



Retailer Meal Solutions



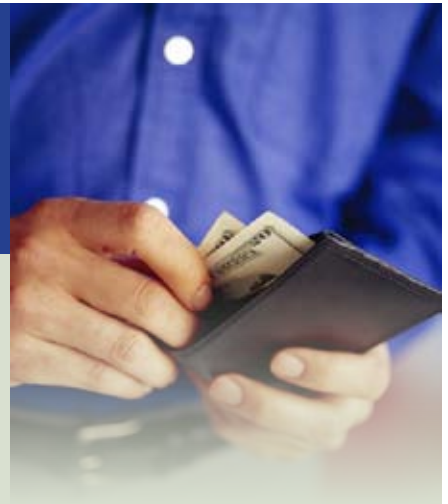
One hot topic. Countless developments.

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TECHNOMIC

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You already know that retailer meal solutions (RMS) present an important and growing opportunity for foodservice manufacturers and retail operators—and a competitive threat to restaurants. The current climate has brought stronger consumer demand as well as intensified retailer investment, and interest in foodservice expertise as retailers pursue restaurant-style offerings.

Yet understanding this market, identifying major players and influential upstarts, and staying on top of the frequent innovations can be difficult. To quickly **recognize and capitalize on emerging trends**, Technomic's *RMS Monitor* intelligence service delivers the **latest important developments** as well as the **major implications** for anyone who supplies to, or competes against/within this segment of the food industry.

Consumer Shifts in Food Spending

Consumers in all income brackets are exhibiting a new frugality. As they try to manage their budgets more carefully, many have cut back on affordable luxuries like restaurant meals and are seeking out “new” alternatives.

People are doing more grocery shopping and likely discovering a host of new and appealing alternatives to cooking from scratch: restaurant-quality hot foods, chilled options for reheating at home, new convenience products designed to make meal preparation easier (e.g., seasoned and marinated proteins, pizza dough, fresh pastas and sauces), and even ongoing improvements in frozen foods.

Retailers continue to augment their RMS programs to more aggressively compete with restaurants. The last year has brought many examples:

- New branded meal lines from several major chains or significant expansion with new products
- Large-scale investment in remodeling stores to devote more space to deli, bakery, and full-service meat and seafood counters
- New formats with prepared foods as the central focus (and a limited assortment of traditional groceries)
- Promotional strategies that mirror those currently favored by many restaurants, including value meals and discounts
- More attention to Hispanic-focused RMS and efforts to tailor offerings to specific demographics

RMS Better Positioned for Ongoing Frugality

Many retailers, in a variety of segments, have reported that their RMS business is increasing as consumers trade down from restaurants. Some are relatively new customers who lack cooking skills, some are more affluent empty nesters looking for gourmet options and smaller portions they can easily enjoy at home, and others are parents seeking out the increasingly available family-sized options that offer multiple servings and a stress-free meal at an affordable price.

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Retailer Meal Solutions Defined

RMS Monitor is a unique resource because of its targeted content. It focuses **exclusively** on RMS and other events with the potential to impact RMS sales, versus the broader food retailing industry.

What types of products and categories are included in our reporting? Technomic defines retailer meal solutions (also known as prepared foods) as products found in a retail store where consumers are able to pick up ready-to-eat or ready-to-heat foods (from both service counters and self-service/grab-and-go areas). Key categories tracked include, but are not limited to:

- Sandwiches/wraps
- Soup
- Pasta
- Sauces
- Desserts/Sweet goods
- Prepared entrees
- Value-added meat
- Spreads
- Dips
- Pizza
- Bakery products
- Prepared salads
- Appetizers

Hot and cold dispensed beverages and refrigerated products also fall under Technomic's definition of retailer meal solutions. Though they do not meet the RMS criteria outlined above, *RMS Monitor* also tracks ready-to-cook value-added proteins (e.g., marinated, crusted and other partially prepared items found in service meat departments or self-serve cases) as well as specialty foods such as olives and cheeses. Like the RMS offerings found in the deli/prepared foods departments, these represent areas where retailers are making investments in new and expanded product offerings and adapting foodservice trends to better compete with restaurants.

Scope

RMS Monitor is also distinctive in that it covers all segments with potential RMS opportunities, both traditional and non-traditional retailers.

Retailers Monitored

Venue	Examples
Traditional Supermarkets	<i>Safeway, Kroger, Publix, Stop & Shop</i>
Upscale Supermarkets	<i>Bristol Farms, Draeger's Markets</i>
Natural/Organic Supermarkets	<i>Whole Foods</i>
Other Specialty Food Stores	<i>Trader Joe's, Dean & DeLuca, Fox & Obel</i>
Mass-Merchandisers	<i>Walmart, Target, Meijer</i>
C-Stores	<i>7-Eleven, Sheetz, The Fresh Store</i>
Warehouse/Club Stores	<i>Costco, Sam's Club, BJ's, Smart & Final</i>
Meal Assembly Concepts	<i>Dream Dinners, Super Suppers</i>
Nutrition/Diet-Control Delivery Specialists	<i>NutriSystem, Seattle Sutton</i>
Meal Delivery Specialists	<i>FreshDirect, DineWise</i>
Hispanic-Focused Supermarkets	<i>Pro's Ranch, Fiesta</i>

In addition to the examples highlighted above, other representative chains being tracked for their RMS strengths include, but are not limited to:

- Bloom
- Fresh & Easy (Tesco)
- Harris Teeter
- United Supermarkets
- Buehler's Fresh Foods
- The Fresh Market
- ShopRite
- Wegmans
- Central Market (HEB)
- Giant Eagle
- Sweetbay Supermarkets
- Wawa

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RMS Monitor Deliverables

RMS Monitor content is gathered from a range of retail trade publications and other secondary sources, including retailer communications, major newspapers and general-interest magazines. Field visits and market observations from Technomic staff are also routinely reported.

1. ONCE A MONTH, subscribers to *RMS Monitor* receive concise reports via e-mail in a .pdf format. Areas of focus include:

- Products and services
- Expansion and remodeling
- "Hot" concepts
- Noteworthy and emerging trends related to concept, menu, products and consumers

For those interested in additional research on companies mentioned in the *RMS Monitor*, each issue also includes a directory with website information for every featured retailer.

2. EACH ISSUE also offers **insightful Technomic commentary** on the major themes and implications poised to impact RMS strategies and tactics. Topics covered have included growth of small-format stores, evolution within ready-to-heat meals, bundling strategies and retailer efforts to boost RMS frequency.

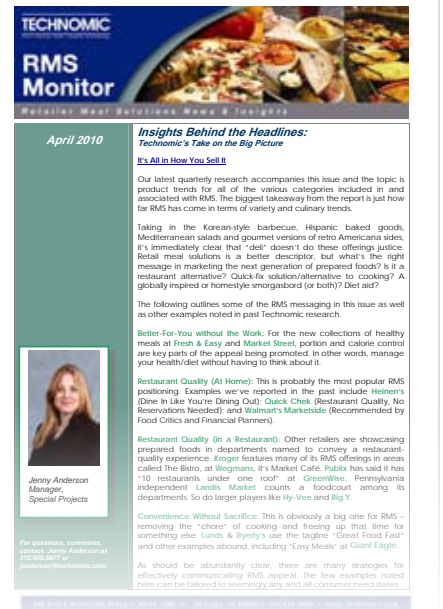
3. ONCE A MONTH, we also include an **in-depth profile on a selected retailer** with a "best-in-class" RMS program.

4. ON A QUARTERLY BASIS, *RMS Monitor* sponsors receive special reports detailing **exclusive new original research about retailer meal solutions**. Sponsors are given an opportunity to provide their input about special areas of interest within the scope of these studies. Past reports have focused on the following:

- Consumer attitudes about different retail venues (e.g., traditional supermarkets, upscale supermarkets, convenience stores, warehouse clubs) and their RMS usage from these settings, conducted via an Internet-based survey.
- In-depth analysis of shopping behaviors based on "shop-alongs" with four diverse consumers of different life stages and geographic markets, observing them on a typical shopping trip and then interviewing them about their attitudes about RMS, cooking, meal planning, etc.
- Retailer attitudes about RMS sales trends, product needs, innovation plans, marketing strategies, and more.

Learn More

To review a sample or learn more about this service, please contact Chris Urban at 312-506-3929 or curban@technomic.com.



Stay on top of emerging RMS developments, so you can quickly recognize and capitalize upon them.