

Ordering Up Loyalty:

Optimizing Prepared Foods for Grocery Consumers



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INTRODUCTION

Assembling a Delightful Shopping Experience

Take a journey alongside your consumer to discover how prepared foods can enhance their shopping experience — and support your profitability.

Imagine a consumer approaching your new and improved deli counter for the first time. In the past, she's been frustrated by long lines, no visible menu, and uncertainty about customizations. On this trip, however, she's delighted to find improvements to the counter that encourage her to give it a try. With a new self-service kiosk, a digital menu displaying the selections of the day, and a variety of customizable side dishes, the deli counter has surpassed the consumer's expectations — and converted her from an interested outsider to a loyal customer.

Today, grocers are leveraging improvements like these to make their entire perimeter ecosystem — from delis to bakeries to custom sandwich counters and beyond — more accessible and delightful for consumers. They're leaning into consumer expectations to offer ready-to-eat or catering products that feel cost-effective, personalized, convenient, and even healthier than fast food alternatives. By adopting perimeter technology and creating products that fulfill consumer interests, grocers can create a profitable opportunity to support their store's holistic health, and even offer a strong foundation for future growth.

But how are they leaning into this opportunity? And what role do consumers play in the future of prepared foods?

We partnered with Grocery Dive to conduct a survey of 150 U.S. grocers and ask about their outlook on the prepared foods opportunity. From their responses, we discovered creative, savvy strategies for tapping into consumer interests and elevating end-to-end shopping experiences. The results — consumer satisfaction, retention, and loyalty — point to a promising future for the industry.

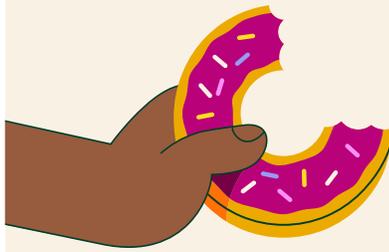
In this report, we'll cover:

- Evolving demand for perimeter products
- Tips for building a loyal base of repeat consumers
- How to maximize the effectiveness of omnichannel shopping
- Use cases for in-store and online prepared foods experiences
- Suggestions for overcoming common challenges of expanding perimeter offering

Growing Demand for Made-to-Order Selections

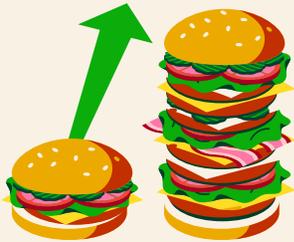
Beyond the inner aisles, consumers are flocking to perimeter counters for a variety of prepared foods services. Grocers can leverage their demand to increase satisfaction, retention, and incrementality all at once.

Consumer demand for prepared foods isn't just a trend — it's a long-term pattern that the grocers in our survey have observed since 2020.¹ **Three out of four grocers** say that their delis, made-to-order counters, and bakeries are experiencing an influx in demand that's unparalleled by performances of the past.¹ And, with advancements in order ahead technology, grocers are rising to meet this demand.



73%

of grocery executives say consumer demand for prepared foods has increased since 2020.¹



+75%

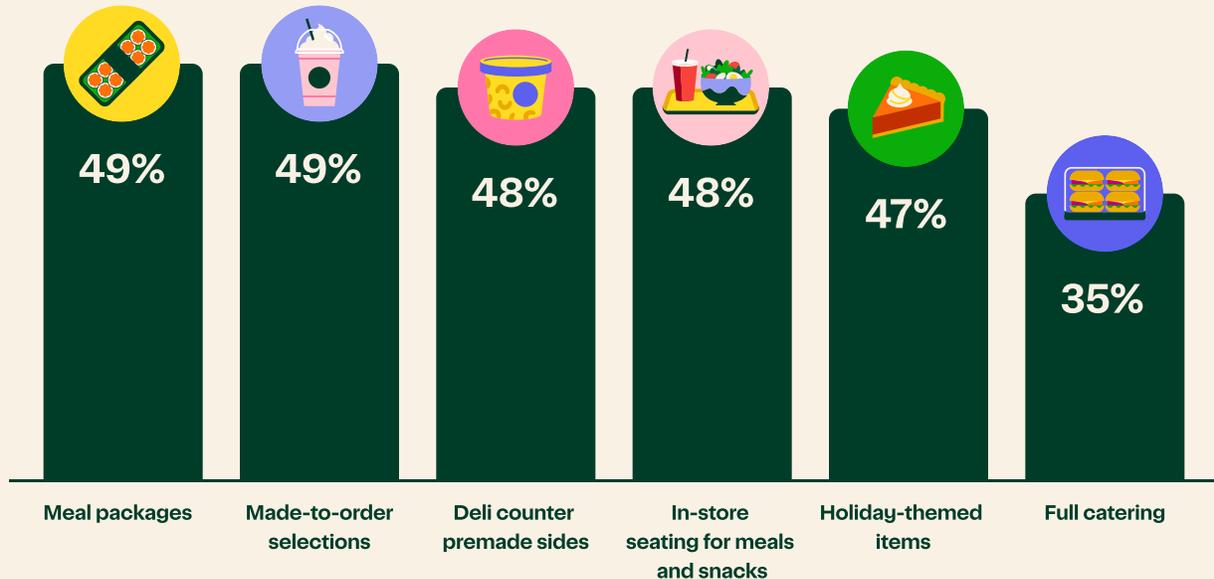
of grocery executives say prepared foods services are in demand at their stores.¹

To keep pace, grocers often use solutions like order management systems (OMS) to facilitate more efficient ordering experiences. On the frontend, this technology translates to greater personalization, heightened convenience, and deepened satisfaction for consumers. On the backend, an OMS empowers kitchen staff to create a streamlined production environment where staff can fulfill orders quickly — and create more enjoyable experiences for consumers.

Self-service kiosks also lead to heightened demand in stores. Consumers using these digital touchpoints can place an order ahead of time, explore customizations, and in some cases, use loyalty program perks to receive a discount. With these advancements in prepared foods technology, it's not difficult to see why demand has been steadily increasing for years.

So, which prepared foods services are experiencing the highest demand? According to the grocers we surveyed, demand holds consistent for a variety of services, including meal kits and full catering.

Prepared foods services with high consumer demand¹



Meal packages

These include take-home dinner kits, ready-to-eat meals, and heat-and-serve options. Consumers may enjoy the flexibility that meal packages offer to fit their lifestyles.



Made-to-order selections

These include custom sandwiches, sides, and hand-crafted beverages. Consumers enjoy the personalization and convenience that made-to-order counters deliver.



Deli counter premade sides

These include items such as green beans, macaroni and cheese, and other popular side dishes. Consumers may enjoy these for their quality and convenience.



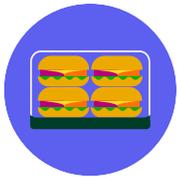
In-store seating for meals and snacks

These include boutique-style cafes and cafeteria-style seating. Consumers may enjoy the elevated, luxe feeling that in-store grocery cafes and eateries offer.



Holiday-themed items

These could include specialty meats for Thanksgiving and uniquely decorated bakery items. Consumers may enjoy the excitement of purchasing a seasonal product or trying new flavors.



Full catering services

These include meals for parties, conferences, events, holidays, and beyond. Consumers may not expect catering from grocers, since this offering is more traditional.

Interestingly, only one third of grocers cited catering as a high-demand service for their perimeter departments, while other made-to-order services ranked higher. This indicates a shift in the prepared foods ecosystem, suggesting that consumers may be increasingly turning to grocers to fulfill their single-serve meal requirements.¹ The most powerful strategies for meeting consumer demand may incorporate both of these services — and identify innovative new opportunities to facilitate loyalty.

Features That Help Increase Loyalty

Fostering a loyal base of consumers is key to supporting long-term growth — and, with prepared foods, grocers are using innovative approaches to drive retention.

With grocery technology affording a large variety of consumer perks such as coupons, mobile ordering, and personalized promotions, it isn't difficult to see why the loyalty landscape is changing. To retain consumers, grocers may need to think outside the box and offer the features consumers want, while also delivering unique experiences that differentiate them from competitors.

Fortunately, grocers are identifying strategies that help increase consumer loyalty. According to our survey, more than half of grocers see online ordering as a powerful tactic for encouraging retention.¹ Additionally, 48% believe that using consumer shopping data to offer personalized discounts will help consumers feel valued.¹ A dual strategy leaning into order ahead technology and consumer data at the same time can help grocers deliver hyper personalization at scale, encouraging consumers to continue placing orders and earning more perks.



57%

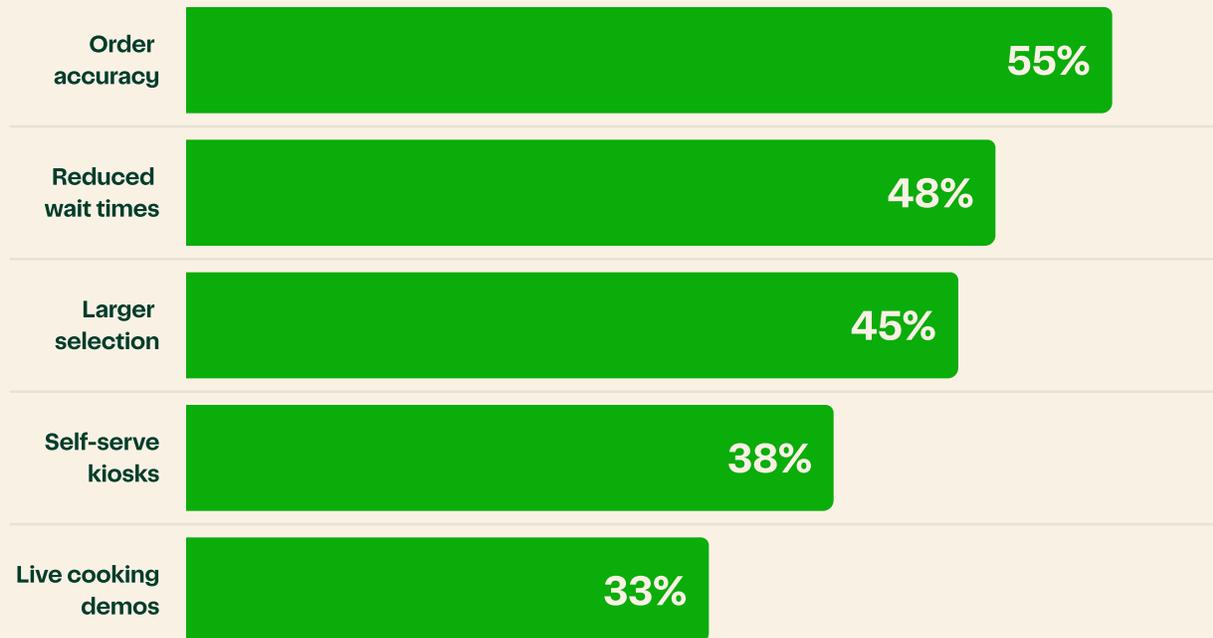
of grocery executives say online ordering significantly influences consumer loyalty.¹



48%

of grocery executives believe that targeted discounts based on consumer profiles will increase consumer loyalty.¹

In-store experiences that affect consumer loyalty¹



These principles apply store-wide, but there are unique strategies that grocers can leverage within their perimeter departments to support even higher loyalty. Fine-tuning the in-store experience, for example, can make prepared foods counters more attractive, and show consumers that they can access ready-to-eat meals tailored to their individual tastes.

Retaining consumers will be crucial for grocers looking to maintain profitability, pursue growth, or even deepen their consumer relationships. Creating a robust in-store, online, and omnichannel shopping ecosystem may be a determining factor in driving loyalty at scale.

Embracing Omnichannel Orders

Omnichannel ordering is a must-have for many consumers today. But how do prepared foods fit into this shopping environment?

Modern consumers may use a variety of channels to purchase their groceries throughout the week. Some prefer traditional shopping where they add items to their cart and check out with a cashier. Others may prefer to purchase some items online, then purchase produce in stores and prepared foods using a kiosk. And some shoppers may prefer to order their groceries completely online, using delivery or pickup services to sidestep in-store shopping completely.

In this modern shopping ecosystem, grocers believe that expanding digital services are crucial to keeping pace with demand. According to our survey, more than half of grocers say that online ordering is a necessary tool for maintaining sales momentum.¹ On the other hand, those grocers also say that expanding self-service options, like kiosks, are necessary to improve the in-store experience.¹



Both of these sentiments hold true for prepared foods — and they’re powerful levers for driving consumer satisfaction. Online ordering, for example, can help reduce wait times, offer greater personalization, and provide a holistically more enjoyable shopping experience.

Similarly, in-store self-service opportunities can help consumers frictionlessly place orders via kiosks, mobile apps, or even smart shopping carts. Putting the power of customizable ordering directly in your consumer’s hand is an effective strategy for driving satisfaction — and potentially encouraging retention, as well.

Leveraging omnichannel shopping experiences to elevate prepared foods can help grocers forge deeper connections with consumers at scale.

Expanding the Prepared Foods Experience

From deli cuts to in-store cafes, grocers can help maximize consumer satisfaction by leaning into full-scale prepared foods experiences.

So, how can grocers lean into the prepared foods opportunity and boost consumer satisfaction? If you already have one or more perimeter departments, you're already at an advantage. Existing perimeter departments with an established base of consumers can offer a strong foundation for building elevated shopping experiences — and, in some cases, generate word-of-mouth referrals. To boost the effectiveness of your prepared foods counters, consider opting for these features.



Order ahead

By leveraging your e-commerce site or mobile app, you can seamlessly tap into consumer purchasing data to offer unique discounts and upsell recommendations that matter to them.



Loyalty program login

By offering a popup or reminder on your e-commerce site, app, or in-store kiosk, you can increase usage of your loyalty program — and remind routine purchasers to not forget an item in their basket.



Larger menus

By creating a larger selection of made-to-order items, bakery products, or deli cuts, you can encourage consumers to become repeat shoppers who are incentivized to try new things.



In-store seating

By placing comfortable seating areas within your store, you can encourage consumers to order cafe items ahead of time and spend more time in your store. Pairing this strategy with tasteful advertisements can potentially encourage incremental basket increases.

These services can help you power consumer satisfaction at scale while crafting memorable experiences that encourage retention. But what does a store fully leaning into the prepared foods opportunity look like? Let's take a closer look at an optimized frontend experience for a variety of prepared foods counters.

Envision the ideal prepared foods shopping journey



Digital delis

Bring deli services to your mobile app or in-store kiosks for seamless order ahead capabilities. Consumers can select meats, cheeses, and sides from an engaging and simple user interface.



Custom cakes

Expand your bakery services to capture more orders for key seasonal periods. Consumers can customize birthday cakes, order cookie platters weeks in advance, and try out your seasonal varieties of their favorite pastries.



Low-stress lunch rushes

Create additional order ahead touchpoints for your made-to-order sandwich counter. Consumers can place their order for pickup before arriving at your store, giving your team more time to prepare and manage in-store traffic.



In-store integrations

Leverage your cafe services to elevate shopping experiences. Consumers can use your e-commerce site or mobile app to order coffee ahead of time, then grab it before or after they finish their shopping trip.

Of course, these opportunities are only the beginning of what you can accomplish with prepared foods. By keeping consumer satisfaction top of mind, you can likely imagine even more strategies for elevating your in-store experience.

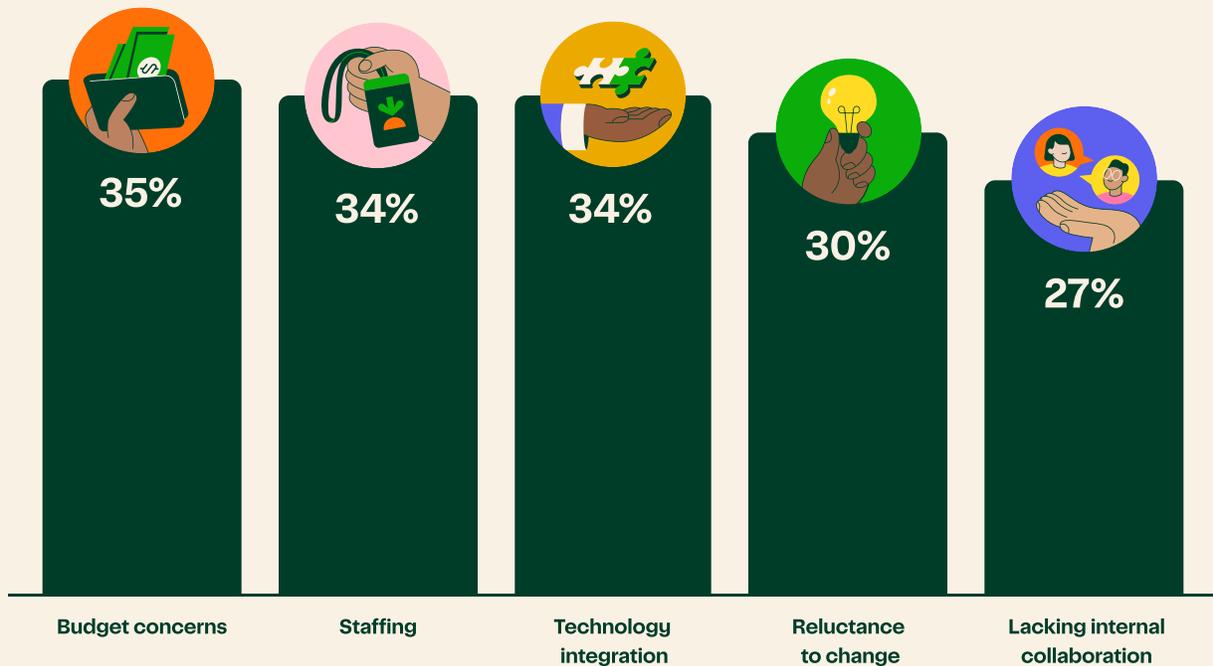
But where there are opportunities to engage with consumers, there are backend hurdles to overcome. And a powerful OMS may be the end-to-end solution that empowers grocers to forge ahead

Overcoming Challenges in Prepared Foods

Without the right systems in place, it can be difficult to expand prepared foods offerings past your in-store counters. Opting for the right OMS can help.

The prepared foods opportunity is active, growing, and exciting — but there are still barriers to fully unlocking its potential. Among the grocers we surveyed, about one third indicated similar challenges to expanding their prepared foods services.¹ Let's take a closer look at them.

Perceived barriers to expanding prepared food services¹





Budget concerns

Increasing menu sizes, unlocking mobile ordering, or even offering made-to-order customizations can become expensive. To sidestep this, grocers can opt for scalable systems that only offer the features they currently want.



Staffing

Training new staff on standard operating procedures — and maintaining quality through turnover — can be challenging. But, with a powerful OMS, grocers can empower their staff with a user-friendly interface that streamlines operations.



Technology integrations

Onboarding a prepared foods system that can't integrate with mobile apps or in-store technology will not help grocers in the long run. Instead, opting for a solution that slots into existing tech stacks will help support scalability.



Reluctance to change

Some grocers may feel that their current system serves their needs — but, without adopting a growth mindset, they risk falling behind. Grocers of all sizes are already powering more prepared foods services with OMS providers, so it's worthwhile to explore the option.



Lacking collaboration

Ensuring store-wide adoption of new prepared foods services can feel impossible without the right management tools in place. Grocers who opt for an all-in-one OMS can circumvent this challenge entirely by streamlining visibility and making new service implementation more efficient.

Overall, the best strategy for leveraging prepared foods to its fullest potential is adopting the right OMS.

CONCLUSION

Technology You Can Count On

Ready to power more delightful experiences for your consumers? **FoodStorm can elevate your prepared foods offerings at scale.**

FoodStorm is an all-in-one OMS that extends the impact of your prepared foods counters. Whether consumers place an order on a kiosk, order ahead online or using a mobile app, or place a pickup order directly on their smart shopping cart, FoodStorm can make it simple and seamless for consumers to enjoy your offerings wherever they shop.

With FoodStorm, you can:



Activate order ahead technology wherever your customers shop



Create in-store touchpoints on kiosks and smart shopping carts



Supercharge your loyalty program with intuitive integrations

You're in good company

Retailers worldwide trust FoodStorm to power their order ahead, made-to-order, and catering services.



Request your FoodStorm demo today!

About the Survey

The findings of this research are based on an online survey conducted by Grocery Dive from March 29 to April 13, 2024. A total of 150 executives with organizations with grocery operations participated in the research. Additional legal language lorem ipsum dolor sit amet, consectetur adipiscing elit. In maximus tristique velit, sed dignissim sem eleifend non. Vestibulum hendrerit, eros et euismod condimentum, est erat ullamcorper nibh, at ultrices eros mauris vitae velit.

Source cited

1: Grocery Dive Research Report, [Growing Revenues and Customer Satisfaction in Ready-to-Eat](#), March–April 2024. Created for FoodStorm by studioID.

