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PROFITS ON THE PERIMETER

6 Big Trends for Dairy, Deli and Bakery Departments

By **Marjorie Proctor**, Senior Marketing & Design Manager, Hillphoenix

Seeing through the eyes of your shoppers is a recipe for success.

Current trends are signaling retailers to create new merchandising strategies that can safeguard Baby Boomer purchasing habits while enticing the ever-shifting tastes of younger generations.

But with vastly different attitudes and behaviors concerning health, sustainability, technology, convenience and spending, how can retailers create merchandising that appeals to all shoppers?

It starts with answering one question:

How can you merchandise what people want while also surprising them with something exciting?

The following are trends based on feedback from 1,500+ real shoppers and were presented at the IDDBA Show, with actionable recommendations from Hillphoenix.



TREND 1

Shoppers are more health-focused, but they also want to enjoy an occasional treat.

TREND 2

Shoppers are looking to make sustainable choices – beyond their food selection.

TREND 3

Shoppers want the convenience of online shopping but need to build more trust in deli and bakery.

TREND 4

Shoppers of every generation have unique food preferences, but they're more than willing to try new flavors.

TREND 5

Shoppers are more cost-conscious, but they can be persuaded into spending more for the right product.

TREND 6

Shoppers want to find classic foods and new flavors without wasting time walking the perimeter.



FOOD INFLUENCES MIND, BODY & SPIRIT

Shopper Thoughts on Treats



66%

have 'some focus' or 'a lot of focus' on making healthy decisions



90%

occasionally enjoy treats



93%

think physical health and emotional well-being are interwoven

Shoppers may be more health-focused nowadays, but they don't mind enjoying a treat every once in a while.

The days of crash diets are gone, replaced by the mindset that it's okay to treat yourself on special occasions. While treats come in different forms, shoppers are more likely to buy something sweet (and worth the splurge) on a cheat day.

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Consumers are reading labels, but they are giving themselves permission to indulge.

- Jewel Hunt, Group VP of Fresh, Albertsons
- IDDBA Show 2024

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The better-for-you movement is strong and not going away. But if you want a donut, you want a good-tasting donut.

- Josh Bickford, President, Clyde's Donuts 2024
- IDDBA Show 2024

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WHAT RETAILERS CAN DO:

Create an emotional connection.

With the right merchandising strategy, retailers can give shoppers what they're looking for (healthy choices) with a little bit of what they desire (a well-deserved treat).

TIP 1: Take a holistic approach.

Include healthy appetizers and desserts in grab-n-go cases, an inline open multi-deck case with a shelf designated for each meal part, a [mobile spot merchandiser](#) placed next to a hot foods program, and an [i2i Modular Island](#) with the flexibility for hot, refrigerated and dry applications.

TIP 2: Give shoppers a clear view of treats.

Present delicious bakery items in refrigerated vertical glass service merchandisers, like the [SMD](#) and [GMD](#) merchandisers. With a panoramic view and reduced glare, your shoppers can quickly find their taste of happiness.

TIP 3: Think flexibility.

Dual-temp mobile, self-contained display cases, like the [CNEZLA Island](#), make it simple to offer your shoppers year-round indulgences – from refrigerated strawberry shortcakes in the summer to frozen pumpkin pies in the winter.



FOOD INFLUENCES SOURCING, SUSTAINABILITY & SALARY

Shopper Sustainability Opinion



91%

want to know how, where, when and by whom the food is produced.



29%

have stopped buying from at least one brand due to sustainability-related concerns.

Food choices impact the world – and vice versa.

Now more than ever, shoppers are aware of sustainability efforts and it's driving purchase decisions. After all, it's hard to ignore the consequences – especially when they literally pile up.

When shoppers walk the perimeter of stores, they're not only searching for responsibly sourced products they can feel good about buying. They're also looking to see if the store *actually* cares about sustainability.



\$1 billion of food waste goes into landfills. I know one company is grinding avocado seeds into durable utensils for in-store meals.

– Jody Barrick, SVP of Fresh, UNEI
– IDDBA Show 2024



WHAT RETAILERS CAN DO:

Keep sustainability in mind.

That goes beyond responsibly sourced foods. Start thinking about transitioning to display cases that use natural refrigerants, such as CO₂ and propane (R-290) – from a merchandising viewpoint, the volume of sustainable display cases remains the same.

With a holistic approach to sustainability – from the food you source to your refrigeration equipment – you can give shoppers what they want and keep your food at its best.

TIP 1: Delight shoppers with unexpected grab-n-go meal solutions.

[R-290 mobile self-contained spot merchandisers](#) set the stage for your shoppers to find what they want (not just what they need) right when they enter the store.

TIP 2: Lower your energy costs and create warmer aisles.

Keep merchandising at the perfect temperature with [reach-in display cases and energy-efficient doors](#). With wire racks and heavy-duty shelving, you can keep your products front-facing and organized throughout the day. Customizable options like door handle style and frame colors also help you dress your door for success.



Scan to learn about Hillphoenix's natural refrigeration systems.

FOOD INFLUENCES TECHNOLOGY OF TODAY AND TOMORROW

**Online Ordering
Desire by
Department**



Dairy



61%

Bakery



39%

Deli Meat/Cheese



34%

Deli Prepared

The future of convenience is digital, but food is forever tangible.

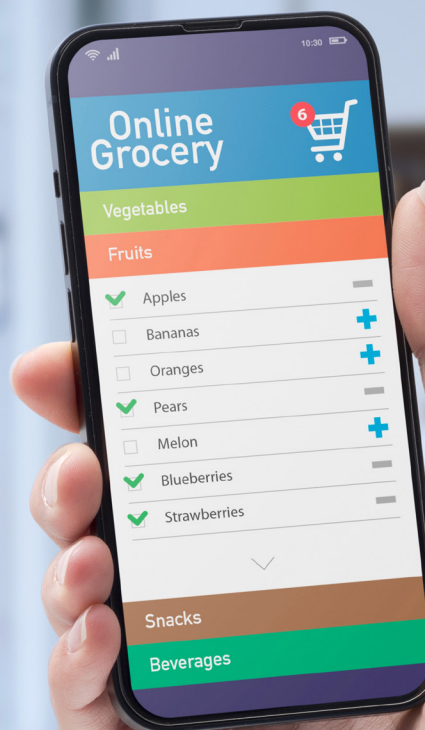
While online ordering has become common for non-perishable packaged foods, stores are struggling to get the same level of interest for fresh food.

That doesn't mean shoppers can't be won over, though. Retailers simply need to build shoppers' trust in these products and the first step toward that is creating a great in-store experience.



It's important to make the in-person experience outstanding. That way people are more likely to remember those items when they buy online - and those items jump into the digital cart.

- Josh Bickford, President, Clyde's Donuts
- IDDBA Show 2024



WHAT RETAILERS CAN DO:

Shoppers are looking for unique shopping experiences that create a comfortable ambiance.

Retailers can encourage online ordering by creating a cohesive department look and increasing product visibility. With a more memorable in-store experience, those fresh items will stay top-of-mind when shoppers order online.

TIP 1: Create interactive places that create unique shopping experiences.

With inviting merchandising, shoppers will linger longer. Picking the right type of display case can help enhance the visibility of the food, while the fit and finish of a single stand-alone case or a lineup of cases help elevate your brand and entice shoppers to buy. Aesthetics matter, and with a more memorable in-store experience, those fresh items will stay top-of-mind when shoppers order online.

TIP 2: Make shopping more than easy.

Basic merchandising makes shopping simple, but creating a destination is about the WOW factor. Engage your shoppers' five senses to evoke an emotion that your shoppers will also associate with your brand when shopping online.

TIP 3: Use online ordering to lead to in-store engagement.

Create a welcoming online experience that helps shoppers save time and offers an in-store experience. When your online shoppers verify they're on their way to pick up an order, ask if they'd like a coffee, snack, or other seasonal item ready when they arrive.

TIP 4: Plan a pickup location in your store.

Choose display cases with flexibility in mind, such as self-contained, large capacity reach-in door cases (like the [J-Series merchandisers](#)). Select totes and bags that are compatible with refrigerated and frozen cases.



FOOD INFLUENCES THE YOUNG, YOUNGISH & YOUNG AT HEART

Food Preference Among Generations



Younger shoppers get meal inspiration from social media and are more likely to try and buy global-centric foods



Baby Boomers are more likely to get meal ideas from friends and family

Each generation has distinct eating habits.

And while that may seem like a challenge for merchandising, retailers should see it as an opportunity to create exciting shopping experiences.

Sure, older shoppers are more cookbook-focused, but that doesn't mean they aren't on the lookout for inspiration.

Older and younger shoppers walking the perimeter of the store want to see their go-to products, but they also don't want to go hunting for the ingredients they need to create the newest trending recipe.

WHAT RETAILERS CAN DO:

Surprise your shoppers.

Retailers can create disruptive merchandising spots that surprise shoppers with unexpected products that still feel intuitive on the perimeter.

TIP 1: The star of your store is food.

Wall finish, flooring, lighting, and display cases play a supporting role in setting the stage for the products you are selling. When merchandising, find a unique focal point that gets shoppers to stop and look. Surprise them!

Real-store example: In a refrigerated service [SMD](#) deli case, a “turtle sandwich” drew the attention of shoppers of all ages. The bakery department created the turtle-shaped bread, surrounded by private-label salads to create the inviting beach theme.

Result: With an eye-catching element inside the display case, shoppers had a reason to stop, look at the entire display case and see products they may have otherwise never seen.



TIP 2: Cross-merchandise to create a whole meal solution.

Why not cross-merchandise a frozen breakfast set in the dairy aisle with a narrow, self-contained frozen bunker case? For example, place frozen waffles and sausage in the [ONIZGGA](#) and cross-merchandise with syrup and Casamatta Rosso breakfast wine to create a delicious meal solution!

BONUS TIP: Retailers can even get buzz about their merchandising displays on social media, hyping up the in-store experience and getting more shoppers (of all ages) into the store.



FOOD INFLUENCES COMMUNITY, CONVENIENCE & CASH FLOW

During times when shoppers are counting pennies and making calculated purchasing decisions, they can still be persuaded into spending a little extra for the right product and the right occasion.

Plus, good news for the deli department: 70% of shoppers say they would go to a store they don't typically go to for a specific deli item – and 63% of shoppers say they would even drive further for that deli item.

And if a deli can become a fan favorite that dictates shopping behaviors, then why not apply that same idea across all departments?

Shopper Sentiment on Spending



92%

are concerned about grocery prices



73%

are focused on buying only what they need



94%

say they can be convinced to splurge a little

Top Reasons Shoppers Splurge



49%

will splurge on a special occasion, like graduation or Valentine's Day



48%

will spend more on products that fit into their health-focused goals



WHAT RETAILERS CAN DO:

Create special occasions and become a destination.

Whether it's for graduation, Mother's Day, the big college football championship or any other event worth celebrating, retailers can create a perimeter experience.

TIP 1: Pique curiosity as soon as shoppers enter the store.

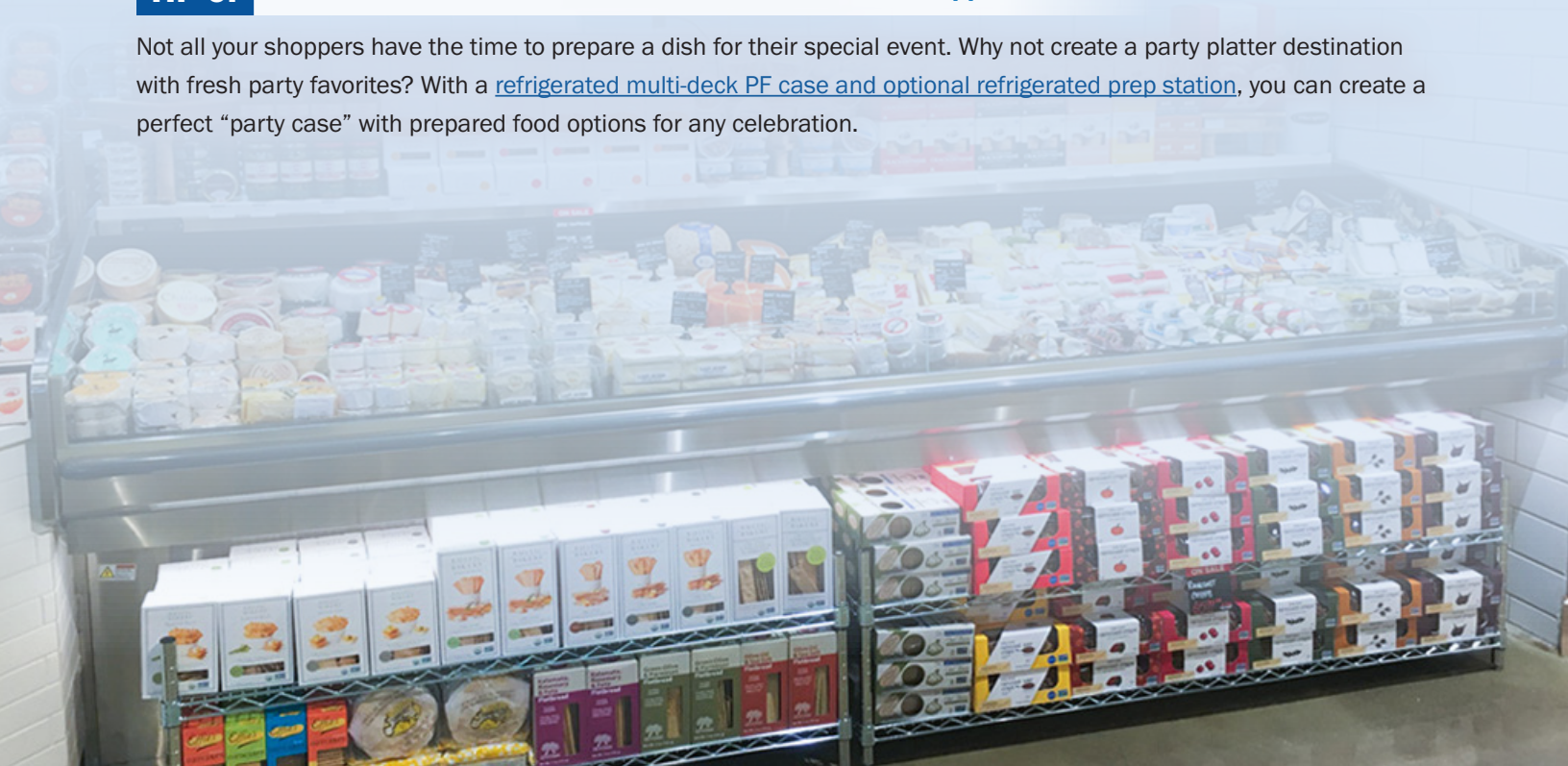
With [plug-n-play self-contained mobile refrigerated display cases](#), you have flexibility to merchandise for special occasions throughout your store – whether it's on endcaps or across wide aisles – to encourage impulse sales.

TIP 2: Give shoppers of all ages 'mix and matching' ideas with cross-merchandising.

It all starts with a versatile display case. [With the DLPC self-service single-deck refrigerated display case](#), you can merchandise dry goods on low, narrow gondola racks positioned against the kickplate and place higher-profit items at eye-level on the top rear sill where they are easy to grab.

TIP 3: Create a convenient destination for time-conscious shoppers.

Not all your shoppers have the time to prepare a dish for their special event. Why not create a party platter destination with fresh party favorites? With a [refrigerated multi-deck PF case and optional refrigerated prep station](#), you can create a perfect "party case" with prepared food options for any celebration.



FOOD INFLUENCES CULTURE, CUISINE & CULINARY EXPLOSIONS

Generational Thoughts on New Foods



92%

of Gen Zers love
or like trying
new foods



84%

of Millennials
love or like
trying new foods



79%

of Baby Boomers
love or like trying
new foods

Shoppers are starting to expect something new.

With the rise of social media, young people are exposed to new cultures with different cuisines that tempt the tastebuds.

But new flavors aren't just for adventurous Gen Zers. Whether it's from a TV show, an influencer's mukbang channel or a new friend from a different country, shoppers of all ages are discovering new dishes.

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Listen to the customer. They don't think of stores as different departments, but they see everything together. Stores should work together to bring ideas together, instead of focusing on individual departments. Think of what consumers see.

– David Stearle, President, Vermont Creamery
– IDDBA Show 2024

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WHAT RETAILERS CAN DO:

Add new flavors.

With the right display case, retailers can create disruptive merchandising and co-purchasing options with classic items and unexpected new flavors. Think multicultural meals beyond Italian and Mexican.

Flexible merchandising is the name of the game, and with the right display cases, retailers can play to win.

TIP 1: Do something different in dairy.

Create a dairy merchandising spot with unique flavors like boba, matcha, ube and black sesame. With the [OTM Multi-Deck Self-Service Cases](#), retailers can create a stunning merchandising zone.

TIP 2: Make unexpected new flavors stand out.

Merchandise Japanese shabu-shabu or spicy ramen with the [CF Display Case](#). Featuring two depths for maximizing packout, the CF emphasizes product visibility to make it easy for shoppers to find stand-out meals.

TIP 3: Put all ingredients under one roof.

Add the ingredients needed to make paella into a spot merchandiser. With the [MIDA Mobile Island](#), retailers can create disruptive merchandising with a mixture of products, such as chicken, shrimp, veggies, rice and seasoning.



Trends can be difficult to predict, but they can be powerful.

If retailers keep an eye on younger generations, they can get a quicker jump on merchandising to take advantage of more sales before the next big thing hits.

And with display cases designed for merchandising flexibility, retailers can stay ready to bridge the gaps between generation food preferences – no matter the trend.

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SUMMARY

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Shoppers are looking to make sustainable choices – beyond their food selection.

Shoppers of every generation have unique food preferences, but they're more than willing to try new flavors.

Shoppers are more cost-conscious, but they can be persuaded into spending more for the right product.

Shoppers want the convenience of online shopping but need to build more trust in deli and bakery.

Shoppers want to find classic foods and new flavors without wasting time walking the perimeter.



About the Author

Marjorie Proctor is a merchandising expert for Hillphoenix and is a contributor to the website Merchandising Matters. With decades of experience, she uses her knowledge to help the industry take a fresh perspective to merchandising. She can be reached at mproctor@doverfoodretail.com.