

## With Sales over \$25 Billion, Retailers Get Serious about Taking Market Share from Restaurants

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Food retailers, including supermarkets, c-stores, warehouse/club stores, supercenters and various specialty retailers are working hard to win back consumers' dining-out dollars-and consumers are responding with growing interest according to recent research by foodservice consultants Technomic.

Because convenience remains a top priority for time-pressed consumers, retailers that offer new and appealing meal solutions are proving their ability to grab consumer attention and take back market share lost to restaurants.

Sales for retailer meal solutions (excluding beverages) will exceed \$25 billion in 2007. The growth opportunity for retailers is magnified by the fact that consumers are interested in a complete meal solution. 'Consumers have moved well beyond basic deli items,' says Ron Paul, president of Technomic. 'They want retailers to deliver all-inclusive meals, including entrees, sides, beverage and dessert. Lighter lunch offerings also hold strong consumer appeal.'

The recent opening of several Tesco's Fresh and Easy stores in the U.S. provides one case in point. The U.K.-based retailer, which focuses on delivering a convenient shopping experience with a strong emphasis on prepared meals, is expected to do well in U.S. markets. Other retailers with winning meal solution programs include Bristol Farms, Central Market, Publix, Ukrop's, Wegmans and Whole Foods.

Ron Paul acknowledged that supermarkets and other retailers offering complete meal solutions have seen their customer traffic increase at twice the rate of restaurants over the past five years. 'This is clearly a competitive threat to many chain restaurant brands,' added Paul.

Foodservice manufacturers, on the other hand, are well-positioned to assist retailers in growing this area of their business. With consumer interest centered on quality and variety, retailers will be eager to work with manufacturers that can help them replicate the restaurant experience through premium ingredients, customization and updated preparation techniques.

To help manufacturers better understand the retailer meal solutions market and tap into new opportunities, Technomic recently completed a major research study, Retailer Meal Solutions: An Opportunity Assessment. To learn more about the research, please contact Alan Hyatt, Vice President, at 312-506-3946, or [ahyatt@technomic.com](mailto:ahyatt@technomic.com).

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