IDDBA
INTERNATIONAL DAIRY DELI BAKERY ASSOCIATION

32ND EDITION | $399

WHAT'S IN STORE 2018

DAIRY | DELI | BAKERY | CHEESE

TRENDS REPORT

figure 8.2

US DELI TRENDS REMAIN STABLE

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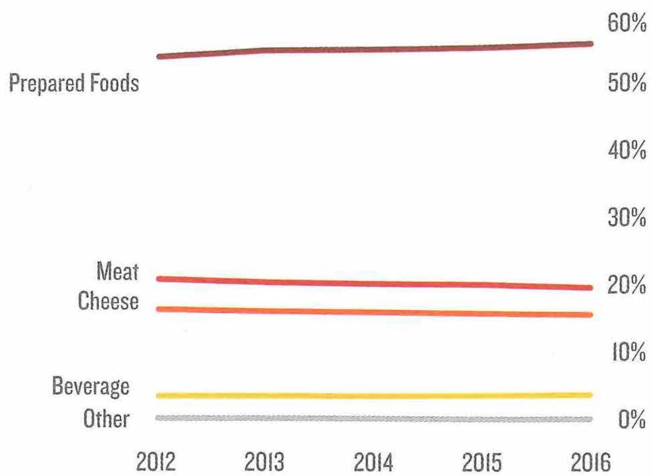

Source: Nielsen Perishables Group stable store historical database 2011 - 2015
Deli Other: includes Deli Beverages - Other, Tea; Breakfast Foods; Deli Desserts; Non-Specific Sales; Condiments; Appetizers; Specialty Meat

figure 8.3

MOST DELI PRODUCTS PURCHASED IN SUPERMARKETS

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	Total	YAGO
In-Store Deli Gross (Total Deli Dept. Sales)	$32 Billion	3.3%
% Supermarket	60.1%	
% Mass Merchandisers	19.0%	
Self-Serve Deli-Refrigerated Gross (Grab & Go, Refrigerated RTE)	$11.3 Billion	0.3%
% Supermarkets	59.5%	
% Mass Supercenters	20.2%	
Packaged Meat-Deli (Pre-packaged, fixed-weight, UPC)	$19.5 Billion	-3.1%
% Supermarket	61.7%	
% Mass Merchandisers	21.3%	
Perishables Total	$445.6 Billion	0%
% Supermarkets & Mass Supercenters	75.5%	

Source: Progressive Grocer's 70th Annual Consumer Expenditures Study, July 2017.
52 weeks ending 12/17/2016

fresh foods and culinary technique, a hybrid between retail and restaurant."[5] The NPD Group reported, "To stand out, food manufacturers, retailers, and foodservice operators must go beyond sustenance. Experience will make the difference."[6] In short, the evolution, or perhaps revolution, ultimately aims to make the in-store deli a destination for an experience previously monopolized by restaurants.

Building a strong reputation by improving the image of deli, encouraging consumers to try the deli, and then capturing return trips based on repeated positive experiences will allow the buyers and sellers in the industry community to cultivate top-of-mind status among shoppers and diners.

IMPROVING THE IMAGE: BECOMING TOP OF MIND WITH IN-STORE DELI

Facing strong competition from alternative retail formats and platforms, it's now more important than ever for the deli to be relevant. Despite recent improvements in deli departments throughout the country, deli still has some hurdles when it comes to customer perceptions. More than half of those polled in the Culinary Visions Panel's *The Deli Experience* believe the deli is nothing more than a source for simple catered trays (51%) and traditional American foods (52%), and that most delis offer the same things (54%). The same report revealed only 45% of consumers know their local deli has items created by a chef.[7] Even though 84% of operators are trying to improve consumers' overall perception of food quality to be on par with restaurants, the 63% of operators trying to create a more premium perception with their customers is a decline of 26% from 2013.[8]

Improving the image of deli and building awareness can be done by focusing on developing experiences that allow for guests to engage with staff and products more, which will in turn boost confidence in the department. Consider the following ideas to begin improving the image of the in-store deli.

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figure 8.4

MOST HOUSEHOLDS PURCHASE DELI PRODUCTS

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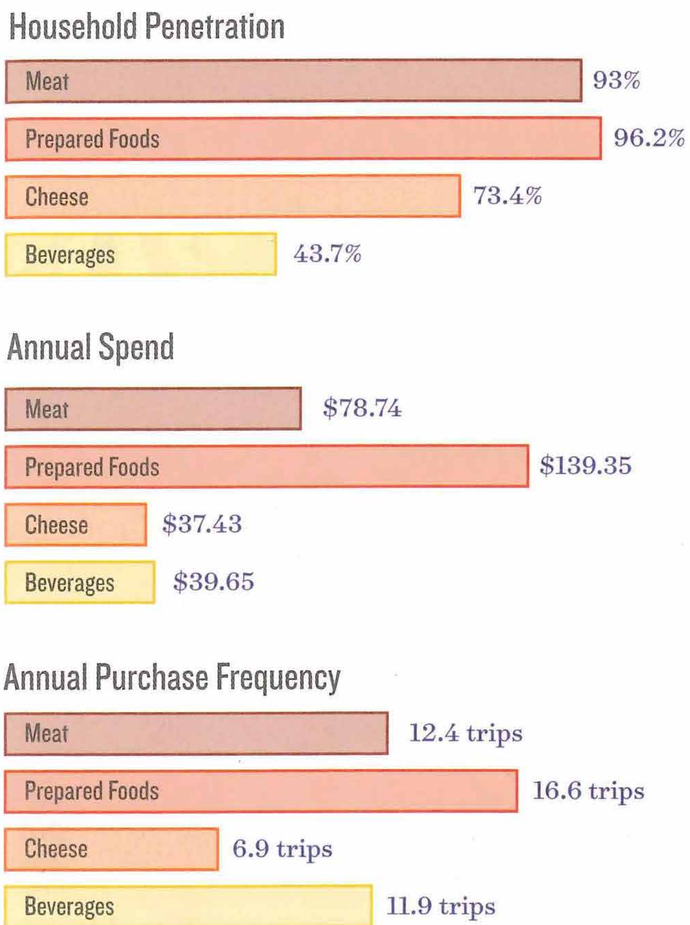

Source: Nielsen Homescan TSV

"The deli is in a unique position to become the destination consumers crave for food and experiences."

Sharon Olson, *executive director, Culinary Visions Panel*[9]

Key Insight

5 WAYS TO DIFFERENTIATE

TIDY UP

Regularly monitor food bars, dining areas, and service cases to maintain cleanliness and visual appeal. Culinary Visions Panel reported 62% of consumers will not return to a deli if the salad bar is messy.

LOCALIZE

Incorporate locally produced items into displays and feature local favorites on menus. Highlighting even a single local ingredient, like local produce in a salad or sandwich, creates a story to help differentiate.

CELEBRATE WASTE

Offer more no-waste or low-waste items and highlight items that are made from products that would have otherwise been tossed, like "ugly" produce or uncompromised damaged items.

EMBRACE "EATERTAINMENT"

Incorporate games and activities with food experiences to attract social gatherings. For example, eat and drink while playing trivia.

IN-STORE PARTNERSHIPS

Capitalize on the success of other fresh departments. Co-brand or cross-promote products already driving visits and brand recognition, like meat, produce, and bakery items.

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Key Insight

SUPERMARKETS VS. COMPETITION

Supermarket News asked respondents in the Fresh Foods Survey 2017 to identify the top three advantages rivals have over supermarkets.

What do "they" have that retailers don't?

- 63% Convenience
- 33% Price
- 32% Location
- 30% Selection
- 30% Freshness
- 26% Service
- 25% Quality

What offers retailers the best competitive advantage?

- 66% Convenient on-the-run snacks
- 47% More prepared foods space
- 46% Gluten-free, vegetarian, organic, or other specialty-type meals

- Better products, services, and unique experiences lead to differentiation from the competition.
- Leverage local ingredients and prepared items to curate a variety of storied products from local producers and store and national brands.
- Clearly define freshness through quality standards and displays throughout the department and store. Shoppers should see it to believe it.
- Deli staff are qualified and encouraged to engage shoppers with helpful interactions.

BE BETTER: DIFFERENTIATING FROM THE COMPETITION

Building excitement for products and services through cross-category partnerships, limited-time flavors, and communicated value for the shopper and community help to differentiate and improve the deli experience.

Olson told IDDBA the idea of delis as food destinations involves reinterpreting delis as "old-school markets and emporiums." In addition to specialty, gourmet, and local products that appeal to food-savvy consumers and those interested in food as experience, the shopping experience is amplified

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figure 8.5

METHOD OF US CONSUMPTION IN PAST 3 MONTHS, 2015-2016

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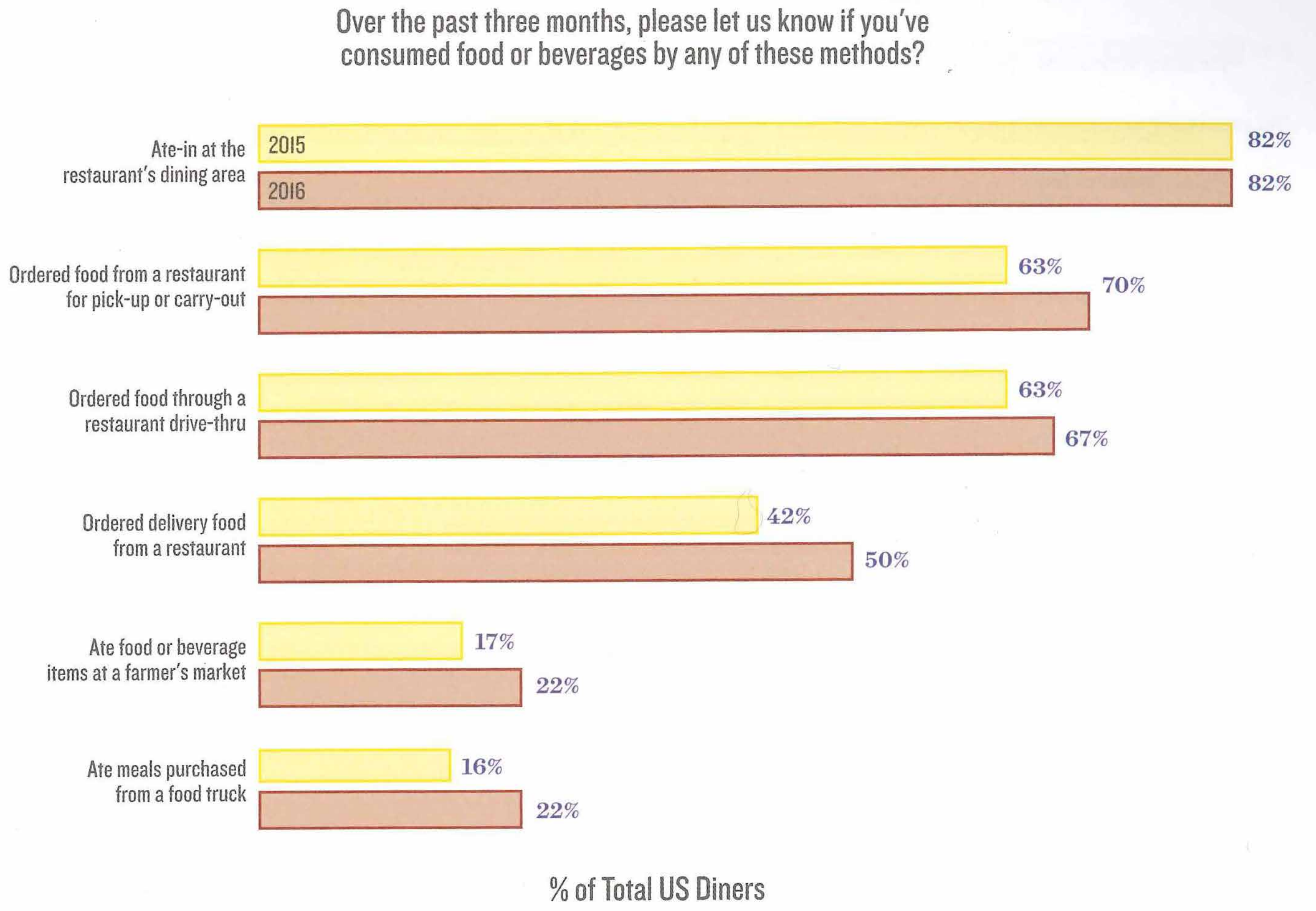

Source: The Why? Behind the Dine, 3rd edition, Acosta, Inc.

when shoppers can eat and socialize.[10] "The secret to success is creating the right combination of comfort and culinary adventure."[11]

Better Products

Consumers often compare in-store fresh prepared to the fast-casual restaurant segment, according to FMI. The latter has seen "aggressive growth of +11.5% in sales and +9.6% in store counts with a focus on fresh, quality ingredients, and enhanced ambiance."[12] These traits can certainly exist in the deli space. In fact, more than one-third of consumers agree the variety and quality of supermarket prepared foods has improved compared to a year ago.[13]

However, retailers are looking to suppliers for trend information. Datassential reported 61% of operators get food trend information from visiting their competition, effectively resorting to copying them, whereas 58% want consumer trend information from suppliers.[14] As drivers of product innovation, suppliers can lead differentiation efforts among retailers, particularly between retail and foodservice, to grow the pie for the segment. For example, consumers increasingly demand transparency. Authenticity in ethnic dishes and the use of local items allow for storytelling to engage shoppers with

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figure 8.6

REASONS FOR BUYING MORE PREPARED ITEMS

(among those buying more today than one year ago)

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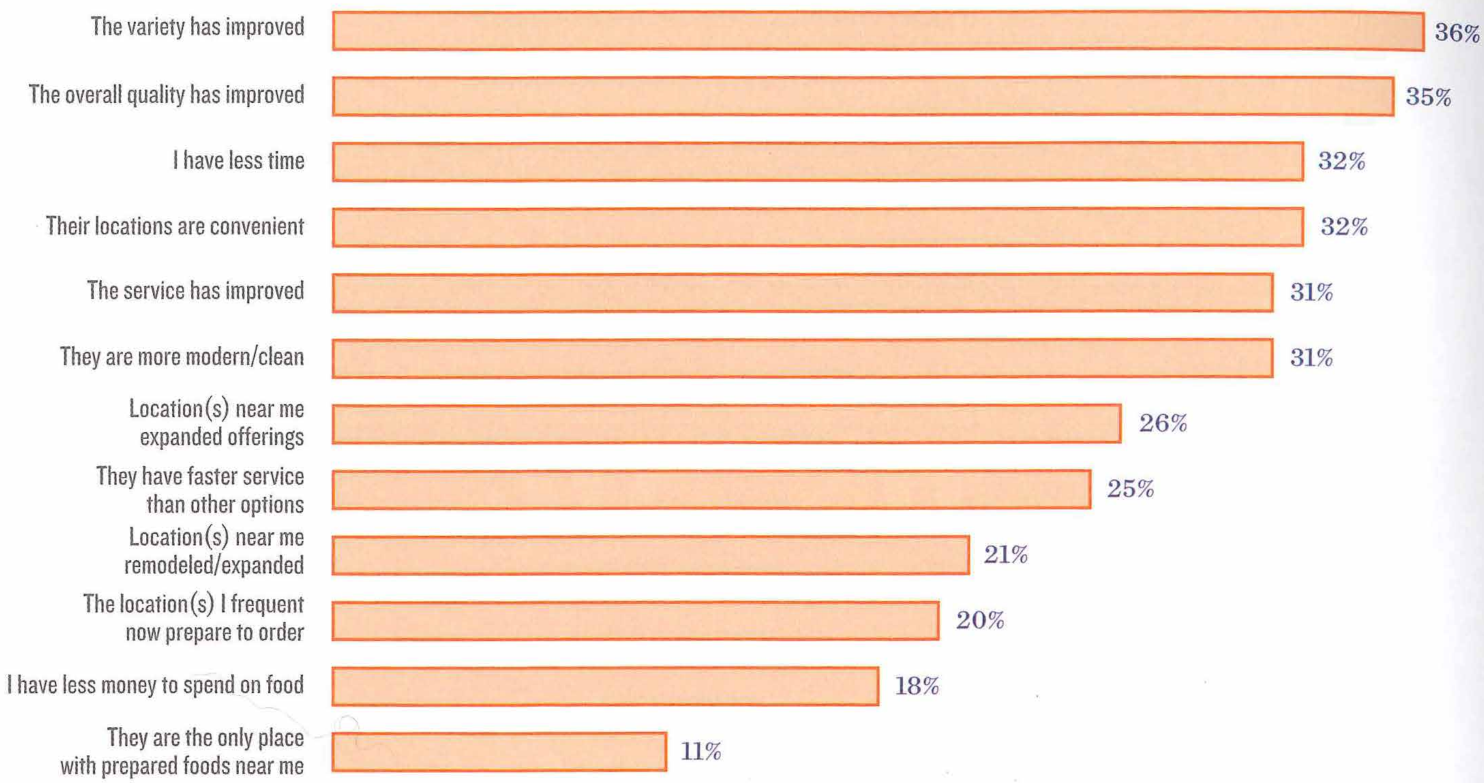

With improvements in variety and quality, shoppers are looking to the deli for more meal solutions. Repurchase decisions will depend on continued time-saving convenience, quality service, and cleanliness.

Source: Datassential, "Food with a Story," FoodBytes, 2017, 13.

intrigue and the transparency they desire.

According to the Culinary Visions Panel, 44% would make the deli their go-to eatery if a chef was creating the menu and 46% would make a local deli their go-to catering source if a chef was creating the meals.[15] Sarah Schmansky, director, Nielsen Fresh, identified some top issues for consumers that chef-prepared meals could be leveraged to mediate.

- Home-cooked meals are seen as more nutritious than deli offerings.
- Consumers lack control of what's in their food/meal solution.
- Prepared foods lack taste and freshness.
- Shoppers believe deli items are more expensive.
- Deli prepared offers less customization than restaurant food.[16]

Chef-prepared menus can elevate the deli to a level of culinary professionalism unseen in many restaurant chains, in which consumers can see the means of production, talk with the professionals making the

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figure 8.8

MEAL PREPARATION ASSISTANCE

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Thinking about the food you are preparing at home, which of the following items would you be interested in your grocery store providing?

	Gender		Age				Total Family Income			Primary Channel			
	Male	Female	Matures 71+	Boomers 52-70	Gen X 38-51	Millennials 18-37	Under $35K	$35K-$99,999	$100K or more	Super-market	Super-center	Club Store	Total
Easy to make recipes	29%	31%	24%	28%	31%	33%	23%	34%	31%	31%	33%	37%	30%
Recipes for cooking a meal under $10	21%	32%	13%	18%	31%	36%	34%	28%	20%	28%	30%	31%	27%
Easy, grab & go fresh prepared foods	24%	29%	18%	23%	30%	29%	20%	30%	28%	27%	27%	34%	26%
Meal Kits	20%	20%	8%	13%	23%	27%	18%	21%	22%	19%	27%	17%	20%
Paper recipes/recipe cards	16%	15%	15%	16%	14%	17%	14%	17%	17%	15%	17%	29%	16%
How-to meal preparation and recipe instructions for items on sale	13%	15%	9%	10%	13%	19%	11%	14%	16%	13%	14%	15%	14%
Convenient placement of items for an entire dinner solution such as pasta, sauce, meat, bread, salad	16%	13%	6%	8%	17%	20%	15%	17%	11%	13%	19%	14%	14%
Tips on how to reduce food waste at home	12%	12%	4%	8%	10%	18%	14%	11%	10%	11%	12%	16%	12%
Cooking instructions and demonstrations	11%	12%	15%	9%	10%	15%	9%	14%	11%	11%	10%	15%	12%
Online ordering for delivery	9%	9%	7%	4%	10%	14%	8%	8%	13%	10%	10%	7%	9%

Source: FMI, US Grocery Shopper Trends 2017

that are eaten locally and host community cultural and social elements. "Targeting their specific local customer tastes and offering a very small assortment streamlines production, maximizes turn, and can greatly reduce shrink," Tomeny told IDDBA.[23] Because interest levels vary greatly among demographic groups, FMI suggested "the winning formula needs to be highly tailored to the individual store audience."[24]

"Creating a dining community for your customers is important to increasing loyalty," Acosta reported in *The Why? Behind the Dine*. Offering community meeting spaces, bulletin boards, and even free guest Wi-Fi can establish a welcoming environment for the local population, especially in areas that don't have other similar venues, like coffee shops and cafés, close by.[25]

Corporate and management limitations were cited by one-third of respondents in a Datassential study as a "top operator pain point," which indicates a major challenge to customizing the store experience.[26] For larger store groups, a hyper-local strategy offers the opportunity to address corporate objectives in a more meaningful way. For example, by building trust and excitement with limited-time flavors and unique products. Olson told IDDBA that supermarkets can gain a competitive edge by expanding their selection to include local vendors and artisanal foods. "They need to address new consumer concerns for transparent food ingredients and food sources by providing relevant and timely information." Because they can see who grew and handled the food, 67% of consumers trust farmers market vendors.[27] Simply pairing local cheeses, meats, or fruit spreads with

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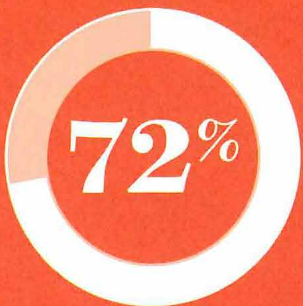
Key Insight

HOW CONSUMERS DEFINE FRESHNESS

Don't let customers continue thinking freshness is "just a marketing word with no real definitions." Define it for them and show them through product messaging and displays.



When it was made

Made within the last hour

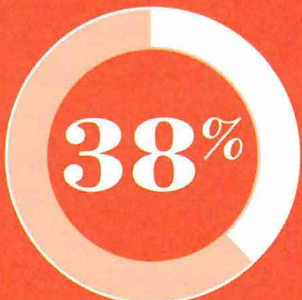
Labeled when it was made and when it will be refreshed

Shelf life at home clearly labeled

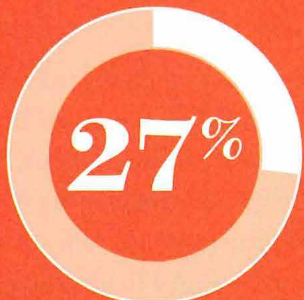
What types of ingredients

Local, seasonal, sustainable, clean label

Not prepackaged or frozen



Where it was prepared



Made to order

Source: Food Marketing Institute (FMI), The Power of Fresh Prepared/Deli, 2016.

branded crackers can elevate a deli's offerings.

Private labels can support the corporate mission, especially in perishables. "The need for signature items, recipes that appeal to locals, and quality that will make someone drive out of their way are key," according to Daymon. Engaged shoppers look to private brands to differentiate. Daymon continued, "Indeed, the retailers with highest private brand shares around the world have embraced the fact that their own brands can be uniquely positioned to offer the originality and customization that is critical to a relevant shopping experience."[29] According to Nielsen Fresh, in the 52 weeks ending January 28, 2017, private label accounted for 31.6% of total deli sales, revealing 2.4% growth in dollars.[30]

At the community level, the grocery store is a staple establishment; therefore, there is great opportunity in local involvement such as offering community meeting spaces and events. This not only helps to build trust, but it incentivizes loyalty. Nearly 70% of consumers polled in the "84th Annual Report of the Grocery Industry" rated community involvement an extremely or very important strategy.[31] Community involvement can also elevate your brand, as Daymon suggested, "Encouraging partnerships with local communities and sustainability projects signals to shoppers that your brand is serious about its fresh efforts."[32]

BE FRESH: DON'T JUST SAY IT, DO IT

"Fresh is the gateway to shopper loyalty," Daymon proclaimed.[33] Two-thirds of the Culinary Vision Panel survey believe that if the food in the deli is fresh, then everything in the store is better, and 45% decide which supermarket to shop based on the quality of the deli.[34] Freshness is clearly an important platform for a store but isn't always executed well, according to Schmansky. "Frequent shoppers of deli/deli prepared recognize product variety and freshness, which ultimately drives a thirst for increased usage; however, the typical consumer sees the deli as lacking in freshness and taste," Schmansky told IDDBA.

While freshness has many interpretations, it's

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important for operators to define it for their customers and execute against that definition throughout the store. As shoppers increasingly want to see their food being made to order, Tomeny told IDDBA that retailers "will be looking to suppliers to provide them with ready-to-use, clean foods to help them get there."

BE HELPFUL: PROMOTE QUALITY STAFF ENGAGEMENT

Leveraging freshness, in conjunction with better products, services, and other experiences that have local flair, a knowledgeable staff able to communicate the message to customers "can further exceed consumer expectations and create a deli experience that provides the consumer's most favorite eatery experience," Olson told IDDBA. This, however, might be a tall order, given the findings from the *Supermarket News Fresh Foods Survey* showing the No. 1 greatest fear in the perimeter among one-third of operators polled is attracting and training qualified employees.[35] *Progressive Grocer* reported 76.5% of operators named "engaged associates" as the most influential to securing strong everyday sales in the department.[36]

Labor is a perennial issue for operators, but quality staff can make or break the shopping experience. Eric Le Blanc, marketing director, Tyson Foods, told IDDBA that past research has revealed there is no correlation between the number of people working in the deli and the performance of the department or store. It's more about how well-trained they are. Harold Lloyd, president, Harold Lloyd Presents, said the best retailers provide 40 hours of training, but the industry average is only eight hours. He attributed the lack of training and development as a likely source of high turnover. First impressions once hired are also crucial. With younger generations looking to understand their path more and more, the grocery retail industry has a great opportunity to create vested associates by communicating the many career opportunities available in the industry.[37]

Le Blanc told IDDBA that more than 50% of shoppers have confusion while shopping but only 3% will ask a question, 97% of whom will follow the advice of

Key Insight

HIRING FOR SUCCESSFUL ENGAGEMENT

- Hire employees who demonstrate the ability to engage customers through conscientiousness, openness, optimism, and extroversion.
- Encourage and support engagement through leadership, clear expectations, and performance recognition.
- Establish a trusting environment that supports employees by providing the necessary equipment and information to do their jobs.
- Offer challenging yet realistic job demands that also allow employees to make meaningful contributions.
- Develop a culture of support among workers at all levels.

Source: Joan Driggs, "Talent Issues," Progressive Grocer, March 2017, 44, and the Coca-Cola Retail Research Council North America.

the associate. "It's like people are walking around your deli with a sign that says, 'Tell me what to do and I'll do it.'" Le Blanc said if the department needs staff on the sales floor "being a curator of the department," then enthusiasm matters most. Instead of asking "Can I help you?" to begin an encounter, Le Blanc recommended asking something like, "What's for dinner tonight?" "You can build your sales so much with that kind of encounter."[38] Datassential reported a 22% increase from 2013 to 2016 among those interested in trying something new because staff recommended the item.[39] Quality staff, and leaders in the industry, appreciate the products they sell, understand the importance of quality and transparency, and are willing to engage customers.

Indeed, 64% of consumers said it's important that the employee behind the deli counter can answer their questions about the food they're interested

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in purchasing.[41] It always helps to have clean, professional looking employees, too, as 78% of consumers are more likely to order in that scenario.[42]

INSPIRING TRIAL: AN INVITATION TO THE TABLE

"Deli and deli prepared are fundamental to keeping shoppers' spend on meal solutions in-store," Schmansky told IDDBA, summarizing the necessary importance deli now plays in a landscape that includes online grocery ordering and delivery, food delivery services, and a meal-kit delivery service peak. Differentiating from the competition is important in establishing an attractive image and building awareness of what the deli has to offer. When it comes to getting people in the door, it's important to understand who is shopping the department and who should be shopping more. Then, delis must determine which strategies and solutions they can offer, without starting from the ground up, to inspire shoppers to try the department. Engaged shoppers are already shopping the department, but, as Daymon found, it's vital to "capture and retain" those shoppers or "risk losing relevance, loyalty, and dollars to those more innovative companies who are delivering on the future, today."[43]

"When you take the time to educate consumers, you're going to have a repeat customer."

David Vittorio, *marketing director, Blount Fine Foods*[40]

According to FMI, one of five prepared foods shoppers who are more likely to be regular purchasers make four or more trips to the grocery store per week.[44] Trip frequency, down 3% year over year, is extremely important regarding impulse purchases, as well as exposure for the department. FMI reported 52% of shoppers learn about prepared foods programs by seeing or trying the foods in-store. In addition to trip frequency, item purchase frequency bears importance considering deli fresh prepared items are purchased about half as frequently as total deli, 16 to 31 times per year, respectively. Trips per year are down among generations from Boomers to Generation Z (32 trips each), with Millennials showing the least decline, down just 1%, at 28 trips per year.[45]

RE-EXAMINING THE DELI SHOPPER

The five main characteristics deli shoppers prioritize, according to Olson, are convenience, affordability, catering, global and hard-to-prepare foods, and food experiences. Success might also depend on how the local audience engages with the department throughout the day, for example, older shoppers might represent the morning or lunch crowd. Higher income shoppers feeding families increase into the dinner crowd. While it's likely these groups reflect certain demographics, it's becoming more evident that standard demographic segmentation no longer defines shopper behavior.

Demographics have given way to values, lifestyles, and desire for participation, or as Daymon described them, "psychographic dimensions." The most valuable shoppers–about one in four shoppers–are brand ambassadors, as Daymon described, who prioritize community and environment, seek discovery and experimentation, and want to share their experiences and opinions with the world. About six in 10 shoppers are considered engaged and seek greater engagement with retailers, brands, and overall experience. They shop the entire store, often browsing for new items, and purchase on impulse regularly. They seek differentiation, customized in-store experiences, and are in-tune with technology like apps with recipes and real-time product recommendations. There is a segment of more pragmatic shoppers among engaged

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packaging that is more conducive to life on-the-move can also be a simple way to boost sales. Jason Horbac, associate communications manager, Sabert Corp., said about 60% of consumers rank portability as an important factor when making a grab-and-go choice. "People try to segment this market into age groups, but delis should be targeting all mobile consumers," he said.[57]

CREATING AN EXPERIENCE TO REMEMBER: THE PATH TO REPURCHASE

Good experiences over time lead to loyalty—simple enough. "The shopper came in, their expectations were met in terms of service, environment, and product, so they decided to come back and do it again," Le Blanc said. According to Daymon, simplifying the experience to make it as effortless as possible for the consumer is key. While FMI research found providing shoppers with speedy service, information, and a clean environment will drive increased shopping, Olson said, "Providing them with a pleasant shopping interaction at the deli counter can fill in some of the social interaction gap consumers are missing. On the other hand, a poor interactive experience will cause delis to lose customers."

MAKE IT EASY

Some shoppers prefer a longer, more relaxing visit, in which case ambiance can keep them in the store longer. However, "demand moment" shoppers want to be in and out. More than one in four shoppers (26%) favor a separate deli checkout lane for quick trips. Likewise, click-and-collect and kiosk ordering can also ease the experience for those in a hurry.[58] Delivery-only grocery stores, like Amazon Go, allow shoppers to use a mobile app to automatically purchase products rather than an in-store checkout. In this model, according to Supermarket Guru, Phil Lempert, prepared foods are made in the store for grab-and-go only.[59] Similarly, pre-sliced deli meats and cheeses, sliced and packed that day, are proving to be an effective strategy to boost sales of specialty items that consumers prefer not to wait for.

KEEP IT FRESH THROUGH INNOVATION

Daymon found that engaged shoppers desire customized solutions based on their lifestyles and want interactions, not simply transactions. As retail formats evolve, "traffic and conversion requires innovative ways to deliver differentiated solutions and shareable experiences."[60] Staying on trend with flavors, ingredients, and customized service will drive innovation. Involving customers in the creative process is another great way to drive innovation and give consumers a reason to try the department and keep coming back as new concepts develop.

Retail can benefit from the collaborative energy that 62% of Culinary Visions Panel's consumers love about food markets.[61] Collaboration opens the door for retailers and manufacturers to listen to customers and further enage them with products, services, and experiences. "The shopper turned advocate," according to Daymon, "seeks out interaction in the retail experience, desires inclusion, and wants to provide opinions, feedback, and ideas to make their mark." Daymon refers to this as co-creation. In fact, 69% of US shoppers want to give feedback to improve the experience and 64% would like to contribute to new products and services.[62] This desire, said Tomeny, is based on values and lifestyle, not just generation or demographics.

CONVENIENCE

Convenience is the underlying reason the in-store deli exists, but it's important to consider what convenience is being offered. More than half (57%) of the consumers surveyed in the Culinary Visions study believe convenience is more important than anything when getting a meal or snack from the deli.[63] The NPD Group observed the continued development of the "blended meal," which is a combination of home-prepared food and food sourced outside the home. "Opportunity exists all along the preparation spectrum, from meal kits to restaurant delivery," the group advised.[64] From

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simply saving time to making food easier to eat on the go, delis should be executing at different levels throughout the store to appeal to consumers' desires for convenience.

Culinary Visions revealed consumers still value entertaining at home, and 53% of those surveyed prefer quality prepared food. More than three in four shoppers enjoy getting "difficult to make" dishes from restaurants.[65] Herein lies an opportunity for deli to rise above foodservice with difficult-to-make prepared food offerings. Delis should communicate a message of saving home cooks time while incorporating trendy flavors and ingredients people are less familiar with or don't regularly keep in their pantries.

Placing displays close to checkouts and store or department entrances and using packaging designed for convenience can improve a shopper's experience at a time when it matters most to them, particularly when the product is labeled clearly. These displays can be themed around seasons, holidays, or special events like trips, tailgating, or celebrations.[66]

ON TREND WITH MEAL KITS

Meal kits embrace so much of what consumers are looking for. Making them available in the grocery store adds an element that delivery services lack: the ability to shop, too. These partially prepared kits are a great way to step into incremental growth with ample opportunity to innovate based on in-store capabilities and the latest trends.

In-store meal kit sales totaled $80.6 million in the 52 weeks ending March 4, 2017, according to Nielsen Fresh. Nielsen Fresh defines meal kits as complete meal solutions—preparations still required—that include multiple components from grocery, seafood, meat, and deli departments, not including prepared/foodservice foods. Now garnering attention from Amazon, kit delivery services are reported to be a $5 billion industry.[67] Blue Apron is projected to surpass $1 billion alone and sells more than 8 million meal kits per month, reported Datassential.

However, meal kit delivery services diminish store visits. More than half (53%) of consumers who have never used a meal kit service say they would consider subscribing to cut down on grocery trips.[69] Therefore, given the interest among consumers to purchase them in-store, meal kits provide a real opportunity to capture rings without relying on grocery traffic and providing "demand moment" solutions. Additionally, grocery stores can offer kits at a lower price point than delivery services by using resources available in the store without the added costs of distribution. "The No. 1 reason consumers leave the meal kit industry is price," said Rob Wilson, managing director and partner, L.E.K Consulting. Data from the NPD Group found the average meal kit meal costs $10 per portion, much more than the average cost of $4 per meal made from ingredients purchased in-store.[70]

Meal kits enable the deli to showcase an array of fresh cuisines in a format that is easily customizable

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> "The meal delivery space is moving fast and future advancements will only make on-demand options even more accessible to the average consumer."
>
> **Datassential**[68]

while turning deli's image of stale food under glass on its head. Nielsen Fresh found that 81% of meal kit purchasers believe the kits are healthier than other prepared foods from the grocery store, and 70% of purchasers continue after trial.[71] They're even giving people reason to try other, more upscale ingredients in their own cooking, revealing cross-merchandising opportunities. For example, 66% say they eat seafood more often when purchasing meal kits.[72] For people wanting to cook at home, but who have limited time to shop or cook, the deli is providing a better service, with better products, and a better "demand moment" experience. With everything available in the store, and a trend that isn't going away anytime soon, retailers and manufacturers big and small need to partner, Schmansky told IDDBA, to develop in-store meal kit solutions "to drive the competitiveness and evolution of deli prepared." Olson said, healthy, convenient, and affordable are top-of-mind for younger consumers. She also highlighted the need for a variety of kits available based on required preparation.

CONVERSATIONAL COMMERCE

FMI reported that a digitally engaged shopper is 20% more valuable to retailers and suppliers on average because they spend more per trip. "Digital advocates" spend about $7,000 per year across the

Key Insight

CONSUMERS LOOKING TO GROCERY STORES FOR MEAL KITS

78% Want grocery stores to develop meal kits for purchase in-store.

69% Want kits that combine local, private label, and well-known brands.

63% Have not ordered kits online because they are expensive.

45% Prefer to shop in-store rather than buying kits online.

86% Would consider subscribing if a free sample was offered.

32% Plan to continue purchasing kits at the same rate during the next 3 years.

42% Plan on purchasing kits more frequently during the next 3 years.

Source: "Blue Apron Meal Kits Most Preferred, But Grocer Kits Wanted," Progressive Grocer, July 21, 2017, www.progressivegrocer.com.

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