

CATERING TO FOOD CENTRIC LIFESTYLES

UNLOCKING THE POTENTIAL OF CATERING

BY SHARON OLSON

Today's consumers are enjoying the ease and comfort of dining at home without having to make any compromises on variety and quality of the dining choices. It's especially true when it comes to parties for small groups of people—catered food at home is winning out over dining out at a restaurant in many cases. When it comes to everyday occasions like birthdays, family celebrations and spectator sports, consumers have more choices than ever before. Although supermarkets are a top choice for catering, only 37 percent of those surveyed noted the supermarket deli as their go-to for catering.

A new study from Chicago-based Culinary Visions explores the lifestyles of today's consumers and the characteristics that drive purchase decisions and preferences when ordering food for everyday group occasions. The objective of the

study was to identify opportunities to build a catering business. A total of 1,528 consumers nationwide were surveyed, and the results were compared to a study on the same topic 10 years earlier to gain an understanding of the evolution of the catering opportunities for deli operators.

The understanding of catering has evolved considerably since the previous study, where caterers were thought of in the context of a recent wedding or large special event, but not something relevant to everyday life. Today, there are more opportunities for catering professionals beyond exquisite once-in-a-lifetime events. There are small parties, meetings and events regularly taking place at home and at work. Food is very often an important part of these gatherings, and foodservice professionals from all segments of the food industry are trying to capture a slice of the catering pie.

Although consumers are ordering catering options more than they did a decade ago, catering continues to be a niche business, with only 38 percent of consumers surveyed reporting that they ordered prepared food for group occasions. There is often an informal expert who executes the order for the family, group of friends or colleagues at work.

When consumers are asked about their choices and preferences for help with these events, 10 years ago the supermarket deli was their top go-to, followed closely by quick service and fast casual restaurants.

60% of consumers ordered sandwiches for their group occasion—making it the most common overall food pick for catering.

In the new study, the supermarket deli still takes the top slot mentioned by 37 percent of respondents, followed closely by a longer list of options.

Sandwich Innovation

At the time of the original study, many consumers considered “deli trays” or “party platters” to be the extent of supermarket catering. In the new study, sandwiches remain the most popular choice, mentioned by 60 percent of consumers surveyed.

Yet, there has been a lot of innovation that continues to redefine best in class sandwich offerings, including premium deli meats and cheeses, international foods, specialty condiments and a huge range of bread types.

Small plate offerings have become part of the mainstream culinary landscape, evidenced by the strong showing of appetizers

Culinary Visions® found that more people than ever are ordering food for group occasions, and with that increase comes a rise in expectations for the convenience and quality of catered food options.

as a catering choice in this study. Fifty-four percent of consumers surveyed mentioned ordering appetizers.

Healthy and indulgent offerings are also competing for attention at 52 percent and 51 percent of mentions respectively. Rounding out the top foods ordered for group occasions are entrées and side dishes. Ethnic specialties represent only 24 percent of catering orders; yet it's important to note that some traditionally international foods like pizza are considered American food.

Brilliance at the Basics

Some things don't change — consumer expectations for quality, service and value have continued to drive their preferences when ordering food for group occasions. When delving deeper into the way quality, service and value are defined, the definition has evolved considerably, especially with the prevalence of on-line ordering.

Characteristics used to describe quality often includes brands or purveyors known locally for providing great quality food and treating everyone in the supply chain with great integrity.

Service is often described as a combination of personal attention and technology. Consumers like the ease of online ordering, yet many also like the security of talking to a person to make sure every customized detail of the order is understood. Value is defined as “worth the splurge” as often as it is by “a great deal.” When it comes to value, it is vitally important to understand each store's unique customer base and their expectations.

Accuracy of the order is paramount when ordering for groups because a mistake often affects the experience of the entire group rather than one or two people.

Timeliness of delivery has always been important when ordering for groups, and many consumers mentioned their comfort level with technology that allows them to have real time information and track the progress of the driver on the way to deliver the order.

Ease of ordering has grown in importance, with consumers using updated technology more often to place orders. Consumers sometimes reported that when they had difficulty ordering, it had a negative impact on their expectations for the food when it arrived.

Personal service still matters, and much of the responsibility for delivering the personal touch has gone to the delivery person.

When asked to recount “best experi-

ences” many related to a friendly delivery person who went the extra mile to make sure everything was perfect. Even when mistakes were made, if the delivery person was pro-active in returning with the missing item quickly and with a positive attitude, the impact of the mistake dissipated considerably.

Although consumers find value important, it is not necessarily associated with the lowest price. When asked to recount their best experience, there were no comments about the lowest price making the experience great. That said, promotions and purchase incentives have become an expected part of the experience for many consumers today.

Among consumer comments about best experiences, there were remarkable similarities between the two studies.

Personal recognition and little extras beyond the food made it memorable and created loyalty. The gift with purchase was particularly well received, like a free appetizer or dessert.

Consumers also pay particular attention to freshness. For premade sandwiches in particular, consumers focus on the texture of the bread and crispness of the produce as indicators of freshness. For salads and produce centric items, the cues are ripeness, texture and color.

Catering Opportunities

It is no surprise that birthdays are a top occasion for catered food at home and at work. Yet it is interesting to note that the birthday cake is not necessarily part of the order for food, which points to an opportunity to collaborate and cross merchandise with the in-store bakery to create the entire party package.

Targeting the right customer can be key to success, recognizing that budgets and motivations vary widely by the type

90% of consumers ranked “quality of food” as a very important or extremely important factor in their catering venue decision.

Consumers want an easy and intuitive process when ordering catering.

of occasion. Food for a party is likely to be more indulgent, whereas options for a business meeting might be more health conscious. Promotions that offer high value trial offers can help individual stores hone in on the customers of greatest interest. Targeted menus are another option. A celebration package might include very different food offerings than the business meeting menu.

Balancing favorite foods with a twist on the classics can also mean repeat orders. When consumers reported ordering from restaurants, they often mentioned the daily special menu. While there is comfort in the familiar favorites that insure loyalty, there are incremental opportunities for frequencies with regular specials that add interest and appeal.

Of the consumers who did not consider ordering for group occasions from the deli, lack of awareness of the deli as a resource was a top reason. A recurring comment was, “it didn't occur to me.”

The opportunity to promote to current customers with in-store merchandising or direct promotion can mean incremental business for stores.

When asked for suggestions on what supermarkets could do to improve their

awareness of catering programs, the comments in this study were remarkably similar to the study from a decade ago. Many ideas related to in-store promotion to make them aware of offerings while they are doing their regular shopping—making menus easily available, providing samples and setting up a promotion table prior to holidays.

The perception of the quality of supermarket deli food versus restaurant food is

another important consideration.

Consumers who chose to order elsewhere made it clear that they wanted more variety and better quality to make the deli a real contender for their catering purchases.

Delivery of food is ubiquitous in today's convenience driven food culture, and some consumers noted that if the deli did not offer delivery, they chose another venue.

Offering items for those with food allergies and sensitivities was considered

a tipping point in choosing a source for catered food.

Although catering to consumers with allergies might require an unrealistic overhaul of supermarket operations for prepared and delivered food, foods that are friendly to lifestyle diets can appeal to a broader audience.

Consumers are ordering more catering and more from the deli than they did a decade ago, however, the competitive playing field has expanded considerably. The study points to a number of opportunities to increase the deli's share of the catering business:

- **Sandwich Platter Innovation** – As the number one item ordered for catered meals, there is an opportunity to create unique and cravable offerings to distinguish a store.
- **Healthy has to be Delicious** – Catering orders often have to respond to disparate needs of a group where some have allergies, dietary restrictions or lifestyle diet preferences. An eye toward healthfulness that does not compromise on delicious is on trend.
- **Destination Flavor** – 65 percent of consumers said they ordered food because they enjoyed the flavor. Foods that are distinctive and not easily duplicated can deliver repeat business.
- **Service Perfection** – Consumers expect convenience in all aspects of the ordering process, whether it is in person or on-line. Success is understanding customer service preferences and delivering perfectly on accuracy and timely arrivals.
- **Carefree Customization** – Occasions are rarely one size fits all, and offering flexibility within operational reason can build more customers and positive word of mouth.
- **Look for What's Next** – Look to emerging competitors like personal chefs, food trucks and entrepreneurs with specialty foods that make delivery part of the event for fresh ideas.

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