

# COLD AND FROZEN FOOD INSIGHTS

# Overview – The Lessons of Other Channels

## Similar to Grocery Merchandising:

- Put premium, high margin items at eye level
- Put impulse purchases, items that need to sell fast at eye level
- Put habitual purchases, smaller margin items lower
- Use your Marketing Skills! Promote items at the cooler, on shelf and menu boards. The kiosk may be too late.
- Promotions, Meal Deals, Frequent Buyer Programs drive more sales

## Think Foodservice & Convenience for item Selections:

- Pay attention to what consumers eat at restaurants
- Customer shop hungry - cravings and desire to be satisfied drive selections
- Keep preparation quick and easy
- Expand meal occasion coverage – Include Breakfast and Snacks

# Merchandise Selections – What Sells

10 Items make up 50% of our Food Choices



**1. Sandwiches**



**2. Fruit**



**3. Vegetables**



**4. Carbonated Soft Drinks**



**5. Milk**



**6. Coffee**



**7. Potatoes**



**8. Salty Snacks**



**9. Juice**

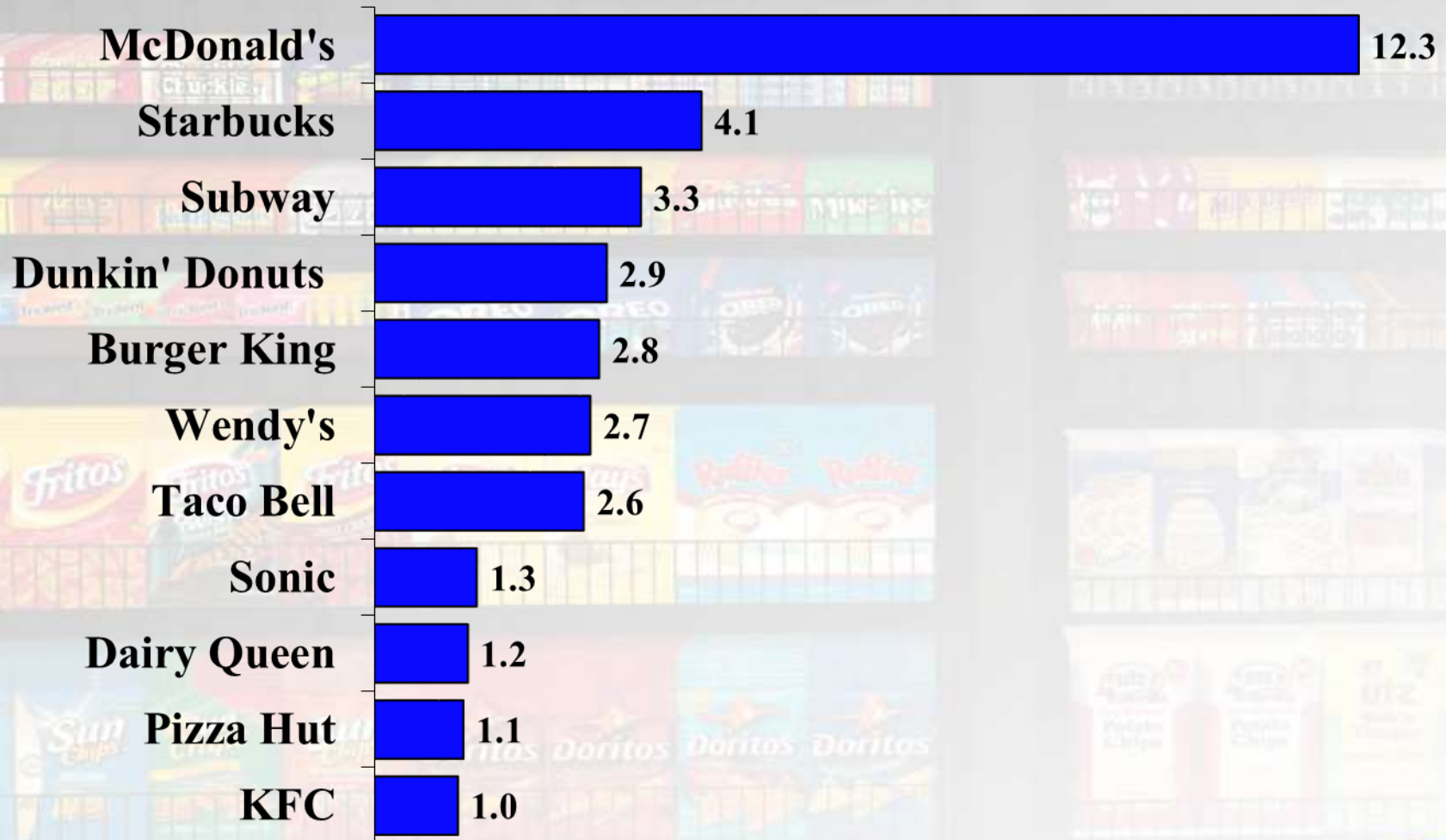


**10. RTE Cereal**

Source: The NPD Group's National Eating Trends service, Year Ending Feb 2013,  
In-Home and Away-From-Home Consumption; Excludes Water and Additive/Ingredient Consumption

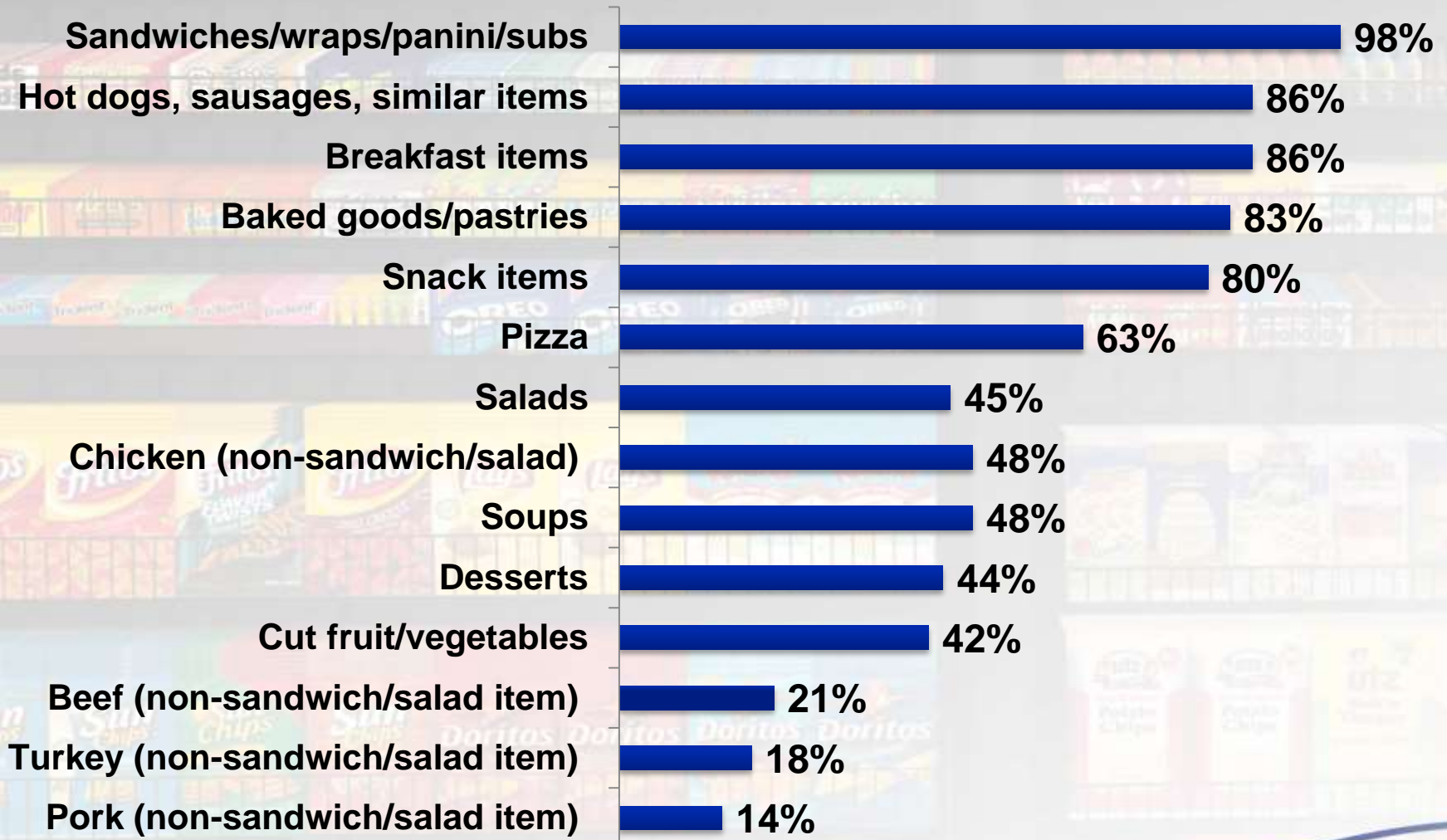
# Top Restaurants:

## Share of all Restaurant Purchases



Source: The NPD Group's CREST service, Year Ending 2013,

# What Sells in Convenience Stores



Source: CSP-FARE State of Foodservice Study, 2015

# Food Cooler Stock Recommendations



## Top Shelf: Fresh, Premium, Better-for-You items:

- Seen from a distance, attracts attention for a closer look
- Salads (with protein), parfaits, premium yogurts, hummus

## Eye level Middle Shelves (higher price, higher margin items):

- Breakfast items: Opportunity for growth, 5-6 varieties, 1 shelf; sandwiches sell best – Sausage biscuit varieties are top sellers
- Heat & Eat Lunch Sandwiches with fresh appeal packaging: Burgers (Cheeseburger minimum, bacon Cheeseburger also recommended), breaded chicken sandwich, premium heat & eat sandwiches (1 to 2 shelves)
- Cold Deli, upscale and “healthier” options (but good size) visual quality. Basics include turkey & Cheese, ham & Cheese, Italian meat combination, flatbread or wrap varieties
- Consider shelf life needs.

## Lower Shelf(s)– Snacks and Lower value items, snacks, commodity items – 1 to 2 shelves

- Cheese sticks, hard boiled eggs, Cheese/crackers, Milk, pre-made fruit cups & veggies

# Freezer Stock Recommendations



## Top Shelf: Trending Foods, Ethnic Favorites:

- Seen from a distance, attracts attention for a closer look
- Suggest premium Asian Foods, wraps, specialty items
- Keep mainstream, consider heating times

## Eye level Middle Shelves (higher price, higher margin items):

- Premium protein items, specialty appetizers & finger foods
- Pizzas (pepperoni top seller), Paninis, entrees (stay with mainstream favorites such as pastas, chicken & rice, lasagna, etc.)
- Dessert items with higher price points
- Caution: consumer will compare pricing with grocery – try to avoid items that are easy to “shop” and price compare

## Lower Shelves (about 40%-50% of freezer) – Ice cream novelties (6 to 9 baskets)

- Drum sticks, ice cream sandwiches, Snickers and Twix bars, ice cream bars.
- Use baskets to keep assortment neat and minimize damage

# Frozen novelty category is large, growing, and relevant to consumers



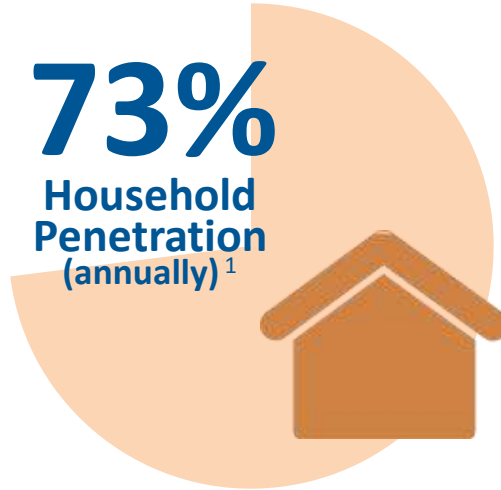
**87MM**

households buying every year! <sup>1</sup>



**+1.5%**  
growth

Latest 52 weeks (ending 6/13/15)



**73%**  
Household Penetration (annually) <sup>1</sup>



**\$5.25B**  
Annual sales <sup>3</sup>

**40%**

of household keep ice cream novelties on hand in the winter <sup>2</sup>



**33%**

of Americans eat Ice Cream as a snack <sup>4</sup>



Confidential – For internal use & customer presentations only



Sources: 1. Nielsen Panel 52 weeks ending 4/18/15; 2. 2015 A&U Study; 3. Mintel/Ice Cream & Frozen Novelties Report, July 2014; 4. NPDP Group/Snack Track 2014



# Ice Cream 6 Basket

#1 Novelty in C-Stores,  
26% of Micro Market  
Novelty Sales

#2 Novelty in C-Store, Offers Cone  
Format

ALTERNATIVES:

- Good Humor GT KS Cone  
(unit velocity 93% of Drumstick)
- Wells Champ Cone  
(unit velocity 104% of Drumstick)

#5 Novelty in C-Stores,  
#2 in Micro Markets,  
PROVEN Item



Super Premium & Stick  
Offering, up +10% in  
C-Stores

ALTERNATES:

- Magnum Double Caramel  
(unit velocity 74% of HD)
- Blue Bunny Turtle Bar  
(unit velocity 77% of HD)

Classic Wafer Sandwich  
ALTERNATES:

- Nestle Van Sandwich  
(unit velocity 108% of  
Blue Bunny)
- Good Humor Sandwich  
(unit velocity 118% of  
Blue Bunny)

M&M's Cookie Sandwich – +17.9% YTD

ALTERNATES:

- Chips Galore
- Nestle Tollhouse

# 9 Basket

Super Premium & Stick Offering, up +10% in C-Stores

ALTERNATES:

- Magnum Double Caramel (unit velocity 74% of HD)
- Blue Bunny Turtle Bar (unit velocity 77% of HD)

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ALTERNATIVES:

- Good Humor GT KS Cone (unit velocity 93% of Drumstick)
- Wells Champ Cone (unit velocity 104% of Drumstick)

Adds Stick to the Set

- ALTERNATES:
- Good Humor Oreo Bar (unit velocity 114% of Nestle)



#5 Novelty in C-Stores, #2 in Micro Markets, PROVEN Item



BFY Option with Fruit Profile, Highest Selling Fruit type Novelty in C-Stores

Proven Flavor Profile always in Top 10

- ALTERNATES:
- Good Humor SS Bar (unit velocity 96% of Nestle)
  - Blue Bunny SS Bar (unit velocity 114% of Nestle)



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