

Fresh food deliveries a competitive advantage for retailers

By [Michael Smollan](#)

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As new shopping habits formed during the pandemic, consumer behaviour has been influenced indefinitely as research indicates that demand has seen a huge uptick in D2C in the freezer, fridge, and table fresh deliveries space. According to a Deloitte's Fresh Food Consumer Survey, nine out of 10 people say fresh food makes them happy.



Credit: Smollan

According to Deloitte's *Fresh Food* consumer survey, nine out of 10 people say fresh food makes them happy. Done right, it has to be managed meticulously to avoid decay and unsafe consumption and carries legitimate concerns from clients and brand owners as to the e-commerce capabilities required to handle this cold chain. While smaller brands will be spotlighting how their growth and expansion will be affected as the bigger brands are prioritised in this market.

Taking the lead from those that have found their flow offers a refreshing perspective on doing this right, FreshDirect, a leading US online fresh food grocer, in their 2021 top trends reported an increase in fresh food purchases with customers ordering perishables online with fresh categories skyrocketing. Meat sales alone were up 63% as the demand for premium cuts rose. And customers, to their delight, were able to order their favourite fish before it's even caught and delivered in less than 10 hours from the time it is packed.



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Packaging to preserve freshness

Walmart [piloted smart box technology](#) for customers to receive fresh deliveries with a temperature-controlled smart box placed outside homes, giving customers the ability to receive secure, contactless deliveries. Customers no longer needed to plan their day around delivery, and Walmart was able to deliver items 24/7.

Innova Market Insights reveals that a crucial challenge for transit packaging is freshness preservation along with the

relevance, and growing customer demand for minimising packaging's carbon footprint. While Walmart's smart box may currently be the Rolls Royce of fresh deliveries, [Mondi's corrugated BCoolBox](#), which keeps fresh food chilled using thermo-insulation, manages environmental sustainability by replacing the need for high-energy cooling trucks.



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The new omnichannel shopper

Pandemic-altered purchasing behaviours and value drivers have shifted priorities when it comes to fresh food, making it clear that brands and categories have to clearly be in-step with consumers at all times. *Produce Business* reported that while this online sector is growing, the digital shift has the potential to put fresh produce brands, revenue and profitability at risk.

We saw during lockdown how shopping became less frequent, and as reported in a Deloitte survey, half the respondents left the fresh food category entirely instead opting for frozen replacements. As consumers find their footing in an omnichannel world, shopping for fresh, frozen, or perishable produce online still remains a different experience to pushing a trolley down an aisle.

Understanding this new omnichannel shopper will be critical as Millennials and Gen Z shoppers are establishing long-term behaviour patterns, channels and product preferences that will drive how we sell and shop for years to come, as revealed in *Produce Business*. This highlights the need for a deep understanding of customer segmentation and in-depth analytics to swing the pendulum to underpin any projected gain in this market.

Fresh versus frozen

So how does frozen foods shape up in the fresh and perishables space? Seemingly relatively well as seen during lockdown. A large majority of consumers in the *Future of Fresh* survey believe fresh food is superior to frozen in terms of health properties. When asked about meat and seafood specifically, most consumers say that frozen is just as good as fresh.

Butcher Box in the US is a good example of a company that is successfully managing this space. They offer shoppers curated meat and seafood with the order frozen for freshness and packed in an eco-friendly box. Frozen produce shipped in the correct packaging is perceived as equivalent to fresh alternatives – great news for the D2C model.

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In a Food Industry Association webinar in partnership with IRI with the focus on why integrating fresh is key to future growth, frozen foods held the highest store growth in the US as at-home meals brought new attention to an area ready to deliver. The conversation concluded that now is the time for fresh to look beyond individual categories and commodity-based selling to bring total store solutions and creative connections direct to consumers.

A success story closer to home that evolved during lockdown is that of Yebo Fresh, a tech-driven food delivery company catering exclusively to Cape Town townships, delivering fresh meat, fish, poultry, fruit and vegetables to customers.

“Considering that the areas we operate in have large populations and are significantly underserved by retailers, there are business opportunities in this market, but it does require a different approach, one that is flexible and creative. A business needs to respond to what works best for the community, rather than try to implement an existing way of operating,” Yebo Fresh founder Jessica Boonstra said.

ABOUT MICHAEL SMOLLAN

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