

The Deli Experience

Taste and price are the prime motivators for deli purchases, branded or otherwise

BY SHARON OLSON

Five years ago, Olson Communications, Inc., Chicago, IL, surveyed consumers about the role brands played in their deli department purchasing decisions. This year Olson did another survey to see how much or how little the power of brands has changed in making the deli a destination for loyal customers. This year, the company took a close look at the role branding plays in individual deli product categories. Across all categories, taste and value are the key characteristics consumers associate with favored brands.

Olson surveyed 302 consumers between the ages of 25 and 54 to explore their impressions of brands in the deli and the impact of branding on their perceptions and their purchases. After surveying consumers, the company interviewed some innovative retailers across the country to hear their reactions to the findings and learn more about successful brand building strategies.

Consumers were asked to rate 12 characteristics — past experience, store's reputation, local brand, national brand, imported, new product, taste, organic, nutritional content, ingredients, price and packaging — on their importance in purchasing major categories of deli products including meats, cheeses, prepared salads, entrées, soups and side dishes. Overwhelmingly, taste and price were cited as the primary characteristics in all categories. A majority of consumers also noted ingredients and nutritional content as important. Factors considered least important by consumers across all categories were imported, local brand name, organic and new product offering.

Although consumers had brand preferences, across all categories, more than half of consumers surveyed admitted they would purchase an alternate brand if their preferred choice were unavailable or if another brand were on sale.

A store's reputation, past experience and ingredients were the most often noted factors that drove brand preference for both



SO
DE
O-GO
OOD
ASTA
BARS
GING
EATS
QUE
ESEE
ESEE

national and local brands. In open-ended questions, it became clear consumers consider some store brands on par with national manufacturer brands.

The study showed national brands had a strong following in meat and cheese categories. Consumers report national brands from manufacturers and national store brands among their favorites. Brand preferences were less developed in entrées, side dishes, soups and side categories, with a shift toward store brands. Tasting and past experience with the retailer drove preferences in these categories.

Deli Perspectives On Branding

Retailers report branding remains a strong, if sometimes elusive, element in their respective delis. "Giant Eagle customers are extremely loyal to their preferred brands," notes Voni Woods, senior director of deli operations for Pittsburgh, PA-based Giant Eagle, Inc. "That said, the Giant Eagle store brand is the dominant one in the deli case, through which most prepackaged products are sold in poly-bag formats with the store label."

David Casey, owner of Casey's Market in Western Springs, IL, says that at his locally owned meat and grocery store, the Boar's Head brand has garnered a strong following, even as other national brands in the sliced-to-order category have fallen off. Land O'Lakes remains his most popular and requested brand for sliced-to-order cheeses.

Other retailers have found certain brands engender different strengths of loyalty. According to Scott Zoeller, director of delicatessen sales and merchandising for Kings Super Markets, based in Parsippany, NJ, Kings recently switched from one national brand to the Boar's Head line and saw sales skyrocket. "We've found a 100 percent lift in purchases, in Boar's Head shoppers versus [the previous brand's] shoppers," he remarks.

However, Zoeller was quick to note the Kings Delight store brand of roast beef and turkey is merchandised as on par with the upscale national brand and has enjoyed a core buying base. "Our Kings Delight brand, which we've positioned higher, has stayed consistent year on year," he remarks.

The Store Brand Experience

Consumers noted past experience with a brand as a key driver, and store brands are emerging as sophisticated choices for discerning shoppers in terms of quality, value and convenience.

For example, Kings offers multiple tiers of products under its store brand, including deli meats positioned as similar to the most upscale national brand, yet priced more competitively, explains Zoeller.



Giant Eagle also uses the deli to showcase its store brand of lunch meats, cheeses and prepared foods, offering a double-your-money-back guarantee on any product within the Giant Eagle family of brands. "When customers know and trust your brand, an affordable price becomes just the additional benefit," notes Woods. "Given today's economic climate, customers continue to look for ways to match high quality with increased value, providing opportunities for new trial of and, often, repeat purchases of our own brand products."

Specialty and independent retailers, too, create a point of differentiation from their own brand. Casey's store roasts its own beef for sliced-to-order portions and reports it is more popular than the leading national brand.

For the future, according to Zoeller, stores would be well served to keep an eye on both store brands and national brands of prepared foods and deli items that can easily be made into meals and snacks. "We find the younger generation does not cook – their cooking is reheating," he comments. "When you have a fully cooked product that is as good as or better than making it on your own and you add to that value and food safety, it's something to look at."

Consumers were aware of many brands in each product category studied. Although there was widespread awareness, loyalty was elusive with an easy willingness to switch brands if favored brands were unavailable. With past experience playing such an important role in brand decisions, it is up to the retailer to gain its customers' trust and reinforce it with great tasting deli offerings that are perceived to be a good

value at any price point.

RESULTS BY CATEGORY

Deli Meat – Sliced To Order

Respondents were asked to rate the 12 characteristics on their importance in purchasing sliced-to-order meat in the deli. Overwhelmingly, taste and price were identified as most important to respondents. Three-fourths of respondents said taste of the product was very important and 58 percent said price was very important. The store's reputation, the respondent's past experience with the brand, and ingredients were each rated by 55 percent of respondents as important in purchasing sliced-to-order meat. Four characteristics were each rated as unimportant by approximately half of the respondents: imported, local brand name, organic and new product offering.

When asked how often they purchase the same brand of sliced-to-order meat, only 9 percent of respondents replied always. However, 53 percent said most of the time and 34 percent said sometimes in regards to how often they purchase the same brand. Only 3 percent of respondents said they rarely purchase the same brand and one respondent said he never purchases the same brand of sliced-to-order meat in the deli.

Respondents wrote in 54 brands of sliced-to-order meat they typically purchase.

Once respondents identified their favorite brand, they were asked how likely they would be to purchase another brand if their favorite were unavailable. Almost three-fourths said they would be likely to do so, and 14 percent said they would be very likely to do so. Respondents specifically named 41 different brands as their second choice. Seventy-eight percent of respondents said they would be likely or very likely to purchase whatever brand was on sale if their favorite brand of sliced-to-order meat were unavailable.

Deli Meat – Prepackaged

Characteristics that motivate respondents to purchase prepackaged meat were similar to those that motivated them to purchase sliced-to-order meat. Again, taste and price were most important to respondents. Sixty-three percent said taste was very important and 52 percent said price was very important. Past experience with the brand and ingredients were rated as important by 58 percent and 51 percent of respondents, respectively. Other characteristics rated as important included national brand name (47 percent), store's reputation (47 percent) and packaging (45 percent). Those characteristics rated as unimportant by several respondents were local brand name (46

percent), organic (44 percent) and imported (42 percent).

When asked how often they purchase the same brand of prepackaged meat in the deli, only 6 percent of respondents said always. However, most of the time and sometimes were each the response of 45 percent of respondents. Only 4 percent of respondents said they rarely purchase the same brand and none of the respondents said they never purchase the same brand.

If their favorite brand were unavailable, 70 percent of respondents said they would be likely and 10 percent of respondents said they would be very likely to purchase another brand. Twenty-nine brands were specifically named as respondents' alternatives to their favorite brand.

Cheese – Sliced To Order

As in the discussion of sliced-to-order and prepackaged meat, the most respondents rated taste (67 percent) and price (51 percent) as very important when purchasing sliced-to-order cheese. Past experience with the brand and the store's reputation were each seen as important by 58 percent of respondents and the product's ingredients were rated important by 54 percent. The factors of organic, new product offering,

local brand name and imported were each rated by approximately 45 percent of respondents as being unimportant.

Respondents who always purchase the same brand of sliced-to-order cheese in the deli comprised 7 percent of the sample. Thirty-six percent of respondents said they purchase the same brand most of the time, and 42 percent said they purchase the same brand sometimes. Only 12 percent said they rarely and 3 percent said they never purchase the same brand of sliced-to-order cheese. Respondents named 27 brands as top choices and 17 brands as second choices.

If their favorite brand were unavailable, a large percentage of respondents said they would be likely (63 percent) or very likely (19 percent) to buy another brand.

Cheese – Prepackaged

For the purposes of this survey, pre-packaged cheese relates to cheese in the deli department, not in the dairy department. Although every retail store is distinct, prepackaged cheese typically offered in the deli department is likely to be specialty cheese such as sliced Fontina, crumbled Blue in cups, wedges of Brie, etc.

Respondents' views of what is important to them did not change when they rated the

importance of prepackaged cheese characteristics. Taste and price were again rated by the most respondents as being very important (63 percent and 50 percent, respectively). Approximately half of the respondents rated each of the following as being important when purchasing prepackaged cheese: past experience with the brand, store's reputation and ingredients. Local brand name, imported, organic and new product offering were rated as being unimportant to approximately half of the respondents.

Most respondents said they purchase the same brand of prepackaged cheese most of the time (41 percent) or sometimes (39 percent). Fewer respondents said always (8 percent), rarely (11 percent) or never (1 percent) in regards to how often they purchase the same brand. Respondents specifically identified 25 brands of prepackaged cheese.

If their favorite brand were unavailable, almost three-fourths of respondents (72 percent) said they would be likely or very likely to purchase another brand. Respondents named 12 brands as alternate choices.

Prepared Salads

Taste and price were again rated by the most respondents as being very important, 61 percent and 47 percent, respectively. Fifty-eight percent of respondents said their past experience with the brand was important. Half of the respondents said the ingredients in the salad were important and 45 percent said the store's reputation was important. Forty-two percent said national brand was unimportant when choosing a prepared salad, which raises these questions: Are consumers unaware of the national brands in this category or do they not care? If the reason is the former, are there opportunities to increase brand awareness and thus increase branded sales?

Other characteristics rated as unimportant by respondents were local brand name (47 percent), new product offering (43 percent), organic (42 percent) and imported (42 percent).

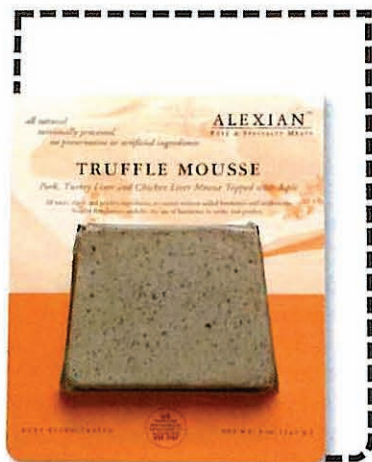
Very few respondents said they always (6 percent) or never (3 percent) purchase the same brand of prepared salad in the deli. Twenty-seven percent said they purchase the same brand most of the time and 46 percent said they purchase the same brand sometimes. Consumers named 15 brands of prepared salads. If their favorite brand of prepared salad were unavailable, 69 percent said they would be likely or very likely to purchase another brand. Six brands were named as alternate choices.

Prepared Entrées

Taste was rated by 66 percent of respon-

SMALL is BIG

Alexian's new smaller-sized packaging is BIG news for you and consumers, too.



Now Alexian pâtés are also available in 5 oz. serving sizes. That's good for you and your customers. Because our smaller sized packaging offers you added versatility in the case or on the shelf. Plus, smaller serving sizes increase trial by your customers and add to usage occasions. So they'll buy more Alexian. And that's good for you, too.

ALEXIAN[™] 1-800-927-9473
PÂTÉ & SPECIALTY MEATS www.alexianpate.com

dents as being very important, and price was rated very important by 47 percent. With a difference of 19 points between these two characteristics, it is evident that taste plays a more significant role than price when it comes to prepared entrées. Characteristics respondents rated as important were past experience with the brand (53 percent), store's reputation (43 percent) and product ingredients (42 percent). Factors rated unimportant were familiarity with the chef (63 percent), organic (49 percent), imported (48 percent), local brand name (47 percent) and new product offering (46 percent).

Only 24 percent of respondents said they rarely or never purchase the same brand of prepared entrées. More respondents said they purchase the same brand sometimes (44 percent) or most of the time (28 percent). Few respondents said they always purchase the same brand (4 percent). Ten brands were named for preference.

If their favorite brand were unavailable, 59 percent of respondents would be likely or very likely to purchase another brand. Five brands were noted as second choices.

Soups And Side Dishes

Most respondents rated two factors as

very important when purchasing soups or sides in the deli: taste (53 percent) and price (41 percent). In addition, 43 percent rated nutritional content as important, indicating this category could benefit from positioning and promotions that highlight its health benefits and play up the nutrition aspects.

Other factors rated as important by the most respondents were: ingredients (46 percent), store's reputation (43 percent) and past experience with the brand (42 percent). Characteristics identified as unimportant by respondents were imported (48 percent), organic (47 percent), national brand name (47 percent), packaging (45 percent) and local brand name (45 percent).

When purchasing soups or sides in the deli, few respondents said they always (5 percent) or never (4 percent) purchase the same brand. Most of the time and rarely were each reported by approximately 20 percent of respondents. Half of the respondents said they sometimes purchase the same brand. Eleven brands were named.

If their favorite brand were unavailable, three alternate brands were named. Seventy-one percent of respondents said they would be likely or very likely to purchase another brand. **DB**

ABOUT THE SURVEY

The survey was conducted by Olson Communications, Inc., Chicago, IL, via the Internet, to gather information on consumer purchases of sliced-to-order and prepackaged lunch meat, sliced-to-order and prepackaged cheese, prepared salads, prepared entrées and soups. Fifty-two percent of the respondents were male and 48 percent were female. Almost all the respondents were between the ages of 25 and 54 years of age: 25-34 years of age (38 percent), 35-44 years of age (36 percent), 45-54 years of age (25 percent). Only one person was 65 years or older. Five percent of respondents described their household income level as less than \$24,999. Income levels of \$25,000-49,999 and \$50,000-74,999 were each chosen by approximately 30 percent of respondents. Thirty-five percent of respondents said their income level was \$75,000 or more. **DB**

MIATECH

THE ADVANTAGE COUNTS

- Produce Misting •
- Room Humidification •
- Ethylene Control •

Tel: 800.339.5234 Ext. 133
www.miatech-advantage.com



"Stop the Losses"

Costas Iconomou, Chairman & CEO



Boar's Head

Frank Brunckhorst Co., LLC, the national distributor of Boar's Head Brand products, is currently seeking qualified distributors (owner/operators) to represent our premium products to fine delicatessens, gourmet stores and select supermarkets throughout the country.

Candidates must possess an entrepreneurial spirit, an appreciation for quality products, a dedication to customer service, and a high level of business acumen. Capital investment is required. Previous route sales and/or retail food and deli experience desired.

A Boar's Head distributor is an independent businessperson, not an employee or a "franchisee" of Frank Brunckhorst Company. The Company will provide you with premium products and a comprehensive training program. The success of your business will depend to a large extent on your work ethic, commitment to service and dedication to the Brand.

Interested candidates are invited to complete a pre-qualification application online at www.boarshead.com and submit their resume to: Distributor.opportunities@boarshead.com

1.800.710.5534

www.boarshead.com

