

Italy that is ready to be grated on various foods. They are the only store to carry this unique flavour addition.

There's a need to understand consumer stressors and behaviours in order to better merchandise for their shopping experience.

"Consumers want to see what they are eating," notes Lewis. "Freshness and up-to-date recipes and products. Healthier and better-for-you options. Younger generations don't want to cook from scratch, they want convenience."

Benwell agrees that a fresh and clean deli makes a world of difference.

"It's really based on the appearance of the department," he says. "It has to be neat and it has to be clean and tidy and well signed. It comes down to the customer perception and interpretation of the reputation of the product and the cleanliness of the brand."

Keeping complementary products close together is important according to Brandes.

"Place complementary products next to one another, even if they also exist in another part of the story," he says.

"Convenience is key for this rushed shopper."

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Red Barn Market notes that sandwiches drive the deli and are a significant part of the chain's success.

Shay advises retailers to consider pre-packs (it's a successful strategy for Urban Fare Yaletown) because they help to reduce costs while also giving consumers the ability to grab and go with deli-quality food options.

"Being able to go and really try things and have a real experience is a real strength," he notes.

Today's deli has evolved into a cultural, experiential, meal replacement source. Demands continue for local and clean foods, but also new and exotic flavours. By acknowledging the consumer's desire for quick and easy on some visits, but tastings and information on others, retailers will build a loyal following and become the go-to supplier for great options in food for a variety of occasions. ●

## RETAIL COLLABORATION

By Jeff Doucette

# Why is HMR Stuck In The 1980s?

Home Meal Replacement (HMR) is a key part of the retail mix for any full-service supermarket. It's often occupying prime real estate in the store and the aroma of roasted chickens is a clearly recognizable temptation for shoppers.

There has been a lot of buzz in the industry about "Grocerants" lately, a term that describes the elaborate restaurants or food courts that are popping up in new grocery stores.

Whole Foods has been an innovator in this space and you will find their stores packed at meal times with customers grabbing a quick lunch or assembling dinner from the "hot-bar". Most recently we have seen the new T&T Supermarkets flagship which allows you to choose your seafood from the tanks and shelves in the seafood department and then they will cook it and serve it to you in their restaurant.

Grocerants will continue to pop-up and play a niche role in Canadian supermarkets but are not likely to become the norm. These operations need high traffic flows to generate the volume required to support a restaurant, which is really what they are – a restaurant inside a grocery store.

If there is a business that is even more cut-throat than the grocery industry, it is the restaurant industry. Just think of the restaurants that have failed in your community in the past 10 years. Grocers really need to think long and hard before attempting to become a Grocerant. There is a lot of risk.

On the other hand, Canadian consumers are busier than ever. This on-the-go lifestyle has put tremendous pressure on the traditional prepare-at-home, eat-at-home, sit-down meal. The direct effect on supermarkets is a shrinking "share-of-stomach" as shoppers buy less ingredients for their favourite recipes (if they have any at all) as they shift meal purchases to restaurants.

Adding pressure to in-store sales is the arrival of "meal-kits" over the past two years which are delivered to Canadian homes with all the ingredients to make a



*It's time to mix it up and provide better options for consumers on the go*

new, tasty and often healthy meal in just 30 minutes. They even do the chopping!

The front line defence against the out-of-home and meal-kit threats to supermarket sales is HMR. While HMR is big business for supermarket operators and these operations deliver solid margins, the overall product offering is really stuck in the 1990s. The last big innovation in Canadian HMR – sushi. That's so 2004.

This is not to say that there are no glimmers of hope out there. Calgary Co-op's curry bar is a unique approach bringing in flavour and variety to the HMR offering. Save On Foods' new Calgary store has hand-stretched pizza and a "chicken wing bar". Fresh St. Market has a wide array of Ready To Eat Meals including chef prepared sandwiches.

However, the majority of HMR offerings are centred around the chicken. Roasted chickens are ubiquitous everywhere from Sobeys to Costco and have spawned other grab-and-go hot offerings that use the same equipment such as roasted turkey breast, roast beef and ribs. These are usually the "healthy" choices.

The other main offering of Canadian supermarkets is a range of fried goods: chicken (again), chicken fingers, wedges, onion rings, fries, and there's also pizza.

We are kidding ourselves if we think that this offering is appealing to Canadians who are more often eating healthier, gluten-free, natural, vegan, keto or a whole other

range of food restrictions that make the current HMR offerings a "cheat night" at best and "off-limits" at worst.

Of course, the standard HMR fare is easy to prepare, store for long periods and still make some money. But if it does not change sales will suffer.

Foodservice providers to supermarkets need to be pushed to come up with new tastes that are in-line with the modern Canadian diet and still work within the capabilities of an HMR section. Complacency in developing new innovative products seems to be at the heart of the problem.

Two interesting examples come from the U.S. market. Publix, has created a curated meal program called "Aprons Simple Meals" where busy shoppers can arrive in-store in the drive home rush and find a full meal solution all in one cabinet that includes main, side and even desserts. The offering changes weekly and is built to minimize prep and maximize taste and variety. A great solution to the "what's for dinner" dilemma.

HEB, located near the border with Mexico in Texas has adapted its offerings to better serve the large Hispanic communities near its stores as well as offering unique flavour offerings to all shoppers looking for a delicious take-home meal.

HMR innovation can drive store loyalty and increase sales. We need to start thinking about HMR 2020 and put a plan in place to deliver. Build it and they will come. ●

Jeff Doucette is the founder of "Field Agent Canada" a smartphone driven audit service that is revolutionizing how retail audits and mystery shops are completed in Canada. He can be reached at [jeff.doucette@fieldagentcanada.com](mailto:jeff.doucette@fieldagentcanada.com)