

By LAURA DURHAM



# Don't burn away HMR profits

With budgets still tight and increasingly busy lives, eating out – or cooking at all – has become a luxury and supermarkets' home meal replacement (HMR) departments have filled the gap for many hungry South Africans. The importance of investing in quality equipment, ingredients and staff training cannot be overstated and adding a little extra razzmatazz to the HMR experience in-store is setting some retailers apart.

## Still eating at home

The recession seems to have taken longer to hit South African consumers, no doubt due to the World Cup last year, and with food inflation set to rise in the next few months, even cooking from scratch is becoming unfeasible – particularly for those customers cooking for just one or two. Coupled with this is the rising price of electricity so households find it cheaper not to use ovens and stoves at all.

## Invest in quality equipment, ingredients and staff training for hot success

The stigma that might have previously been attached to HMR (boring, low quality and for only the very lazy) has all but sizzled away as it is the HMR department that is the fastest growing in the supermarket industry.

"The popularity in HMR is evident in the sales of equipment," says Ryan Hodge, retail sales manager for foodservice at Macadams Food Service Solutions, a division of Macadams International. "Many competitors are changing their focus away from restaurants for two reasons – retrieving money is tough and demand has changed," he adds. It is interesting to note that the boom in social buying sites, such

as Wicount and Groupon, are dominated by restaurant discounts – obviously an attempt by restaurateurs to bring feet back into the door.

Take-aways have also become expensive, ruling them out as a regular weekday meal solution. "HMR, on the other hand, still falls into the 'home cooked meal' category, which is perceived to be healthier or more nutritious," says Hodge. It is also more affordable as raw ingredients are predominantly taken from the shelves. "From speaking to customers, I have found the guilt factor is somewhat diminished buying from an HMR centre as opposed to buying 'fast food' because it is prepared like home food," he says.

"Life has become very busy and the mobile office now no longer gives anyone a break any more," comments Bianca Andrews, brand and marketing manager at Deli Spices. As we add more and more on to our plates, we ironically have less time to think about what to serve on our dinner plates. Serving a ready-made home cooked meal at the dinner table is therefore just what a busy lifestyle requires. ▶

## HMR FEATURE ►

"Buying ready-made meals gives you the opportunity to take a breather and actually enjoy the meal with the family instead of being exhausted at the dinner table. It's like having a 'governess' looking after the meals except she does not work for you full-time. Imagine, one could even order a different meal for each member of the family. Convenience and choice at a reasonable price ... a no brainer really," says Andrews.

"HMR offers a win-win solution for both retailers and customers," says Wehrner Gutstadt, Group CEO at Culinary Equipment Company. For the customer, it provides convenience, variety and a nutritious 'home-cooked' meal. From the retailer's perspective, "it allows the retailer to add value to what they offer the customer; it encourages the clients to shop more frequently and it's a way to reduce waste through converting fresh produce on the sell by date into HMR offerings reduces wastage. Of course, the margins of HMR foods are great as well," says Gutstadt.

"Retailers have realised the value to brings to the stores – firstly, from a gross profit perspective, bringing in on average a



*Knowing your customer base is vital if you want to cater for their tastes in your HMR department.*

GP of 42%, where groceries are well below 20%. Secondly, this additional department adds to the feel, aroma and fresh appeal of the store," says Hodge.

### Quality in question

Gone are the days when a supermarket's HMR / Deli department consisted of a few crusty pies, chips swimming in oil and a

brittle slice of boring pizza. Many HMR departments have become the pride and glory of stores – and rightly so, considering the quality of ingredients and culinary expertise that goes into every dish.

It might also be argued that HMR departments use superior ingredients than many customers can actually afford due to the quantity.

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Buffet-style islands works well for the Food Lovers Market concept of a 'food experience' in-store. Having access from all sides also makes it very convenient for customers, who want a delicious meal solution ... quickly.

Fruit & Veg City's stable of Food Lovers Markets certainly attest to this with their range of gourmet meals, salads and accompaniments. They also have an exotic cuisine variety to tempt the more

adventurous customers – a sushi bar, Spanash Tapas bar and Italian offering of wood-fire pizzas and paninis. Buffet-style works best for them and customers are able to easily meander around the islands

and choose their desired meal solution.

Broadacres Superspar has positioned itself as the meal solution for its upmarket Fourways customer base. A wide menu of family favourites (e.g. casseroles and curries) and more specialised gourmet options (e.g. lamb shank) caters for everyone's tastes. Their HMR offering is boosted by the in-store coffee shop, Conversations, which gives customers the option of choosing from either the menu, off the harvest table or from the HMR selection. Situated right next to each other also allows for a shared kitchen, which also helps with the workload distribution.

Some retailers have even gone so far as to offering catering to customers. This issue's storewatch – Hobart Superspar – is one such example. Customers are able to choose from an extensive catering menu – from platters to spit braais to celebration cakes – and even bring in their own dishes to further showcase the home-cooked quality of the meal!

### Back to the HMR kitchen

The days of a few stews combined with basic starches as your total offering in the ▶

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## HMR FEATURE ►

HMR section are long gone. "To attract customers you have to be innovative, present smaller batches and a good variety, cooked in different formats to accommodate different dietary requirements," says Gutstadt. From his travels to the best retail shops in France, Italy, Austria and America, Gutstadt has noticed huge changes in HMR – more variety, more local produce, more ingredient information and more selection.

It might even be an idea to use ready-pack sachets for some aspects of your menu (for example, sauces, marinades, pasta sauces etc). "The convenience of ready-pack sachets means there is minimal wastage," explains Andrews. Deli Spices' DeliChef range provides a complete range of HMR solutions, with only the fresh ingredients needing to be added in. "There is no scooping out of a large bucket, so no wastage and every meal works out perfectly every time in taste, and consistency of colour and flavour," she adds. Another benefit is that cost per portion is worked out in the recipe and thereby the retailer can work his profit margins to the cent.

Starting off with good quality equipment is part of the battle won. Gutstadt says that retailers need to invest in quality equipment and it should last for many years. "It is also very important to train staff to use equipment correctly, clean the equipment after every use, and contract your equipment supplier to visit your



*'Cooking in motion' appeals to customers as they are able to witness how fresh the food really is. Here, pancakes are made in-store at President Hyper, Krugersdorp.*

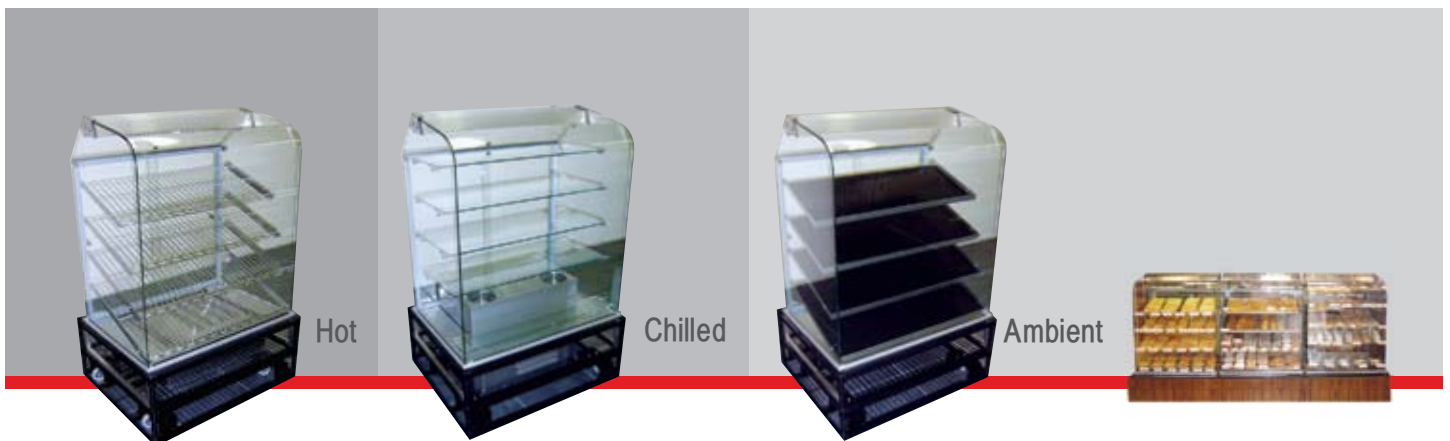
premises regularly to scrutinise the condition and use of all equipment," he says.

The second level is, of course, retaining the quality of the prepared food. Hodge suggests that blast chilling is a solution to controlling the bacteria of meals not eaten in the following two hours after cooking, such as stews, casseroles and curries. "The habit has been to let bulk food cool and refrigerate or leave it displayed for hours and hours, where it tends to sour – blast chilling prevents the build-up of bacteria as food cools," he says. Furthermore, it allows the department to offer cold-served meals,

which can be displayed like hot food but chilled with the intention to re-heat at home. "This offers a solution for home-style meals eaten at home," he says.

### Display decisions

Assuming you are proud of your operation, Gutstadt encourages that you display your preparation by installing glass panels to enable your client to see the operation. This does however require discipline in the kitchen. Of course there are certain dirty operations that must be performed behind a discreet screen wall.



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*Training your staff to use your HMR equipment properly is essential in ensuring the life of the equipment, as well as the quality of the end product.*


Hodge reiterates the importance of displaying the production, saying that it is important for customer confidence. "HMR departments become dead areas when customer confidence drops, when cooking is done in the back out of sight. To avoid this, bringing cooking to the front line is bringing the areas to life, giving customers the impression that food is still being cooked so cannot be fresher." 'Moving' food – rotisserie chicken, flame grillers, pancakes – boost this 'cooking in motion' theory even further. President Hyper in Krugersdorp, for example, has a pancake island in front of their bakery and the cinnamon aroma in the air enhances the fresh and wholesome appeal of the service departments.

## HMR departments become dead areas when customer confidence drops, when cooking is done in the back out of sight

The food 'experience' is apparent in the current display trends. "The trend in the front counter line up has been to move away from curved glass display with an attempt to display food as you would at a banquet or at home," says Hodge. He says that open-style display on heated granite counters with down lighting has become very popular in the US and Europe.

## Heat up your HMR offering

Combining insights from the equipment experts with real store examples, here are some ways to boost your HMR offering:

- **Working together for success.** Interact with your customers and determine what their needs are. You can make the most beautiful food, but if your customers don't buy it, your HMR operation will fail.
- **Create routine for staff.** Low-skilled staff respond well to repetitive tasks (evident in the franchise outlets), so set up simple menus and recipes and make sure the staff are in a routine with a set production schedule.
- **Simplify your operation.** Use batch packs as it simplifies the cooking process.
- **Cleaning consideration.** Utensil washing is a way of washing dishes correctly, giving more time to service and keeping the areas neat.
- **Invest in packaging.** Pre-packaged self service meals are a great turnover driver, but are far more effective when packaged professionally with printed sleeves.
- **Themed cuisine.** Experiment with different cuisines (perhaps reserve one day a week). Dress up staff accordingly, offer tasters and decorate the HMR counter. This will make your HMR department a destination within your store, encourage customers to be adventurous – and it will also be fun and creative for your staff.
- **Create an experience.** Bring a theatre of food to the customer and cook in front of them or encourage open kitchens. 



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