



Food for Thought

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ABOUT WYOMING RESEARCH

Wyoming Research specializes in cost-effective market research for food, beverages, disposables and cleaning products within the foodservice industry. With the restaurant industry now accounting for 49% of the U.S. Food Dollar, accurate market information is more important than ever. Our sampling techniques are the most representative of the foodservice industry. We provide highly practical and user-friendly information that can be applied to increase share and brand loyalty. Our services include proprietary and syndicated reports for virtually every aspect of the foodservice industry.

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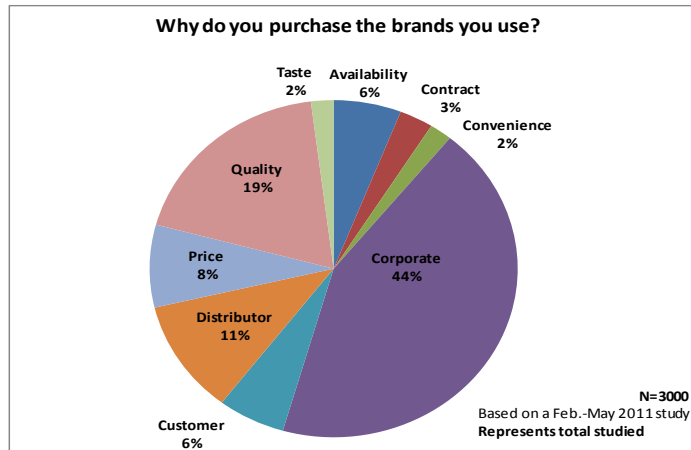
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Quality trumps price in operator purchase decisions



Foodservice operators have options when it comes to buying products and goods to use in their establishments. Manufacturers know this, so their goal is to set their identity apart from the competition and institute brand loyalty.

In a Feb. - May 2011 study conducted by Wyoming Research, respondents were asked the unaided question, "Why do you purchase the brands you use?" Replies varied from corporate policy to customer request to price.

The establishments that purchase brands based on corporate guidelines ranked the highest. Chain restaurants, by corporate policy, are required to purchase certain brands.

This is evident in the National Quick Serve segment (84 percent said corporate), which consists of the Casual (75 percent) and Family Dining (70 percent) clusters.

Second to corporate purchasing requirements, quality is an important factor in buying products, as 19 percent of respondents stated. These are highly competitive times for the foodservice industry. With the economy thought to be improving, and more people dining out, establishments picked quality over price to "fill the seats". As more companies look to create a stronger customer base, they want to offer customers the best value for the money they spend. Therefore, it is logical that quality is a high-ranking trait of purchasing.

With the economy in a possible up swing, respondents were less likely to choose price in 2011 as they were in 2010. However, at 8 percent, it is still a deeming factor in choice. Owners and managers of establishments want to buy products for less, as an effort to control costs. These operators want to continue to bring customers into their business, and keep the ticket prices down for those patrons.

Some establishments were choosing distributor as their main reason for selecting the brands they use. One reason in particular was due to the fact that many distributors were offering incentives for their brands as well as discounting them.¹

¹ <http://online.wsj.com/article/SB10001424053111903480904576510643364604046.html>