



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 **November 2020**. 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:

- ◆ Mintel estimates that sales of specialist food and drink retailers rose by **2.4%** to reach **£13.1 billion in 2018**. This was following a particularly strong year of growth in **2017 (+8.4%)** which was primarily driven by the high levels of inflation experienced throughout the year. (Mintel, *Specialist Food and Drink Retailers*, March 2019).
- ◆ Revenue is anticipated to continue to be positively influenced by emerging consumer trends such as increased interest in organic and sustainable products, and shoppers are expected to continue shopping more locally as the COVID-19 (coronavirus) pandemic feeds into consumer behaviour and restricts further travel. However, intense competition is expected to continually restrict further growth. (IBISWorld, *Meat & Meat Product Retailing in the UK*, October 2020).
- ◆ The global savoury & deli foods market grew by **1.5%** in 2019 to reach a volume of 19,006.2 million kilograms. The compound annual growth rate of the market in the period 2015-19 was **1.6%**. Europe accounts for **42.9%** of the global savoury & deli foods market value. Asia-Pacific accounts for a further 20.7% of the global market. (Marketline, *Savoury & Deli Foods*, September 2020).
- ◆ Total consumer expenditure on food, drink and catering has continued to rise, **by 2.5%** in 2019 to **£234 billion**. Expenditure on food (including non-alcoholic drinks) increased **by 2.1%**, alcoholic drinks **by 2.5%** and catering **by 3.1%**. When surveyed, **59%** of shoppers agree that they try to buy British food whenever they can while **10%** disagree. **78%** agree that it is important to support British farmers while only **4%** disagree. (Department for Environment, Food and Rural Affairs, *Food Statistics Pocketbook 2020* (tinyurl.com/y5tzls3t))
- ◆ National organisations for this industry include [The British Retail Consortium](#), [The Guild of Fine Food](#), [Food and Drink Federation](#), [Quality Meat Scotland](#), [National Craft Butchers](#), [Scotland Food and Drink](#) and [The Independent Retailers Confederation](#).

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 2019).** Among the specialists, off-licences take the greatest share of the market. They have been one of the strongest performers too with a compound annual growth rate (CAGR) in sales between 2014 and 2018 of 5.3%... Meat is the biggest food category in terms of consumer spending, accounting for 21.8% of all spending on food in 2017. However it has slowly been accounting for a smaller share of spending over the years and we estimate it will fall again in 2018 to 20.9%... Our consumer research found that 60% of people used a specialist food and drink retailer in the three months to December 2018 with bakeries being the most used (32%). Butchers followed behind this (22%) although this number fell by 5 percentage points in 2018.
- ◆ **Mintel - Cheese (October 2020).** Already dominating sales, own label grew at a faster rate than the wider cheese market in terms of both volume and value in 2019/20. The leading retailers have continued to rationalise their cheese aisles, even more so in the wake of the pandemic, simplifying their ranges to keep core products in stock. The ongoing growth of the discounters has also driven sales of own-label cheese, given the limited presence of brands in these retailers.

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

- ◆ The Guild of Fine Food, Fine Food Digest (tinyurl.com/y75ywfpa). This magazine published by the Fine Food Guild contains articles covering the full spectrum of speciality food and drink retailing.
- ◆ The Farm Shop & Deli Show 2020 (tinyurl.com/y254tqzh). See their website for a list of exhibitors and events, as well as information and recaps on the content of the 2019 show.
- ◆ Speciality Food Magazine (tinyurl.com/yxq7m833). This magazine includes news, features and opinions from a cross the food and drink industry, focused on the deli sector, with a directory of relevant producers and brands as well.

Disclaimer: This report has been updated in November 2020 - 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.

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**



Connect with us

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 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](#).

Although every effort has been made to ensure the accuracy of the information provided, Business Gateway will not be held liable for any inaccuracies or omissions in the data supplied, or for the content of any website that the document above may contain links to. By using this information, you accept this disclaimer in full. Also, please note that Business Gateway does not endorse any business or individual that may be referred to above.

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.

Last updated: November 2020

Updated by: Aleksandra

Connect with us

