? Or to a gym, theater or day care center? Not all supermarkets have the competencies to be a 'grocerant' (like Whole Foods Market) where they offer multiple feeding opportunities" throughout the day.

Instead of a rotating food court, which experts say would lock in labor and food waste, it's better to deliver convenience with simple meal assembly in one place – where people could expediently buy for their current and upcoming consumption needs. Displays of grab-and-go food packages for a later midday, after-school or post-gym snack can add profit to the current deli trip.

Breakfast is a vast under-tapped day part opportunity for supermarket delis, which have "access to fresher foods than anybody," believes Stibel. "Between 7 and 9 a.m. is a perfect time to bring people in. People could buy breakfast and also pick up lunch and save a lot of time later in the day."

Sandwiches can authenticate a deli's local flavor connection to its community – and this bond can help build a Signature Sandwiches following. Think pulled pork in Kansas City, avocado and chicken in Los Angeles, corned beef in New York City, and Italian beef in Chicago. Creative deli meat combinations can have high payoffs because sandwiches are the #2 cold sellers in deli behind salads, according to the NPD Hot and Cold Prepared Foods from the Deli Jan. 2011 updated study. Focus on a few and do them extremely well.

Insights into deli meat users can help steer these efforts. Citing "a bifurcation among deli meat users" the more affluent 55+ want better-for-you attributes in products that are naturally safe without chemicals or inhibitors, says LeBlanc. "These aren't health products. These are premium products with quality traits." By contrast, he adds, "younger, less affluent, larger households still want the quality assurance that goes with brands."

For instance, Fairway Market, a higher-end chain, might rightfully emphasize the premium end of deli meats, whereas Kroger, serving across demographics, could successfully address the higher- and lower-ends, and Bottom Dollar could concentrate on the lower-end, LeBlanc added.

**Hot From Counter or Self-Serve in/near Deli** (% of purchases)

Morning (before 11am)	Mid-Day (11am-4pm)	Evening (after 4pm)
n=(purchases) 628	n=(purchases) 3711	n=(purchases) 2827
Chicken or Turkey 53.8%	Chicken or Turkey 49.7%	Chicken or Turkey 59.1%
Rotisserie Chicken 29.5	Rotisserie Chicken 24.1	Rotisserie Chicken 31.7
Chicken - Fried Pieces 9.7	Chicken - Fried Pieces 11.1	Chicken - Fried Pieces 15.0
Chicken Strips 2.9	Chicken Strips 3.6	Chicken Strips 3.4
Chicken Wings 2.8	Chicken Wings 2.5	Chicken Wings 2.3
Sandwich / Wrap / Panini 10.5	Pizza 7.5	Pizza 7.3
Mexican Dish 5.7	Soup / Chili 6.7	Potatoes / Rice / Stuffing 5.8
Soup / Chili 5.7	Sandwich / Wrap / Panini 6.2	Sandwich / Wrap / Panini 5.4
Complete Meal 4.0	Potatoes / Rice / Stuffing 6.1	Asian Dish 4.1
Meat - Beef / Pork / Lamb 3.7	Asian Dish 4.3	Meat - Beef / Pork / Lamb 3.2
Asian Dish 3.3	Complete Meal 3.8	Soup / Chili 3.0
Pizza 3.3	Meat - Beef / Pork / Lamb 3.6	Pasta or Italian Dish 2.6
Potatoes / Rice / Stuffing 3.1	Mexican Dish 2.6	Complete Meal 2.3
Fish / Seafood 2.0	Vegetables 2.6	Mexican Dish 2.0
Vegetables 1.7	Fish / Seafood 2.4	Fish / Seafood 1.8
Pasta or Italian Dish 1.3	Pasta or Italian Dish 2.2	Vegetables 1.7

Source: The NPD Group/DeliTrack Data for year ending March 2010.

**Cold From Counter or Self-Serve in/near Deli** (% of purchases)

Morning (before 11am)	Mid-Day (11am-4pm)	Evening (after 4pm)
n=(purchases) 2120	n=(purchases) 7371	n=(purchases) 4280
Deli Salads (e.g. potato) 23.5%	Sandwich / Wrap / Panini 21.1%	Deli Salads (e.g. potato) 21.8%
Sandwich / Wrap / Panini 15.0	Deli Salads (e.g. potato) 21.1	Sandwich / Wrap / Panini 14.6
Dips or Spreads 9.7	Dips or Spreads 9.6	Salads - Lettuce / Leaf 10.4
Salads - Lettuce / Leaf 9.2	Salads - Lettuce / Leaf 9.6	Dips or Spreads 9.0
Chicken or Turkey 8.7	Chicken or Turkey 5.7	Pizza 7.7
Meat - Beef / Pork / Lamb 5.3	Pizza 4.8	Chicken or Turkey 6.8
Pizza 4.8	Meat - Beef / Pork / Lamb 4.5	Meat - Beef / Pork / Lamb 5.5
Party / Deli Tray 3.3	Asian Dish 3.3	Asian Dish 3.9
Desserts (not Bakery Items) 3.2	Desserts (not Bakery Items) 3.1	Desserts (not Bakery Items) 3.5
Olives or Pickles (not Jarred) 2.9	Olives or Pickles (not Jarred) 3.0	Vegetables 2.5
Asian Dish 2.7	Party / Deli Tray 2.8	Olives or Pickles (not Jarred) 2.4
Potatoes / Rice / Stuffing 2.3	Potatoes / Rice / Stuffing 2.3	Potatoes / Rice / Stuffing 2.4
Soup / Chili 2.3	Soup / Chili 2.0	Party / Deli Tray 2.1
Pasta or Italian Dish 1.6	Vegetables 1.6	Fish / Seafood 1.8
Fish / Seafood 1.5	Pasta or Italian Dish 1.5	Soup / Chili 1.7
Mexican Dish 1.3	Complete Meal 1.3	Pasta or Italian Dish 1.6
Vegetables 1.3	Fish / Seafood 1.2	Mexican Dish 1.1

Source: The NPD Group/DeliTrack Data for year ending March 2010.

“Sandwiches will always have a place,” says Lempert. “They’re convenient and satisfying. Expect a shift to healthier and tastier offerings like Cuban sandwiches. Supermarket delis need to copy the Subway menu and up the quality.”

The time might be right. Dunkin’ Brands told analysts this winter that customers are selecting “a better level of sandwich” and driving a “higher average ticket.” Its smoked-sausage breakfast sandwich is one of the chain’s best-performing, limited-time offers ever, reported Bloomberg.

“If I could buy my meat in bulk to make my sandwiches at home for lunch, why would I go to Subway over my deli,” says Stibel.

**Buying dynamics of prepared foods**

Prepared foods include four core sections – hot and cold prepared foods, ethnic prepared foods, prepared vegetables and potatoes. Here’s a sampler of their sales dynamics, from NPD Group research updated for Tyson in 2011:

- Shoppers approach four physical areas of prepared foods – cold self-serve, cold counter, hot self-serve and hot counter – quite differently. In order of popularity: cold self-serve (43.5% of purchases), cold from the counter (24.2%), hot from the counter (17.5%), and hot self-serve (14.8%).
- Hot self-serve is the most likely to be bought on promotion. Weekday ads and coupons build volume.
- People buying hot from the counter often want to eat right away, so co-promote cold items to build transactions. Nearly one in five (18.6%)

buy both hot and cold from the counter within a given week.

- As adults age, they tend to buy hot prepared foods from the deli. Boomers age 55 to 64 index at 124 hot from the counter and 148 hot from self-serve, where 100 is average.
- Hot and cold prepared foods are typically planned purchases, which people decide on before they enter the store (51.3% of the time).
- Each ethnic category explored – Italian, Asian and Mexican – has a high propensity to be bought for the first time vs. the prepared foods average. Five of the seven best-selling Asian dishes, and three of the top seven Mexican dishes, include chicken as a main ingredient.
- At the counter, people buy higher percentages of prepared vegetables (26.3% hot, 26.9% cold) than they do prepared foods overall. The top five: mixed vegetables (26.9% of purchases), broccoli/broccoli salad (15%), baked beans (9.8%), green beans/green bean casserole (7%), and spinach/creamed spinach (5.6%).

- Female adults make two-thirds (64%) of prepared vegetables purchases. Boomers and seniors index highest for these at 122 and 125, respectively, while younger buyers under-index. Visual appeal matters – because only four times out of ten (40.1%) are these purchase decisions made at home.
- Boomers age 55 to 64 index highest at 142 on purchases of prepared potatoes, but the category’s greatest volume (22.8% of purchases) stems from adults age 45 to 54. Most of these purchase decisions occur in-store (57.3%).

**Consumers will flock to chicken**

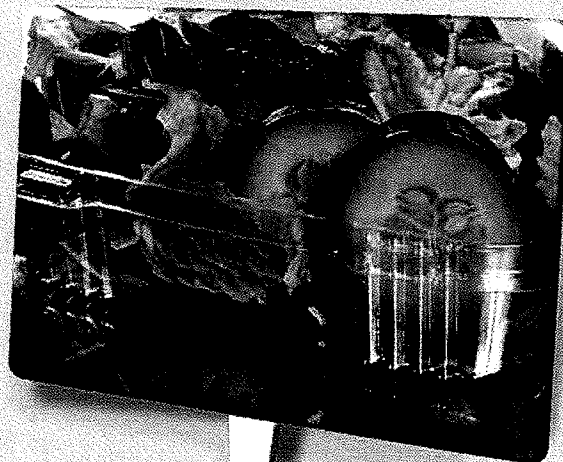
“Protein is hot, hot, hot, and there is no sign this trend is going to go away for the next ten years,” Dr. Sloan told the Institute of Food Technologists Wellness 2012 Conference, reported *FoodNavigator USA*. “It’s about body composition, sports, satiety and maintaining muscle mass as you get older.”

This looks good for chicken – which is already king of the deli, perched as the commanding #1 in hot prepared foods sales (44.8%) and #3 in cold prepared foods sales (9.5%), according to NPD Group figures.

Moreover, “chicken has huge potential for supermarket delis. It carries other flavors well and mixes with just about everything,” notes Lempert. “Supermarkets need to be creative in the shapes, flavors and presentations, and they can increase sales easily.”

Rotisserie chicken already provides “a visual freshness cue for the deli,” says Stibel. “It provides theater. Delis should have it available all day long because people do come in the morning to buy it for the evening. It drives basket size too, usually bought for two or more people to eat with salads and drinks.”

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## Empower staffers with food knowledge and technology

Since deli workers sell shopping experiences as much as meats, cheeses and salads, they have three priorities: Answer questions about foods. Be pleasant. And expedite trips.

They should dress the part – wear culinary gear to project food expertise and “give them something to live up to,” says Tom Hayes, managing partner & principal, New England Consulting Group. They should come out from behind the counter to sample and engage, adds NECG’s Stibel. Use tablets to take orders and transmit them to a back room where other staffers work efficiently to fill them “in seconds rather than minutes” and make deli more convenient.

Also consider “devices that can offer recipes, wine pairings, nutrition and allergen information, and even allow [deli workers] to offer special discounts on the spot to undecided customers,” says Lempert. “Hertz staff has devices that print on-demand receipts. Supermarket staff should be able to print a shopping list, sale items... and hand it to shoppers or beam to their smartphones.”

New Seasons Market and Harris Teeter each position deli chefs as accessible personalities who have culinary backgrounds – and are devoted to supermarket customers and creating special deli experiences. Expanded culinary programs, such as Publix Apron’s, and guest sampling appearances by locally known restaurant or food-truck chefs, can add foodie flair that some customers appreciate.

## If gas prices ever reach \$5 a gallon

Experts think this is unlikely to happen. But if it does, “the economy will be at risk. Deli won’t be hit as hard as restaurants or eating away from home,” states Brian Davis, project manager, New England Consulting Group.

Although 2011 SymphonyIRI Group figures show 60% of consumers “more focused on the price of groceries as gas prices climb,” Lempert feels \$5 a gallon gas “probably won’t change shopping behaviors. The average American sees shopping as an event and entertainment. They can’t afford the movies, but they can go to Costco for the samplings.”

To turn high gas prices into an opportunity, Stern urges delis to “help customers do the math – a meal for four for \$12. Play off the value [while] supermarkets play up ‘local’ and ‘in the neighborhood.’”



## Women are the primary deli buyers, but target men, too

Why men? Because 41% of men prepare meals today, about twice the percentage of 2003, reports the U.S. Bureau of Labor Statistics. Deli makes it easy – more assembly than cooking. Men also shop more – 6% more men and 5% fewer women make the primary food trips for the household vs. five years ago, says Schnuck Markets research.

At the deli, men buy 44.9% of hot prepared foods from the counter and 42.2% of hot self-serve. Boomer men age 55 to 64 index a high 132 for hot prepared foods overall, says NPD Group. Since chicken is the top hot foods seller, it is an ideal way to drive male traffic.

A Tyson wing bar program at Town & Country, with sampling, quintupled wings sales from a \$400 per week average to more than \$2,000 every week of the football season. A March Madness basketball promotion around wings and boneless wings, driven by coupons and a sweepstakes, at 9,600 stores, lifted dollar sales up to 30% at most stores, with one retailer up by 134%.

When Hannaford Supermarkets used wing bars to grow lunch sales in select stores, it enticed males with signs that said “Hot & Fresh” and specific hours of availability. Staff was trained to prepare the wings and maintain and merchandise the wing bars in high-traffic spots. “Keeping an eye on the newest flavor trends in QSRs” helped it compete, says Eric Mayo, category manager – deli/home solutions at Hannaford.

A rise in single-person and unmarried households means more demand for ready-to-eat meals – such as prepared chicken, deli meat sandwiches or salads topped by meat. Publix reportedly has a fresh, convenient way to appeal to parents – a pre-packaged Kid’s Deli Meal Deal with a sandwich, yogurt, fruit and juice to brown-bag at school. “Publix pulls products from elsewhere in the store, and packages and stages them at the deli,” says NECG’s Davis.

## Social media is a key traffic builder



“Social media and its speed is changing all things food,” says Lempert. “Whole Foods is probably leading [supermarkets] with flash sales, new product announcements and recipes. Expect more retailers to follow suit... We will start to see even more Tweets and Facebook notices announcing in-store events, rather than price discounts, that create more excitement around foods.”

Deli can actively sell to the traffic generated by social media because the department has more



staffers than practically any other department in-store.

“When we promote, we also use Twitter and Facebook, e-mail and play up on our www.deliandytime.com website,” says Tyson’s LeBlanc.

“Retailers have a good opportunity to tie their own media infrastructure to ours – to make a circular ad more effective by targeting around it with excellent touchpoints that bring in more people. We can demonstrate concrete sales activity through coupon redemptions.”

## Match promotions to customers’ lifestyle experiences

Know what’s in the collective public consciousness – holidays, graduations, popular movies – and use familiar messages and imagery to keep deli relevant. Birthdays are a constant promotion opportunity for deli, says Stibel. “This bundling can be done every day, and people find it a lot cheaper than going to a good restaurant.”

When promoting, you need a big awareness number to drive trial and repurchase, states LeBlanc. “Run the promotion, be in the circular and online, and interrupt the trip with merchandising.” One example: At E.W. James & Sons Supermarkets, sales of Meals to Go bundles featured rotisserie chicken and were displayed near checkouts with signs that guaranteed availability during certain hours of the day: volume grew by 300 units per week.

Sporting events are peak occasions for consuming wings, and Back to School is a peak season for promoting bologna, notes LeBlanc. Two out of five consumers buy lunchmeat such as ham and bologna every week – and their top reason for buying it during promoted periods is that it is on sale, says NPD Group. Lunch and snacks lead their eating occasions, notes Mintel.

Promoted events don’t always have to reduce price. Limited availability of quality product can work, too – such as ribs or wings in special flavors available a few hours before televised sports events.

The successful delis of tomorrow can expect to capture more trips and eating occasions because they’ve stepped up their food authority, showed versatility in serving consumers’ changing needs, and become more convenient and better known by using media to greater effect. ●

