

Unlocking Growth in Foodservice

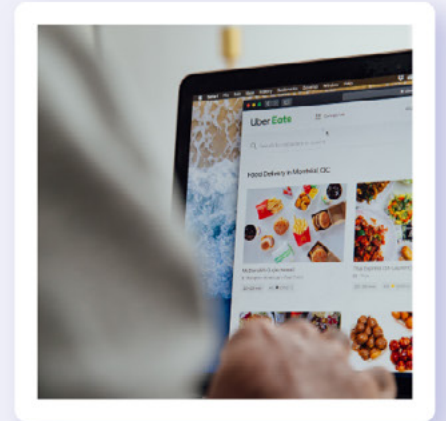


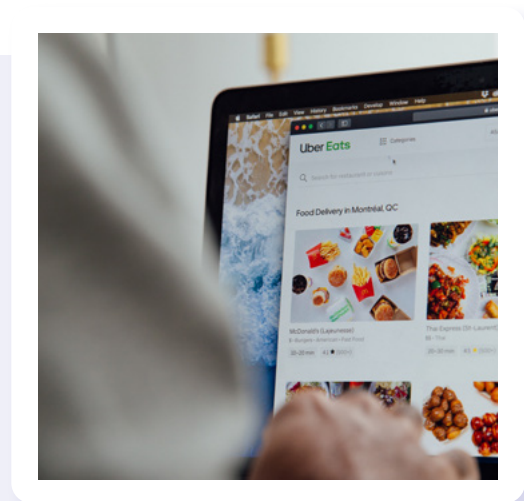
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Unlocking Growth in Foodservice

The decade commencing in 2020 is off to an interesting start. Of course, many B2C industries have been running headlong into the eCommerce world for several years. B2B organizations have been noticeably slower to do so - but with the pandemic, companies in many industries have found their time scales changed, and are suddenly under immense pressure to sell online in order to not only overcome restrictions in in-person selling, but also simply because the market now demands it. The foodservice industry is not immune from the various influences that have affected essentially every single business, and is also subject to more rigorous demands particularly in the area of managing product information. In this short paper, we'll look at three key changes in the foodservice industry and propose a solution to help your organization not only survive, but thrive. Those changes are in customer buying habits, the need to grow at scale, and the advent of new regulations that affect how foodservice enterprises present products for sale.



Consumers and B2B buyers are changing their buying habits

In the 25 years since Amazon first appeared, the world has begun a transformation to online selling and buying. Digital natives who grew up only knowing this phenomenon are now not only shopping for themselves, but are also employed at B2B enterprises, and they expect to purchase goods and services the same way they do for their own personal shopping. This means buyers want to shop not only on eCommerce websites, but also marketplaces, mobile apps, and even via social media channels.

As you would expect, the demand for a great customer experience has put even more pressure on B2B businesses in general, and on foodservice organizations in particular. In the world of B2B wholesale and distribution, this trend is becoming increasingly common. According to Akeneo's Global B2B Survey of over 1,600 B2B enterprises, omnichannel is the rule, but only 36% sell on marketplaces. In order to capitalize on the trend to omnichannel and digital selling, 56% of B2B businesses claimed they could increase sales conversions, and nearly half of them say they could charge more for the same product/service if they could deliver a better product experience during the buying cycle. Because the customer experience begins and ends with the product, the concept of a product experience has become critical to impacting conversions, and as a result, revenue.



Growth at scale

One of the challenges specific to the foodservice industry is to grow at scale. Growth has historically meant making significant investments in new warehouses, new delivery vehicles, and other capital-intensive spend. As consumers and buyers seek new digital ways of shopping and buying, marketplaces have become increasingly popular ways to reach consumers. In this model, the marketplace operator leaves the responsibility for warehousing and fulfillment to the manufacturer or distributor - meaning the need for significant capital investment is reduced.

Offering products for sale via a marketplace is one way to unlock growth. Instead of a large capital investment, growth comes from offering a significantly larger catalog of a broader range of products available for sale to a wider audience of buyers - for example, you are no longer dealing with three or four thousand SKUs, you may be dealing with 30,000 or 40,000 SKUs. As an operator of a marketplace, you then need to be able to efficiently manage relationships with many suppliers to ensure that product information is accurate and complete.



Regulatory effects

The foodservice industry has always been highly regulated – after all, we’re talking about products that people consume to sustain life! Common information on products include country of origin, nutrition facts, and ingredients. In the UK, the Food Information to Consumers (FIC) passed legislation in 2014 which required allergen labelling on pre-packaged foods to be more clear and obvious. However, including it on all forms of food products was not legally required.

Food allergy represents a major public health concern, particularly in the developed world. According to the Centers for Disease Control and Prevention (CDC), its prevalence increased by about 50% between 1997 and 2011, and now it affects around one in 13 children. In an effort to strengthen the UK’s legislation, a new “Natasha’s Law” states that as of October 2021, any business based in England must clearly label all foods packed and produced on their premises with a complete list of ingredients, and will be legally enforced. The impact on foodservice wholesalers, distributors, and manufacturers of all sizes means that they will by law have to implement a food labeling system. This means they will be legally obliged to manage additional product information along with what is currently used to market and sell products.

Taken together with an approach to growth by expanding a product catalog, this additional complexity means foodservices enterprises are going to need a solution for product information management that scales with them. And, it is not limited to simply adding this information to product packaging – including it in eCommerce, mobile app, and marketplace listings will be needed, as well as in any printed menus or catalogs. Of course, the requirement for managing this information across multiple sales channels will be somewhat different in each.



Technology exists to help address these trends

The challenges facing the foodservice industry are not trivial, but fortunately technology and best practices exist to help businesses work smarter and grow. One of the solutions becoming more prevalent is the marketplace model. A marketplace is an online platform where an operator (the wholesaler) hosts transactions of products and services between third parties such as other wholesalers, retailers, manufacturers, brands, or importers.

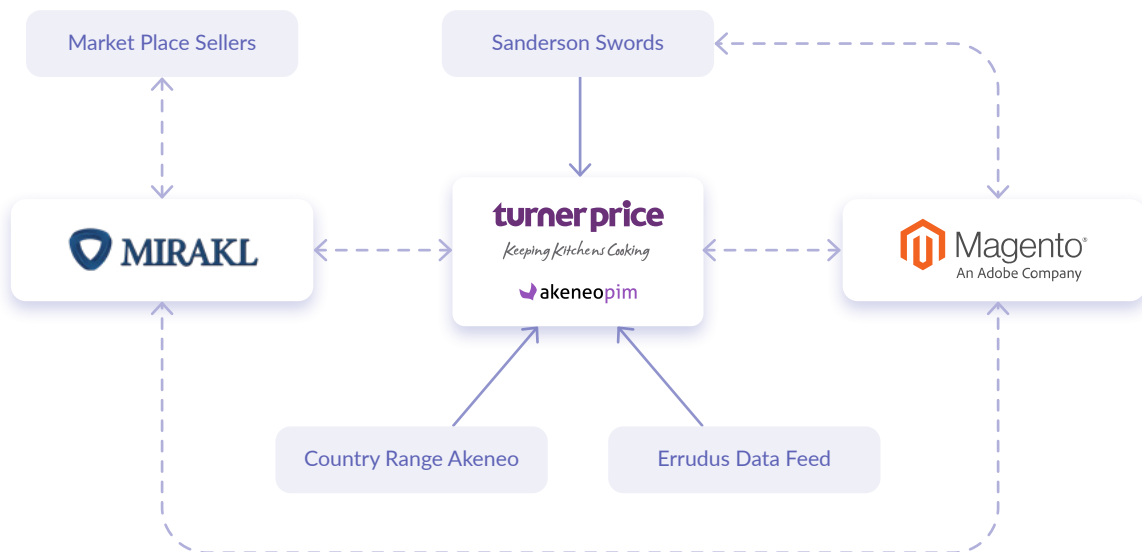
This approach to growth enables wholesalers to be seen as trusted partners who can say “yes” to suppliers who want to sell directly to their customers. For the wholesalers, it minimizes the risk of adding capacity while expanding their catalog and market reach. Adopting this approach means wholesale operators can sell their own products and services alongside those of third parties, all within a seamless digital self-service environment.



The story of Turner Price



Turner Price is a great example of an England-based food wholesaler to restaurants, cafes, hotels, schools, and care homes around the UK who embraced these trends and tackled the challenges head-on. Beginning in 2015, Turner Price entered the eCommerce world by allowing its restaurant and catering customers to buy nearly 4,000 different items and ingredients online. Their digital journey helped Turner Price grow up until 2020 when their restaurant and catering customers were forced to shut down. As a result, Turner Price accelerated their digital transformation and adopted a marketplace model in order to serve customers directly and continue their growth.



Turner Price used Akeneo PIM to help manage all the product information, including allergens as specified in anticipation of Natasha's Law going into effect in October 2021, which enabled Turner Price to develop relevant, accurate, and appropriate product listings on their Adobe Commerce (Magento) based eCommerce site, as well as a Mirakl-based marketplace platform. With iWeb implementing the Akeneo solution as a backbone, Turner Price worked with Foodservice Online to create a best-in-class product experience, scale their catalog to handle more items, and launch their marketplace while cutting the cost of product data enrichment by 80%. The enhanced product experience was well received by Turner Price's customers, which resulted in Turner Price seeing increases in average order value and revenue immediately from the start. Read more about the [Turner Price story here](#).

About Akeneo, iWeb and Foodservice



About Akeneo

Akeneo is a global leader in Product Experience Management (PXM) helping businesses with products to sell to unlock growth opportunities by delivering a consistent and compelling product experience across all channels, including eCommerce, mobile, print, points of sale and beyond. With its open platform, leading PIM, add-ons, connectors and marketplace, Akeneo PXM Studio dramatically improves product data quality and accuracy, simplifies catalog management, and accelerates the sharing of product information across channels and locales.

Leading global brands, manufacturers, distributors and retailers, including Staples Canada, Fossil, Air Liquide and Myer trust Akeneo to scale and customize their omnichannel commerce initiatives. Using Akeneo, brands and retailers can improve customer experience, increase sales, reduce time to market, go global, and boost team productivity.



About iWeb

iWeb are a full-service eCommerce agency, Adobe Gold Solution Partner and Akeneo Gold Partner, with over 24 years experience designing and developing eCommerce websites that sell. From B2C to B2B to B2C2B, we've got great experience working with clients from all sectors, including JCB, British Heart Foundation and Tile Giant. Our friendly team of experts have the perfect combination of creative and technical skills, building complex websites that look beautiful and perform brilliantly.



About Foodservice Online

Foodservice Online specialises in the design, development, integration and application of ecommerce platforms, marketplace technology, and PIM solutions for food and beverage wholesalers. After almost a decade working exclusively within foodservice wholesale, our extensive knowledge of the sector provides peace-of-mind for our clients. We are ecommerce strategy experts and trusted advisors, guiding executives at leading food and beverage distributors in creating growth from ecommerce.