



AN R² FRESH SOLUTIONS PULSE SURVEY

PREPARED FOODS STAY STRONG IN SUPERMARKET DELIS

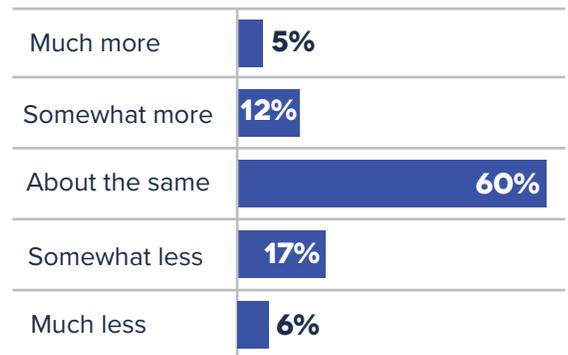
GROCERY SHOPPERS SHARE WHAT (AND WHY) THEY'RE BUYING IN THE DELI SECTION

While inflation-weary supermarket shoppers have pulled back on purchases in many areas of the store, last-minute meal solutions remain popular pickups from the deli department, according to a recent survey of 1,010 U.S. adults who are their household's primary grocery shoppers or share the responsibility, do most of their grocery shopping in traditional supermarkets and who typically shop the deli area.

Nearly 80% of shoppers who typically purchase prepared foods and/or meal kits during their shopping trips have bought the same amount or more of these items in the last three months, a November 4-6, 2022, survey by R² Fresh Solutions, part of R² Solutions, found. Shoppers for larger households are more likely to be buying somewhat or much more prepared foods than they were a few months ago. About one-fourth of respondents, regardless of household size, say they are buying less prepared foods from the deli.

FREQUENCY OF DELI PREPARED FOOD PURCHASES IN LAST 3 MONTHS

(Respondents who typically purchase hot or cold prepared foods¹ or meal kits in the deli area)



¹Hot, heat-at-home or cold prepared foods and sandwiches that are grab-and-go or served from full-service deli case

FREQUENCY OF DELI PREPARED FOOD PURCHASES IN LAST 3 MONTHS BY HOUSEHOLD SIZE

(Respondents who typically purchase hot or cold prepared foods¹ or meal kits in the deli area)



May not add up to 100% due to rounding

¹Hot, heat-at-home or cold prepared foods and sandwiches that are grab-and-go or served from full-service deli case

R² Fresh Solutions survey of 1,010 U.S. adults who are their household's primary grocery shoppers or share the responsibility, who buy most of their groceries at traditional supermarkets and who typically shop the deli area, Nov. 4-6, 2022

Nearly 90% of those who buy deli prepared foods, sandwiches or meal kits consider them an alternative to restaurant foods for last-minute dinner plans, according to the survey. One-third are choosing these options over restaurant meals once or twice a month. A full one-fourth of these shoppers are doing the same three or four times a month; 17% are making this choice more frequently than once a week.

More supermarket deli shoppers are choosing grab-and-go prepared foods over full-service items, as four in 10 say they pick up grab-and-go, hot/heat-at-home and/or cold prepared foods during their weekly or “typical” shopping trip. Just over one-third are buying cold prepared foods and about one-fourth are buying hot/heat-at-home foods at the full-service deli counter.

As popular as prepared foods are, deli meats and cheeses that are custom sliced by a deli employee or pre-sliced and ready to pick up are typically on the shopping lists of roughly half — or more — deli-section shoppers.

FREQUENCY OF PURCHASING DELI PREPARED FOODS RATHER THAN RESTAURANT FOODS

(For last-minute dinner plans; respondents who typically purchase hot or cold deli prepared foods¹ or meal kits)



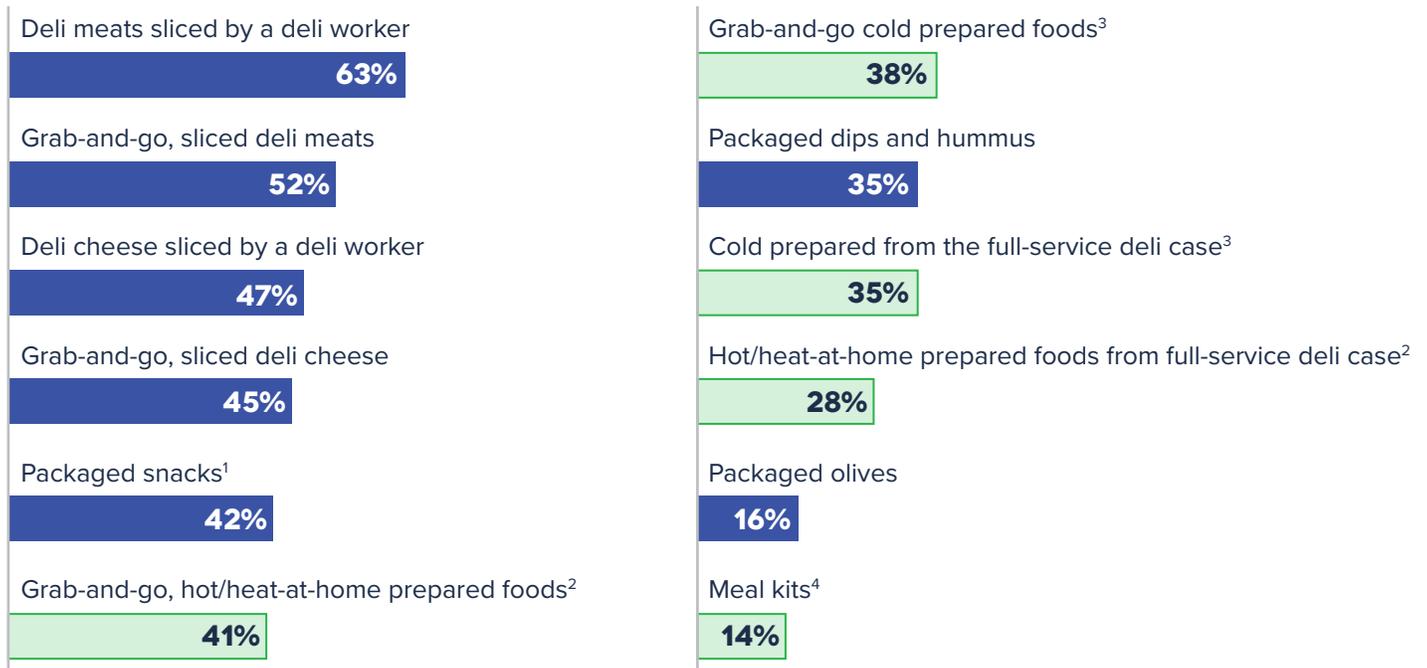
11% Don't consider supermarket prepared foods an alternative to restaurant meals

¹Hot, heat-at-home or cold prepared foods and sandwiches that are grab-and-go or served from full-service deli case

²Fresh Solutions survey of 1,010 U.S. adults who are their household's primary grocery shoppers or share the responsibility, who buy most of their groceries at traditional supermarkets and who typically shop the deli area, Nov. 4-6, 2022

FOODS TYPICALLY PURCHASED IN THE SUPERMARKET DELI AREA

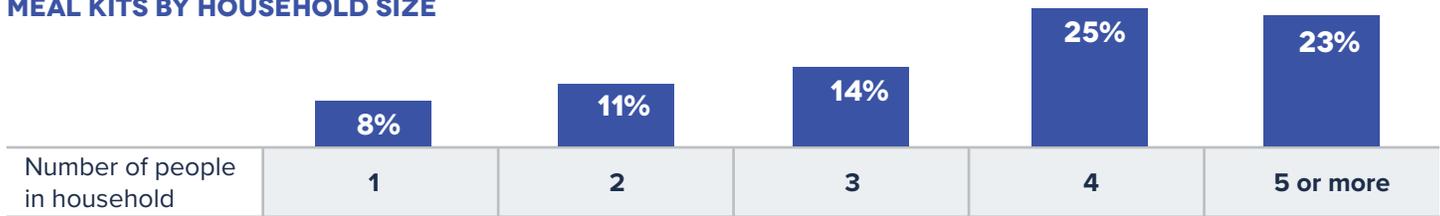
Prepared foods



¹Pita chips, pretzel chips, etc. ²Rotisserie chicken, entrees, side dishes ³Salads, side dishes, sandwiches, etc. ⁴Ingredients to prepare a meal at home

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MEAL KITS BY HOUSEHOLD SIZE



Though not a ready-to-eat meal solution — but still requiring less prep and menu-planning than building a meal from scratch — meal kits are typically purchased by 14% of supermarket deli shoppers. A closer look shows those shopping for larger households are more likely to have meal kits on their weekly shopping lists.

PREPARED FOODS, MEATS AND CHEESE: WHY THEY BUY (OR NOT)

As a seller of “What’s for dinner?” meal solutions, supermarkets aren’t ceding much share to other retailers. Just four in 10 deli shoppers who do not typically buy prepared foods, sandwiches and/or meal kits are buying these foods at other types of stores: 18% do at mass merchandisers like Walmart or Target, 12% at club stores, 10% at specialty stores and 7% at their neighborhood deli.

WHERE DELI PREPARED FOODS CUSTOMERS SHOP OUTSIDE OF SUPERMARKETS

(Respondents who do not typically purchase hot or cold prepared foods¹ or meal kits in the deli area selected all that apply)



¹Hot, heat-at-home or cold prepared foods and sandwiches that are grab-and-go or served from full-service deli case ²Walmart, Target, etc. ³Costco, BJ's, Sam's Club, etc. ⁴Trader Joe's, Whole Foods, Sprouts, The Fresh Market, etc.

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AS A SELLER OF “WHAT’S FOR DINNER?” MEAL SOLUTIONS, SUPERMARKETS AREN’T CEDING MUCH SHARE TO OTHER RETAILERS.

What’s motivating supermarket shoppers to frequent the full-service deli counter? Freshness is a Top 2 reason for about one-third of these customers. More than one-quarter of surveyed full-service deli shoppers say taste is a top motivator. About one in five hitting the deli counter are planning to eat their purchases that day. A short wait time motivates nearly as many deli-counter shoppers.

The most-cited top reason deli-area shoppers are not buying prepared foods, meats or cheese either at the full-service counter or in the grab-and-go section is price. Nearly six in 10 named price as a Top 2 reason for avoiding the full-service deli counter for any of these foods.

REASONS SUPERMARKET DELI SHOPPERS BUY PRODUCTS FROM THE FULL-SERVICE DELI

(Respondents who typically buy full-service hot or cold prepared foods¹, deli meats or cheese selected Top 2 responses)

Freshness	33%
I like how they taste	26%
Plan to eat immediately/that day	22%
Convenience/short wait times	18%
Price	17%
I like the brand of meats/cheeses	17%
Good variety	16%
Customization ²	16%
Product/ingredient quality	15%
I like the kinds of prepared foods they offer	13%
Eye appeal	5%
Safety/sanitation concerns	3%

¹Rotisserie chicken, entrees, side dishes, salads, sandwiches, etc.

²Preferred amount, type of sandwich, etc.)

REASONS SUPERMARKET DELI SHOPPERS DON'T BUY PRODUCTS FROM THE FULL-SERVICE DELI

(Respondents who do not typically buy full-service hot or cold prepared foods¹, deli meats or cheese selected Top 2 responses)

Price	58%
Long wait time/slow service	27%
I buy these products from the grab-and-go section	23%
Lack of variety	14%
Don't like kinds of foods offered	14%
Safety/sanitation concerns	14%
They don't seem fresh	11%
I prefer branded, packaged items	10%
Health/nutrition/ingredient concerns	10%
Product/ingredient quality	8%
Don't have my preferred brands	5%
Poor eye appeal	5%
They taste bad	3%

¹Rotisserie chicken, entrees, side dishes, salads, sandwiches, etc.

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Over in the grab-and-go section, 48% of deli-area shoppers who don't buy prepared foods and 43% who ignore the pre-sliced meats and cheese named price as one of their Top 2 reasons for bypassing them.

For many deli-area shoppers, convenience is top of mind. More than one-fourth named long wait times as a top reason for not stopping at the full-service counter for prepared foods, meats or cheese. Nearly the same percentage of shoppers who avoid the full-service deli said a top reason is they buy these products in the grab-and-go area.

Freshness is a top concern for three in 10 deli shoppers who skip over the grab-and-go area for prepared foods, meats and cheeses.

But not all deli shoppers who avoid the grab-and-go section are snubbing prepared foods, sliced meats and cheese altogether. Sixteen percent of those who sidestep grab-and-go prepared foods and 35% who bypass grab-and-go meats and cheese say a top reason is they buy them from the full-service deli counter.

NEARLY HALF OF DELI SHOPPERS WHO PASS OVER GRAB-AND-GO PREPARED FOODS CITE PRICE AS ONE OF THEIR TOP REASONS.

At a time when supermarket deli shoppers are looking for last-minute meal solutions, retailers who keep it fresh, fast and affordable will find their foods are “what’s for dinner.” ●

REASONS SUPERMARKET DELI SHOPPERS DON'T BUY GRAB-AND-GO ITEMS

(Respondents who do not typically buy these products in grab-and-go section selected Top 2 responses)

	Hot/Cold Prepared Foods ¹	Meats/Cheese
Price	48%	43%
They don't seem fresh	30%	29%
Lack of variety	17%	17%
Don't like these foods	16%	6%
I buy these products from the full-service deli counter	16%	36%
Safety/sanitation concerns	15%	12%
Not my preferred brands	12%	15%
Health/nutrition/ingredient concerns	12%	8%
Don't like the taste	11%	8%
Poor product quality	9%	8%
Poor eye appeal	9%	8%
Prefer branded, packaged items	6%	11%

¹Rotisserie chicken, entrees, side dishes, salads, sandwiches, etc.

² Fresh Solutions survey of 1,010 U.S. adults who are their household's primary grocery shoppers or share the responsibility, who buy most of their groceries at traditional supermarkets and who typically shop the deli area, Nov. 4-6, 2022



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