

# Creating a Year-Round Soup Program

Deli soup purchases are growing substantially

BY BARBARA ROBISON

Deli soup purchases are on the rise because consumers see soups as a viable meal solution, according to *What's in Store 2013* from the International Dairy-Deli-Bakery Association (IDDBA), Madison, WI. The publication showed deli soups contributed a 2.1 percent dollar share to deli prepared food sales in the 52 weeks ending March 31, 2012. Nielsen Perishables Group's *Fresh Facts* reported the category saw a 5.2 percent growth over that year. Fresh Look Marketing's *Fresh View* noted nearly 8.5 million pounds of soup were sold at supermarket delis during that same time frame.

More consumers are making a greater number of unplanned soup purchases, seeking answers to the perennial what-will-I-serve-for-dinner question. "Keep the soups filled and ready for dinner, midday and evening shopper" is the advice offered in *What's in Store 2013* by Jason German, product manager of DeliTrack, a tracking service from Port Washington, NY-based NPD Group Inc.

"Fresh soup as a category is really heating up in both the hot and chilled formats. During the economic downturn several years ago, the category slipped from its previously strong sales growth, but shoppers have come back to the category in a strong way. Not only are a higher percentage of shoppers purchasing the category, but they are also purchasing more often. This has led to more retailers increasing their commitment to the category," states Levon Kurkjian, vice president of marketing, Kettle Cuisine, Chelsea, MA, a marketer of refrigerated soups, chilis, chowders and stews. The company markets bulk pouches for use in hot soup stations.

One of the biggest flavor trends Kettle Cuisine has seen is the demand and acceptance of less traditional and more adventurous varieties with inspiration from Southeast Asia, for example, Thai curry chicken soup; India, for example, Indian lentil stew; North Africa, for example, Moroccan lamb stew;



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and various regions across the United States, for example, shrimp and sausage gumbo.

Growing consumer desire to try new items has resulted in increased deli purchases. Among the most popular soups from Select Store Brands, a division of Haliburton International Foods, Ontario, CA, are tortilla, triple mushroom, and chorizo and black bean soups as well as light roasted cauliflower bisque. "As you can tell by our winners, you're not seeing the same old type soups," says Bobby Ray, vice president, retail and private brands. "Many delis are simply worn out with chicken noodle and tomato soups. They want to try something new, and consumers are embracing the new soup ideas — and loving them."

"Refrigerated soup is a small but a very fast growing sector as shoppers opt for fresh soups at dinner, or as toppers for rice or pasta," Elizabeth Sloan of *Food Technology Magazine*, Chicago, IL, points out in the IDDBA publication *What's in Store 2013*.

According to Lynnea Jodway, marketing coordinator, Sandridge Food Corporation, Medina, OH, a marketer of fresh refrigerated soups, "Vegetable-based soups are on the rise as consumers look for healthier options in every aspect of their diets. Also growing in popularity are soups



PHOTO COURTESY OF SANDRIDGE FOOD CORPORATION

with global flavors or uniqueness to them, like our white chicken chili and Gumbolaya. The entire fresh soup category [soups, stews and chilis] has undergone strong growth. We have enjoyed double-digit growth in both the bulk and retail fresh soup arenas across the board.

"Fresh soup represents a really good value for the money and also offers a convenient meal solution, which we believe is driving the positive sales growth trend. The

perception of fresh soup is quite different than that of the shelf-stable competition. Fresh soup is popular choice for snacking, lunchtime meals and as center-of-the-plate dinner meals," she continues.

The soup menu should have a good balance of the familiar flavors and on-trend varieties to serve the various demographics. "A strategic soup set up should include seven different varieties, rotated daily, which accompany the traditional favorites," Jodway adds.

The consumer quest for healthy foods has impacted deli soup purchases, says Bob Sewall, executive vice president of sales and marketing, Blount Fine Foods, Fall River, MA. "Soups are trending towards having healthier and special dietary attributes," he explains. "Organic, low-fat, all-natural, good source of fiber, 150 calories or less per serving, and gluten-free are some of the information consumers search for when reading soup labels today." The company markets soups under the Panera and Legal Sea Foods labels and also develops private label hot-to-go programs for supermarkets.

"We encourage our customers to look at nutrition in a more balanced way and to emphasize all of the nutritional benefits of our soups. This would include nutrient claims like low fat or no cholesterol but also positive claims like high in fiber or full serving of vegetables. Such claims as no artificial ingredients, allergen friendly or gluten free provide a more balanced view of nutrition and allow operators to reach a wider range of shoppers," says Kettle Cuisine's Kurkjian.

#### Year-Round Soup Programs

Hot soups are popular in many deli departments, especially those located near office buildings. Kettle Cuisine has found hot soups and refrigerated soups play off each other. They don't cannibalize each

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FEATURING A CUP OF SOUP WITH A HALF SANDWICH OR A SMALL SALAD, AS MANY RESTAURANTS DO, CAN BUILD DELI SALES, ESPECIALLY IN WARMER MONTHS WHEN CONSUMERS ARE LOOKING FOR LIGHTER FARE. A BLACKBOARD OR EASEL STAND CAN OFFER TWO OR THREE COMBINATIONS EACH DAY.

are putting in wells and kettles to cater to the consumer picking up lunch for the day or grabbing dinner for the evening.”

One major challenge is how to maintain a viable soup program in warm weather and create a 52-weeks-a-year destination. When the temperatures soar, delis can increase sales by promoting soup as a quick and easy dinner alternative. Since it requires minimal cooking, kitchen temperatures are not impacted.

“While there’s definitely seasonality in soup sales, there are many ways retailers can keep their shoppers interested in soup the year around,” says Kurkjian. “While our suggestions are always specific to the parameters of individual retailers, some examples include bundling soups with salads or sandwiches, regularly rotating a sub-set of SKUs to include varieties with season-appropriate ingredients, and providing recipe suggestions that allow shoppers to use the soups as an ingredient in preparing different seasonal meals.” Kettle Cuisine offers several soups served chilled, including strawberry champagne soup, green pea and mint soup and roasted beet soup.

Blount manufactures and markets gazpacho, a refreshing low fat, gluten-free soup, with fewer than 150 calories per serving. “It’s ideal for catching the shoppers on the warm days of spring and summer. It can also lead to additional sales when the customer pairs the soup with a favorite sandwich or salad,” says Sewell.

“Seasonal soups can help keep the offerings exciting, even in the off season. It’s all about making the most of each season by taking advantage of ingredients that flourish during different times of the year,” states Jodway.



PHOTO COURTESY OF SELECT STORE BRANDS

other because the consumption occasions for the two formats are meaningfully different. Hot soup is almost always consumed immediately or within hours, whereas chilled soups are most commonly consumed the next day or two. “Years of following consumer behavior in this category suggest that you can build great shopper trial with a hot offering and build great

shopper loyalty with a chilled program,” Kurkjian explains.

Sandridge sees growth in both hot refrigerated soups. Consumer demand means increasing numbers of retailers are offering fresh soups in both formats. “The shelf space is expanding, not just in the grab-and-go but in the prepared-foods section of the stores,” says Jodway. “Retailers



PHOTO COURTESY OF KETTLE CUISINE

### Merchandising Opportunities

Cross-merchandising can be an effective tool for building soup sales throughout the year. Breads, salads, or other side dishes available near the soup case can make complete meal solutions fast and easy. Featuring a cup of soup with a half sandwich or a small salad, as many restaurants do, can build deli sales, especially in warmer months when consumers are looking for lighter fare. A blackboard or easel stand can offer two or three combinations each day.

Jodway suggests merchandising soups such as Sandridge's Lobster Bisque or Herbed Tomato Bisque as a gourmet-ready sauce to be paired with fresh pastas. Signs that read "Dinner in minutes, just heat and enjoy" would communicate this convenience and engage the shopper.

Many manufacturers offer training and educational materials for deli staff. Blount provides food safety handling instructions and creates a training blueprint for supermarkets through field visits. Sandridge provides heating and storage guidelines for each soup as well as repurposing ideas to prepare specific dishes. Kettle Cuisine tailors its assistance to the needs of each customer. Training programs are offered in either written or video forms.

"We find delis need training for their operators unless you provide items that are simple to use, while still providing high quality. We feel we do a lot of the work for the operators at our plant," states Select Brands' Ray.

Point-of-sale (POS) programs are also important. Sandridge provides soup kiosks,

signage, product tags and other POS items to grab consumers' attention. It also develops simple inviting phrases for delis to use in promotional materials and can design a soup calendar for its deli customers.

"In regard to POS materials, every situation is unique. Most operators have internal marketing departments with which we work closely to supply art work, messaging suggestions and best practice guidelines," reports Kurkjian of Kettle Cuisine.

Blount provides in-store signage and QR (quick response) codes to download the latest soup recipe ideas and pairings to smart phones. "We also offer soup rotation suggestions based on region, how to merchandise soup effectively, and how to develop a hot-to-go program to coincide with retail soup products," adds Sewell. **DB**