The Fried Chicken Factor: A Meal on the Rise
The Popularity of Poultry

Once primarily associated with a niche QSR chain, captained by a now famous southern Colonel, fried chicken has grown into a staple across the American foodservice industry. And while the chicken segment as a whole has already effectively taken over as a favorite of today’s consumers, fried chicken shows no sign of slowing down in popularity.

Since gaining fandom across QSR and fast-casual segments, fried chicken has begun to stake its claim as a go-to meal, not just in restaurants, but in retail settings. These businesses, from gas stations and convenience stores to delicatessens and supermarkets — places that once offered little more than hot dogs and coffee — have seen an increase in consumer demand for this fried favorite. The demand for fried chicken has become such a factor in recent years that operators in the retail space have had to reprioritize their back-of-house considerations to accommodate the equipment necessary to satisfy the cravings for this ready-to-eat food.

But how do we know there’s an increase in demand? The evidence is anything but anecdotal. Consider these chicken-related statistics as evidence of the growth of this protein.

- **12%** of convenience store prepared food sales are coming from chicken.
- **63%** of supermarket consumers would like to see more ready-to-eat chicken options available based on the item’s convenience and flavor.
- Value-added meats, which include ready-to-eat fried and roasted chicken, are the third fastest growing category among supermarkets at **10.6%**, trailing behind only sauces/dips/spreads at **11.7%**, and prepared meals at **11.2%**.
- The chicken segment has seen sales growth of more than **16%** the last two years across the fast casual market — the largest growth of any segment in that market by almost 5%.
- **4** of the Nation’s Restaurant News Top 10 Fastest Growing Chains are chicken chains.

In supermarkets, **67%** of retailers plan to upgrade their food prep equipment for prepared meals, which is attributed in part to the rise in demand for the fast, convenient and delicious meals that supermarkets are offering, including value-added meats — such as fried chicken.

Source: Datassential Pulse
Driving the Trend

The growing success of the retail foodservice market isn’t a story of being in the right place at the right time. Retailers are not just the beneficiaries of consumer trends — they are driving these trends.

One of the ways retailers are influencing consumers is by the recent explosion of supermarket brand face-lifts. Chains like Whole Foods, Lowes Foods and Mariano’s Fresh Market have driven new demand with their renovations, elevating the “grocerant” category to new heights of popularity by focusing on social experiences such as café dining and craft beer service. They also offer convenient features such as order-ahead options, as well as made-to-order services that focus on health-conscious food offerings.

In addition to this business model shift, these retailers and others have gone through dramatic aesthetic overhauls, leading to a more dining-friendly atmosphere to accompany their growing focus on quality, delicious food.

So what impact have these changes had on consumer behavior? Supermarket foodservice has become one of today’s fastest growing segments in the away-from-home food industry.
Can Chicken Remain in Demand?

With chicken’s recent growth in popularity among food retailers and transition to the leader in sales growth across the foodservice industry, what does the foreseeable future look like for broiler chicken products?

Regarding fried chicken in particular, the industry is optimistic about its growth, especially as more supermarkets continue to offer higher quality meals that compete with local restaurants. The outlook for this segment is strong, as retail chains continue to invest in ways to increase foot traffic, which will pay off at deli counter sales.

One major advantage for c-stores when it comes to the future success of chicken is the growing popularity of consumer snacking. For example, today’s largest living generation, Millennials, have been found to be more open to five or six smaller meals/snacks per day versus three traditional meals. With the continued popularity of this snacking trend, c-stores will look to expand their focus on prepared food sales, of which chicken currently makes up about 12.4 percent, according to Convenience Store News.

8.5% INCREASE IN SALES

Value-added meats, which includes fried chicken, is one of the fastest growing categories through 2017, helping create an 8.5% increase in supermarket sales last year.

Source: Technomic Inc.

C-STORES: PERCENTAGE OF PREPARED FOODSERVICE SALES

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sandwiches/wraps</td>
<td>26%</td>
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<tr>
<td>Hot dogs</td>
<td>16.7%</td>
</tr>
<tr>
<td>Pizza</td>
<td>16.7%</td>
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<tr>
<td>Chicken</td>
<td>12.4%</td>
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<tr>
<td>Bakery</td>
<td>6.9%</td>
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<tr>
<td>Salads</td>
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<tr>
<td>Hamburgers</td>
<td>3.5%</td>
</tr>
<tr>
<td>Soup</td>
<td>2.4%</td>
</tr>
<tr>
<td>Frozen treats</td>
<td>1.9%</td>
</tr>
<tr>
<td>Other</td>
<td>9.6%</td>
</tr>
</tbody>
</table>

Source: Convenience Store News
The Fried Chicken Factor: A Meal on the Rise

Now more than ever before, consumers are seeking more ready-to-eat and ready-to-heat chicken options in retail locations, specifically in supermarkets. With consumers citing convenience and flavor quality as the top reasons for the retail trend, it will be imperative for operators to deliver on these preferences in order to stand above their competition. Supermarkets and c-stores certainly have an inherent advantage when it comes to convenience. However, delivering on “flavor quality” can pose significant challenges. Focusing on two flavor-related aspects will help retail operators deliver on taste: fresh preparation and consistency.

Freshly Prepared Fried Chicken
A look at the top supermarkets that serve ready-to-eat fried chicken will show that the majority are using freshly prepared and breaded chicken over a freezer-to-fryer product. While freshly preparing fried chicken can help create a tastier product (according to 65% of c-store operators), it is also more desirable by market segments such as Millennials, who are more interested in purchasing fresh and minimally processed menu items*.

Flavor Consistency
Ensuring a consistent product is key to retaining loyal customers. Employing equipment that helps maintain your commitment to quality food can take the burden off your kitchen staff. Repeating a process like breading fresh chicken can be difficult. Under- or over-coating can throw off the taste and consistency of your product. Proper equipment can help control and regulate the process, which will leave customers satisfied and confident in their purchase.

Addressing Consumer Demand:
A FRESHLY PREPARED CHICKEN PROGRAM

* Source: http://www.nrn.com/frying-solutions/fresh-future-frying

SUPERMARKETS THAT FRESH BREAD/FRY

Basha’s Markets Inc.
Big Y Foods Inc.
Brookshire Grocery Co.
Giant Eagle, Inc.
Ingles Markets, Inc.
Kroger Co.
K-VA-T Food Stores Inc.
Publix Super Markets, Inc.
Raley’s Supermarkets
Save Mart Supermarkets Inc.
Southeastern Grocers
Stater Bros. Markets
Wal-Mart Stores, Inc.
Wegman’s Food Markets Inc.
Weis Markets, Inc.
Creating a Destination Center

For food retailers, namely supermarkets, adding cafés or sit-down eating areas with a few main menu items can help establish a business as a lunch/dinner destination, differentiating you from your competition. The rising popularity of fried chicken makes it a great option to add as a premium menu item. Take, for example, these retailers that are using fried chicken to establish their brands:

**King Soopers, City Market** and **Fresh Value Market** supermarkets use the nationally recognized fried chicken brand, **Chester’s**, to help establish their brand identity.

**Kroger Co.**, a major Southeastern supermarket chain, features fried chicken products as part of their “Fast & Fresh Combos” menu.

**Lowes Foods**, a Southeastern brand, features the Chicken Kitchen, which delivers “Down-home fried chicken goodness!”

**Royal Farms**, a mid-Atlantic c-store retailer, has become widely known in the region for their “World-Famous Chicken” and was named a Top 10 Gas Station Foods Across the Country by Food and Wine Magazine.

C-stores nationwide have turned to **Krispy Krunchy Chicken**, a c-store-based QSR, to elevate fried chicken as an item to help define their brand. The brand claims that on average, retailers that have switched to Krispy Krunchy Chicken have experienced growth in annual sales between 30-400%.

Chains are actively pursuing ways to make c-store food a viable dining option through renovations, increased social media and marketing efforts, and offering more food options with an emphasis on freshness and health.
As retail chains continue to emphasize ready-to-eat foodservice as a source of profit, establishing a main menu focus that can maximize profitability will also become a point of emphasis.

Foodservice Equipment Reports anticipates a sustained drop in wholesale meat and poultry costs over the next year. For operators this will mean the opportunity to increase margins on fried chicken.

It’s no stretch to assume that increasing profits is always on the forefront of operators’ minds, but does that always mean selling more? Cost-cutting methods can be as essential to a healthy bottom line, especially as labor costs across the foodservice industry increase. For operators looking for any back-of-house cost-saving/profit-boosting measures, consider upgrading equipment for these reasons:

1. **Reduces Waste**
   A major problem with outdated fried chicken equipment is its poor efficiency when it comes to breading. In these situations, operators all too often don’t realize the wasted food costs incurred by discarding breading that could be reconstituted. Outdated fryers and manual breading and sifting processes can mean burning up unnecessary amounts of oil (on average, a kitchen’s second-most expensive item after proteins). New equipment can lead to immediate and long-term cost savings on items like breading ingredients and oil.

2. **Reduces Labor Costs**
   Simple and efficient equipment means less training and less time spent preparing food. The need for fewer hands in the kitchen will allow operators to keep their staff and labor costs to a minimum, or use the additional labor availability to increase throughput, sales and improve the guest experience with more direct customer-focused service.
3 Increases Output
Updated equipment can provide operators the ability to produce more menu items per hour through improved technology. This benefits the business by requiring less labor, freeing up employees to engage with customers.

4 Produces a Higher Quality, More Consistent Product
With older equipment comes a loss of product consistency. Outdated equipment can become less efficient and less precise, leading to products of varying quality. To lock down the consistency of a product like fried chicken, new equipment can help ensure a product meets a desired standard and that the final color, texture, taste and crunch will be the same each time. Meeting a consistently high standard will ultimately lead to customer retention.
Our Experience Can Lead to Your Success

Though there are differences between the retail and QSR/fast-casual foodservice industries, when it comes to operational challenges for freshly prepared fried chicken, many of the solutions are one in the same.

Our expertise in the QSR space transitions seamlessly to the retail space — again, specifically for fresh fried chicken — and can provide helpful cost-saving solutions no matter what the operational environment. Take our Baked Blender Sifter (BBS), for example, as just one piece of equipment that can provide a seamless solution for a myriad of operational challenge:

**CUTTING LABOR COSTS**

The BBS is a simpler, more automated platform that is easier to train and operate, meaning more profit-making product per hour without adding additional staff. The BBS can save one store at least an hour of labor every day — $3,650 to $5,475 per year.

**ENSURING FOOD SAFETY**

The BBS keeps a cleaner and safer operating area for your kitchen staff.

The BBS’s operating platform is designed to focus on sanitation for your customers and helps prevent cross contamination that can lead to foodborne illness.

**DECREASING WASTE**

Wasted product means wasted capital. The BBS is designed to be more efficient with your breading mixture, and has created savings from $800 to $5,000 in ingredient costs for businesses that have used the unit.

**MAXIMIZING SPACE**

Operators need to get more out of what little back-of-house space they have. The BBS is designed to interchange with a manual table to ensure operators retain as much space as possible.

1. Turn the unit on.
2. Remove the lug plug and push the used breading into the unit.
3. The brush forms an auger, sifting and blending breading while ejecting unwanted dough balls.
4. Fresh breading is ready for the next batch.
AyrKing offers a line of solutions for operators in c-stores and supermarkets who are considering or who already offer freshly prepared fried chicken as a menu item.

**Breader Blender Sifter**
- Reduces the time it takes to sift 30 lbs. of breading by completing the entire blending and sifting cycle in just 50 seconds versus the typical 4-8 minutes for hand-sifting
- Regularly and automatically sifts breading mixture to ensure spices and seasonings remain evenly mixed, which provides a better, more consistent flavor
- Front-accessible components make maintenance and cleaning quick and easy, and a compact footprint allows the BBS to integrate well into any kitchen configuration

**DrumRoll Breader**
- Capable of reducing breading time by up to 25% compared to the hand-breading process
- Maximizes valuable ingredients, increases batch efficiency, reduces the need for skilled labor and eliminates breading inconsistencies
- Streamlines the breading process to make employees cross-functional, while creating a consistent product no matter the operator

**Tumble Marinator**
- Marinates on demand — eliminating the fear of running out of pre-marinated product
- Removes the guess work from marinating times, which allows for a more consistently marinated product
- Vacuum option eliminates the hours-long process of overnight soak marinating for proteins by opening the fibers of the meat and allowing quick and deep penetration of the marinade in just minutes
The right equipment can provide a profitable solution for freshly prepared fried chicken programs. Understanding this is the first step to frying success. The next step is to find an equipment partner that can assist you on your journey.

The AyrKing story dates back to 1968 when Donald E. “Don” King developed a complete line of range hoods with specific cleaning features for high grease applications. The success of Don’s product kick-started the business into a full-on manufacturing enterprise, and by 1972 AyrKing was officially founded in Louisville, Kentucky, as a foodservice equipment manufacturer.

Through the years, we expanded our product offerings but continued to engineer and produce equipment solutions with QSR operations in mind.

The proud engineering and manufacturing tradition that was established nearly 50 years ago continues today with our breading, sifting and marinating equipment that’s used in tens of thousands of foodservice kitchens worldwide, including leading QSR chicken chains such as KFC, Church’s Chicken, Popeyes and Bojangles’, and retail operations such as 7 Eleven, Consentino’s and Krispy Krunchy Chicken.

For retail foodservice operators looking for fresh fried food prep products that meet the needs and demands of today’s consumer, equipment such as the BBS or the DrumRoll Automated Breader can help redefine their fried chicken programs.

Not only can these highly engineered pieces of equipment help operators create delicious and consistent menu items that customers will love, but they also allow for significant ingredient savings and lower labor demands — which all lead to a healthier bottom line.

The History of AyrKing

WHAT’S IN A NAME?

When Donald E. “Don” King founded the company, he did it with the support of his father-in-law, Ayars Lamar.

With the company’s early focus on air and hood systems, the connection between “air” and “Ayr” joined with the name “King” to create AyrKing.
Elevate Your Fried Chicken Program

Through consumer demand, fried chicken has made its way to a premium menu item, no matter what the setting. Retailers who have jumped on this trend or plan to do so should take care to consider how much they can save in supplies and labor costs to maximize their profits.

If you are interested in learning more about the products that can help make that difference in your kitchen, contact AyrKing today to speak with our team of experts. Let us answer any questions you may have about taking your fried chicken program to the next level.