A FoodService Distributors View

Oils ain't Oils!

Taking a Product to Market!

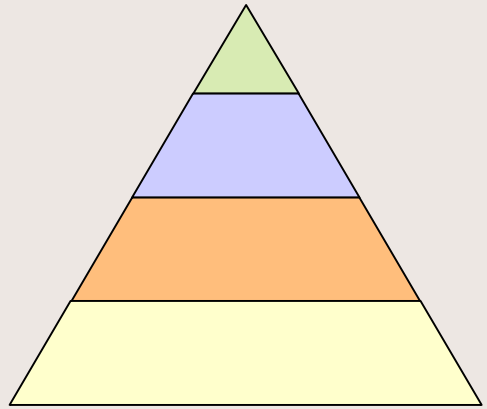
Roscoe Richmond

Global Food **&** Wine

Operator Choice Mechanics

- Diversity of people, knowledge & driving issues
- Chefs Choice? Ease, Quality, Relationship!
- Management Choice? Price, Benefits, Relationship!

Quality? Health?



- 95% of Manufacturers focus on the quality aspects!
- Less than 10% of FoodService Operators place “highest” Quality first & foremost!
- ***Perception***: Modern Manufacturing standards, technology & procedures ensure an acceptable Quality standard!
- Quality is difficult to sell! Arbitrary! Expected!

Components of Sale-ability!

- QUALITY
- PRICE
- AVAILABILITY
- CONSISTENCY

- **Cost of use**
- **Trust**
- **Trading Terms**
- **Ease of Trading**
- **Other Advantages:**
  - Re-usable packaging
  - Individuality
  - Recognition
  - Preparation reduction
  - Loyalty program

Price V's Cost

Cost of using a product is often obscured by the price!

Price is offset by:

- Quantity used as opposed to opposition!
- Less labor required in preparation!
- Additional benefits!
- Consumer preparedness to meet price!

Distributor Knowledge is the key!

Push/Pull Marketing

- Push ~ Advertising, Manufacturer Focus, Price
- Pull ~ Incentives, Benefit, Advantage
- Manufacturers PULL through Distributors
- Distributors PUSH through FSO’s

Who owns the product??

- Distributor owns the product
  - High margin ~ 35% plus
  - Exclusive distribution within territory
- Manufacturer owns the product
  - Lower margins ~ 20%
  - High volume sales & support

Business Without Hurdles

- Interest is built on products, Business IS built on relationships!
- Representation is required! Ownership!
- Product information/training for Distributors & Operators staff
- Attitude of Partnership!

Product to Market!

Australian Distribution Channels:

MANUFACTURERS:~

Countrywide Australasia Ltd

N.A.F.D.A.

C.F.A.

Bid-Vest

Independents

Specialty Distributors