

# Profitable Proteins Prevail

**Even under increased pressure and scrutiny from consumers leaning toward plant-based diets, the appeal of deli meat shows no signs of waning**

BY CHUCK GREEN

**S**upermarket deli section meats are drawing crowds.

According to data published in Chicago-based Winsight LLC's "Consumer Perishable Databook," the deli actually outpaces most other departments, with consumers still turning to the deli for prepared everyday meal solutions and "on-the-go" snacking.

Deli sales totaled \$33.3 billion in the 52 weeks ending July 21, 2018, representing 4.2 percent of total store sales, according to New York City-based Nielsen's *Total Food View* data. From 2016 to 2018, total deli dollar sales grew 14 percent and volume grew 14.5 percent. Looking more granularly, the deli department shines as a true growth engine for the store, having posted dollar growth of over \$875 million and an increase of over 240 million in units in the last year, Nielsen reports.

Accounting for 58 percent of total deli sales, deli foodservice realized 19 percent growth in dollars and 18.2 percent in the same three years. According to Nielsen data, prepared foods throughout the store—not limited to deli items—reached \$36 million, an increase of 139.5 percent over the previous year.

Total deli household penetration hit 99.5 percent and deli prepared foods reached 96.7 percent, according to the Arlington, VA-based Food Marketing Institute's (FMI) *The Power of Foodservice at Retail Part 2* report. Shoppers made 32.7 trips per year to the department and 17 trips for deli prepared foods. The average purchase for deli items was \$8.29 and \$8.56 for prepared foods.

According to the Madison, WI-based International Dairy Deli Bakery Association (IDDBA), the number of shopper trips to the deli, as reported by Nielsen Fresh Fact,

is up 3.2 percent from a year ago and trips to the deli prepared section are up 5.2 percent, from July 1, 2016 to July 1, 2017.

Healthy and nutritious options were among the top priorities of shoppers for retail foodservice, according to 2018 FMI research. Three-quarters of all shoppers and 87 percent of frequent purchasers of grocery deli/prepared food indicated those factors are important.

Along with deli meats, convenience also rates on the shopping lists of busy consumers. An FMI report found 65 percent of Americans usually don't know what's for dinner two hours before mealtime, while 15 percent frequently consider grocery deli/prepared when unsure about

dinner. Many consumers emphasize the importance of options in the deli/prepared foods department, led by factors such as healthier ingredients.

Affluent, older consumers who live in urban centers also are playing their part, helping drive and sustain sales within deli prepared, while households with an income over \$100,000 are 20 percent more likely to purchase items in the deli prepared section, according to a 2017 Nielsen report. Empty nesters and senior couples, likely with a higher disposable income, are also more apt to shop in the deli prepared section, purchasing 17 percent and 21 percent more than the average consumers, respectively.

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