



# 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](http://www.bgateway.com/businessplan)), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **December 2021**. 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:

- ◆ Retail sales of specialist food and drink retailers **dropped 5% in 2020** as a result of Covid-19. The pandemic drove online and more value-focused shopping, while leading to a drop in footfall across the country. As a result, the sector was badly hit despite the overall rise in grocery shopping. Mintel forecasts that the sector will start to see a **recovery in 2021** but will still suffer from the lingering effects of the pandemic and economic downturn. **Growth is set to return in 2022** as the sector may benefit from the shift towards local-community shopping (Mintel, *Specialist Food and Drink Retailers*, March 2021).
- ◆ The Meat & Meat Product Retailing industry is anticipated to grow over the next five years, albeit slowly. Over the five years through 2026-27, industry revenue is anticipated to increase at a compound annual rate of **0.4% to reach £3.4 billion** (IBISWorld, *Meat and Meat Product Retailing in the UK*, June 2021).
- ◆ Over the past couple of years, leading supermarkets have been closing counter services across their store estates. Only Morrisons of the 'big-four' grocers has committed to expanding its fresh meat, fish, and dairy counters. This could represent an opportunity for specialist retailers who could pick up the demand for these services in areas where the local supermarkets have stopped (Mintel, *Specialist Food and Drink Retailers*, March 2021).
- ◆ Cheese became an at-home cooking ally in 2020 with the industry growing by **2% in current value terms** and by **1% in volume terms**, to reach sales of **GBP 4 billion** and **488,800 tonnes**. Be it branded or private label, cheeses are still a favourite in the UK and are performing strongly in 2021 (Euromonitor, *Cheese in the United Kingdom*, September 2021).
- ◆ Since the pandemic there have been huge uplifts in the amount of continental meats sold. For the 12 weeks ending 5 September 2021, volumes were up 12% year on year and up 30% on the same period in 2019. Continental hams, such as Brunswick and Smoked Bavarian, are the largest subsector within continental meats, following by Salami (AHDB, '*Continental meats take bigger slice of the cooked market*', 15<sup>th</sup> November 2021 ([tinyurl.com/2p974e4z](https://tinyurl.com/2p974e4z))).
- ◆ National organisations for this industry include [Scotland Food and Drink](#), [Quality Meat Scotland](#), [The British Retail Consortium](#), [The Guild of Fine Food](#), [Food and Drink Federation](#), [National Craft Butchers](#), 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](mailto:info@bgateway.com).

- ◆ **IBISWorld – Meat and Meat Product Retailing in the UK (June 2021).** Concern for health, sustainability, and fears over contamination and disease are likely to be major drivers of growth in the industry over the coming years. In recent years, environmental concerns have encouraged British consumers to buy locally sourced produce owing to the effects of long-distance food transport on the environment. Operators within the industry pride themselves on their transparent supply chains and locally farmed produce. Furthermore, the rising use of organic food by professional cooks and restaurants is anticipated to make organic, local products increasingly commonplace and normalised in consumer purchases.
- ◆ **Mintel – Specialist Food and Drink Retailers (March 2021).** Nearly 30% of consumers find specialist retailers intimidating. Those who typically shopped at delicatessens were the most intimidated by the shopping experience, suggesting that there is a clear opportunity for this type of store to do more to make customers feel more welcome. This could include providing customers with more information, serving suggestions, and clearer pricing.
- ◆ **Euromonitor – Cheese in the United Kingdom (September 2021).** Value for money cheese options are falling back behind brands in 2021 despite value for money sensitive consumers brought about by the recession. Consumers are not enjoying outdoor activities as much as they used to, even as foodservice opens up as caution is still top of mind, and during the first months of the year spent at home also want to treat themselves and brighten up their daily lives with nicer food products.

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

- ◆ **Fine Food Digest** ([tinyurl.com/4pk68zmr](https://tinyurl.com/4pk68zmr)). This magazine published by the Fine Food Guild contains articles covering the full spectrum of food and drink retailing.
- ◆ **Speciality Food Magazine** ([tinyurl.com/mr68pys9](https://tinyurl.com/mr68pys9)). This magazine includes news, features, and opinions from across the food and drinks industry, with a directory of producers and brands also.
- ◆ **Food Safety Scotland – Industry Specific Advice** ([tinyurl.com/ms8m9ju](https://tinyurl.com/ms8m9ju)). Food Safety Scotland has put together a collection of resources which can help small catering or retail businesses with food safety management and food hygiene regulation.

**Disclaimer:** This report has been updated in December 2021 - we have included Post COVID-19 market material where available. Please note that this research may contain copyrighted material. Copyright belongs to the holders credited above and, as such, recipients of this research reproduce and repurpose this information at their own risk.



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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](mailto:info@bgateway.com) or by calling **0300 013 4753**



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## 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](mailto: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 [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

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 Accountant](#)" 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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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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**Updated by: Rebecca Brown**

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