

MEALS ON THE MOVE

Make quality and value-for-money define your hot food offering

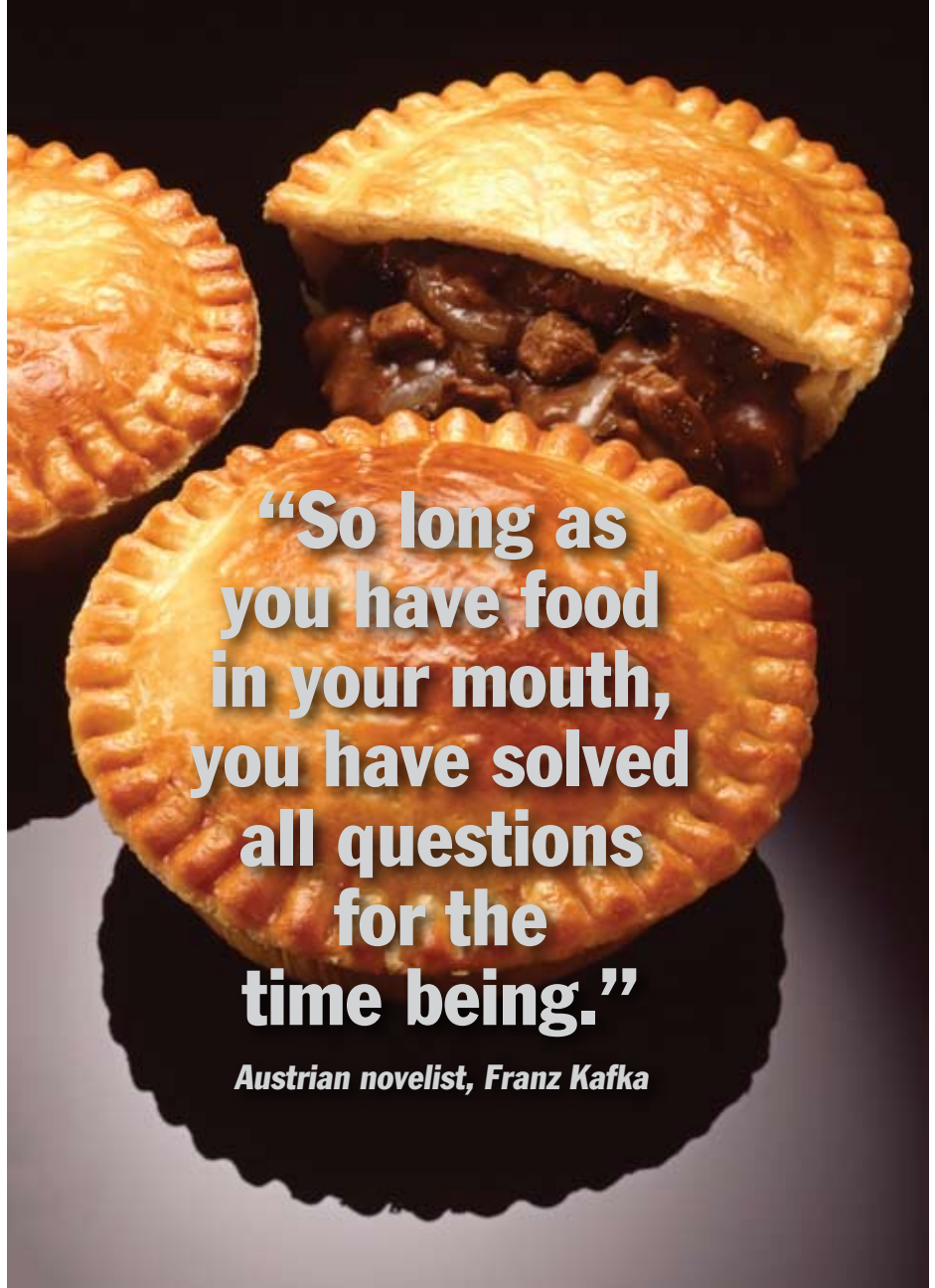
By JANICE HUNT

South African consumers follow the global trend of demanding quality in home meal replacement (HMR) offerings. They increasingly expect good quality in the tried and tested, value-for-money, and good tasting meals on the move that they opt for. "Quality is a key differentiator in home meal replacement choices," states Spiro Angelo, store manager at Metro Devland, which opened its hot food offering in December 2010.

Quality is a global expectation

"Our hot foods are attracting people from other nearby businesses that actually also have hot food offerings because of the quality of our meals," adds Angelo.

This is borne out by British food and beverage experts IGD in a report on the convenience sector early this year: "As the economics of the convenience sector evolve and shoppers' expectations in terms of value and quality continue to rise, retailers and suppliers will need to reassess their overall cost structures to deliver more cost-effective solutions."



"So long as you have food in your mouth, you have solved all questions for the time being."

Austrian novelist, Franz Kafka

The European Union saw a top trend for 2011 as a demand for real value in this age of austerity. Although the food industry has been immune to the economic downturn in many ways, there has been a marked rise in consumers seeking real value-for-money propositions.

Not so humble pie

Pie sales have continued a steady increase, with South Africans eating a staggering 400 million pies per year, which is a 3% increase on last year's sales. Colin Mulock-Bentley, marketing manager for Foodcorp's Piesman's Ready To Eat division, says the growth is encouraging as the market is extremely mature. Their challenge is to continue to grow the market and their share. At this stage, it's a substantial 30% of the whole pie market, which includes pie shops, and 50% of the rest of the market, representing about 170 pie manufacturers.

Mulock-Bentley says that last year's figures showed a 5% growth in pie sales, which can probably be attributed to the tough economic times and people reducing their spend on food on the move, opting for satisfying, tasty and budget-friendly pies. The slowdown in growth in pie sales this year, he maintains, is possibly attributable to the fact that people are spending less on eating out, but are still treating themselves to less expensive takeaway meals. Pies don't readily qualify as treat meals.

He sees the need for a lot more promotion and branding of pies to continue to build sales in forecourt outlets going forward, along with continued education of store owners and managers on the need for pie warmers to be properly functional and used correctly. "We've done a tremendous amount of work in getting our pies right, with good quality ingredients, top grade meat, and excellent pastry, but it's all worth

HMR feature



Suppliers to the C-store industry need to introduce creativity in various sectors, including fresh food, to ensure customers keep coming back for the convenience offering.

nothing if the pie isn't thawed properly, is baked off incorrectly, or left to stand in the warmer for too long. It's probably a customer lost to the store."

Pieman's plans to work more closely with forecourts ensuring that standards are understood and maintained to ensure that the pie is as good as it was created to be when eaten by the hungry consumer.

Pieman's has identified its primary consumers as middle-income black men aged between 25 and 35; although pies are getting an increasing following as hunger-busters by youngsters – generally male – when they're out partying. But they're readily accepted as a hearty snack or meal by millions of other South Africans every day.

As far as introducing new variants is concerned, Mulock-Bentley says it's unlikely and largely unnecessary. South Africans may be becoming more discerning in their pie eating habits when it comes to quality, but not when it comes to flavours. Their favourites are essentially steak and kidney, pepper steak, chicken and mushroom, and Cornish pasties, and they seem largely uninterested in other variants.

Also, space is at a premium in forecourt outlets. Adding too many flavours will mean less space for the old favourites, difficulty in getting the balance of variants right, and the increased likelihood of a disappointed customer.

Pies should be a profitable part of a forecourt's meal offerings, and with careful management of baking methods, quantities, baking times – ensuring that fresh pies are coming out of the oven when customers want them – and minimal waste at the end of the day, pies can contribute well to the business's profits. Pieman's is upping its investment to make sure that this will be the reality throughout the country.

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Metro Devland's hot food

Metro Cash 'n Carry in Devland on the outskirts of Soweto, re-opened in December 2010 after a full revamp which included introducing new service departments – a bakery, butchery and hot food offering. All of which, according to store manager, Spiro Angelo, are doing well. He maintains that a quality hot food offering is essential to continue to meet customers' expectations. "We get customers coming back daily for their hot meals. They wouldn't if the quality wasn't good." The store services Eldorado Park, Kliptown, Soweto and Lenasia.

The hot food outlet is eye-catching, bright and clean, and located on the outside of the store onto the car park, where it attracts customers, drivers, staff, delivery people, visitors, and local workers, with its good range of hearty hot food.

The range of meal offerings include beef stew, steaks, ox liver and onions in gravy, marinated pork spare ribs, flame-grilled chicken, fried chicken, chicken livers, fish, boerewors stew, macaroni cheese, pap, rice, chips, and salads. While the basic meals are on the menu every day, more special items vary from day to day to keep the offering interesting and appealing to regular customers.

New items are tried periodically and generally go down well. Department manager, Rachel Herbst is enthusiastic about the food offering range. "Before we opened, we thought the most popular food would be very basic dishes, but in fact, it's been surprising. Our customers' tastes are quite sophisticated, and when we put something new on the menu, like chicken cordon bleu or schnitzel, we can't keep up with demand." While not exotic offerings,

they are certainly unexpected hot sellers for the area. Herbst says people come in and "shop with their eyes". The food has to look good and fresh all the time – and, of course, taste great while also offering good value-for-money. Angelo says while the hot food outlet is busy all the time, the busiest days are from Thursday to Saturday, but fairly quiet on Sundays. On Saturdays, the bakery produces bread rolls, which are used to make boerewors rolls to add to the hot food offering. Demand starts in the morning and continues throughout the day, peaking at lunchtime.

All the food is planned, prepared and cooked on the premises, and ingredients and consumables are sourced largely through the store, from the butchery and bakery, as well as groceries and catering supplies. Fresh produce is sourced locally. Herbst, who came from Pick n Pay, handles the product planning and costing and says that wastage is absolutely minimal, with the previous day's meals sold at special prices.

Staff in the hot food outlet have been trained by an outside company in all aspects of food handling, hygiene, and controls. "They're an excellent team. They work hard, and they do well," says Angelo.

Looking ahead, Angelo says it will be more of the same. Trying new items periodically and assessing their popularity, and finding new ways to bring traffic into the hot food department, even on traditionally slow days.

Metro's director of marketing and retail development, Clive Kairuz, says that Metro's new hybrid stores which feature service departments, will all have hot food offerings. At this stage, 10 stores have opened as hybrids – either as revamps of existing stores or as brand new outlets – and all are successful. New openings are taking place all the time. "We're making sure that the quality and presentation is always excellent and we're seeing a constant increase in foot traffic."

"There have been some surprises about the range of food that sells well in different areas, but as with any new business," says Kairuz, "it's a matter of ensuring the basics are in place and then trying new items to see what works and what doesn't."

No name forecourt makes a plan

A forecourt outlet located in a Johannesburg northern suburb but which has to remain



Since converting to a Freshstop, transactions at The Downs Caltex Freshstop in Epsom Downs have increased from about 3 000 to 4 000 per week to around 6 000.



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HMR feature

nameless because the holding company objects to their activities, is of the same mind – and to achieve their aims they made a plan. Their outlet is too small for hot food, even for baking off pies, but they also knew that to bring more feet to their forecourt, they needed to offer something hot and good. So they started a small hot dog stand outside the store, selling freshly prepared foot long frankfurters, cheese grillers, and Russians with caramelised onion and a selection of sauces for prices ranging from R14 to R19. It's hardly a big money spinner, they acknowledge, but it does bring feet into the store – and that's the idea.

When the holding company objected to the hot dog stand, they applied for a hawker's licence and moved the stand to the edge of the property, where it was legal and within their rights. No money exchanges hands at the stand; customers pay in the shop and hand the cook a slip and the hot dog is prepared.

Customers stopping off for their foot long hot dogs were enthusiastic about them and were invariably frequent visitors to the stand – and the outlet. Many people who work in the area – from low income to middle and upper income – are regular customers at the stand.

To cater for customers who may not eat pork, the forecourt's next move is to set up a small chicken rotisserie alongside the hot dog stand to cook quarter chickens. "Competition for good food on-the-go in this area is huge. We have to offer something – and it has to be good quality and great value – to keep growing the customer base at this site." They will; there's no doubt about it.

Freshstop is set for growth

Patricia Nonhlanhla Khanyile is the owner of The Downs Caltex Freshstop in Epsom Downs, Johannesburg. It was revamped from a Star Mart to a Freshstop early this year – and she is delighted with the increase in store traffic and basket size that she's seeing. The Freshstop now features a Seattle Coffee department, baked goods such as croissants, pies, and pastries, as well as a selection of sandwiches, burgers, fruit salads, fresh fruit packs, healthy snack packs, yoghurts, and other quick and easy meals on the move. Khanyile says Fruit & Veg City's Freshstop has different models



Active promotions and advertising done by Caltex for Freshstop outlets have had an extremely positive effect on sales and some customers visit the C-store specifically to shop for these items.

available. Her model is no food preparation on site, but daily deliveries of fresh products from the suppliers. She is delighted with the enthusiastic response by her customers at this stage, but is keen to look at upgrading to the next in store food preparation model in the not too distant future.

"Everything about the store is better than it was before, and sales of fresh coffee and fast food items have more than doubled since we opened in February." Her customer base is predominantly office workers in the surrounding areas and the store is busiest between 6am and 9am, and at lunchtimes. Weekends tend to be relatively quiet in comparison. Transactions have increased from about 3 000 to 4 000 per week to around 6 000.

She maintains too, that the active promotions and advertising done by Caltex

Operating a hot dog stand outside their C-store is how one Johannesburg forecourt has managed to bring a hot food offering to its site despite the space constraints inside.



for the Freshstop outlets have had an extremely positive effect on sales. "We hand out promotional pamphlets and often find customers coming in specifically to shop for those items."

Her manager, Christian Sibanda, agrees and says he's even had people coming from areas like Midrand to check out the shop as they had seen Freshstop advertised on television. Supplier support has been excellent, they both say, with all aspects of the business including staff training and general advice on stocking and trying new products.

Supplier support

South African convenience store (C-store) fundi and consultant, Jocelyn Daly would approve. She's had strong words to say about supplier support in C-stores. In her blog recently (cstores.wordpress.com), she lambasted suppliers to the C-store industry for not upping their game in any way and blames them for their lack of creativity in various sectors, including fresh food. "Where is the innovation? Our customer base is increasing by the day, but it is no thanks to our suppliers. It is the convenience of the location of our stores and reduced time our customers have that are growing the market."

She maintains that as long as suppliers see this industry as a grudge drop-off, there will be no real growth for either the supplier or the franchisor, and implores both to work on putting performance criteria in place "to keep your customers coming back time and again because they can rest assured that the product they want will always be there!"