



GETTING PREPARED

SEVEN TRENDS TO STIR UP PREPARED FOOD SALES.

BY CAROL M. BAREUTHER

Grabbing a prepared meal from the deli has come a long way from its roots in corned beef on rye. Today, deli prepared foods represent more than \$20 billion in sales, according to 52-week data ending Oct. 3, 2021, in the Madison, WI-headquartered International Deli Dairy Bakery Association (IDDBA) What's In Store 2021. What's more, the pandemic has seemed to improve register rings. Every prepared food segment, with the exception of appetizers, showed an increase in dollar sales, with entrées (+24.9%), desserts (+21.4%) and sandwiches (+18.6%) showing the highest double-digit increases.

Customers shop the deli for prepared

foods that span all-American to global flavors, are good for you and comforting, too, are available all day, hit the sweet spot where cost and value meet, and all in a convenient manner whether delivered at the deli counter or curbside. None of this is rocket science or new. But it's how these wants and needs will combine with current events and contemporary lifestyles to shape shopper demand in the year ahead.

"At the start of 2022, many consumers are concerned about two things: COVID's Omicron variant and rising prices. Both of those things result in consumers going out to restaurants less, which opens an opportunity for deli prepared foods departments. These can give consumers

the foodservice-quality foods, premium options and global flavors that they associate with restaurants as part of their regular shopping trip or for pickup and delivery. Eighty-three percent of consumers say they plan to shop at supermarkets as much or even more often after the pandemic, but restaurant operators are going to work hard to get them back, so deli prepared foods operators shouldn't let down their guard. Consumers are also really noticing the price increases in meat and proteins, so operators should prepare for consumers to be more price conscious," says Mike Kostyo, trendologist for Chicago-headquartered food industry market research firm Datassential.

Here are six of the hottest food trends and how each can translate to greater deli prepared foods sales in 2022:

1. CRAVABLE FLAVORS RULE!

There are lots of different characteristics consumers want in their food, including easy access and relevant value, according to Sharon Olson, executive director of Culinary Visions, a division of Chicago-headquartered food-focused insight and trend forecasting firm, Olson Communications, Inc. “However, cravable flavor is essential.”

This is true whether it’s global cuisine or American-style comfort food.

“Consumers will always like comfort foods, yet when we ask which they most prefer to get away from home, almost all were from global cuisines. Prepared food departments should focus on and market the types of globally-inspired foods that consumers don’t make in their kitchens. Most consumers aren’t making things like sushi, wonton dumplings, calzones or pad Thai at home, so they’ll look for a prepared food option,” says Datassential’s Kostyo.

It’s also important to note that globally-inspired foods can also be comfort foods.

“The world is becoming a much smaller place, and almost every international cuisine has its version of comfort food that appeals to American consumers looking for some flavor adventure. For example, a wide range of Asian cuisines are continuing to gain traction. Think of Vietnamese pho and Japanese ramen bowls as some of the modern classics that can be customized and done in to-go formats without losing the integrity of the item when it is heated and eaten later. Chinese and Thai food can be found in almost every city in America,” says Culinary Visions’ Olson.

Southeast Asian flavors, (i.e., Vietnamese, Singaporean, Philippine), ranked number one in regions influencing this year’s menus, according to the Washington, D.C.-headquartered National Restaurant Association’s (NRA) November-released What’s Hot Culinary Forecast for 2022. South American (e.g., Argentinian, Brazilian, Chilean), Caribbean (e.g., Puerto Rican, Cuban, Dominican), North African (e.g., Moroccan, Algerian, Libyan) and

Western African (e.g., Nigerian, Ghanaian, Western Saharan) regions round out the top five.

American-style comfort foods are still a must-have, says Olson. “In fact, American-style comfort foods are in demand in lots of other countries evidenced by the growth of U.S. restaurant chains in international markets. Consumers crave comfort and especially in times of uncertainty.”

Soups and sides are strong sellers as comfort foods in the deli, says Bob Sewall, executive vice president of sales and marketing for Fall River, MA-based Blount Fine Foods. “Take a classic comfort food like macaroni and cheese and make it clean label with real ingredients and it’s crazy, really cravable.”

2. CLEAN EATING CONTINUES

There were megatrends related to healthful eating gaining momentum pre-pandemic, and it looks like those are continuing to be a force driving decisions on prepared foods, says Culinary Visions’ Olson. “We will likely be seeing even greater scrutiny of ingredients in prepared foods. Consumer expectations are that prepared foods in the deli are made from recipes, not formulas, and that all of the ingredients will be recognizable and familiar.”

The benefit of simple, healthful, high-flavor ingredients like fish, vegetables, fruits and olive oil is one reason the Mediterranean diet ranked first for the fifth year in a row on U.S. News & World Report’s Best Diets for 2022 list.

“There’s a big, fresh, health halo around Mediterranean foods,” says Jeffrey Siegel, CEO for Farm Ridge Foods, LLC, headquartered in Islandia, NY. “We’ll be introducing new flavors of hand-held paninis and wraps like turkey pesto, chicken Parmesan and blackened chicken. These can be sold pre-packed in the cold case. Or some delis have the equipment to heat paninis for ready-to-eat sales.”

Similarly, Nuovo Pasta Production’s pesto collection includes its original Pesto Genovese, made from sweet basil sourced from the Liguria region of Italy as well as more unique items such as a roasted pepper, almond and golden raisin pesto

and roasted portabella and truffle pesto.

“Better-for-you, clean label, impactful flavors and versatility wins with consumers today,” says Larry Montuori, vice president of sales for the Stratford, CT-headquartered company. “Delis can merchandise or use these pestos behind the counter on pasta, as sandwich spreads, for bruschetta, and even on center-of-the-plate meat, poultry and fish to elevate prepared foods.”

3. PLANT-BASED GROWS

When chef respondents in the NRA’s for 2022 were asked ‘what do you think the hottest culinary trend will be in 2022?’, they put plant-based foods second to sustainability. Comfort foods, healthy and immune-boosting foods, and global fare and flavors rounded out the top five in descending order.

Two good examples are the Korean BBQ Chick’n Bowl and Mexican Style Chorizo and Rice Bowl, both made with plant-based proteins and introduced last year as part of Don’s Prepared Foods’ ready-to-eat Better Bowls line.

“Globally-inspired flavors continue to grow in popularity and are best when plant-based and already prepared,” says Carl Cappelli, senior vice president of sales and business development of the Schwenksville, PA-headquartered company. “This is driven by consumers continuing to work remotely and suffering from meal solution fatigue. They seek new ideas and sides.

Over a third (35%) of consumers say they want to increase their consumption of plant proteins in the year ahead, says Datassential’s Kostyo. “However, we are seeing a lot of fragmentation in the plant-based meat analog category. It’s not just about plant-based burgers anymore. There is some pushback from consumers who are embracing fruits and vegetables on their terms as a pushback against the science-driven meat replacement category.”

Therefore, Don’s Prepared Foods has also recently introduced clean-label vegetarian sides such as Green Curry Lentils and Quinoa and Adobo Rice & Beans.

4. SERVE ALL-DAY PARTS

Weeknight dinner is a real opportunity for delis, says Culinary Visions' Olson. "This is because it remains an important focal point of connection for many families, and everyday life is more challenging than ever without having to worry about what to make for dinner. Breakfast, lunch and snacks can be on the run, but dinner is more substantial, and now is the time to capture consumers looking for that restaurant food experience at home."

At the other end of the day, New York-headquartered Baum+Whiteman forecast for business for breakfast. In its Hottest Food & Beverage Trends in Restaurants & Hotels for 2022, the international restaurant consultants note that with more people working from home, more are also seeking out daytime meals. Breakfast pizza, Mexican and Israeli breakfasts, chicken and waffles, short ribs repurposed into breakfast benedicts and veg heavy benedicts are some of the morning meal menu items predicted to be in demand.

A simple way for the deli to take a bite out of the breakfast daypart is with bagels, recommends Don's Prepared Foods' Cappelli. "Delis can take dollars away from the local bagel shop by creating a cream cheese kit, which is an assortment of bagels and cream cheeses, bundled with a beverage if desired, for a breakfast solution at home or at the office."

The company sells 17 varieties of flavored cream cheeses in 5-pound bulk and 7.5-ounce containers under its Melanie's Medleys brand. Flavors that range from blueberry, honey pecan and raisin, apple and cinnamon as well as horseradish and cheddar enable a deli to create customized and signature kits.

Likewise, Montuori at Nuovo Pasta Productions suggests deli operators offer pesto as bagel toppers or breakfast sandwich bread spreads. An example might be scrambled eggs served on a pesto-spread croissant.

Breakfast might be a doubly worthwhile investment by enticing shoppers at other times of the day. In fact, 79% of those participating in a nationwide online survey conducted by The Harris Poll in 2021, commissioned by General Mills Foodservice, said that over the last year they have consumed breakfast foods for

meals other than breakfast, with 59% saying this meal was dinner and 49% for lunch.

5. THE BAR RETURNS

Studies Olson's Culinary Visions panels fielded in 2020 clearly pointed to a completely reimaged food bar experience with pre-packaged foods and attendants rather than self-service as the way of the future, she says. "But as the pandemic wore on, consumers wanted a return to some of the things that characterized 'normal' pre-pandemic. And we are seeing a return to self-service bars in many supermarkets. These certainly have added safety protocols, but are featuring the same fresh, appetizing prepared foods that consumers can customize to their heart's content."

Late last year, Albertson's introduced a new modular store-in-store salad bar concept created by UK-based food tech company, Picadeli, in six Safeway, ACME and Kings banners in Washington, D.C., Maryland and New Jersey

"While we have yet to hear about a single case of COVID-19 spreading via a self-service salad bar, traditional salad bars are riddled with hygiene and food safety issues. We have designed a solution that makes our concept materially easier to operate safely and thus safer for consumers. For example, fully-enclosed hoods protect the food from the environment, suspended tongs ensure that the handle never touches the food, and we've integrated hand sanitizers," explains Patrik Hellstrand, co-founder and CEO of Picadeli U.S., in Los Angeles.

The company's concept is much more than just a salad bar; it's more of a complete food bar, Hellstrand adds. "A standard bar holds around 55 items, including salads and veggies and plenty of prepared foods like pasta, grain and noodle salads. We also have vegan proteins, spreads, dips, vegetable salads, cheeses, chicken, fish and lots of fun and exciting condiments and toppings."

6. PROMOTE BEYOND PRICE

Operators tell us that they are seeing higher prices in so many of the categories that are key to deli prepared foods departments: beef, chicken, cheese, says Datassential's Kostyo. "Seventy-seven percent of operators say they have

seen beef prices increase, for instance. Consumers are noticing the higher prices, so calling out deals and specials will be important. Prepared food operators can also make the case for prepared foods and deli options against even higher restaurant prices."

Yet, when it's not possible to be the cheapest, differentiate by what you offer and provide a greater variety, suggests Farm Ridge Food's Siegel. "Maybe it's a sandwich sold with one of our fresh pickles. Or Grilled Chicken with a choice of sides like Mac and Cheese Balls with Bacon or Southwest Cilantro Lime Rice."

Plus, Siegal adds, "Restaurants tend to be better than retailers at calling out specials. Regular specials called out in-store and in social media can draw customers into the deli."

7. DIGITAL ORDERING & DELIVERY GOES EVERYDAY

Digital ordering and delivery are here to stay, according to Kostyo. "It's nearly universal at this point: 86% of the population has gotten delivery, pick-up, drive-thru or a meal kit delivery service in the past year."

Having trusted pre-packaged products in the deli is going to be key to satisfying these consumers, says Debbie Curdy, vice president of marketing and innovation for InnovAsian Cuisine, in Tukwila, WA. "Our Carry Out Cuisine packaged slack-and-sell appetizers are great for on the go snacks and meal alternatives, and we have seen these products take off in 2020 and 2021."

The company's appetizers include Chicken and Pork Potstickers. While over the past two years operators were focused on digital ordering to survive, in the years ahead they will dive into the digital ordering experience and find new ways to make it more interesting and profitable, adds Datassential's Kostyo. "They'll look for ways to upsell, use algorithms to suggest prepared food options that make sense when you consider what and when the consumer is ordering, drop samples into bags for a surprise and delight moment, etc. Consumers also hate the fees associated with ordering food for delivery, so supermarkets can make the case that combining a grocery and prepared foods order is more cost-effective." **DB**