



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 2025**.

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:

- ◆ Economic uncertainty and high inflation are impacting the amount of money British people spend on expensive delis. Industry revenue is expected to **contract slightly through 2023-2024** at a compound annual rate of **0.2% to £951 million, including growth of 0.6% in 2024**. Nevertheless, Industry revenue is forecast to **grow at a compound annual rate of 3% over the five years through 2028-29 to £1.1 billion**. Growing consumer interest in organic and sustainable products will pump up industry demand. Independent delis face escalating competition from supermarkets expanding their offerings of organic and sustainable foods. (IBISWorld, *Delicatessens in the UK*, February 2024).
- ◆ Insights from a Target Audience report stated that **38% of deli store and bakery shoppers in the UK are Millennials. 50% of deli store and bakery shoppers are male**. 49% of deli store and bakery shoppers state that when strolling through stores, they tend to buy items spontaneously. (Statista, *Target audience: Deli store and bakery shoppers in the UK*, November 2024).
- ◆ **Sales at specialist food and drink stores**, including greengrocers, delicatessens, butchers, bakeries, and off-licences, **surged by 23.7% in 2023**. This increase is attributed to inflation and other factors. Specialist stores were significantly impacted by rising costs, which they passed onto consumers. Local businesses remained popular, with **50% of consumers* preferring to shop at local companies** and brands. (Mintel, *UK Retail Rankings - UK*, May 2024).
- ◆ 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. **28% of cheese buyers would like to shop from deli counters/cheese shops** more once their finances improve. This rises to **35% among 55-64 year olds**, pointing to such elevated experiences as a promising means to engage this growing group. (Mintel, *Cheese – UK*, November 2023).
- ◆ Several fresh food categories are benefiting from a shift towards premiumisation as local consumers increasingly seek quality, artisanal products to elevate the experience at home, with specialist food outlets responsible for **1.7% of volume sales in 2024**, up from 1.6% in 2021. Environmental concerns are also pushing demand for locally and sustainably sourced fresh food. Provenance is crucial, with UK retailers increasingly offering locally sourced meat, seafood, fruits, and vegetables. (Euromonitor, *Fresh Food in the UK*, December 2024).
- ◆ 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.

- ◆ **Mintel – *Meat Substitutes UK* (January 2024).** Meat substitutes enjoy a firmly mainstream role, half the nation eating them over March-August 2023. Meat reduction remains a key driver, usage rising to 82% among those who don't eat meat and 68% among those who have reduced intake. A third of meat eaters who have not reduced meat intake still use meat substitutes.
- ◆ **IBISWorld – *Delicatessens in the UK (February 2024)*.** Although delis differentiate themselves by offering premium food products, the amount of money Britons are willing to spend on groceries takes a hit in times of depressed income levels. Meat and Meat alternative sales represent the largest segment of the deli market, with sales of £297.8m in 2024 and rising. The growing take-up of veganism, vegetarianism and flexitarian diets is driving delis to expand their selection of plant-based meat alternatives. Cheese and non-dairy alternatives are the next biggest segment (£235.9m) followed by Gourmet foods (£148.4m) and Bread (£141.8m).
- ◆ **Statista – *Target Audience: Deli store and bakery shoppers in the UK (2024)*.** Many deli store and bakery shoppers have a high annual household income. Making their own decisions is an important aspect of life for 31% of deli store and bakery shoppers. 19% of deli store and bakery shoppers are innovators or early adopters of new products.

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

- ◆ **Scottish Food Guide** – offers a section on [Delis](#) in Scotland, with outlet listings and locations on a map. There is also a useful guide to Scottish Farm Shops and the Scottish Cheese Trail.
- ◆ **Scotland Food & Drink** – The Knowledge Bank (theknowledgebank.scot) – offers research and market data for Scotland's food & drink producers and retailers.
- ◆ **Specialty Food** published an article in November 2024 – [18 British charcuterie makers you need to know about](#) - which looks at the recent growth in sales of cured meats and speciality cheeses.
- ◆ **DEFRA (Department for Environment Food & Rural Affairs)** – offers regular updates of [Food Statistics in your pocket](#) which can give insights into production trends and consumer behaviour.
- ◆ The **Soil Association Organic Market Report 2024** (www.soilassociation.org/certification/organic-market-report/) looks at trends within the organic market in the UK. The latest report notes that the UK's organic market is now worth £3.2 billion driven by a 2% growth in sales in 2023. Organic Research Centre produced a summary of the report, February 2024 - [The organic market has delivered its 12th year of positive growth despite the global political and economic turmoil and the cost of living crisis at home](#).

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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 [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 websites, 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.

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