

# Shelf-Stable Entrees Give Frozen Run for the Money

By PAT NATSCHKE LENIUS

OAK BROOK, Ill. — Shelf-stable entrees are quickly shaping up as a challenge to frozen foods.

According to speakers here at a frozen food conference sponsored by the National Food Brokers Association, more space is needed to merchandise the microwavable meals because sales are steadily increasing.

Gary Smith, vice president, grocery merchandising, Safeway Stores, Oakland, said sales of shelf-stable were \$20 million and \$90 million in 1987 and 1988, respectively. Sales are projected to be \$1.3 billion in 1990 and \$3 billion in 1992, he said.

Another speaker, George Caster, merchandiser, Marsh Supermarkets, Yorktown, Ind., said that growth of shelf-stable entrees is evident at store level.

"At first we had put shelf-stable microwavable entrees with canned meat, but about a year ago we created a 4-ft. section for the shelf-stable category," he said. "After a recent new item meeting, we are wondering if a 4-ft. section is big enough."

Arbitron SAMI, New York, has examined the issue of shelf-stable versus frozen to determine if there is competition between the categories, according to Danny Moore, vice president.

"We looked at three types of

analyses: sales trends from weekly scanner sales, the promotional impact through feature ads, displays and price reductions, and trading area demographics at store level," he said.

SAMI addressed the question: "Do the two categories have the same target segment?" said Moore.

The market studied consisted



of Jacksonville, Orlando and Tampa. SAMI found that shelf-stable sales were building, while there had been a 5-20% decline overall in frozen entree sales versus a year ago. However, the analysis indicated that promotion of frozen entrees did not hurt sales of shelf-stable, he said.

"Both frozen and shelf-stable entrees appeal to dual-income households. Stores for which 60% or more of the customer base came from dual-income households were selling 22%

more shelf-stable entrees than other stores in the area," he said.

Stores in which a high concentration of customers were from two-member households sold more frozen and more shelf-stable entrees, he said.

Arbitron SAMI also found that shelf-stable entrees had greater appeal in trading areas

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with a larger number of children under 17, while frozen entrees had lower sales. Stores in a trading area that served a large number of people over age 65 showed increased frozen entree sales and a decline in shelf-stable sales.

"The trends suggest that frozen and shelf-stable entrees compete," but the evidence is not as clear relative to promotional activity. "They appeal to slightly different segments of the customer base, but there is an overlap," Moore said.

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