

Competitive Shift: Retail into Foodservice - US - May 2015

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“The foodservice industry has become more competitive, as food retailers strengthen their meal solutions programs and offer wider variety and better quality foods at competitive price points. While restaurants could count on the dining-out experience, competition in the form of restaurant-quality meals at retail, and in-store restaurants, have captured some of the excitement.”

– Julia Gallo-Torres, Sr. Foodservice Analyst

This report looks at the following areas:

- What can restaurants do to capture more of the snacking business?
- How to spur purchase of beverages in foodservice?
- What can foodservice do to be seen as more convenient than retail?

Retail food stores have improved their freshly prepared, made-to-order foods and have become strong competitors to restaurants. As consumers are still concerned about spending, one way they can enjoy restaurant-quality foods is at retail food stores, which are offering high-quality, freshly made foods that are easy to grab and go. Further, as grocery stores become more sophisticated in their endeavors, in-store restaurants and foods will continue to eat away at foodservice market share.

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This report is part of a series of reports, produced to provide you with a more holistic view of this market

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- The issues

- The implications

How to spur purchase of beverages in foodservice?

- The issues

- The implications

What can foodservice do to be seen as more convenient than retail?

- The issues

- The implications

Trend Application

- Trend: FSTR HYPR

- Trend: Nouveau Poor

- Trend: Many Mes

Market Drivers

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Key points

Foodservice sales surpassed grocery store sales in March 2015

Figure 8: Retail sales of foodservice and drinking places versus Grocery stores, January 1992-February 2015

Supermarkets and mass merchandisers are expanding fresh food offerings

Disposable income continues to rise in 2015, though slowly

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Marketing Strategies

Key points

Convenience trumps health

Consumers seek restaurant-quality foods in retail food experience

HEB Grocery

Mariano's Fresh Market

Standard Food Market

Whole Foods Market

Kings Food Markets

Sprouts Farmers Market

Schnuck Markets

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Key points

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Key points

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