







The Restaurant Operator Perspective:

Customer Insight That Improves Your Partnership





Table of Contents

| | |
|--|----|
| Executive summary..... | 2 |
| Detailed results: | |
|  How's Business? | 4 |
|  Delivery Day | 6 |
|  May I Take Your Order? | 8 |
| ★★★ In an Ideal World | 10 |
|  Value-Added Distributor Services | 12 |
|  Making Up the Menu Mix..... | 14 |
|  Technology and Data | 16 |
| Methodology..... | 18 |



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Executive Summary

Understanding your customers helps you build better relationships. A restaurant operator's point of view may be different than yours when it comes to business interactions, and operators of different types of restaurants don't always want the same thing. Sometimes they want services that you don't offer, but your competitors might. Operators' current practices, needs and preferences around interaction with distributors offers valuable insight that can translate into stronger business.

The International Foodservice Distributors Association (IFDA) created this report to help distributors explore how restaurant operators think and act when it comes to ordering and receiving deliveries. IFDA's survey of 400 operators yielded these key insights:

1. Restaurant operators tend to be optimistic about their business, but common challenges — including recruitment and retention, and rising labor costs — have them **focusing on cost-saving and productivity-boosting strategies.**
2. While a majority of operators make some preparations for receiving deliveries, not all are as ready as they could be. **Ensuring drop-offs are smooth saves labor both in the restaurant kitchen and on the distribution truck,** which in turn makes the delivery driver's job easier. Especially in light of the truck driver shortage, even small improvements can make a big difference.
3. Nearly half of operators who regularly order ingredients and supplies from more than one source **say they purchase from a larger number of distributors now than they did two years ago,** indicating the competition in the space continues to grow.



4. There's some misalignment between how operators order and source ingredients now compared with how they would like to do so if distributors offered those options. **More operators say they prefer to place orders via smartphone app than by phone, though more are**

doing the latter currently.

They also say they are going to club and cash-and-carry stores more than they would like. Independent operators and tableservice operators say they would prefer to place orders through a Distributor Sales Representative (DSR) less often than they do now.

Are you asking your delivery drivers about restaurant store readiness? Collecting and sharing feedback on key points, like frequent obstructions at point of delivery and lack of staff preparation, can help open lines of communication with those customers. It can also be a retention tool to make drivers' jobs just a little bit easier and make them feel acknowledged and valued.

Looking into opportunities to offer a wider variety of ordering options doesn't only give operators what they want, but also frees up time for DSRs and other staff to focus on service rather than simply taking orders.

5. DSRs should focus on identifying food cost savings, according to operators. That is also among what they say is the most useful value-added service a distributor can offer, along with overall cost-cutting strategies and front-of-house staff training on how to sell new menu items.

6. The long-term growth in off-premise traffic at restaurants — in other words, takeout, delivery, drive-thru and curbside — has led to **evolving needs for operators around staffing**, frequency of orders and deliveries, LTOs, as well as food and packaging products.

7. Nearly half of operators say they are **purchasing more fresh produce now than they did two years ago.**



8. In the space of supply chain technology concepts, **operators have the strongest interest in business intelligence and blockchain.**



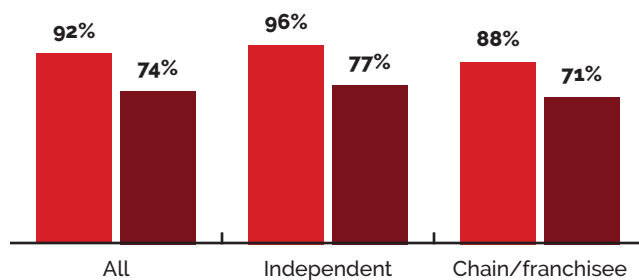
Detailed Results



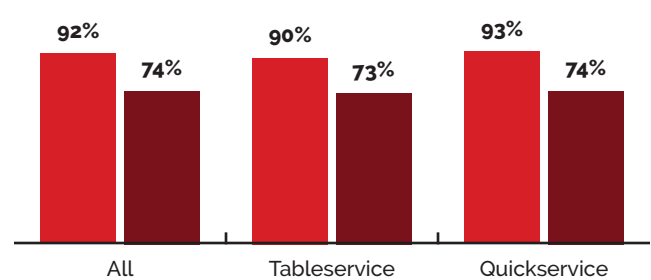
How's Business?

When asked about business conditions for their restaurant operations, more than nine in 10 say excellent or good as far as current conditions. Operators were also optimistic about expectations for 2020, with three-quarters saying they think sales will be better than in 2019.

Restaurant operators' view on business conditions, by ownership



Restaurant operators' view on business conditions, by segment



■ Current business conditions = excellent/good ■ Sales in 2020 = better than 2019

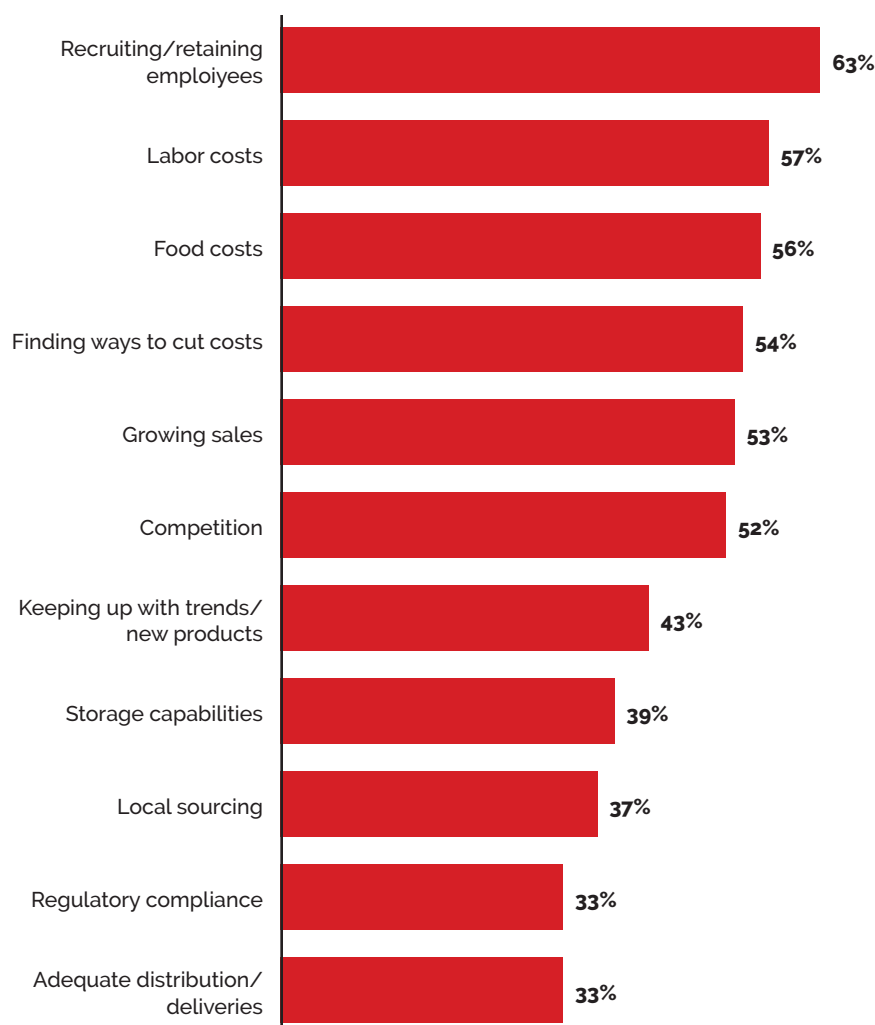
Source: International Foodservice Distributors Association 2019



The top three challenges facing restaurant operators are recruiting and retaining employees, labor costs and food costs. About two in five also say that keeping up with trends and new products is a challenge. Adequate distribution and deliveries was about evenly split among operators who consider it a significant or moderate challenge, those who said it's a little bit of a challenge, and those who find it not at all a challenge.

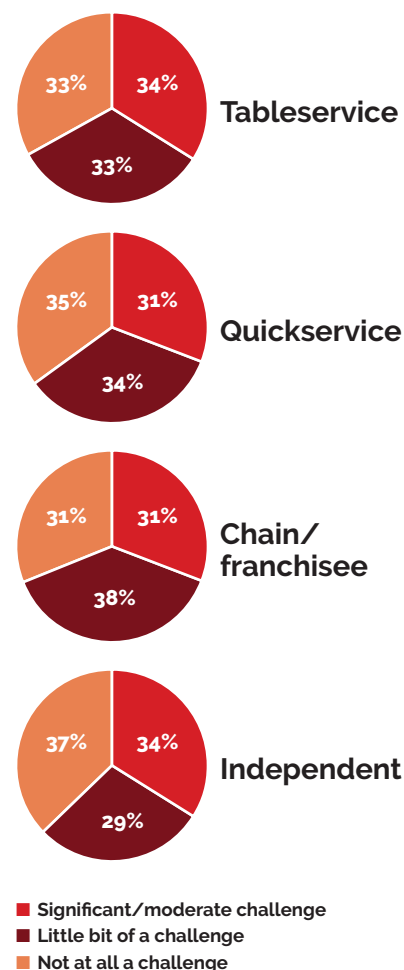
Chain/franchisee operators are slightly more likely than independents to say recruitment and retention (67%), labor costs (60%), and keeping up with trends (49%) are a challenge. Quickservice operators are slightly more likely to say storage capabilities (42%) are a challenge.

Restaurant operators who say these are a significant/moderate challenge



Source: International Foodservice Distributors Association 2019

Restaurant operators' view on adequate delivery challenges



Source: International Foodservice Distributors Association 2019

Detailed Results

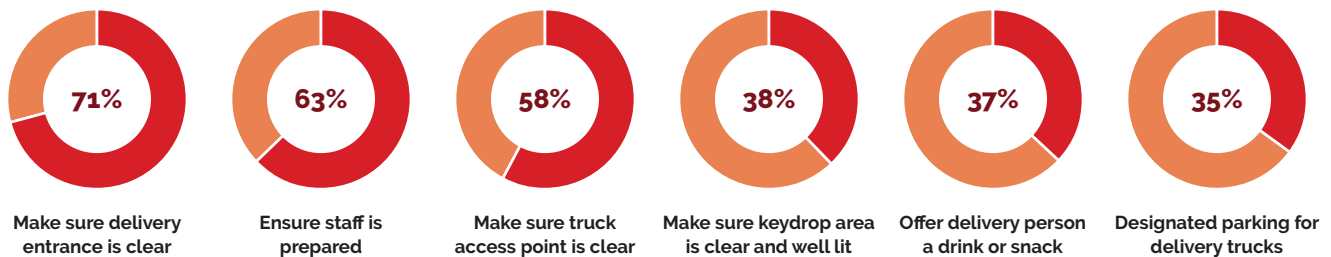


Delivery Day

When it comes to preparing for deliveries from foodservice distributors, seven in 10 restaurant operators say they make sure the delivery entrance to the restaurant is clear (i.e. trash cans, snow, parked cars), roughly three in five ensure staff is prepared and make sure the truck access point to the premises is clear, and nearly two in five offer the delivery person a drink, meal or snack. In addition, roughly one-third of all operators say there is designated parking for delivery trucks.

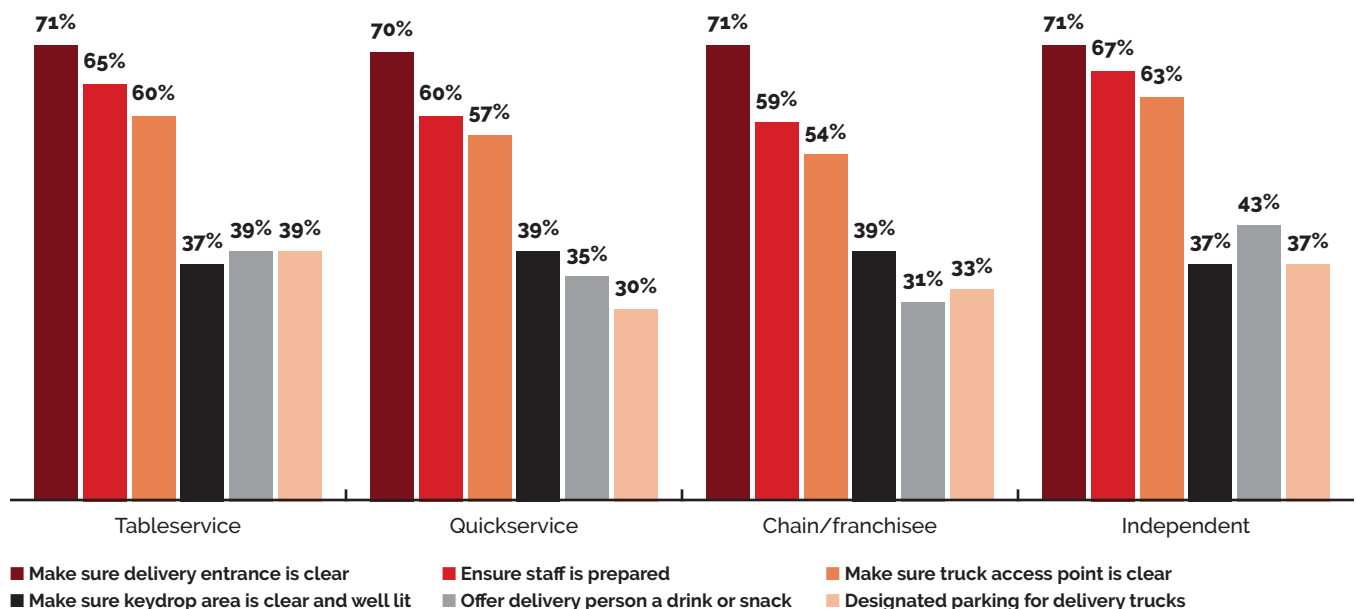
Independent operators are more likely to be more prepared across the board, including offering refreshments to the delivery person.

How restaurant operators typically prepare for deliveries



Source: International Foodservice Distributors Association 2019

How operators typically prepare for deliveries, detailed

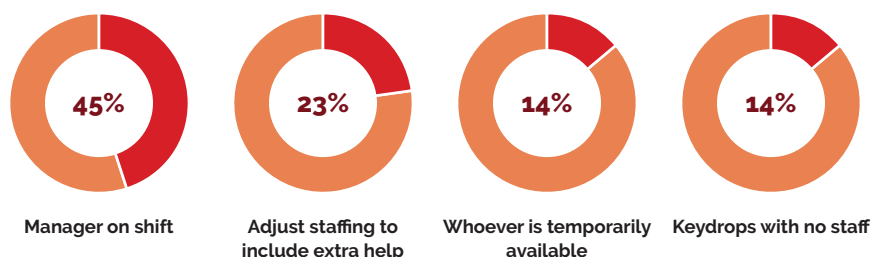


Source: International Foodservice Distributors Association 2019

Restaurant operators also have varying habits when it comes to receiving deliveries from foodservice distributors: 45% of operators say the manager on shift handles deliveries, while 23% say they adjust staffing to include extra help when deliveries arrive. Only 14% of operators say they use keydrop deliveries.

Chain/franchisees are slightly more likely to say they adjust staffing for deliveries, while independent operators are slightly more likely to say whoever's temporarily available in back-of-house handles deliveries.

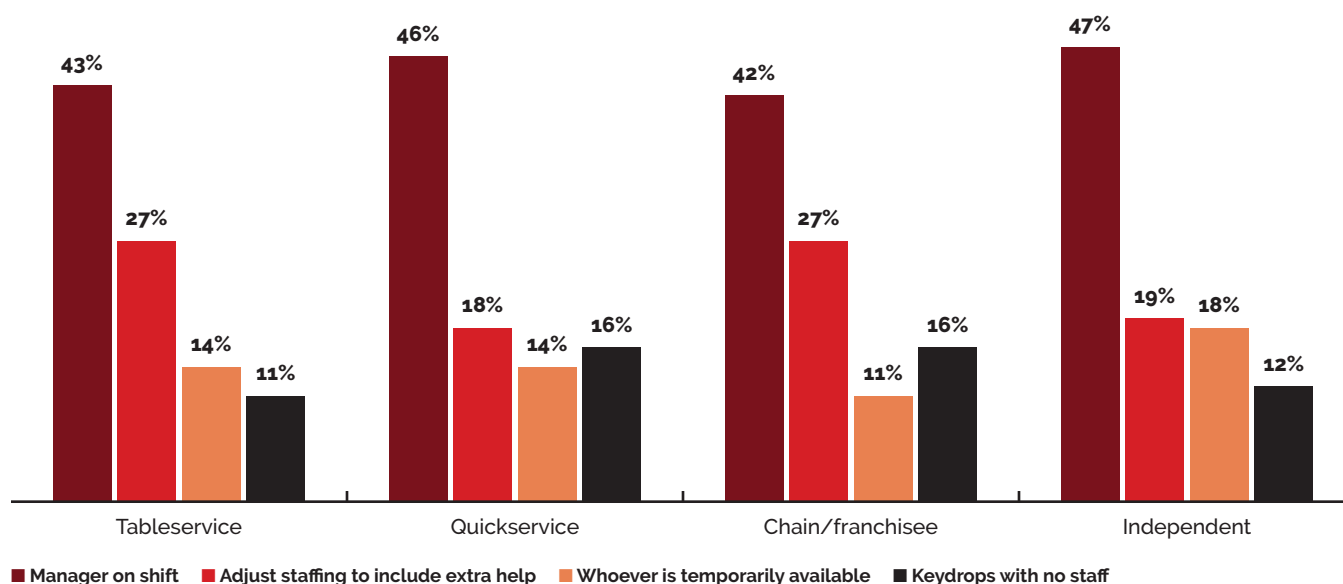
How restaurant operators typically handle deliveries



Source: International Foodservice Distributors Association 2019



How restaurant operators typically handle deliveries, detailed



Source: International Foodservice Distributors Association 2019

Detailed Results

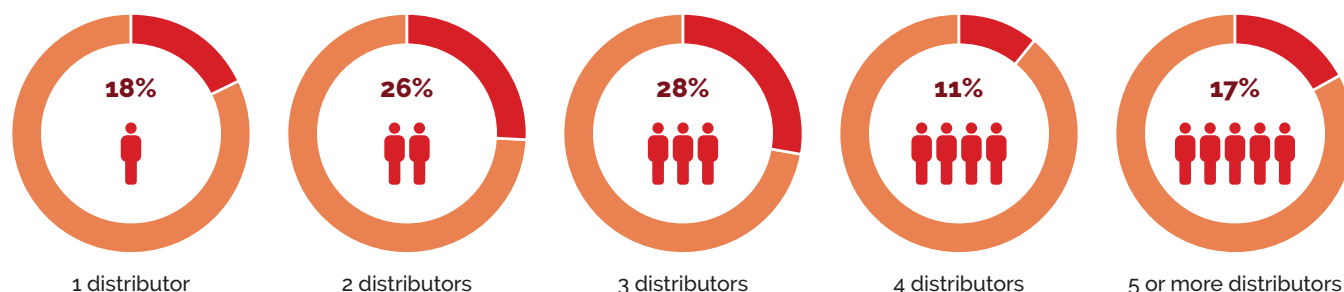
May I Take Your Order?

More than four in five restaurant operators (82%) use more than one distributor regularly, with an average of 2.8. Among those that use more than one distributor, 45% say they purchase from a larger number of distributors now than they did two years ago.

Quickservice and chain/franchisee operators are more likely to only use a single distributor at three in 10.

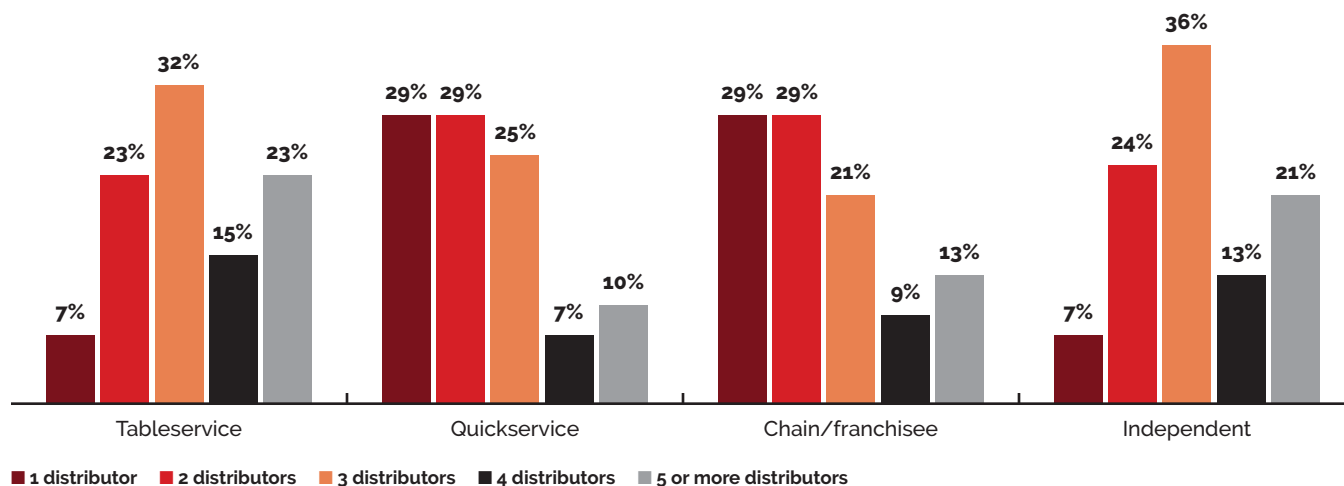
Tableservice and independent operators are more likely to purchase from a larger number of sources, at an average of 3.2 distributors. Tableservice and independent restaurant operators are slightly more likely to say they use a larger number of distributors now than two years ago.

Number of distributors that restaurant operators buy from regularly



Source: International Foodservice Distributors Association 2019

Number of distributors that restaurant operators buy from regularly, detailed



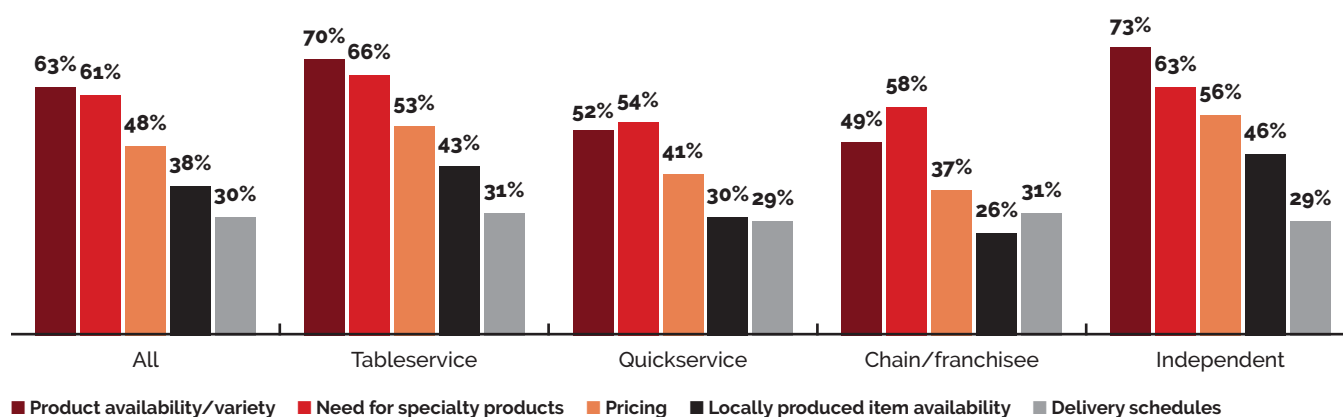
Source: International Foodservice Distributors Association 2019

Top reasons for using more than one distributor are product variety/availability and the need for specialty products at about three in five each.

Independents and tableservice operators are more likely to cite product variety as the top reason.

Reasons for using more than one distributor

Base = operators who regularly use more than one distributor



Source: International Foodservice Distributors Association 2019



Detailed Results

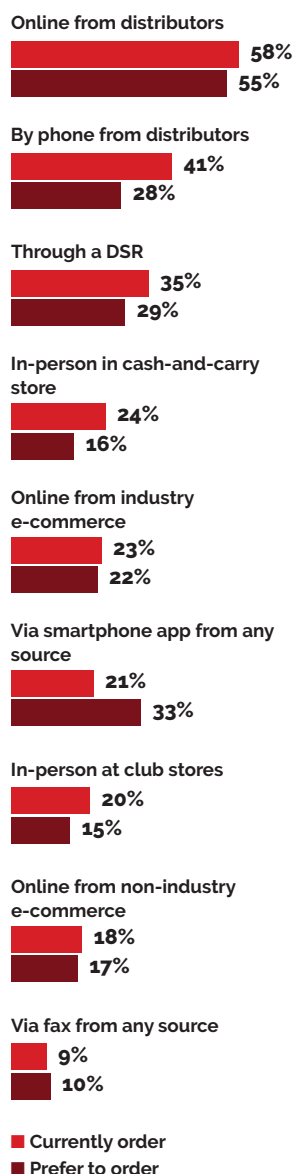
★★★ In an Ideal World ...

Restaurant operators are slightly misaligned on how they currently order from distributors on a regular basis versus how they prefer to order even if those options aren't offered at this time. Online ordering is a common way to place orders now, as well as the preferred way for nearly three in five operators, while phone is currently used by two in five but preferred by less than three in 10. One-fifth of operators currently place orders via smartphone app, but one-third say they would like to do so. In addition, operators shop in person at cash-and-carry and club stores more than they would like.

More independent and tableservice operators than chains and quickservice operators currently order by phone, but independents have a stronger preference to do so. Independents also have a slightly higher current order occurrence and slightly stronger preference to purchase from cash-and-carry and club stores, as well as non-industry e-commerce like Amazon.com.

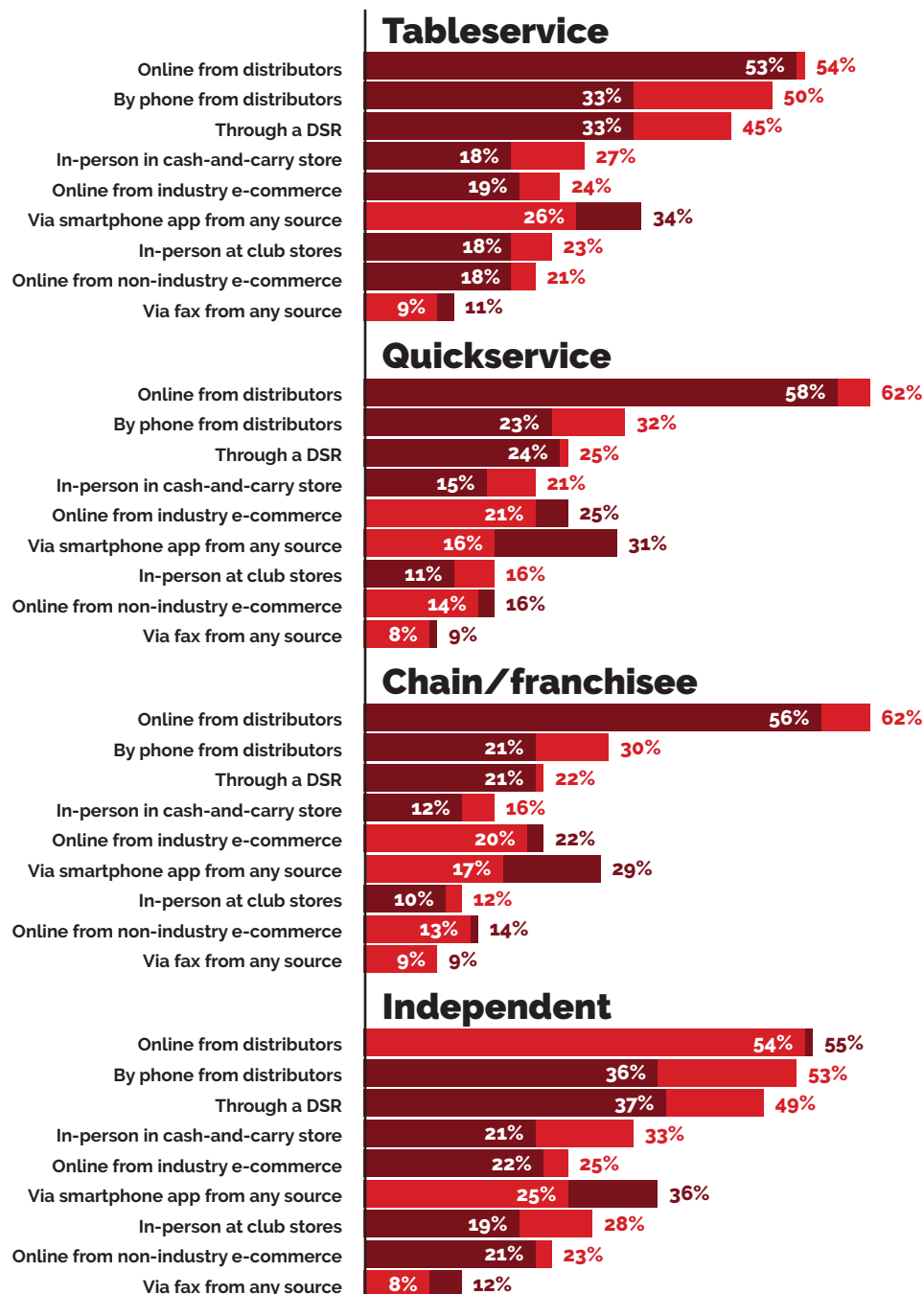


How restaurant operators currently place orders vs. how they want to place orders



Source: International Foodservice Distributors Association 2019

How restaurant operators place orders: ■ Currently ■ Prefer to, detailed



Source: International Foodservice Distributors Association 2019

Detailed Results

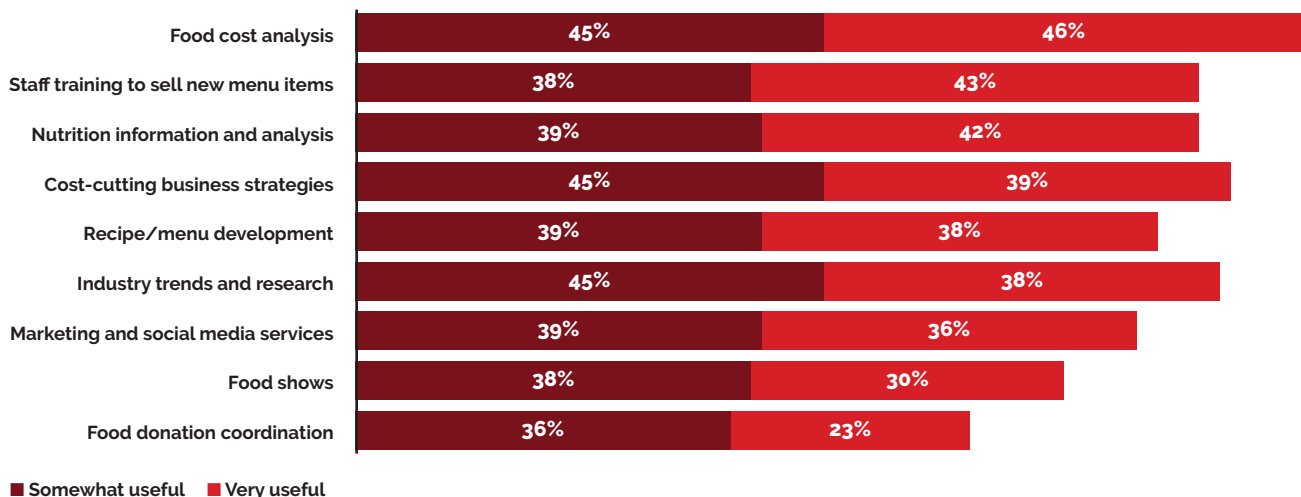


Value-Added Distributor Services

When it comes to value-added services offered by foodservice distributors that restaurant operators find most useful, the top choice is food cost analysis, which nine in 10 operators say is very or somewhat useful. About four in five operators also say they find useful services related to cost-cutting business strategies, industry trends and research, front-of-house staff training on how to sell new products, and nutrition information and analysis.

Independent restaurant and tableservice restaurant operators were slightly more likely to say staff training to sell new products, industry trends and research, and attending food shows are useful value-added services.

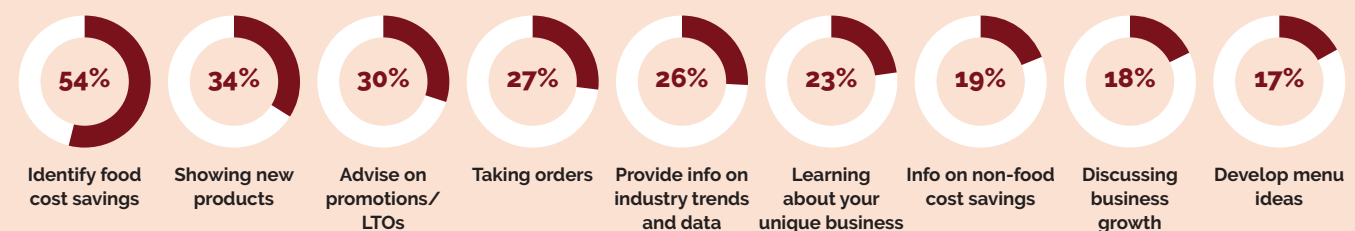
Restaurant operators who find the following value-added distributor services somewhat or very useful



Source: International Foodservice Distributors Association 2019

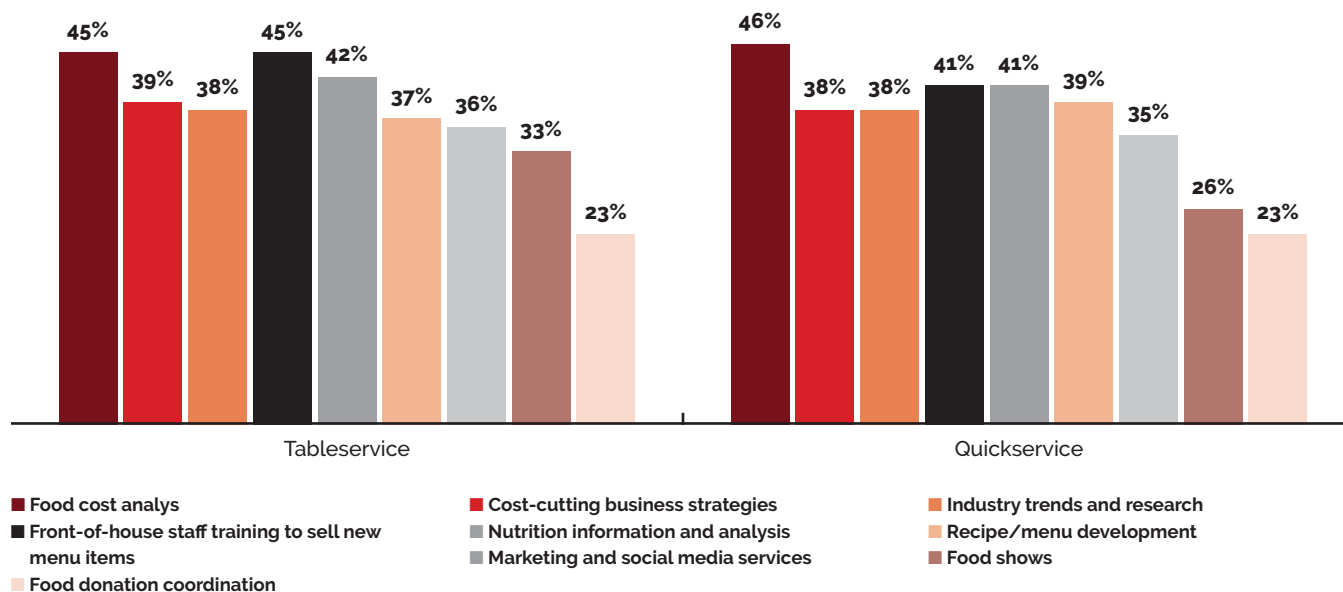
More than half of restaurant operators want their distributor contacts to focus on identifying food cost savings.

What operators want their DSR to focus on



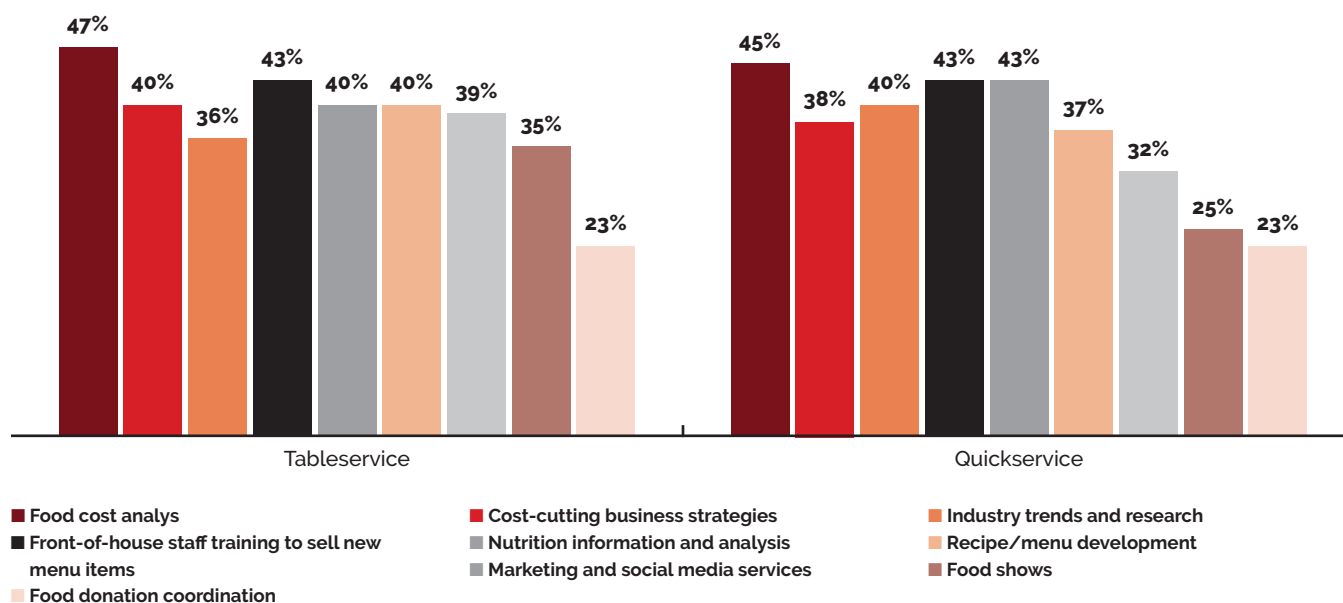
Source: International Foodservice Distributors Association 2019

Restaurant operators who find the following value-added distributor services very useful, by segment



Source: International Foodservice Distributors Association 2019

Restaurant operators who find the following value-added distributor services very useful, by ownership



Source: International Foodservice Distributors Association 2019

Detailed Results

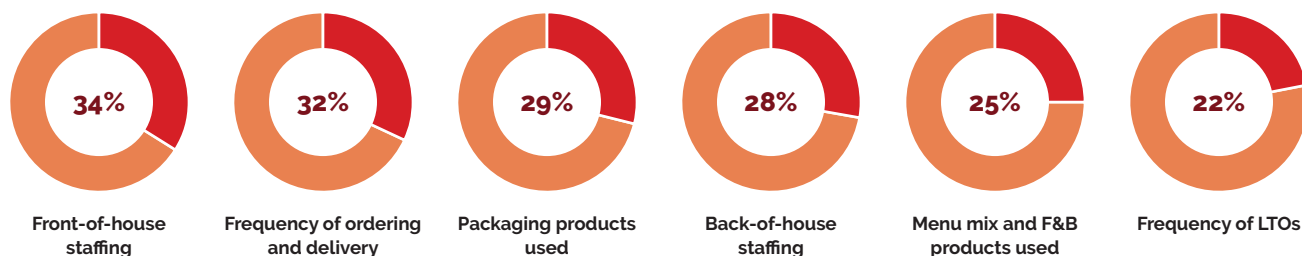
Making Up the Menu Mix

Overall, roughly two-thirds of restaurant operators say the growth and popularity of off-premise traffic (i.e. takeout, delivery, drive-thru and curbside) has affected their business in some way. About one-third say it has affected their front-of-house staffing and the frequency of product ordering and delivery. Three in 10 say it has changed the packaging products they use, and a quarter say it has changed the food & beverage products they use and the frequency of limited-time offers (LTOs).

Chain/franchisee operators are more likely to say off-premise growth has had an effect on their business (73%), including front-of-house staffing (37%), and the frequency of LTOs (30%). Independent operators are more likely to say it has affected their ordering and delivery frequencies (36%).

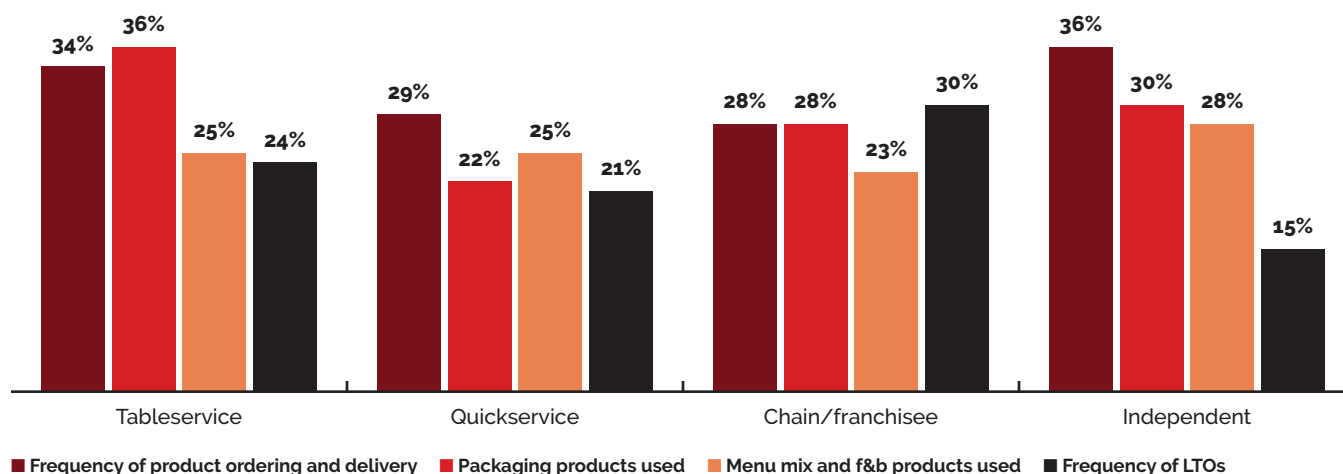
Tableservice restaurants are more likely to have been affected by off-premise growth (74%), especially the packaging products used (36%).

How growth of off-premise traffic has affected restaurant operations



Source: International Foodservice Distributors Association 2019

Operators who say growth of off-premise traffic has affected their business

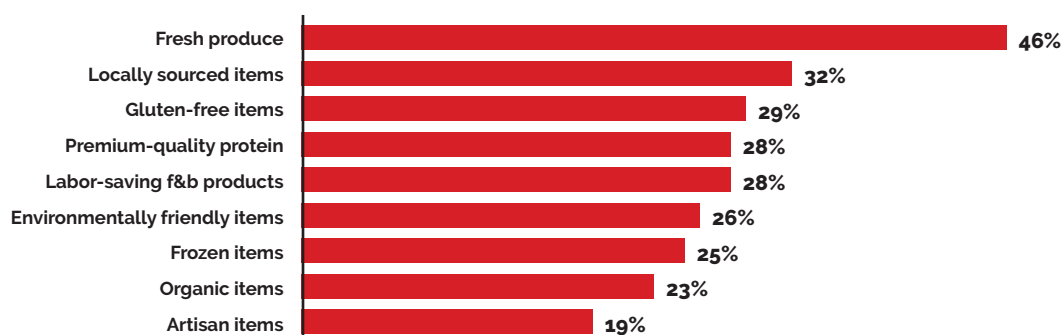


Source: International Foodservice Distributors Association 2019

Nearly half of restaurant operators report purchasing more fresh produce now than they did two years ago.

More independent operators say they purchase more fresh produce (55%), locally sourced items (42%), gluten-free items (39%), and environmentally friendly items (33%) now than two years ago.

Operators who say they are purchasing more of the following items now than they did two years ago



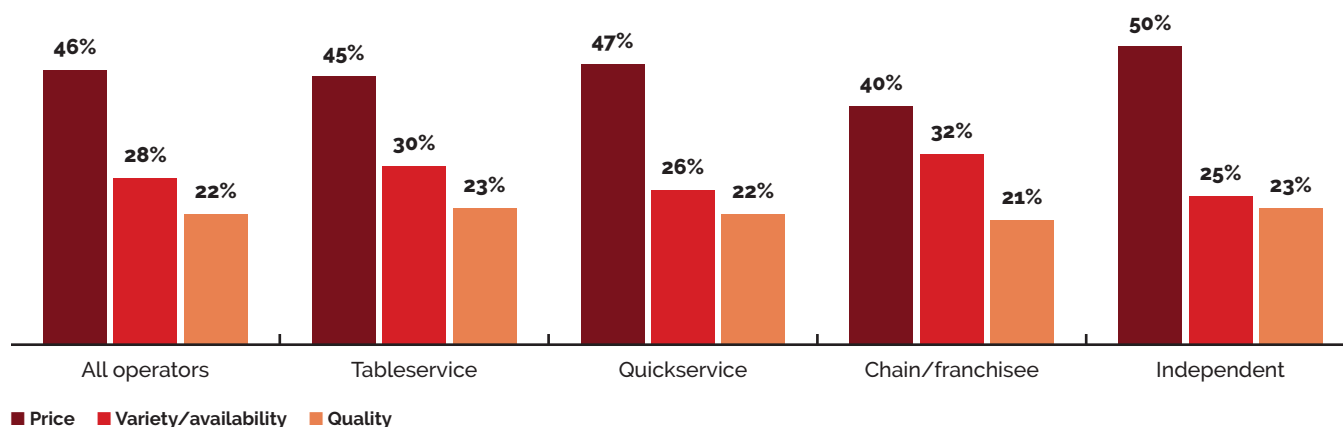
Source: International Foodservice Distributors Association 2019

Three-quarters of operators (75%) say they buy distributor-brand products, with the top reason given for purchasing those products as price (46%).

Independent operators are more likely to buy distributor-brand products at 81%, while chain/franchisees were less likely to do so at 68%.

Top reason for purchasing distributor brand products

Base = operators who purchase distributor brand products



Source: International Foodservice Distributors Association 2019

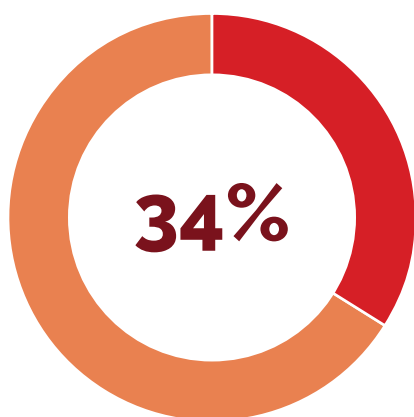


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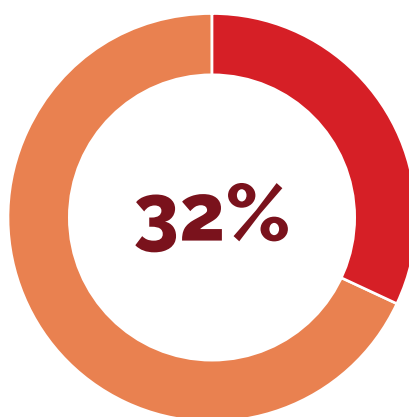
Technology and Data

When asked about aggregate customer data, like daypart traffic and menu selections, more than four in five restaurant operators (82%) say they collect such data. Among those who do, half share that data with business partners like vendors (i.e. third-party delivery services, POS solutions providers), distributors and manufacturers.

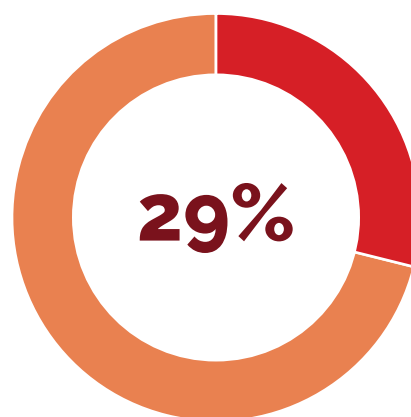
Restaurant operators who share aggregate customer data with partners *Base = operators who collect and share customer data*



Share with vendors



Share with foodservice distributors



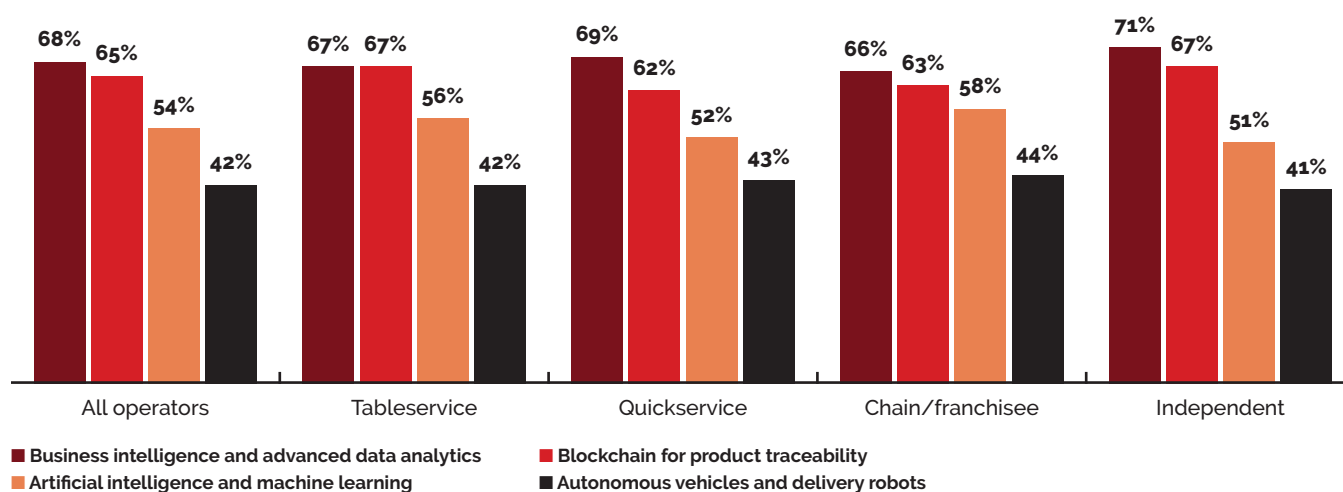
Share with food manufacturers

Source: International Foodservice Distributors Association 2019



When asked about their interest in supply chain technology concepts, restaurant operators' responses were varied depending on the technology. The strongest interest was for technologies that would directly interact with their business.

Restaurant operators who say they are very or somewhat interested in the following supply chain technology concepts



Source: International Foodservice Distributors Association 2019



Methodology

This report presents the findings of an online survey conducted October 2-15, 2019, among a sample of 400 adults who own, operate, or manage a restaurant. Of the 400, 200 represented independently owned restaurants, and 200 represented chain- or franchisee-owned restaurants. The sample of 400 was also about evenly distributed among tableservice operations (203) and quickservice operations (197).

Both ownership types included single-unit and multi-unit operations; the chain/franchisee sample also included corporate-owned units. Tableservice was defined as restaurants where customer pay after they eat (i.e. family dining, casual dining, fine dining), and quickservice was defined as restaurants where customers pay before they eat (i.e. fast food and fast casual).

Note: Numbers in charts may not add up to 100% due to rounding or omission of "other" response category.

The International Foodservice Distributors Association commissioned Engine's CARAVAN® Surveys to execute the survey.

Questions about IFDA research? Contact IFDA's Director of Research & Industry Insights Annika Stensson at astensson@ifdaonline.org.

The International Foodservice Distributors Association (IFDA) is the premier trade organization representing the \$280 billion foodservice distribution industry. This industry ensures a safe and efficient supply of food and products to more than one million restaurants and foodservice outlets in the U.S. every day. For more information, visit www.ifdaonline.org.



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