



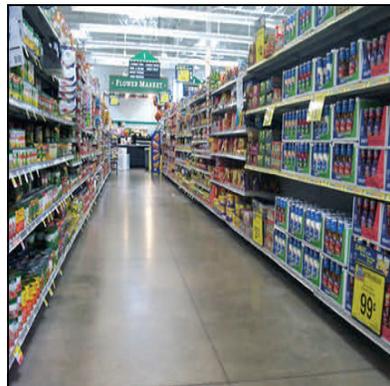
**International  
Markets  
Bureau**

**MARKET INDICATOR REPORT | MARCH 2013**

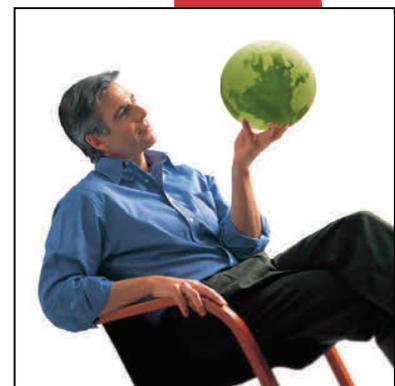
## **Modern Grocery Retailing in the United States**



Source: Planet Retail, 2012



Source: Planet Retail, 2012





**▶ EXECUTIVE SUMMARY**

With a population that reached 311.6 million people in 2011, the United States (U.S.) is the third-largest country in the world. In 2011, the United States' Gross Domestic Product (GDP) was US\$15.09 trillion, or US\$48,442 per capita. Total consumer expenditure was US\$10.5 trillion, working out to US\$33,616 per capita. Significantly, Americans spent 26% of their income on food, non-alcoholic drinks and housing in 2011.

The grocery market in the U.S. is the world's second-largest, after China. It reached US\$930 billion in 2011, representing 1% growth over the previous year. Even so, grocery retail sales in the U.S. declined from 2009 to 2010 due to the recession.

In 2011, modern grocery retailers, such as supermarkets, hypermarkets and discounters, held 84% of value sales in the grocery retailing sector. They represented 62% of outlets and 81% of selling space. Most American consumers choose to shop in modern grocery retailers over traditional formats, with modern grocery retailers generating sales of US\$777 billion in 2011, compared to US\$153 billion worth of sales made through traditional grocery retailers.

Of the modern grocery retail channels, supermarkets led sales in 2011, with US\$332.7 billion. Hypermarkets earned US\$269.9 billion, and forecourt retailers had US\$131.3 billion in sales. Despite experiencing the greatest value sales, supermarkets face competition from other channels, especially hypermarkets, which had the strongest growth between 2006 and 2011, with a compound annual growth rate (CAGR) of 6.2%.

Major trends that are currently influencing grocery retailing in the U.S. include premiumization and health and wellness. Due to the weak economy, discounting is also popular in the form of loyalty programs and reward cards. Moreover, demographic shifts, such as the growth of minority groups and the increase in the number of men who shop for groceries, are influencing how companies market their grocery products. Internet grocery shopping has been growing slowly, but this is expected to change once Internet shopping options are extended to smartphones and companies begin targeting younger consumers. Finally, whether at a supermarket, drugstore, or other retailer, the presence of private label food products is ubiquitous.

Packaged food products are very popular among grocery retailers, as they are sold in large quantities and stay fresh longer than fresh food.

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**DISCOUNT STORES ARE EXPECTED TO GROW BY 2.4% FROM 2011-2016. THIS IS THE STRONGEST GROWTH EXPECTED AMONG ALL MODERN GROCERY RETAILERS.**



## ► SOCIO-ECONOMIC PROFILE

### *Country overview*

The recent recession in the U.S., which started in December 2007, continues to affect the economy. The country is expected to continue to experience a slow recovery, with the current, high unemployment rate decreasing very slowly. For example, the national average unemployment rate decreased by less than 1% in 2011 to 9.1%, from 9.64% in 2010. Also, financial instability at home and abroad, such as high debt and job insecurity, has lowered consumer confidence and household spending.

In 2011, the United States' Gross Domestic Product (GDP) was US\$15.09 trillion, while real GDP growth was 1.7%. High food and fuel inflation reduced consumer spending power, despite its having increased slightly from 2010 to 2011. Total per capita consumer spending for 2011 was US\$33,616.

Despite current challenges, with a growing population and a diversity of customers, grocery retailing is expected to remain strong and diversified in the U.S.

### *Demography*

The population of the U.S. is growing at a healthy pace, driven by greater longevity, immigration and high birth rates. The total population reached 311.6 million people in 2011, making the U.S. the third-largest country in the world, after China and India.

In terms of regional demographics, the largest states are: California, Texas, New York, Florida, Illinois, Pennsylvania, and Ohio, with over 10 million residents in 2011. New York, Los Angeles, Chicago, Philadelphia and Dallas are considered the most populous urban centers, with approximately 10 million people living in each.

By 2050, the U.S. is expected to become a majority minority country, with 54% of the population identified as Hispanic, Black, Asian, American Indian, Native Hawaiian and Pacific Islander. More importantly, by that time, the number of Hispanic people alone is expected to nearly triple, from 47 million to 133 million, due in large part to high birth rates within Hispanic families. As a result, 30% of the population is expected to be Hispanic by 2050, compared with 15% in 2010.

Also, the aging of the baby boomers, along with young people who are postponing marriage and children, have made smaller households (containing just one or two people) very common in the United States. In fact, this situation has a direct impact on spending patterns, including the types of food and quantities purchased, as well as package sizes.

### *Income and expenditure*

In 2011, per capita GDP was US\$48,442, while consumer spending per capita increased from US\$33,454 in 2010 to US\$33,616 in 2011. Furthermore, from 2007 to 2011, gross annual income in the United States experienced very little growth. This situation is expected to continue from 2011 to 2016, with an increase of only 4.5%.

In 2011, household incomes averaged US\$49,445, which is considered the lowest average in more than a decade. Furthermore, the poverty rate jumped to 15.1%, representing a 17-year high. Annual disposable income in 2011 was US\$10,761.2 billion; this is expected to increase by 4.6% from 2011 to 2016. Similarly, there is likely to be a 5% increase in consumer expenditure during the forecast period.



## ▶ CONSUMER PREFERENCES AND GROCERY SHOPPING HABITS

Food preferences in the U.S. are determined by consumers' socio-economic profiles and household budgets. Having said this, factors like convenience and taste win out over store or brand loyalty. Unlike consumers in others part of the world, Americans tend to have few concerns regarding genetically modified (GM) foods. In fact, GM foods are established in American food chains, mainly due to the U.S. Food and Drug Administration (FDA) determining that GM products are safe.

The best-selling packaged food categories in 2011 were: bakery products, dairy products and frozen processed food products, which together generated US\$156.8 billion in sales. When it comes to fresh food, Americans tend to eat meat, vegetables, and fruit.

However, it is important to note that, with a large population and diverse ethnic groups, food preferences vary by region in the U.S. For example, seafood, including crab, lobster and clams, tend to be popular in New England, and in some southern regions of the U.S. The diet includes traditional African-American food (e.g. fried chicken and fish, sweet potatoes, black eyed peas, okra, cornbread, etc.), barbequed chicken, and creole cuisine. Also, immigrants have brought their national cuisines to the country, which has had a direct impact on food preferences. For example, many Americans prepare Chinese, Mexican and Thai dishes at home.

With high food and fuel price inflation in 2011, consumer spending declined, making bargain-conscious consumers extremely receptive to private labels. Indeed, some people go even further to economize on food, turning to money-saving tactics like couponing.

## ▶ GROCERY RETAIL SALES OVERVIEW

Grocery retail sales grew slowly every year between 2006 and 2011, with a modest CAGR of 2.2%. Sales are expected to grow even more slowly from 2011 to 2016, with a CAGR of just 0.3%. In fact, from 2015 to 2016, grocery retail sales are expected to experience a small decline. Having said this, modern grocery retailers grew more than traditional grocers from 2006 to 2011 and this is expected to continue through 2016.

In 2011, modern grocery retailers were the top distribution channel for the grocery market in the U.S. More specifically, supermarkets led sales with US\$332.7 billion. In second position were hypermarkets, with US\$269.9 billion, followed by forecourt retailers in third, with US\$131.3 billion. Although supermarkets were strongest in terms of sales, they experienced minimal growth between 2006 and 2011 (CAGR of 1%), while hypermarkets experienced the strongest growth (CAGR of 6.2%).

Moreover, with a negative CAGR projected for 2011 to 2016, sales in both supermarkets and forecourt retailers are expected to decline over the forecast period. Of the top three grocery retail formats, hypermarkets are expected to maintain the strongest growth, with a CAGR of 2.2%. However, discount stores will have the overall strongest growth among all grocery retailers, with a CAGR of 2.4%.

In addition to the very successful modern grocery retailers, there are many small and independent chains in the U.S. These include food specialists and other grocery retailers that focus on niche products and specialty items, including gourmet, premium, organic and ethnic foods. These traditional grocers are expected to decline from US\$153.3 billion (2011) to US\$139.8 billion (2016) in terms of sales, with a CAGR of -1.8%. This decline may be due to the fact that American supermarkets have improved their offer of premium products.



## ▶ DISTRIBUTION FORMATS

Large grocery formats include hypermarkets and supermarkets, which sell most of the packaged food products in the U.S., as well as discounters. Smaller grocery formats include convenience stores, forecourt retailers, cash and carry warehouse clubs and drug stores and pharmacies.

### *Hypermarkets*

Hypermarkets are very large and not typically found in urban areas. They offer a wide variety of products and services. More importantly, hypermarkets use their bargaining power with manufacturers to set the best price possible, ensuring that their product prices are lower than those of supermarkets. In 2011, hypermarkets Walmart, Kroger, Safeway, Supervalu, and Publix represented the top five grocery retailers in the U.S., with 41.1% market share. From 2011 to 2016, sales at these stores are expected to have the second-strongest growth next to discount stores.

However, with recent increases in the cost of gas, American consumers have been avoiding frequent car trips in favour of shopping near home.

### *Supermarkets*

Supermarkets offer a large variety of food and drink but, in contrast to hypermarkets, they tend to be situated close to where people live and work in urban, suburban and rural areas. American supermarkets offer customer loyalty programs and provide discounts and special offers to loyal customers. In addition, supermarkets offer both upscale options and discount products to appeal to different types of customers.

In 2011, supermarkets experienced the greatest sales among all grocery retailers. Some popular supermarkets include Aldi, Stater Bros and Superior Grocers.

Despite supermarkets being the strongest in terms of sales, they face competition from hypermarkets, discounters, and forecourt retailers, which offer low prices and convenience products.

### *Discount stores*

Discounters offer minimal customer service in no-frills stores, with a limited selection of products. Indeed, the products found in discount stores are mostly private label and prices are low to appeal to shoppers on a budget. They are located in lower-income or under-served neighbourhoods. Well-known discounter stores in the U.S. are Dollar General and Dollar Tree.

Discount stores were the fastest-growing channel in terms of sales in 2011, with 11% value growth. Discount stores, such as Aldi and Delhaize, are planning outlet expansions in 2012 and beyond to take advantage of changing consumer behavior. This sector is expected to grow more than other grocery retail channel between 2011 and 2016, with a CAGR of 2.4%.

Additionally, with a shaky national economy and spending-conscious consumers, grocery retail sales in discount stores are expected to rise even more.



## ▶ DISTRIBUTION FORMATS (continued)

### *Convenience stores and forecourt retailers*

Convenience stores and forecourt retailers are located in high traffic areas and offer limited selections of food. Convenience stores are best known for quick shopping trips, and Americans don't perceive them as places to pick up groceries, using them instead to purchase a few small items or impulse buys. 7-Eleven, Circle K and Pantry are all popular convenience stores in the U.S. and most of their outlets are located next to gas station.

Even though convenience stores and forecourts retailers are not expected to grow much over the forecast period (2011-2016), companies will try to stimulate growth with some quick foodservice options, like ready-meals and prepared foods.

### *Cash and carry warehouse clubs*

Cash and carry warehouse clubs are popular in the United States. They are a no-frills distribution format. This format sells products in large quantities and, for this reason, shoppers tend to visit these stores less frequently.

The main player for cash and carry warehouse clubs in the U.S. is Costco, which is popular throughout North America. Sam's Club (Walmart-owned), Smart & Final and BJ's are other major cash and carry stores. These players offer annual memberships for a fee. Some cash and carry warehouse clubs include additional services, such as, pharmacies and gas stations.

This sector is projected to grow, especially as consumers increasingly seek value and look to consolidate their trips in light of the economic climate.

### *Drug stores and pharmacies*

Drugstores are now becoming a more and more important channel in the U.S. grocery market. Large retailers, such as Walgreens, CVS and Rite Aid, all offer increasingly sophisticated ranges of groceries in their stores, with a focus on snack foods and drinks, as well as convenience foods. Fresh and frozen foods are finding their way into larger outlets. The aging of the American population, rising fuel prices (and their influence in encouraging shopping close to home), and the availability of smaller sites for retail outlets mean that the drugstore channel is expected to grow, in the future.

There have been several major consolidations in the sector in recent years, such as Walgreens, the top drugstore chain in the U.S, and Duane Reade (2010), CVS and Longs (2008), as well as, Rite Aid and Brooks & Eckerd (2007). Partnerships are likely to continue, in order to boost sales of grocery items in these store.

► **DISTRIBUTION FORMATS (continued)**



**United States, Grocery Retail Market Size by Distribution Format – Value Sales (Historic) in US\$ Billions**

Category	2006	2007	2008	2009	2010	2011	2006-2011 % CAGR*
<b>Grocery retailers sales total</b>	<b>835.1</b>	<b>865.1</b>	<b>892.6</b>	<b>991.3</b>	<b>917.1</b>	<b>930.1</b>	<b>2.2</b>
Modern grocery retailers	683.7	713.5	741.1	759.5	764.6	776.8	2.6
Convenience stores	20.5	21.0	21.6	22.1	19.8	20.2	-0.2
Discounters	17.3	17.5	18.5	19.2	20.4	22.7	5.5
Forecourt retailers	130.1	130.1	126.5	128.4	129.9	131.3	0.2
Hypermarkets	199.9	224.3	244.1	258.7	265.0	269.9	6.2
Supermarkets	315.9	320.6	330.4	331.1	329.4	332.7	1.0
Traditional grocery retailers	151.4	151.9	151.5	151.8	152.5	153.3	0.3
Food/drink/tobacco specialists	70.0	69.8	69.2	69.4	70.1	70.7	0.2
Independent small grocers	75.0	75.7	76.1	76.4	77.0	77.4	0.6
Other grocery retailers	6.4	6.4	6.2	6.1	5.4	5.2	-4.3

**United States, Grocery Retail Market Size by Distribution Format – Value Sales (Forecast) in US\$ Billions**

Category	2012	2013	2014	2015	2016	2011-2016 % CAGR*
<b>Grocery retailers sales total</b>	<b>937.0</b>	<b>944.0</b>	<b>946.1</b>	<b>945.8</b>	<b>945.5</b>	<b>0.3</b>
Modern grocery retailers	787.3	796.9	800.8	803.8	805.7	0.7
Convenience stores	20.2	20.1	20.1	20.0	19.8	0.5
Discounters	23.7	24.7	25.0	25.3	25.5	2.4
Forecourt retailers	130.4	130.4	129.8	129.3	128.7	-0.4
Hypermarkets	279.0	285.7	292.1	296.6	301.4	2.2
Supermarkets	334.0	336.0	333.8	332.6	330.4	-0.1
Traditional grocery retailers	149.7	147.1	145.2	142.0	139.8	-1.8
Food/drink/tobacco specialists	70.1	69.6	68.4	67.4	66.3	-1.3
Independent small grocers	74.6	72.6	72.1	69.9	68.9	-2.3
Other grocery retailers	4.9	4.8	4.8	4.7	4.6	-2.2

Source for both: Euromonitor, 2012  
\*CAGR: Compound Annual Growth Rate



**▶ MARKET SHARE BY COMPANY AND BRAND**

With its strong national presence and low prices, Walmart dominates grocery retailing in the U.S. In 2011, Walmart held 24.4% value share, followed by fellow hypermarkets Kroger at 7.4% and Safeway with 3.5%

The leading companies generally maintained their ranking by brand shares, although there was some variation by brand. For example, while Ahold is the sixth-strongest grocery retailer, its brand Super Stop & Shop places tenth.

With many domestic and international companies in the grocery industry, the market is highly fragmented. The top five grocery retailers in the U.S. are all domestic. However, some internationally owned retailers, such as Ahold and Delhaize, are also successful in the United States. In 2011, they were ranked sixth and seventh among the top ten grocery retailers, with 2% and 2.6%, respectively.

**United States, Top 10 Grocery Retailers, Company Shares by % Breakdown**

Company	2009	2010	2011
Walmart Stores Inc.	23.9	24.4	24.4
Kroger Co.	7.2	7.3	7.4
Safeway Inc.	3.6	3.5	3.5
Supervalu Inc.	3.4	3.2	3.2
Publix Super Markets Inc.	2.7	2.7	2.9
Ahold USA Inc.	2.5	2.5	2.6
Delhaize America Inc.	2.1	2.1	2.0
HE Butt Grocery Co.	1.5	1.6	1.6
Meijer Inc.	1.5	1.5	1.6
Target Corp.	1.5	1.5	1.5

**United States, Top 10 Grocery Retailers, Brand Shares by % Breakdown**

Brand	Company	2009	2010	2011
Walmart	Walmart Stores Inc.	23.9	24.4	24.4
Kroger	Kroger Co.	6.6	6.5	6.6
Safeway	Safeway Inc.	3.6	3.5	3.5
Publix	Publix Super Markets Inc.	2.7	2.7	2.9
Albertson's	Supervalu Inc.	2.2	2.2	2.2
H-E-B	HE Butt Grocery Co.	1.5	1.6	1.6
Meijer	Meijer Inc.	1.5	1.5	1.6
Super Target	Target Corp.	1.5	1.5	1.5
Food Lion	Delhaize America Inc.	1.6	1.5	1.5
Super Stop & Shop	Ahold USA Inc.	1.1	1.1	1.1

Source for both: Euromonitor , 2012



## ▶ MAJOR RETAILING TRENDS

### *Premiumization/health and wellness*

Like other Western countries, the U.S. faces the aging of the population and the rise of obesity-related diseases like diabetes and heart disease. In response to these challenges, it appears that more people are striving for a healthy lifestyle and looking for better quality products to include in a balanced diet. For example, grocery retailers, such as Safeway and Walmart, have tried to improve the quality of their private label brands, as well as installing special signage or displays to help health-conscious shoppers easily identify foods that meet their needs. These private label products are not only beneficial for growth in the grocery industry, but they also benefit consumers from low-income households who are looking to economize on grocery spending, in addition to eating healthily.

### *Discounting*

Discounting is an important grocery retail trend in the U.S. Grocery retailers and consumers have been forced to adapt to current economic circumstances, like low disposable incomes and high poverty rates. Americans are employing a number of strategies to save money, including: actively studying store flyers and online advertisements, buying private label brands and promoted products, and finally, couponing. Grocery retailing companies have catered to price-conscious grocery shoppers with loyalty programs that include rewards for loyal customers.

Discounting is expected to remain a strong trend in the future. Consumer confidence and disposable incomes are expected to rise as employment rates improve, but consumers are likely to remain budget-conscious.

### *Consumer segmentation*

With the world's third-largest population and a multicultural society, segmenting the American population by demographic can be useful for grocery retailers. Specifically, retailers are seeing opportunities for growth in the Hispanic market. Hispanic consumers comprise the largest minority group in the U.S. They tend to have bigger families and shop in big-box grocers. Some companies are focussing marketing efforts on this growing population by creating bilingual packaging and developing spicier food products.

While women are more likely to shop for groceries in the U.S., nearly half of men are also shopping for food. With men taking an increased interest in grocery shopping, companies are paying attention. Many retailers, such as select Walmart and Target stores, have added "man aisles" to promote male-oriented products. In the future, this practice of targeting men will continue and grow, as more men start living alone and it becomes more common for women to be the main financial support for families, leaving them less time to shop for groceries.

### *Private labels*

Due to the economic downturn, U.S. consumers have increasingly opted for private label products. Whether at a supermarket, drugstore, department store, warehouse club, or other kind of retailer, private labels are everywhere. Private labels have historically had a poor reputation for quality, often being seen as generic alternatives to branded products. However, U.S. grocers have made significant improvements to their private label lines, both in quality and brand values. As a result, consumers are increasingly receptive to private labels, when prices are lower than national brands. Private labels now appeal to all income levels, although low income households are most interested in buying private label food.

The success of Trader Joe's, a national grocery chain whose offerings are comprised almost entirely of private label products, shows the growing consumer acceptance of private label. In the future, within grocery retailers, discounters will continue to lead the private label trend, while supermarkets and hypermarkets will increase their range of private label offerings.



## ▶ MAJOR RETAILING TRENDS (continued)

### *Slow growth for Internet-based retailing*

Internet grocery retailing has been slow to take off in the U.S., compared to Europe. Most grocery retailers in the United States have limited Internet operations or none at all. Big players in the sector, such as Walmart, Delhaize and Meijer, offer just one Internet retailing option to their customers, which is to buy items online and pick them up in-store.

Internet retailing for groceries will continue to grow at a slow pace, largely because ordering groceries online comes with delivery costs, and delivery areas are limited. Having said this, Internet retailers Peapod and Fresh Direct have both expanded their delivery areas. Furthermore, Peapod, the leading Internet grocer, plans to extend its operations to smartphones and social media. Internet retailing could expand further if retailers target younger shoppers, who use technology, tools and apps on a daily basis.



Source: Planet Retail



Source: Planet Retail

## ▶ PACKAGED FOOD SALES

### *Overview*

Packaged food represents a large majority of American grocery retail sales. In 2011, 65.5% of packaged food products were sold in supermarkets and hypermarkets and comprised 85.7% of sales. Total packaged food sales in 2011 were US\$336.8 billion and are expected to reach US\$386 billion in 2016, with a CAGR of 2.8% from 2011 to 2016.

Snack bars are expected to have the strongest growth during the forecast period, with a CAGR of 6.2%. In 2011, the top three packaged food products were bakery, dairy and frozen, processed food products; this is expected to continue through to 2016.

Packaged food, with its longer shelf life than fresh food, is a good option for Americans who want to economize. Also, packaged food is easy to access, as it is widely available.

▶ **PACKAGED FOOD SALES (continued)**



**U.S. Packaged Food Market Sizes, by Category –  
Historic/Forecast, Retail Value in US\$ Millions and Period Growth (%) -  
Current Prices – Fixed 2011 Exchange Rates**

Category	2011	2016	2011-16 CAGR* %
<b>Packaged food</b>	<b>336,784.3</b>	<b>386,030.6</b>	<b>2.8</b>
Baby food	6,093.9	6,392.8	1.0
Bakery	69,649.0	77,541.2	2.2
Canned/preserved food	18,569.4	20,540.8	2.0
Chilled processed food	28,146.7	33,260.2	3.4
Confectionery	32,770.4	38,532.1	3.3
Dairy	53,307.1	58,688.9	1.9
Dried processed food	11,531.4	13,132.7	2.6
Frozen processed food	33,924.7	38,848.1	2.7
Ice cream	12,168.0	13,455.8	2.0
Meal replacement	3,143.4	4,016.8	5.0
Noodles	1,699.3	2,019.8	3.5
Oils and fats	6,779.1	7,427.3	1.8
Pasta	3,312.9	3,870.2	3.2
Ready-meals	23,948.3	26,907.9	2.4
Sauces, dressings and condiments	18,369.1	20,970.9	2.7
Snack bars	5,650.2	7,640.8	6.2
Soup	4,430.1	5,070.9	2.7
Spreads	2,980.7	3,732.5	4.6
Sweet and savoury snacks	32,763.5	40,779.4	4.5

Source : Euromonitor , 2012

\*CAGR : Compound Annual Growth Rate

***New product launches by store type and company***

According to Mintel, there were 18,903 new packaged food and non-alcoholic beverage products launched into the American market between October 2011 and October 2012.

Of these launches, 48.1% were available in supermarkets, 17.2% in mass merchandisers/hypermarkets, 3.8% in drugstores, 1.8% through the Internet and 0.7% in convenience stores. Supermarkets and hypermarkets, which tend to encourage shoppers to explore a diverse range of food and drink through the wide variety of products available, had the most launches.

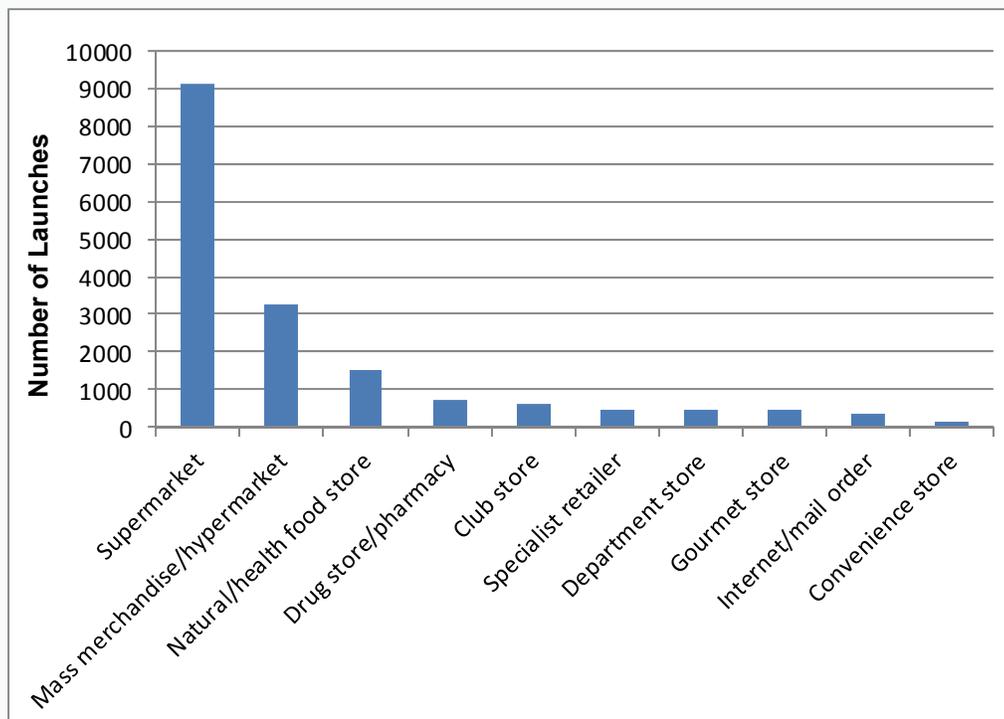
H-E-B, Kroger, Supervalu and Target are the top three American grocery retailers new launches of packaged food and drink products.

The top company for new launches in the United States between October 2011 and October 2012 was Kraft Foods, with 510 new products.



▶ **PACKAGED FOOD SALES (continued)**

**Top Ten Store Formats for New Packaged Food and Non-Alcoholic Beverages Launched in the United States from October 2011 to October 2012**



**Top Ten Companies for New Packaged Food and Non-Alcoholic Beverages Launched in the United States from October 2011 to October 2012**

Company	Number of Products
Kraft Foods	510
H-E-B	499
Aldi	462
Kroger	435
Nestlé	313
Supervalu	287
Walgreen	281
Roundy's	263
General Mills	256
Target	241

Source for both: Mintel, 2012

## ▶ PACKAGED FOOD TRENDS



Trends in the packaged food industry can have an important influence on grocery retailing, as they are sold in large quantities by modern grocery retailers. The following products provide examples of current trends in packaged food.

### *Ethnic food*

The focus on ethnic food has intensified in recent years. The growing population of minority groups, particularly Hispanic and Asian consumers, has driven this trend, as well as consumers' exposure to diverse cuisines through television and the Internet. With changing demographics and preferences, companies are increasingly turning to ethnic food, as well as bolder, spicier flavours. This trend is very popular in the frozen, processed food and sauces category, although ethnic food is moving into several other food categories.

#### **Spicy Salsa Roja**

Archer Farms Spicy Salsa Roja is an extra hot picante-style salsa made with jalapeño peppers, garlic and lime juice. This kosher-certified and all natural salsa retails in a 16-oz. pack.

**Company:** Target  
**Brand:** Archer Farms  
**Sub-category:** Table sauces  
**Store type:** Mass merchandise/hypermarket  
**Price:** US\$2.99



### *Health*

There is strong interest in balanced eating among many Americans, as a means of maintaining a healthy lifestyle and avoiding health problems later in life. Consumers who are making the shift to eating at home more often and cooking meals for themselves are expected to drive sales in the grocery market. In keeping with this trend, some companies are orienting their products towards health and wellness. For example, many hypermarkets and supermarkets have increased their selection of natural and organic products.

#### **Pumpkin Palooza Nut Mix**

Nutorious Nut Confections Pumpkin Palooza Nut Mix contains walnuts, almonds and pecans in a pumpkin-spiced confection. This all-natural product contains no trans fat, is low in sodium and retails in a 4-oz. pack

**Company:** Nutorious  
**Brand:** Nutorious Nut Confections  
**Sub-Category:** Nuts  
**Store Type:** Supermarket  
**Price:** US\$ 3.99  
**Claims:** All natural product, low/no/reduced sodium, low/no/reduced trans-fat



Source for all: Mintel, 2012



## ▶ PACKAGED FOOD TRENDS (continued)

### *Private labels/store brands*

Grocers who have their own store brands have expanded their selections to offer products that respond to other trends, such as health and wellness or ethnic foods. Black, Asian, and especially Hispanic groups are more likely to buy private label products, which is why some companies have introduced products with spicier flavors. Also, obesity is higher among Hispanic and Black consumers, so many grocery retailers have launched products that combine health claims and ethnic flavours.

### **Cilantro & Jalapeño Hummus**

Trader Joe's Cilantro & Jalapeño Hummus contains no added artificial colours, flavours, preservatives, or gluten. This kosher-certified product is said to be smooth and creamy and retails in a 10-oz. pack

**Company:** Trader Joe's

**Brand:** Trader Joe's

**Sub-category:** Dips

**Store type:** Supermarket

**Price:** US\$2.99

**Claims:** Gluten-free, kosher, low/no/reduced allergen, no additives/preservatives



*Source: Mintel, 2012*



## ▶ KEY RESOURCES

Euromonitor International. (February 2012). "Consumer Lifestyles in the US." *Passport*. pp. 95.

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Euromonitor International. (April 2012). "Retailing in the US." *Passport*. pp. 27.

Euromonitor International. (March 2012). "Packaged Food in the US." *Passport*. pp. 27.

Mintel. 2012.

Planet Retail. 2012.

World Bank. 2012.

The Government of Canada has prepared this report based on primary and secondary sources of information. Although every effort has been made to ensure that the information is accurate, Agriculture and Agri-Food Canada assumes no liability for any actions taken based on the information contained herein.

**Modern Grocery Retailing in the United States**

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