

FRESH trends

Structural Concepts®
DELIVERING FRESH. ALWAYS.™

Supermarket Trend Report

Transforming the Idea of What is Possible, Totally Redefining the Experience in the Process.



Delivering Fresh. Always. is our ongoing pursuit of better solutions that meet industry requirements, unarticulated needs, and existing market demands, as well as gauging what the future may hold.

From service merchandisers lined up across multiple departments to single grab & go cases, the supermarket industry has relied on Structural Concepts for an enticing visual experience, a high-level of refrigeration and heating performance, and first-rate aftermarket support.



MARKET INSIGHT #1

Fresh is the Word

Structural Concepts recognizes fresh departments are the heart and soul of the supermarket experience and has set the standard by delivering **innovative fresh food displays that fit into any store footprint.**

56%

Of retailers have forecasted sales gains in their perimeter categories in the next year ahead.

Source: Supermarket News Fresh Foods Survey

50%

Of grocery customers are willing to **pay a premium for more convenient fresh food** options, with executives estimating the average premium at **41% above standard fresh food alternatives.**

Source: Deloitte Fresh Food Take on Grocery Convenience



MARKET INSIGHT #2

66%

Plan to increase their assortments of prepared foods in the year ahead, more than any other perimeter department.

Source: Supermarket News Fresh Foods Survey

44%

Reported margin improvements in prepared foods.

Source: Supermarket News Fresh Foods Survey

38%

Plan to expand the space for their prepared foods, which was the most for any of the fresh departments, and will come at the expense of space devoted to center store categories for 42% of retailers.

Source: Progressive Grocer



Prepared for Growth

More than **two-thirds** of shoppers recently purchased prepared foods. Hot entrées remain the most popular category, and overall consumer satisfaction has increased (78% are very or completely satisfied, compared with 73% last year).

Source: Progressive Grocer

Prepared foods remains a hot category in the supermarket industry, with just over two-thirds of shoppers purchasing these products on an average of 2.3 occasions - and Gen Z, Millennial and Gen X consumers are outspending Boomers. (An impressive 85% of Millennial's made these purchases in the past month, followed by 84% of Gen Z.)

Source: Progressive Grocer

Structural Concepts places a **premium on prepared meals** by offering a wide range of service and self-service merchandiser and display options that provide **functionality and space optimization**, seamlessly aligning with any store décor.



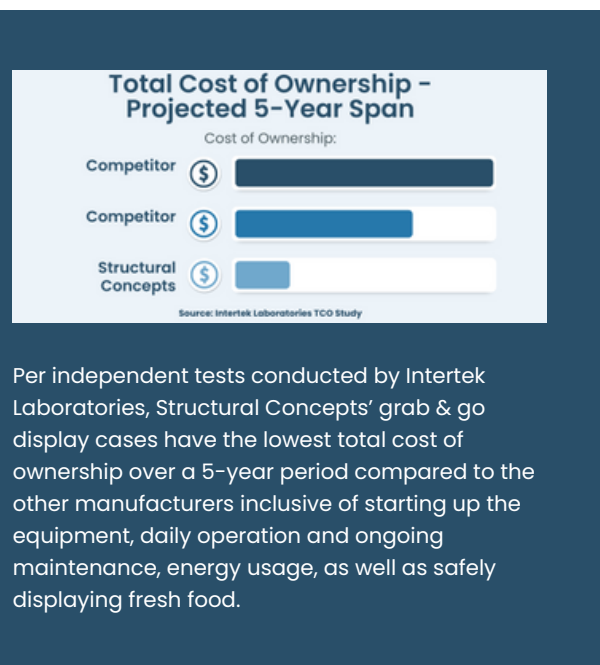
Maximizing Equipment & Operations

Several retailers cited **new service cases and prepared foods/deli cases that were installed** in the past year as their most successful initiative.

Source: Progressive Grocer

“Purchasing a new service meat case and a new prepared foods/deli case has helped with the enhancement of our cuts of meat and seafood,” said one retailer. “Plus, our selection of prepared foods has visually improved.”

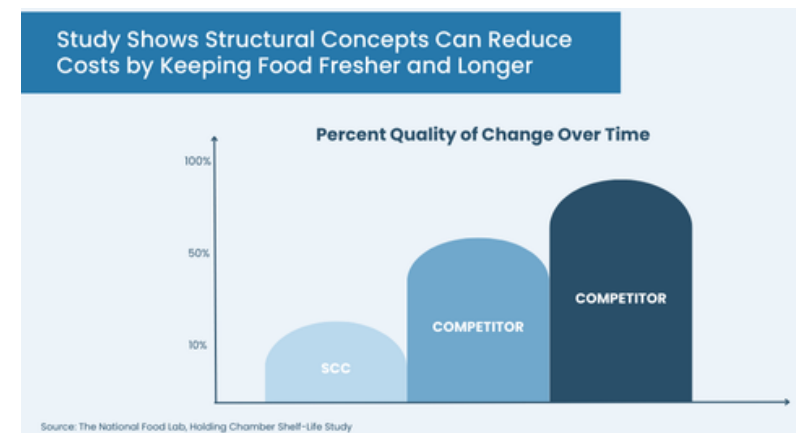
Source: Supermarket News Fresh Foods Survey



Efficiency is Key

In an environment where many consumers are acutely aware of price, taking costs out of operations is essential for retailers seeking to keep prices as low as possible. That's especially challenging in perishable departments, where labor costs are high and shrink comes with the territory.

Source: Supermarket News Fresh Foods Survey



Per Independent test conducted by the National Food Lab, Structural Concepts had the longest shelf life for most food products tested, and its merchandisers also saw the lowest overall percentage change in the quality of food over time.



Hence, if the same amount of food is expected to be offered to the public and kept throughout all existing dayparts, the other manufacturers that were tested will require incremental labor costs to replace and refill due to their higher spoilage rates as compared to Structural Concepts.

Fighting for Share of Stomach

54% of retailers said fast-casual restaurants were their No. 1 competitor for prepared foods sales, and 39% said traditional fast-food restaurants such as McDonald's and Chick-Fil-A were their top competitors.

Source: Supermarket News Fresh Foods Survey

Price and convenience were the biggest advantages that these competitors have, cited by **64% and 54% of retailers**, respectively.

Source: Supermarket News Fresh Foods Survey

Structural Concepts can help supermarkets remain competitive by offering:

- ✓ Price/value
- ✓ Customizable solutions
- ✓ Multiple functionality
- ✓ Industrial design and premium aesthetics
- ✓ Top grade fit & finish
- ✓ The fastest lead times
- ✓ After sales support



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