

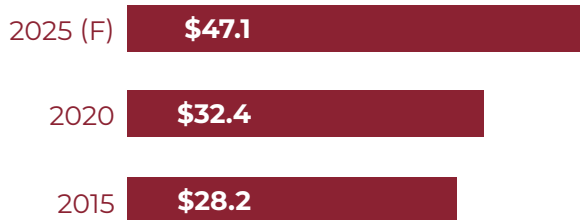
SUPERMARKET FOODSERVICE



The supermarket foodservice refers to prepared foods and beverages that are served in ready-to-eat or ready-to-heat formats.

SUPERMARKET FOODSERVICE

Supermarket Foodservice Sales (\$B)



Years	CAGR (%)
2015-2020	2.8%
2020-2025	7.8%

Key Segment Metrics

This segment reported retail sales equivalent figures worth \$39.2 billion in 2020, up \$4.2 billion from 2015. By 2025, the segment is expected to grow by another \$14.7 billion to reach total retail sales valued at \$47.1 billion.

The supermarket foodservice segment has seen tremendous growth, which has been occurring relatively consistently for the past decade. The segment saw a decline from 7.3% in 2012 to 5.6% and 5.9% in 2013 and 2014, respectively, but reached its peak in 2015 at 8.5%. The supermarket foodservice segment experienced a decline of 9.3% in 2020, but is expected to rebound in 2021 and continue strong growth through 2025.

Supermarket Foodservice Segment Nominal Growth (%)



SUPERMARKET FOODSERVICE

The table below shows the top five supermarket foodservice companies by their foodservice sales in 2019. Publix reported \$1.7 million in foodservice sales in 2019.

LARGEST SUPERMARKET FOODSERVICE RANKED BY ANNUAL FOODSERVICE SALES 2019		
Company	Foodservice Sales	Unit Count
Publix	\$1,743,000	1,264
Whole Foods Market	\$1,570,000	500
Walmart	\$1,442,000	4,743
Kroger	\$1,173,000	1,283
Safeway	\$1,003,000	907

Source: Technomic Ignite Company

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KEY SEGMENT TRENDS

1. With grocery stores becoming pandemic hot spots, many are providing an additional safeguard by offering curbside pickup for prepared foods in addition to traditional groceries.
2. Supermarkets are menuing more plant-based offerings to appeal to the growing number of consumers who think the availability of vegetarian and vegan dishes is an important attribute when deciding to purchase prepared items from retail stores.
3. Supermarkets are increasingly differentiating themselves from competitors by offering unique made-to-order options.
4. Many supermarket foodservice departments are also focusing on creating an enjoyable and entertaining ambiance by providing customers with food preparation presentations.

KEY DECISION-MAKERS

1. **Owner**—Owners of independent supermarkets and grocery stores have the most important role in the decision to purchase and repair equipment.
2. **Director of Operations**—With larger chain grocery stores and supermarkets, regional director of operations manages and coordinates the procedures for maintenance and purchase of equipment.
3. **General Manager**—Oversees the day-to-day operations of supermarkets and grocery store. May not have a direct say in the equipment purchase but can escalate equipment related concerns.
4. **Design Consultants**—Particularly on new projects and major renovations or remodels, supermarket operations will defer to design consultants on brand and equipment specification.

ROLE OF EQUIPMENT WITHIN THE SEGMENT

1. Supermarket foodservice operators possessing specialized equipment—such as spits, wok ranges, tortilla makers and chip warming cabinets—will be able to meet demands for global fares.
2. Higher-end supermarket foodservice operations, to create a more restaurant-like feel, can use induction cooking equipment and individual action stations to put on a show for their customers.
3. Food warmers and hot bar stations offering extended holding times without sacrificing appearance or taste would benefit supermarket foodservice operators in improving and maintaining food quality for their customers.
4. Lower-tiered supermarket foodservice departments that are short on foodservice equipment space can greatly benefit from compact multifunctional cooking equipment.