



Market Report

A Snapshot of your Market Sector

Delicatessen

This pack has been designed to provide information on setting up a business in the Delicatessen industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in January 2018. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

What do I need to know about the Delicatessen market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ The specialist food and drink retailers achieved growth of **6.8% in 2015** followed by an estimated **5.2% in 2016**. They have been helped by an improved economic situation as well as consumers increasingly carrying out smaller but more frequent shopping trips that tend to be closer to where they live or work. (Mintel, *Specialist Food and Drink Retailers*, March 2017).
- ◆ The largest product segment for operators is poultry, accounting for an estimated **52.2% of revenue in 2016-17**. Over the past five years, the level of chicken consumption has increased steadily, which has supported growth within this segment. Increased health consciousness has led to consumers favouring poultry, which is seen as a healthy alternative to red meat. Beef and veal is estimated to account for **25.7%** of industry revenue in the current year. Over the past five years, the revenue attributed to this segment has fallen owing to increased levels of health consciousness. However, during the colder months, beef stew and mince sales increase as consumers choose heavier meals that are more filling. (IBISWorld, *Meat and Meat Product Retailing*, March 2017).
- ◆ The UK savoury and deli foods market generated revenues of **\$13,987.2m in 2016**, representing a review-period compound annual growth rate (CAGR) of **1.3%**. Organic products and those focused around health are currently big business in the UK. Savoury and deli food products with high-protein claims recorded growth due to associated weight loss claims. The market will record a forecast-period CAGR of **1.4% to value \$14,993.3m in 2021** (Marketline, *United Kingdom – Savoury & Deli Foods*, May 2017).
- ◆ Total consumer expenditure on food, drink and catering has continued to rise, by **0.7% in 2016 to £203 billion**. Expenditure on food (including non-alcoholic drinks) increased by **3.0% to £96 billion**. When surveyed, **60% of shoppers agree that they try to buy British food whenever they can** while 8% disagree. 76% agree that it is important to support British farmers while only 3% disagree. According to the survey 45% think that British food tastes better while 9% disagree. (Department for Environment, Food and Rural Affairs, *Food Statistics Pocketbook 2017*) (tinyurl.com/y9h52zaq).
- ◆ National organisations for this industry include [The British Retail Consortium](#), [The Guild of Fine Foods](#), [Food and Drink Federation](#), [Quality Meat Scotland](#), [The National Federation of Meat and Food Traders](#), [Scotland Food and Drink](#) and [The Independent Retailers Confederation](#).



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Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **Mintel – *Specialist Food and Drink Retailers (March 2017)***. Bakeries are the most popular type of specialist food and drink retailer and they are also the most frequently visited of the specialists as a result of their positioning in the food-to-go market. Butchers remain the second most popular specialist and they are also fairly frequently used with 22% of those who visit a butcher saying they visit once a week or more. Other specialists such as delicatessens and confectionery shops are visited much less frequently as they are seen as a more indulgent treat than an everyday essential. This is also reflected in the more affluent customer base of these types of stores.
- ◆ **Mintel - *Cheese (October 2017)***. More than nine in 10 people buy at least one type of cheese, making it a menu staple in the vast majority of British homes. Cheddar is the only type of cheese, though, that the majority of people purchase, reflecting how it dominates the UK cheese market. 19% of cheese buyers are interested in seeing a wider range of cheese that is high in protein, suggesting that focusing on and highlighting this benefit can give products added appeal. Given their greater interest in high protein content, stressing this element should drive demand among Millennials. Three in 10 cheese buyers would like to see a wider range of cheeses from different British regions and a quarter a wider range of cheese from smaller/independent cheese-makers.
- ◆ **IBISWorld – *Meat and Meat Product Retailing (March 2017)***. Demand for industry services is sensitive to changes in the overall economy, particularly changes in disposable income. When levels of disposable income are high, consumers have more money available to spend on fresh meat and they tend to frequent industry establishments more often. During periods of low disposable income, consumers tend to limit their expenditure, consuming lower quality meats from supermarkets. Moreover, low disposable income may lead to consumers opting for cheaper cuts of meat, which would lower demand for high-margin products.

There are also a number of online resources you may find helpful:

- ◆ **The Guild of Fine Food, *Fine Food Digest*** (tinyurl.com/y75ywfpq). This food and drink magazine features the latest news, products and opinion from those who work in the industry.
- ◆ **Farm Shop and Deli Show 2018** (tinyurl.com/j5zhfud). Information on this year's industry show for visitors and exhibitors.

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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as Yell, Thomson Local or Google Maps
- ◆ Trade specialists like EuroPages (European directory), The Wholesaler or Free Index
- ◆ Business to business (B2B) specialists such as Kompass

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the Companies House website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**

What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Retaining and Grow Your Customer Base](https://tinyurl.com/c2fw4o4) (tinyurl.com/c2fw4o4) will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these website, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the National Records of Scotland (NRS). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the Census Area Profiles. Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ Understanding Scottish Places has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ Scottish Government Statistics provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ The Scottish Household Survey provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ Office for National Statistics (ONS) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Account](#)" tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

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