



# final report

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Prepared by: Hannah Smith & Max Schob  
Teys Australia  
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## **Teys Australia Food Solutions (TAFS) Cooked Beef Deli Trading department review and trial Deli Specialist support**

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## Executive Summary

Deli Smallgoods sales in Australian Supermarket's are declining and is currently a trading department dominated by pork products. It has been suggested that due to recent staff resourcing changes by leading retailers to remove trading support staff specialist, in combination with the large delicatessen, cheese-barge / entertainment and hang sell merchandising space, the vast stock keeping units (skus) range and reliance on in-store slicing and shaving operation - communicating with consumers to offer product solutions and to deliver product consistency is difficult to achieve and grow transactions within the trading department.

This project aimed to test these assumptions by having a structured "deli specialist" program in selected stores, with a key outcome to seek greater understanding of the operation protocols in-store and knowledge of current cooked beef products, thereby including this insight into future product development strategies as well as to identify yield improvements on existing beef ranges. It was clearly found in stores where the project was undertaken, an additional 2% increase in the sales of Beef smallgoods was achieved compared to the same period a year ago in these stores, against a backdrop of declining sales in all other delicatessen skus.

The 'randomised controlled trial' framework was found to be appropriate for selecting 'test' and 'control' stores with series of interviews and workshops and emails from the researcher found to be an effective method for collecting feedback from the trial stores. Baseline observations of mechanising standards were made and detailed records were kept for each store in the trial group in key areas such as:

- Customer focus
- Quality processes
- Shelf Management and in-store presentation
- Promotional compliance
- Markdowns and dumps
- Staff development
- Customer service

It was concluded that a training model based around expert assistance and mentoring would be of benefit to staff in Woolworths Supermarket Delicatessen trading departments and is likely to have a positive impact on sales and quality for Beef Smallgoods. In addition to training, establishing a system to facilitate networking and collaboration between stores may also be effective to seek continuous improvement and support launch and execution of future beef smallgoods product development initiatives.

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## **1 Background**

Deli Smallgoods represents about one eighth of Chilled Food sales in the grocery channel in Australia. It is declining nationally at approximately 3% (IRi Aztec The Big Picture MAT 06/07/14). All other chilled categories, except cream are in growth. Chilled Food growth was over 1% during the same period. (IRi Aztec The Big Picture MAT 06/07/14).

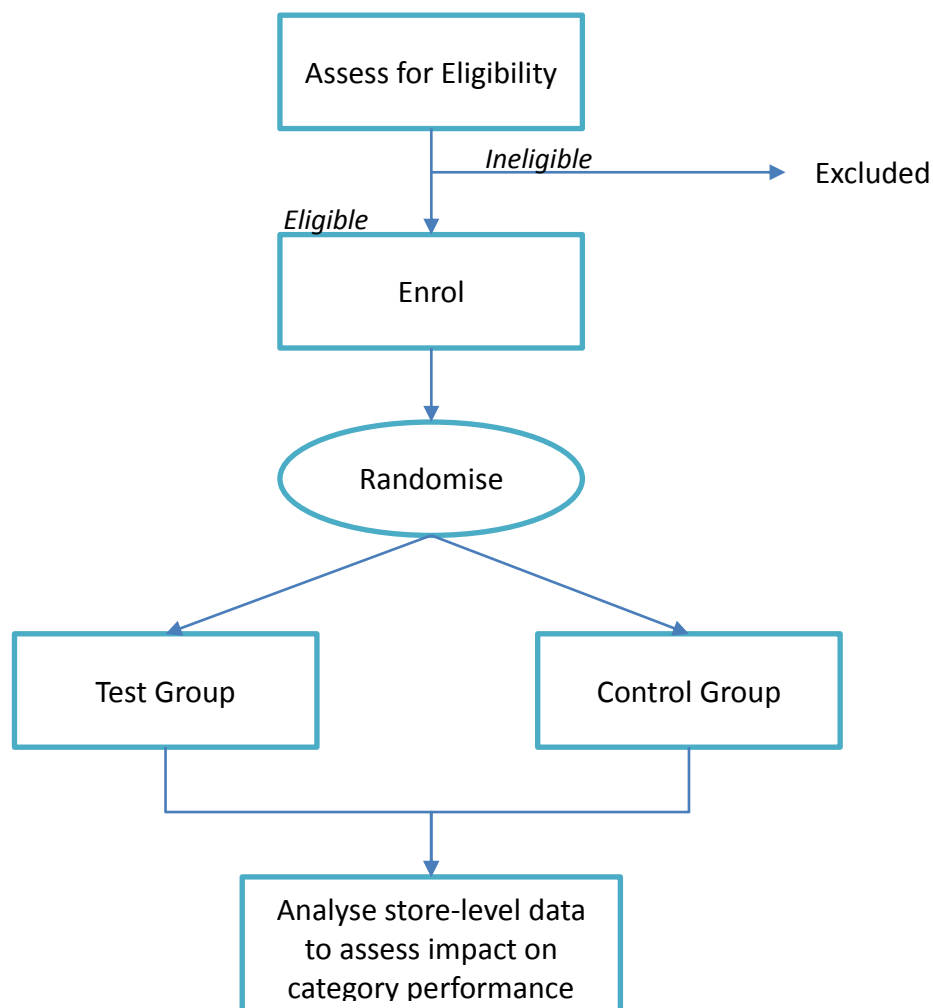
Deli Smallgoods is dominated by pork products. Beef represents only a small share of Sliced and Shaved Meats in a major retailer. It is difficult to communicate information about the products to shoppers because of the constraints in the Deli case. Further, there has recently been operational restructures in some of the leading retail trading departments where “specialists” roles have changed with now a perceived lack of beef knowledge and merchandising training and compliance in some outlets perhaps contributing to retail execution and feedback to red meat brand owners of product performance.

## **2 Projective Objectives**

It was identified that improved messaging and delivery of a front line training program to enhance product knowledge of cooked beef could add value to improving consumers purchase intent. For the overall red meat demand to grow through development of a focused cooked beef portfolio — achieved by understanding the gaps in product merchandising and sales expertise this project, based on a randomised controlled trial that demonstrates how to establish evidence for the effectiveness of specific in-store sales support and training activities was undertaken.

### 3 Methodology

#### 3.1 Randomised Trial Approach



This project provided an opportunity to test the value of in-store specialist support in boosting in-store performance of a specific category. A 'randomised controlled trial' framework was used to ensure the appropriate level of rigour in assessing the impact of introducing dedicated deli specialist sales support, using 'test' and 'control' groups of stores as indicated in Figure 1 above.

## 4 Results

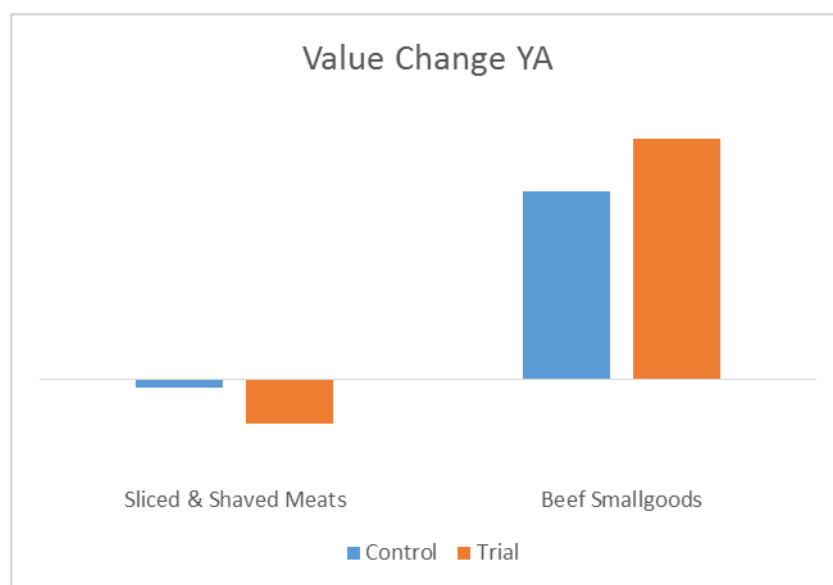
The trial was conducted in 54 Stores in Southern QLD (Gold Coast – Brisbane) in a leading retail supermarket.

Baseline observations of mechanising standards were made and detailed records were kept for each store in the trial group.

During the trial assistance and expertise in the following areas was provided:

- Customer focus
- Quality processes
- Shelf Management and in-store presentation
- Promotional compliance
- Markdowns and dumps
- Staff development
- Customer service

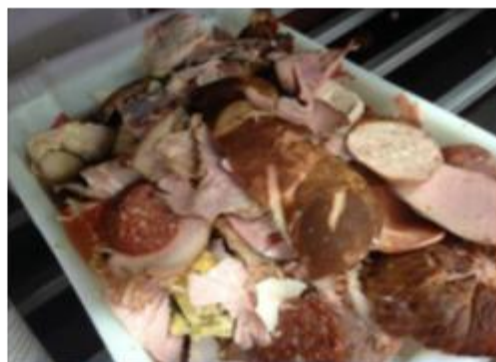
The 'randomised controlled trial' framework was found to be a suitable way of selecting trial stores and it allowed for appropriate assessment of the impact of an in-store specialist in the Deli.



Due to the seasonal nature of the category a comparison to the same period year ago was the most appropriate way of measuring change.

A 2% increase in growth was measured in trial stores.

As displayed in pictures on the ensuing page, a number of observations were made to improve slicing yields and merchandising display.



Since the restructure and removal of Deli Specialists within retailers there has been a perceived void in level of support, experience, coaching, and developing Deli Managers and their Teams which can limit beef sales – both execution of operational tie up and product knowledge to share with customers as well as insights for future opportunities to feedback to brand owners and manufacturers of Australian red meat.

The Deli Department Managers have benefited from the interaction and appreciated the access to someone who could coach them and their team and help them to achieve their objectives.

Program feedback was supplied through:

- Post program interviews
- Facilitation at workshops
- Email correspondence

This method for collecting feedback was found to be effective.

## **5 Conclusions**

The project did improve sales of cook beef in the retailer's delicatessen and increased the sales of Beef Smallgoods by a small but significant amount compared to the same period a year ago in trial stores.

The 'randomised controlled trial' framework was found to be appropriate for selecting 'test' and 'control' stores. Interviews and workshops supported my emails was found to be an effective method for collecting feedback from the trial stores.

## **6 Recommendations**

A training model based around expert assistance and mentoring would be of benefit to staff in the Delicatessen in a major retailer and is likely to have a positive impact on sales for Beef Smallgoods. In addition to training establishing a system to facilitate networking and collaboration between stores may also be effective. Further, launching new beef products will require appropriate education or how cooked beef product was procured, made along with meal solution ideas to entice customer to purchase.