

THE CHANGING SUPERMARKET DELI



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Publisher

Just back from the Winter Fancy Food Show in San Francisco and I found there are exciting trends coming together to change the face of the mainstream deli department.

The biggest growth area is still specialty cheeses. Popping up in all kinds of venues from restaurants, convenience stores, rural independents as well as high-end specialty stores, cheese's dominance cannot be denied. The growth of Murray's Cheese Shops in Kroger supermarkets is an excellent example of the new deli. Kroger's strong commitment includes the recent purchase of Rob Kaufelt's remaining shares, making Kroger the owner of Murray's, including the famous Bleecker Street store in New York City. Kroger is a progressive chain, but it is still more mainstream than not. With the purchase, we can expect to see more stores

The success of high-end salami and the growth of authentic prosciutti are leading a new generation of buyers to the conclusion that the deli meat category is emerging as a growth center. While cheese is still leading the way, deli meat sales are picking up speed very quickly and challenging cheese departments for 'new darling on the block' bragging rights.

Rocking conventional beliefs that lunch meats are belly-fillers, the new charcuterie center is selling meats that start at more than ten dollars a pound and top out at more than thirty. This is not the give-every-customer-a-slice-for-free market. The target consumer is an adult with a fine appreciation of food. When it comes to convenience eating, a dinner of cheese, bread or crackers, fine deli meat and a little fruit or salad is delicious and nutritionally complete.

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rolling out the program and more chains looking to compete with their own in-store cheese shops. Expect the trend to continue and get ever-more sophisticated.

The success of better quality and more expensive cheeses has given strength to upscaling other deli products as well. While it's true there was a time when deli meat led in sales at close to 70 percent, the deli meat category has been steadily declining. With prepared foods now leading the charge, moms more conscious of the nutritional value of kids' lunches, and more options for working adults, the category has declined to as low as 30 percent of sales in some stores.

However, specialty and artisan cheeses have proven that traditional supermarket shoppers will spend more for better quality, authenticity and variety. Initially cross merchandised near the cheese counters, delis have been displaying high quality salami chubs with authentic recipes. While a little more expensive, sales have been soaring – much to the surprise of everyone, including the artisan producers.

In many cases, the new selections are separated from the traditional, inexpensive bologna and pickle loaf. Just a casual observation in better chains shows a marked migration in shelf space, promotions and sales to higher-end, authentic products.

In pursuit of authenticity — another major change in customer attitudes — specialty cheeses and deli meats are leading the way. In the prepared food arena, any description that includes the word 'style' tacked onto the end is on the way out. Italian-style whatever is out. French-style cheeses are also out and if something says, "Swiss," it had better be from Switzerland.

While talking about authenticity, don't leave out American. Made in America is something to be proud of. Local is to be prized, whether it is peaches or bread, tomatoes, chicken or cheese. This is all about transparency.

The three major areas of the deli that every operator should be concerned about are specialty cheeses as a sub-department, charcuterie centers and prepared-foods. It all needs to be high quality, authentic and transparent. **DB**