

# MEAT & DELI RETAILER

ADDING VALUE TO THE MEAT AND DELI CASE

## BRANDING IN THE DELI: A Special Report

Branding strategies that are developed in accordance with the unique shopper profiles of each retail location are crucial components of successful merchandising initiatives.

Enhanced competition for the share of the consumer's stomach is making the supermarket deli an increasingly crowded conglomeration of brands. Retailers are marketing a plethora of products to attract shoppers from a wide variety of demographic categories.

A successful branding strategy, however, goes well beyond the superficial practice of merchandising a mixture of items with the intention of satisfying a cross-section of shoppers. Analysts note that retailers must first determine the specific customers they wish to attract, and then embrace the brands that match those consumers' product preferences.

### A Private-Label Push

Indeed, with more retailers upgrading their private-label goods, the store-labeled items are playing an increasingly prominent role in branding initiatives.

Many deli shoppers—particularly customers of conventional supermarkets—are more comfortable with national brands because the products are frequently advertised, which helps create a perception of merit.

Eugene Fram, Rochester Institute of Technology, recommends that retailers observe consumer behavior, interview shoppers, conduct surveys and study sales data before creating a brand merchandising strategy.

Indeed, to better gauge such preferences, Dennis Whalen, vice president of marketing for Philippe Becker Design, a San Francisco-based branding design agency, says retailers should also study the brands being offered by their top-six competitors, and analyze the level of interest being generated by the items.

Private-label, he agrees, also can be attractive throughout the deli if a store has a strong reputation for freshness and excellence.

“If consumers trust the store, private label is worth seriously considering,” Whalen notes. “Because retailers control the private-label supply and production chain, they are able to capture margins along the way rather than giving them to suppliers.”