FMI: MORE CONSUMERS BUYING AT STORE DELI

Consumers have increasingly turned to grocery store foodservice as part of meal planning and an ongoing trend toward food-at-home, new research from FMI-The Food Industry Association shows.

Deli prepared foods sales totaled $31.3 billion for the 52 weeks ended Aug. 27, up 9.3% year-over-year and 19.2% from the pre-pandemic 2019 period, according to NielsenIQ data cited in the FMI Power of Foodservice at Retail 2022 report, released this week.

On a unit sales basis, deli prepared foods edged up 2.4% year-over-year and 7.2% from calendar year 2019. Pizza, in particular, turned in strong results, with dollar sales up 16.7% and unit volume up 20% over the 52-week period.

Overall deli sales climbed 12.3% to $47.9 billion in dollars and 3.7% in units for the 52 weeks, up 20.9% in dollars and 8.3% in units from 2019. FMI noted that the robust deli and deli prepared performance came as most fresh departments saw unit sales decreases during that period.

“When you look at most of the fresh categories, they are up in dollars. But that is being primarily driven by inflation. Our members enjoy the benefits of the increased dollars, but the worry is the volume wasn’t there,” Rick Stein, VP of fresh foods at FMI, told Supermarket News. “When we look at foodservice, the volume and the dollars were up not only year over year but versus pre-COVID, which is more significant.”

Grocery store foodservice has benefitted, in part, from the lingering food-at-home trend, Stein said. While momentum has swung back toward restaurants as consumers have felt safer returning to public activities, many also have retained their preference for eating at home due to habits generated during the pandemic, hybrid work environments and high menu pricing at restaurants, he said.

FMI’s research, also based on a survey of 2,009 U.S. adult grocery shoppers, found that 71.7% of households bought deli prepared foods at least once during the 52 weeks through Aug. 27, up 0.9 points year-over-year. During that span, the number of purchases averaged 9.5, a 5.1% uptick, while transaction size averaged $7.78, up 9.6%.

The extended food-at-home trend also exposed many shoppers to all of the foodservice options at the grocery store as these operations have reopened.

“The way customers learn about what’s available comes more from in-store shopping, as they walk around the store,” said Stein. “They really became aware of all the offerings as they were doing more shopping for home. So I think it all sudden started to get on their radar that there were options for them at the foodservice delis.”

ADVERTISER NEWS

Package volume is lower this quarter than expected at FedEx. “In the U.S., you’re seeing again, as anticipated, a bit of a reset from the e-commerce boom and the volume surges that accompany that,” FedEx CFO Michael Lenz said, according to Reuters... Facebook parent company Meta said it is laying off 11,000 employees, marking the most significant job cuts in the tech giant’s history. The job cuts come as Meta confronts a range of challenges to its core business and makes an uncertain and costly bet on pivoting to the metaverse... Mid-Atlantic grocer Weis Markets got off to a strong start in the fiscal 2022 second half with robust Q3 net and comparable sales gains. For the quarter, net sales totaled $1.15 billion, up 8.2% from a year earlier, Sunbury, Pa.-based Weis reported. Comp store sales for Q3 advanced 7.9% year-over-year vs. an 8.4% increase in Q2 and a 4.6% uptick in Q3 2021...

Chicken Salad Chick, a fast-growing, fast-casual brand that serves Southern-style chicken salad made from scratch, has announced the signing of a six-unit development deal in metro Virginia Beach, Va. Franchisee Melissa Holt, who opened a Hampton, Va., location in December and forged the agreement, will install restaurants in Williamsburg, Norfolk, Chesapeake and Virginia Beach... Saks Off 5th online shoppers no longer have to wait until their order is shipped to see the arrival date. The SaksOff5th.com luxury off-price e-commerce site is launching a new Guaranteed Delivery Date feature, timed for the start of the holiday shopping season. The e-tail arm of Saks Off 5th now offers a real-time calculated delivery date throughout the shopping experience for thousands of items available on its site. Saks Off 5th online customers will now have an expected delivery date provided to them... Sephora is providing yet another option for customers seeking fast delivery of online purchases. The beauty giant is entering a new partnership with on-demand delivery platform DoorDash to offer on-demand delivery from over

(Continued on Page 3)
CEO: DISNEY+ TO START WITH 100 ADVERTISERS
Disney+'s new ad-supported option has inked a deal with more than 100 advertisers for its U.S. launch, Bob Chapek, Disney CEO, said during the company's earnings call.

The Disney+ option, priced at $7.99, starts Dec. 8.

Chapek did not provide specific details, but said the launch group spans "a wide range of categories and our company has over 8,000 existing relationships with advertisers who will have the opportunity to advertise on Disney+.

He added that advertisers paid "strong base pricing," which he said "reflects the value advertisers put on our audience, our brand safe environment for their messages."

The launch will follow the recent start of the Netflix advertising option Basic with Ads earlier this month in 12 countries. It has a $6.99 a month price tag. Netflix reportedly charged brand marketers up to $65 for the cost-per-thousand viewers.

Initial Netflix advertisers, observed by Lightshed Partners, included Booking.com, Budweiser, Cadillac, Dolce and Gabbana, Google Pixel, L’Oreal, Progressive, Sleep Number, Target and Tiffany and Co.

• Disney reported strong subscriber growth in its fiscal Q4, adding 12.1 million Disney+ subs, contributing to total direct-to-consumer (DTC) subscriber gains of 14.6 million in the period. While the company marked subscriber growth, DTC operating losses mounted to nearly $1.5 billion.

THIS AND THAT
Six stations in Honolulu have launched NextGen TV. Switching on the new transmission standard are Allen Media’s KITV (ABC) and KIKU (independent). Gray Television’s KGMB (CBS) and KHNL (NBC) and Nexstar Media Group’s KHON (Fox) and KHII (MNT). All programming of all participating stations will continue to be available in the existing DTV format, which can be received on all modern television sets… Borell Associates is projecting that local advertising will hit $120.7 billion this year and reach $121.5 billion in 2023, representing 0.6% growth. Digital forms of ad spending are forecast to grow 5.2% next year, while traditional forms of print, broadcast, outdoor and cable are collectively forecast to drop 6.5%. Broadcast TV will suffer the largest drop, declining by double digits… Executives at Xperi said the company has signed a second television manufacturer for its TiVo operating system. Xperi CEO John Kirschner said the company’s latest partner for TiVo OS is Shenzhen KTC Technology, which manufactures white-label smart-TV sets that are shipped and sold by third parties.

NETWORK NEWS
ABC barely outpaced NBC on Tuesday, when it comes to drawing the most eyeballs to its primetime Election Night coverage. ABC averaged 3.2 million total viewers during primetime, along with a 0.5 demo rating vs. NBC’s audience of 3.1 million (and slightly younger 0.6 demo rating). CBS, meanwhile, averaged 2.6 million primetime viewers, and a 0.4 demo rating. Representing broadcast-TV’s lone fresh fare opposite Election Night newscasting, Fox’s The Resident (2.9 mil/0.3) dipped from its most recent, pre-World Series outing, whereas Monarch (1.7 mil/0.2) returned steady.

AVAILS
Hearst Television’s WMOR-TV Tampa, Fla., one of the country’s top growth markets, is seeking a Digital Client Specialist to work with our Sales Team and clients to ensure successful Digital advertising campaigns. We’re looking for an organized, detail-oriented team player with exceptional written and verbal skills. We are a destination company in a great market that offers a tremendous opportunity for the right person. CLICK HERE to apply.

ACCOUNT EXECUTIVE, Tampa, Fla. — FOX O&O, WTGT. This opening at the top-rated station in Tampa requires the servicing of existing transactional accounts along with the development of new linear and non-linear business. Candidate must be highly motivated and possess strong presentation and prospecting skills. Position requires linear TV, digital video and OTT sales experience, preferably in an LPM market. Excel and Power Point are a must and a working knowledge of WideOrbit, PRIME Lingo and Kantar Media are a plus. College degree is preferred. CLICK HERE to apply. EOE.

See your ad here tomorrow! CLICK HERE for details.

SCRIPPS TOUTS STRONG CTV REVENUE IN Q3
E.W. Scripps benefited from favorable connected TV growth in Q3, as the company continues its free ad-supported streaming TV (FAST) expansion, FierceVideo reports.

Scripps Networks this quarter launched four new FAST channels on Vizio as well as extended its CTV footprint to platforms like Samsung TV Plus, The Roku Channel and Amazon Freeview. CTV revenue grew 57% year-over-year, with Scripps expecting to achieve an annual run rate of over $100 million in CTV revenue by next year.

Scripps’ Local Media segment reported $378 million — a 14% increase year-over-year — mainly driven by political revenue of $63.2 million.

Scripps said its local and national reach has enabled the company to capture about one-third of over-the-air (OTA) viewing in the U.S.

On the political ad sales front, Scripps’ Local Media saw a record $200 million in political ad revenue for a midterm election vs. $194 million in revenue from the 2018 midterms. But this year’s political ad revenue still fell short of 2020 presidential election levels.

• Tegna has released Q3 2022 results that included total revenue of $803 million, up 6% year-over-year largely due to growth in political revenue, despite advertising and marketing services revenue declines as a result of political displacement, absence of last year’s Summer Olympics and “macroeconomic headwinds.”

Subscription revenue was a Q3 record $377 million, up 2% YoY due to rate increases and partially offset by subscriber declines. Advertising and marketing services (AMS) revenue was $321 million, down 12% YoY.

Political revenue was $93 million up 28% from 2018, the last nonpresidential election year, on a pro forma basis.

11/10/2022
NPD: IN-STORE HAS HOLIDAY EDGE VS. ONLINE

There’s good news for brick-and-mortar retailers in a new report. More consumers plan to shop in physical stores this holiday season than last year, according to the annual holiday purchase intentions survey from The NPD Group.

This is also the first year since before the pandemic that consumers expect to make more holiday purchases in stores (46%) than online (45%). The number of consumers planning to shop online for the holidays fell from 85% last year to 80% this year, the largest-ever shift favoring stores.

Checkout receipt-based insights from NPD support the new findings, with in-store sales revenue increasing 1% in September vs. last year, while online sales were flat, NPD said.

Mass merchants stand to gain the most from the decreasing focus on e-commerce over the holidays, NPD said, citing rising cost-consciousness among consumers as a possible reason. In fact, 44% plan to shop at mass merchants this year vs. 42% in 2021.

Nearly 80% still plan to do at least some holiday shopping online, but plans to shop pureplay e-commerce retailers declined since last year. Fewer than three-quarters expect to shop online-only sites during the holidays, down from 79% last year. Among those planning to shop online, 16% anticipate picking up purchases in stores or curbside vs. 14% last year, which will increase foot-traffic at brick-and-mortar stores.

The National Retail Federation is forecasting that U.S. holiday sales will rise from 6% to 8% this year.

POLITICAL SPEND LIFTS NEXSTAR’S Q3 REVENUE

Nexstar Media Group, which recently acquired majority ownership of The CW Network from Warner Bros. Discovery and Paramount Global, is finding that the political season is helping pay for that transaction.

Nexstar said Q3 revenue was $1.27 billion, up 9.7% from a year ago. Revenue growth was driven by strong political ad revenue and year-over-year increases in distribution, digital and other revenue.

Specifically, political ad spending increased 942.7% year-over-year to $129.3 million from $13.7 million last year. The spending was 84.3% higher than the third quarter of the 2018 midterm election cycle and was just $3.1 million behind third quarter of the 2020 presidential election level.

Political ad spending is projected to increase heading toward the 2024 presidential race.

“We expect the fourth quarter to benefit from a continuation of strong political advertising trends while 2023 will see distribution revenue upside from renewals of agreements representing more than half of our subscribers,” CEO Perry Sook said in a statement. “Looking forward, we expect 2024 to benefit from another record year for political advertising due to the presidential election combined with the benefit of another wave of distribution agreement renewals for approximately 40% of our subscribers.”

PEACOCK TO ADD LOCAL NBC AFFILIATES ACCESS

Subscribers to Peacock’s top tier will soon have 24/7 access to their local NBC affiliate stations via a dedicated channel on the streaming service.

The geotargeted channel will be available in all 210 NBC affiliate markets on Nov. 30, Deadline reports. The channel will only be on Premium Plus, the top subscription tier, which costs $9.99 a month. In theory, Plus was created for subscribers who are looking to pay more in order to have no ads, but the local station feed will have advertising, just as the conventional linear TV version does.

The move is a big leap forward for local TV stations in the streaming era. Paramount+, since its days as CBS All Access, has similarly featured local CBS stations at the same top subscription tier as Peacock’s new offering. Execs at Paramount Global have long noted the significance of that viewing of live station programming, especially since sports and news are significant elements to the overall offering. Hulu also features a selection of local stations.

NBCUniversal has also foregrounded sports and news since launching Peacock in 2020. The service has reached 15 million paying subs, far behind many rivals, but NBCU and Comcast execs have said they’re pleased with its progress, with monthly active user levels already at the threshold of initial projections of 30 million to 35 million by 2025.

ADVERTISER NEWS

(Continued from Page 1)

500 Sephora stores across the U.S. and Canada. Customers can now shop Sephora’s product assortment directly on the DoorDash app and website for delivery in under an hour, on average... Amazon is adding Amazon One technology to 16 Whole Foods Market stores in the Dallas area with its palm-scanning checkout solution. The technology is available at around 160 Amazon and Whole Foods stores, and it takes less than a minute for customers to enroll their palms at an in-store kiosk... 7-Eleven Inc. is adding its Winter Wonderland Cocoa to its hot beverage offer. The fan-favorite beverage is now available at participating 7-Eleven, Speedway and Stripes stores for a limited time. 7-Eleven’s Winter Wonderland Cocoa is a cocoa blend mixed with a peppermint candy cane flavor. Customers can now purchase the seasonal beverage in limited-edition holiday cups at participating stores.

TUESDAY NIELSEN RATINGS - LIVE + SAME DAY

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