

State of the Industry

Salads/Sides

GROWTH

Sales of salads in the service deli represent about 12.5% of all deli sales, totaling approximately \$1.86 billion, according to *Progressive Grocer's Deli Operations Review 2005*. [241]

Sales of refrigerated prepared salads (does not include fruit salad, gelatin salads, or precut fresh salads) reach approximately \$400 million per year, reports the Refrigerated Foods Association in their *25th Anniversary Supplement, 2005*. [249]

Household penetration for refrigerated prepared salads is 28.6%. [249]

Heaviest users of refrigerated prepared salads are Empty Nesters, according to ACNielsen data in a Refrigerated Foods Association report, with an index of 119. They account for 26% of sales. Next heaviest users, with an index of 116, are Middle-aged Childless Couples, comprising 17% of the sales total. By race, Caucasians index at 106 for 84% of sales. Geographically, the West has the highest index at 118, with 25% of sales dollars, but the South makes up 41% of sales volume with an index of 111. [249]

A deli customer survey by Olson Communications, Inc., Chicago, IL, revealed that 67% of surveyed shoppers pick their shopping location depending on the quality of the ready-to-eat items in the deli. Ready-to-eat side dishes are purchased by 79% of those shoppers, with 20% doing so once a week or more often. [90]

The survey says the top 10 favorite side dishes are (from one to 10) potato salads, macaroni and cheese, mixed green/lettuce salads, coleslaw, fruit, mashed potatoes, vegetables, pasta salads, beans, and potato wedges. [90]

While 59% prefer side dishes that are familiar, 43% said they like to try new foods in the deli in general. Unique ingredients are sought by about a third of survey respondents. [90]

In the survey, customers offered comments and suggestions for improvements in side dish presentation. The most common comment was that by dinnertime, the side dishes look as if they had been sitting there all day; a fresh look would be more appetizing. Low-fat, low-sodium, vegetarian options, and more ethnic flavors (like Cuban and Thai cuisines) were requested, as were mayonnaise-based salads using less mayonnaise or at least light mayonnaise. [90]

TRENDS

"At Last, Quality Really Matters"

That's the sentiment from Jeffrey Siegel, president and CEO, Blue Ridge Farms, Brooklyn, NY, manufacturer of deli salads. They and other salad manufacturers receive requests to make more "natural" salads (i.e., fewer preservatives and emulsifiers) and lighten up on the amount of dressing. These higher-quality salads

meet consumer expectations for quality and are willing to accommodate these requests.

Prepackaged salads are a significant portion of their sales. Several manufacturers report that packaged salads are the strongest growth area in the deli market, with nontraditional flavors and varieties leading the way.

Variety comes in many forms, from a simple potato salad to a more complex salad. Competitors are offering a wide variety of potato salads, including traditional, new, and gourmet. In Schaumburg, IL, a man potato salad is a popular item, and a potato salad, etc.

A deli customer survey by Olson Communications, Inc., Chicago, IL, revealed that 67% of shoppers pick their shopping location depending on the quality of the ready-to-eat items in the deli.