



# Market Report

A Snapshot of your Market Sector

## Delicatessen

### Cost of Doing Business Support

For information on **reducing the cost of running your business**, the [Find Business Support](#) website has links to advice, funding, and regional support.

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 **January 2024**. 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:

- ◆ Industry revenue is forecast to **grow at a compound annual rate of 4.9% over the five years through 2022-2023 to £1.2 billion**. Growing consumer interest in organic and sustainable products will pump up industry demand. In the medium- to long-term, forecast growth in disposable income levels and an overall deflationary environment will drive demand for expensive and high-quality deli products, particularly among higher income groups. (IBISWorld, *Delicatessens in the UK*, December 2023)
- ◆ **Total food specialists' sales increased 4.6% in 2022** which was higher than total sector (all food retailers) sales which registered a rise of 3.2%. Over the past year, food specialists intensified new store openings investing in new formats as consumers returned to the high street in increasing numbers. (Mintel, *UK Retail Rankings – UK*, May 2023)
- ◆ Cheese enjoys **near-universal usage, with 91% of people eating/using it, and 64% doing so at least twice a week**. Its popularity across a range of occasions, thanks to its versatility, underpins this. A compelling shopping experience holds substantial sway when people have more money to spend more on cheese. **28% of cheese buyers would like to shop from deli counters/cheese shops** more once their finances improve. (Mintel, *Cheese – UK*, November 2023)
- ◆ Cheese **consumption suffered a substantial decline in 2022** as the impact of economic instability, supply chain issues and high inflation affected both players and consumers. Declining retail volume sales continue in 2023, as cheese prices soared further in the first part of the year. Retail value sales grow by **6% in current terms in 2023 to GBP4.3 billion**. (Euromonitor, *Cheese in the United Kingdom*, September 2023)
- ◆ Industry revenue has declined in the five years to 2022-23 at a **compound annual rate of 2.3% to £5.9 billion** as a result of tough operating conditions and growing demand for meat-free alternatives. (IBISWorld, *Meat Product Manufacturing in the UK*, December 2023)
- ◆ The national organisation for this industry is [Scotland Food & Drink](#). Other industry bodies include [Quality Meat Scotland](#), [The British Retail Consortium](#), [The Guild of Fine Food](#), [Food & 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 – *Delicatessens in the UK (December 2023)***: The growing take-up of veganism, vegetarianism and flexitarian diets is driving delis to expand their selection of plant-based meat alternatives. Ever-growing health consciousness boosts meat sales from animals raised on a grass-fed diet without antibiotics or hormones, which are healthier. Consumers are happy to pay a premium for meats produced this way. With many supermarket chains offering mass-produced meat products, a growing number of young Britons are steering towards delis.
- ◆ **Mintel – *Retail Rankings – UK 2023 (May 2023)***: Food specialists are often perceived as more expensive. Therefore, at least in the short term, their sales may be hampered by the ongoing cost-of-living crisis and high inflation as consumers rein in their spending. Both the food and drinks specialist sectors are highly fragmented, dominated by smaller, independent retailers, but there are a handful of large brands operating in the sectors.
- ◆ **Mintel – *Cheese – UK 2023 (November 2023)***: Three in ten cheese buyers would like to shop from deli counters/cheese shops more once their finances improve. This rises to 35% among 55-64s, pointing to such elevated experiences as a promising means to engage this growing group.

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

- ◆ **The Grocer** published an article in December 2023 - [What are the big opportunities and challenges for farm shops in 2024?](#) – in which they asked industry figures for their insights on what opportunities and challenges the industry faces in 2024.
- ◆ **Specialty Food** published an article in October 2023 – [What is the future of the deli?](#) - which looks at the future of artisan retailers, delis and farm shops by speaking to industry insiders.
- ◆ The **Soil Association Organic Market Report 2023** looks at trends within the organic market in the UK. The latest report, published in February 2023, notes that the UK's organic market is now worth £3.1 billion which has been driven by a 1.6% growth in sales in 2022. Caterlyst Food Service News has produced a summary of the report - [Soil Association report reveals UK organic market worth record £3.1bn](#).

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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: Fiona Elliot**

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