

The Foodservice Ripple Effect

THREE DYNAMICS IMPACTING BUYERS AND SELLERS TODAY

Social, political and economic factors play a huge role in purchasing behaviors within the foodservice sector. Like an object dropped into the water, any of these impacts can send ripple effects through the entire foodservice chain, setting new behaviors, approaches and priorities into action for both buyers and sellers.



Purchasing Power

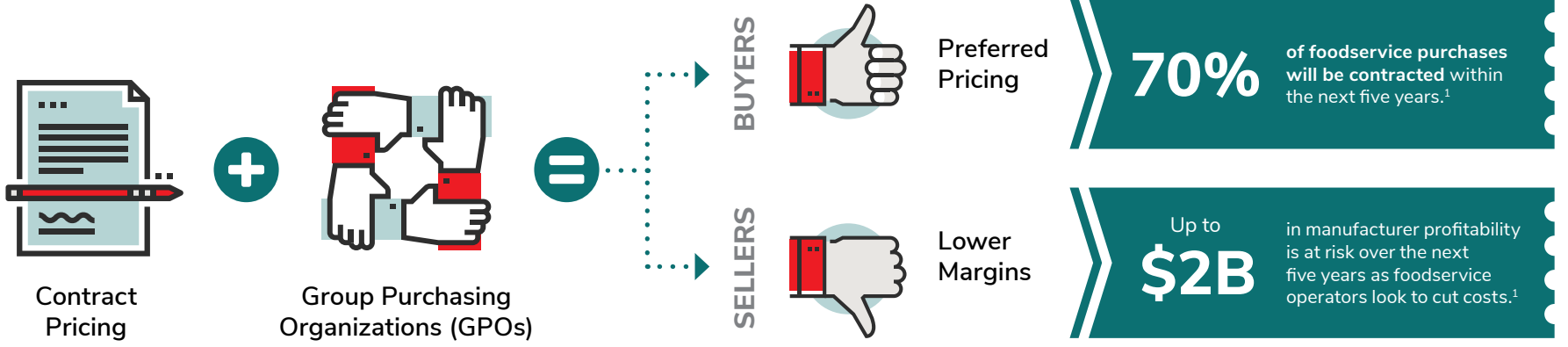
In the face of rising industry costs, foodservice operators and their buyers are looking for more aggressive ways to save on purchasing expenditures and attain preferred pricing from sellers.

Rising costs for foodservice operators



The effect on purchasing

Buyers position to gain more purchasing power



Advice for sales organizations



Build a strategy to address contract and GPO growth.



Identify new avenues for incremental and higher-volume sales.



Create leverage to gain more control and negotiating power.



Monitor contract compliance to combat losses.



Establish safeguards so preferred pricing isn't extended to everyone.

Supply Chain Transparency

Consumers, the government, NGOs and company stakeholders are demanding more visibility into what happens behind the scenes throughout the entire foodservice value chain.

Areas of expected transparency



Ingredients
Animal welfare
Labor practices
Eco-impact
Trade ethics
Materials

2% to 10%

How much more consumers may be willing to pay for transparency.²

The effect on purchasing

Buyers adapt strategies to help their organizations succeed.



OLD WAYS



NEW WAYS

Deeper questions	Product features	Sourcing and practices
Accountability shifts	Buying organization	Partners and vendors
Business reallocation	Legacy vendors	Progressive vendors
Priority changes	Cost savings	ROI
Shaken confidence	Trust claims	Challenge claims

Advice for sales organizations



Ask questions to unlock buyer priorities.



Be a resource and trusted advisor.



Gain visibility into the supply chain.



Prioritize vendors with a solid reputation.



Focus on quality over quick wins.

Convenience is King

Consumer lifestyles are more fast paced and on-the-go than ever before — and they expect their dining and food options to match.

Trends catering to convenience

Off-premises
All-day breakfast
Customizable menus
Fast but fresh
Upscale snack options
On-demand technology



72%

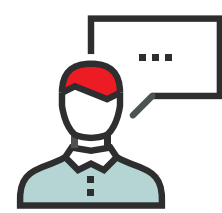
of consumers would buy more items more frequently if there were convenient.³

The effect on purchasing

Buyers prioritize innovative equipment to drive convenience.



29% of operators say they are lagging the industry in technology.⁴



Buyers are eager to catch up



They are committed to finding the right equipment.

Convenience equipment qualities

Easy to use
Multi-purpose
Scalable
High ROI
Flexible
Reliable
Quality output



Advice for sales organizations



Understand buyer menus and challenges.



Highlight features for speed and automation.



Prove ROI of a product investment.



Identify upsell opportunities that support convenience.



Extend convenience to buyer engagements.

We've got your back

At Hatco we're committed to providing you with the equipment solutions, support, resources and training that's needed to navigate the evolving purchasing landscape of today. **Let us know what you need. We're here to help.**

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SOURCES:

1. Technomic, *The Changing Face of Foodservice Purchasing*, 2017

2. Informa, *Supply Chain Visibility and Social Responsibility: Investing Consumers' Behaviors and Motives*, 2018

3. Statista, *Influence of a positive delivery experience on consumer loyalty*, 2014

4. National Restaurant Association and Technomic, *Harnessing Technology to Drive Off-Premises Sales*, 2019.



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