

# Grocerants:

*Building a better dinner-time experience for your customers*

by Melissa Hart

As IGA CEO John Ross mentions in [his year-end message](#), there have been many changes to the retail landscape in recent years and big transformations projected to come. The coming of age of “Generation Z” and changing expectations of consumers will require retailers to usher in new technology and create different ways to make the shopping experience easy and convenient as possible.

Many of these changes can be seen in the rise of the “grocerant,” a hybrid of restaurant and grocery store. An article on [eater.com](#) describes grocerants as “essentially the

grab-and-go salad bars and prepared foods counters, evolving and looking more like fast-casual restaurant spaces, designed to keep shoppers in the store.” While the definition is broad, it leaves a lot of room for creative applications. A glass of wine before grocery shopping? Sit down dining? Made-to-order sandwiches or sushi? There’s room for all sorts of customization.

# Where to begin?

Chains like Whole Foods have been leading the way in grocerant innovation, but this isn't about trying to become Whole Foods. Making changes in this area is more about being able to play up your unique strengths and advantages.

Areas for increased opportunities include:

- Grab and Go meals
- Heat and Eat meals
- Fresh food bars (both hot and/or cold)
- Made-to-order fresh foods
- Meal kits

# Grocerants gain momentum

The movement toward hybridization of food service and grocery is a major growth area, as seen in the numbers:

- NPD's food-service market research found that in-store dining and take-out prepared foods from grocers has *grown 30 percent* over the past eight years.
- In 2016, grocerant portions of stores brought in 2.4 billion new visits and \$10 billion in sales (according to NPD research).
- Revenue for prepared food service at supermarkets grew an average of 10 percent a year from 2005 to 2015, according to research firm [Technomic Inc.](#) And when dining out, more consumers are choosing their local grocery stores over traditional fast food and restaurants, the firm showed.

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# Who's driving the changes?

There are a number of demographic factors and possible scenarios that you want to keep an eye on when looking at grocerants' growth in popularity:

## ***Baby Boomers***

Retirees who are single/living alone often don't feel like cooking for just themselves every night. They are looking for single-serve "heat and eat" meals or hot bar offerings to eat in-store or take home.

## ***Generation X***

Often in family situations with two working parents, these individuals are time-scarce, and less inclined to dine out. They are looking for easy-to-prepare meal kits they can make at home.

## ***Millennials***

While not as big on cooking for themselves every night, they are looking for healthier, fresher options than traditional fast food or convenience stores, and often seek out more adventurous foods and flavors for their "grab and go" meals.

# Get started:

Incorporating more “food on the go” and “grocerant” style offerings could mean revamping or rethinking your approach to prepared foods, in order to meet customers’ needs and expectations for convenience and healthier options.

## *Make it easy for them to make it at home*

Even though cooking at home remains popular, there’s a desire to simplify and streamline the process, seen in the surge of meal kits available through online delivery services. Make your own kits available with pre-cut veggies, sauces and smaller cuts of protein options. These are best situated in the front of the store, to grab the attention of people looking for a quick dinner solution.

## *Perfect portions*

In prepared foods, make sure you have options that meet the needs of a range of people. For example, take popular Grab and Go meal options and scale them down from a family-size to those that feed 1-2 people.

## *Emphasize freshness first*

IGA’s [“Local equals Fresh”](#) merchandising platform could be a great way to start letting your customers know that you are offering them fresh, local, and nutritious options.

## *Play up healthy*

Having a balanced diet can mean different things to different people: Heart-healthy, diabetes-friendly, vegetarian/vegan, gluten free, low-carb, etc. As an IGA retailer, you have access to your own registered dietitian, Kim Kirchherr, and her work on [the Better Choices blog](#). Pair higher-fat, higher-calorie items, (like meatloaf and fried chicken) with veggie-based sides that round out the flavor, and provide balance to the meal.





### ***Get bold***

Today's consumers are more adventurous and looking for complex flavors, and interesting mash ups of ingredients.

### ***Create an experience***

"If you're a brick and mortar location, you need to create something unique and remarkable enough to get people in the door. Otherwise, they won't come in," said Lewis Shaye of the [Grocerant Design Group](#), who recommends focusing on driving convenience and creating a multi-sensory experience. Independents have an advantage over chains due to their ability to adapt and change faster.

### ***Bring the business to your customers***

Consider investing in a mobile food truck, like Patrick Longmire Jr. of [Red's IGA](#) in Spring Grove, MN. The Longmires invested

in a smoker and food trailer and [Fat Pat's BBQ](#) brings food to fairs, festivals and farmers' markets, along with in store sales.

### ***Making changes within your existing store footprint***

Through trimming the number of items you carry, you can condense the centerstore and add in other fresh food service concepts or revamp your produce department, adding some focus areas by building out a growing category. Whether you're planning on adding some new displays or building out an entire eatery, you'll want to be sure and position it close to the entrance, said Shaye, who also recommends planning ahead for technology-driven features like mobile ordering or self check-outs, which help eliminate waiting in lines and create a "frictionless" experience.



# Takeaway:

The key is to be strategic, to know your market and to avoid trying to be everything to everybody. Start with an assessment of where you are at now and what direction you want to go in, and how you are positioned in your local marketplace. From there, you can see if those new ideas you've been considering are a good fit. Maybe it's installing a drive-thru lane with fast-food type ordering? Or maybe it's expanding your kitchen to offer catering in bigger, more impactful way? There are a number of things to try and don't be afraid to take that next step.

## *Additional resources:*

### [IGA Best Practice:](#)

Learn how Mahomet IGA outside Champaign, IL added a fresh sushi case and is making \$1,000 a week in profits.

### [IGA's Better Choices:](#)

Find articles and recipes designed to help shoppers and is easy for retailers to share on social media.

### [Grocerant Design Group:](#)

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