

1 QUESTION SURVEY

Q4 2018 REPORT

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AFDR asks its members one question each week to take a quick pulse on the foodservice distribution marketplace and the DSR profession.

The purpose of this report is to provide national brand manufacturers a reality check on what DSRs face everyday when selling to independent operators.

- Average number of weekly survey responses from DSRs year to date: **91**
- Average number of weekly survey responses from DSRs during Q4 2018: **82**

AFDR members serve about 240,000 foodservice operators throughout all 50 states.



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General Sales Topics

DSRs, does your marketing department provide you the resources needed to help you with Account Penetration?

YES

71.2%

NO

28.8%

WHY THIS QUESTION

We wanted to get a sense whether DSRs valued the outreach made upon their behalf by their internal marketing departments. Overall, DSRs are fairly happy with the service they're receiving.

The challenge is the definition of "marketing" varies widely among distributors. A small local distributor may focus on creating "hot sheets" and simple email campaigns. Larger broadliners may offer up category experts to help develop menu ideas.

Long story short, no "one-size-fits-all" approach works when brands provide marketing support to distributors. Brands that are favored by distributor marketers usually have several marketing support options to reflect the variety of needs out in the field.

Some of the best marketing support Brands could give distributor marketing folks would be adding both the manufacturer item code number and distributor item code number to any POS material produced — whether digital or printed.

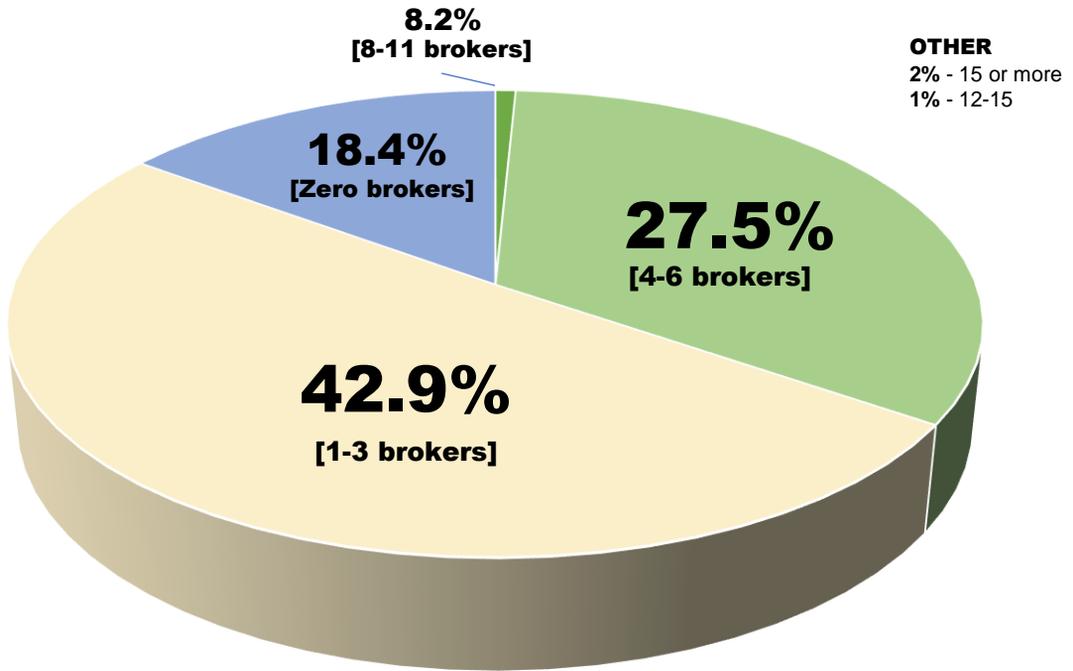
DSR COMMENTS FOLLOW ON NEXT PAGE

DSRs, does your marketing department provide you the resources needed to help you with Account Penetration?

DSR UNCENSORED COMMENTS

- Our marketing Department helps me with designing menus for my customers which helps me sell more products to them.
- We don't have a marketing department, our buyers do that kind of work.
- Yes our marketing department tries to help our customers anyway they can creating a logo or a menu design.
- No not really that's my job to find the resources to help my customers market themselves .
- We have a really good social media person that helps DSRs understand how to monitor our accounts on social media
- They put on a great food show every year which helps me penetrate my accounts.
- Our website is better than most of our competitors because we have some folks in marketing that are tech savvy.
- They don't think it's their job to help me sell more to my current customers; they do however try to help me sell new customers.
- Our marketing department consists of sales reps that wanted to get off the street... so you get my point?
- That would be nice if the marketing department would help me with account penetration. I'll mention it to them.
- At my distributor the marketing department deals with manufacturers to get more money. They don't really have a program to help me with account penetration.

DSRs, how many broker sales reps do you have a weekly business relationship with?



WHY THIS QUESTION

About 60 percent of DSRs say they have few, if any, broker reps that they work with on a weekly basis. Many greenhorn DSRs simply don't know who the brokers are. For veterans, they often report they have only a handful (or less) that they feel they can trust.

Brokers and DSRs also report that ride-withs are usually not a good use of time (there are always exceptions!).

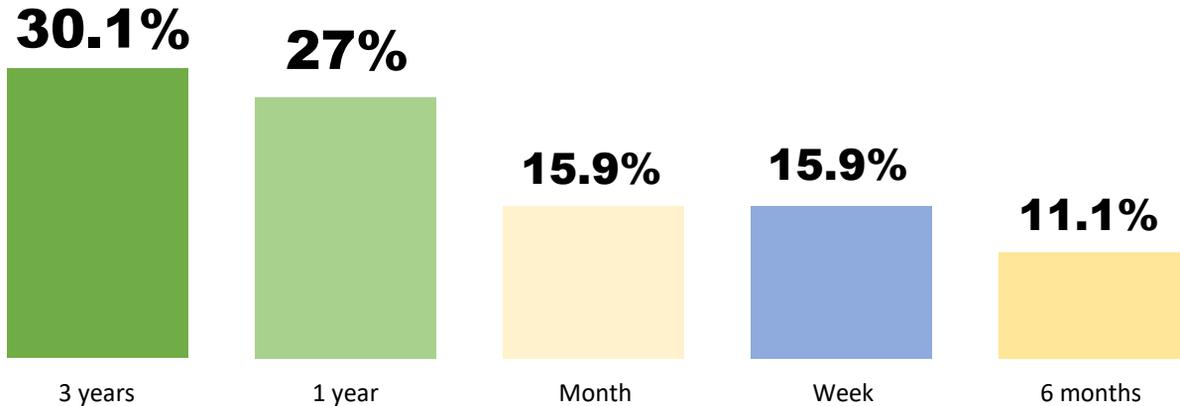
DSR COMMENTS FOLLOW ON NEXT PAGE

DSRs, how many broker sales reps do you have a weekly business relationship with?

DSR UNCENSORED COMMENTS

- 3-4 that will call me back within the week. It would help me more if they would call back the same day.
- Two, they're the only ones that help me sell. They also are the only ones that still work for the local broker for years.
- Zero – 0 brokers in our area only work with Sysco and USF, not independent distributors.
- I have one that reps some of our top manufacturers and has done so for years.
- Two brokers reps that I would consider business partners with me but not the rest of our sales team. I've been here for 12 years and they know when I call them I have customers that want their stuff.
- Brokers have changed over the last few years and have so many lines it's hard to keep track of and hard to know who to call so I avoid them.
- Only a few as I only see them at food show and at a couple of our sales meetings.
- Broker sales reps usually are calling on our buyers and showing them product, not us DSRs.
- One really good broker rep that I have... great relationship with and she has dozens of lines which helps when sampling every week.
- There's only like 4 brokers in our area and I work with all of them on samples for my customers.
- I don't work with any on a weekly basis other than securing samples.
- It would be nice if somebody would come up with a new approach to help manufacturers support their products out here in the field because the current system is broken but it's all we have.
- Only 3 or 4 do I deal with on a monthly basis but they do support our food shows.

DSRs, has a Broker or Manufacturer Rep helped you open a new account in the past...



WHY THIS QUESTION

As you'll read below, many DSRs commented that we forgot to add the choice of "zero" on our survey. Reality is DSRs believe it's their role to open new accounts — not a manufacturer's rep. Yet, we often hear from brand marketers that they rely on their brokers to "open" new accounts for their products. In fact, we hear from brands that their brokers/corporate reps "own" operator relationships.

We believe this confusion really comes down to semantics. It's true that a broker might bring an opportunity to a DSR. It's also true that the opportunity is usually driven by the fact the operator tells the broker they already work with a certain DSR. So, naturally, a broker puts his/her "customer" in touch with the DSR's "customer" (and the customer is the same person!).

Rarely would a broker hand over an opportunity to a DSR that doesn't already have an established relationship with the operator. Hence, the reason many DSRs told us we blew it by not having "zero" as a survey choice.

Some DSRs, as the results indicate, believe brokers/corporate reps have been instrumental with a "new" customer in terms of purchasing some additional products. Others (particularly smaller independent distributors) believe any customer leads routinely are funneled to Sysco, U.S. Foods and other large broadliners.

Whew... make sense?

DSR UNCENSORED COMMENTS

- Never, they only give new accounts to the big guys
- I have only worked with one broker in 3 years, and our one call on a prospect did not yield positive results.

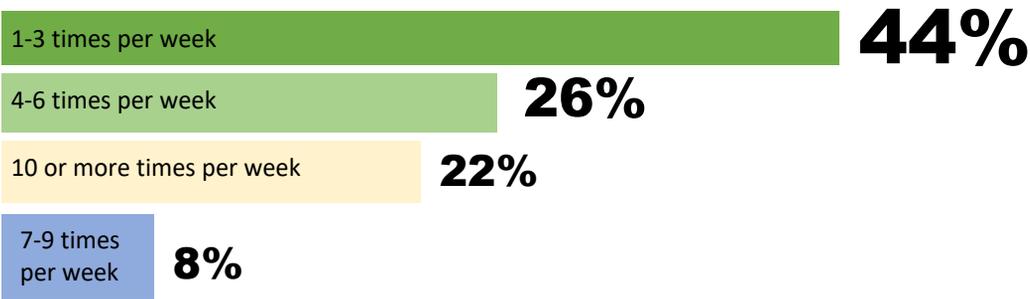
MORE DSR COMMENTS FOLLOW ON NEXT PAGE

DSRs, has a Broker or Manufacturer Rep helped you open a new account in the past...

DSR UNCENSORED COMMENTS

- I have had 1 manf rep help me sell some products to an account that we were not selling. We were the only distributor that stocked these products and the customer paid C.O.D for 2 years then quit buying when their main distributor brought the products in.
- Would they not allow you to post NEVER?
- None in 20 years that I've been in business
- A broker or manufacturer must not know you're asking us sales reps this question because they know the answer. NO, never got a new account for me.
- Brokers and Man Reps don't help distributors get new accounts. They do however try to help other distributors take them away from us by offering a cheaper price on the same thing I'm selling that customer.
- You don't have the answer listed I need which would be 0
- Zero
- Ha Ha, never has a broker opened an account for me or any other DSR I know.
- In 26 years I've never had a broker open an account for me.
- Never, not in 5 years since national brokers were hired.
- It shouldn't be an expectation of a broker or direct rep to open an account for a DSR. The only responsibility of the broker or direct rep should be/is to develop established accounts and generate incremental sales.
- Never has a broker or vendor rep gotten a new account for any of my sales team.

DSRs, on average, how many times per week do you interact (by text, talk or in person) with your regular customers?



WHY THIS QUESTION

There remains a common misperception that DSRs knock on their customer doors every week. Online ordering, email and mobile phones reduced the need for weekly face-to-face meetings long ago.

Operators and DSRs interact more than ever before, as these results indicate. But the communication revolves more around problem solving, menu ideas and product research rather than “ordering.”

This means brands should think about how to “mobilize” their marketing. A short product video or one-page PDF with five menu ideas for a single product are more valuable than any printed sell sheet these days.

DSRs, do you dress differently when you're calling on prospects versus when you're calling on your regular customers?

No

84%

YES 16%

WHY THIS QUESTION

First impressions matter, they say. Most DSRs wear appropriate casual business attire everyday. Some believe pulling out the suit is appropriate when approaching a new prospect... call it tradition or respect. But fewer are dressing up for the role these days.

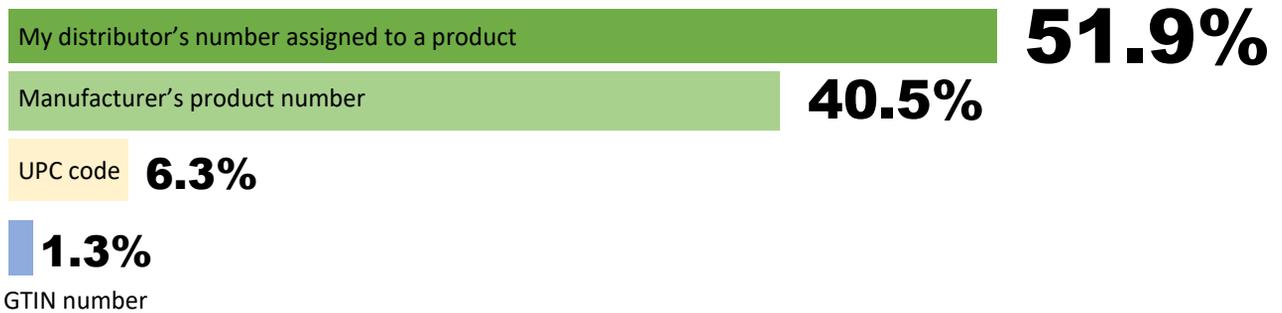
Want to build loyalty? Might consider providing logoed shirts to VIP DSRs. Many love wearing a nice polo or button down with a logo... it provides a sense of pride and credibility.

DSR UNCENSORED COMMENTS

- I wear a logo golf shirt or dress shirt every day from either my company or a manufacturer to let folks know I'm all in.
- No why would I?
- Yes, I do because I want the prospect to see that I respect them enough to dress like a professional.
- Sometimes, but when I'm working for them (selling to them) I dress more like a worker which makes them feel more comfortable.
- What you see is what you get from me. I'm not hiding behind a tie.
- No, but maybe I should. I never thought of it until you ask the question.
- Yes because most Reps don't, I want to be different than most Reps.
- No because I don't want to ruin good clothes sliding around in the kitchen.
- We have a company policy to wear a logo shirt and khaki pants in the summer dark pants in the winter.
- Business casual is what I wear all the time and I surely would not go home and change when I wanted to stop in and calling on a prospect.
- Not when I'm going in alone, but I do when my boss is with me because he does and I don't want to embarrass him.
- Nobody cares about getting dressed up anymore in business that's a thing of the past.
- I did when I first started but I don't anymore because most of my prospects are referrals from my other customers so I figure if my customer referred me the way I dress must be OK.
- Dress differently? Do you mean worse than I regularly dress so the prospect might want to help me because they will feel sorry and think I need the money to buy better clothes 😊

Product Topics

DSRs, which type of product number is most important to you while making orders/looking for specific products?



WHY THIS QUESTION

DSRs live and die by numbers. Knowing the right number is critical in making sure the operator gets what he or she needs. Problem is there are a lot of numbers for every item. And we're in a transition (sort of) to try and get everybody to use one number. That number used to be UPC, now it's GTIN. Most distributors have been slow at transitioning to GTIN.

DSRs generally hold tight to their own distributor's internal numbering systems to do their actual work. That's not to say that a GTIN number isn't also part of a product record in the database. But order guides are built on distributor numbers... because DSRs know those product numbers are stocked in the warehouse!

More often DSRs search by product characteristics (soup, pasta, etc.) and, if requested, by brand name if an operator is seeking a specific product. Reality is DSRs only search by "number" if they've been given one. It's the most efficient direct line to accurately spec a product.

This is where brands can really help in sales materials. Still today, we see many websites, advertisements, videos, sales sheets, and brochures that leave off the manufacturer and/or GTIN numbers! No numbers make it easier for DSRs to give up on finding your product out of frustration (many have a private label they'd rather swap out any way).

Use the GTIN everywhere... and not your own internal manufacturer's number. Amazingly, there are many manufacturers that use the same or similar numbering systems, so there can be duplicate numbers for different products from different brands.

Having said all that, GTIN numbering is not nirvana. While you may have painstakingly entered all of your GTIN data, it often comes through the distributor system missing lots of the info. We highly recommend you ask select distributors to let you review your information on a DSR's screen. You might be shocked at what is or isn't there.

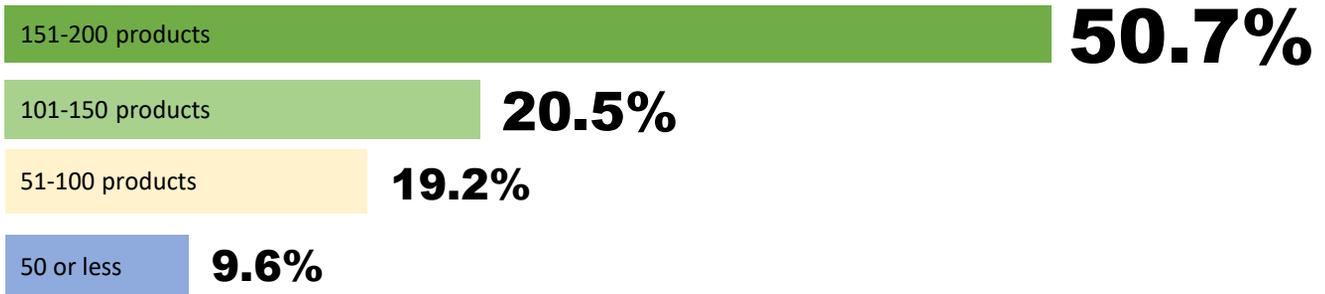
DSR COMMENTS FOLLOW ON NEXT PAGE

DSRs, which type of product number is most important to you while making orders/looking for specific products?

DSR UNCENSORED COMMENTS

- I use product numbers that are on the case or package of a product to make sure I'm sending a customer the right product if it's the first time I'm selling it to them.
- There are too many numbers to keep track of.
- What is GTIN number? Is that something new?
- Manufacturers code that's on the case and our distributor code number are the only ones that matter.
- Product numbers that manufacturers use are all over the board. Once I'm selling a product I use our number and disregard all other numbers, they don't matter.
- My customers use our number which is a good thing.
- SUPC or Sysco numbers are the standard for me/customers. They can use them anywhere in the country they might land.
- GTIN?? And UPC numbers were abandoned I thought.

DSRs, how many individual products do you know well enough that you can sell them without using info on your laptop or a POS/sales sheet?



WHY THIS QUESTION

One of the hardest aspects of being a DSR is to stay on top of the thousands of available products. The bottom line is DSRs sell what they know. Of course, they'll research new products based on customer requests or if a "favorite" product simply doesn't work for a particular operator.

Because of this reality we always recommend that brands focus on getting their most strategic products on the "short list" of as many DSRs as possible. It's not an easy task, we know! But constant training ("reach and frequency" in marketing lingo!) is just as important among DSRs than any other audience.

DSR UNCENSORED COMMENTS

- I know our item code numbers on around 50 to 60 products and can give a good description, brand and pack size on around 100 products.
- On our EB brands I can give a good product description on at least the top 10 products in all 24 categories. I get paid for knowing!
- 50 on a good day. This has been the most difficult aspect of this job and I have to learn as I go each day because we don't really have training for this.
- I was a Chef and learned products from my first day in school, but I had to learn products that we stock in warehouse which has been a challenge.
- The new photos and videos on each product has been a savior for us Greenhorns. I don't know how the old guys did it without them.

DSR COMMENTS CONTINUE ON NEXT PAGE

DSRs, how many individual products do you know well enough that you can sell them without using info on your laptop or a POS/sales sheet?

DSR UNCENSORED COMMENTS (CONTINUED)

- 100 at least because we're quizzed on the top 20 items by our DSM in each of these categories; COP, Non-Food, Dry, All Frozen, Refrigerated.
- Around 50 (or less) because I've only been at the job for 9 months.
- 51 – 100 which is not enough. It's hard to grow my business when my customers and prospects know more about my products than I do.
- It helps when our item-code number is on the POS doc., the laptop has our number but in many cases no photos.
- The more product knowledge I have, the more I can sell a product and the less the customer bugs me about price.
- We stock 13,000 products and I have know a little bit about most of them, but you made me think, I have no idea on how many I really know.
- Product training should be part of our weekly CRM system updates so at least that system would be somewhat helpful to me.
- Our company has the 50 most sold products at every sales meeting on four or five tables along with POS and our product numbers. The marketing folks have been taking pictures of those products (along with items codes) and uploading to our website so we and our customers can see. Very helpful.

One Shamrock DSR called us and laughed that most should know 500 or more. He called back after thinking about it for awhile... and then amended his comment that realistically most DSRs know 100 to 200 max.

DSRs, do product training and recipe videos help you sell a product or product category?

YES

95.5%

NO

4.5%

WHY THIS QUESTION

Product training is the number one challenge for most DSRs. Product knowledge is what helps DSRs remain an important resource to operator customers.

How to get trained is another matter. While training during sales meetings remains popular, getting briefed on a dozen or more products at once can be mind-numbing.

Videos are part of the answer if they are current and easily accessible — especially on a mobile phone.

AFDR OPINION

Our recommendations for videos are pretty straightforward:

- Keep them short — 1 minute or less, in most cases.
- Emphasize important details, including pack sizes, product numbers and best applications.
- Place your videos everywhere... your website, RestaurantProductFinder.com, YouTube, distributor sites and brokers. There's no telling where DSRs might go to find help.
- Consider [DSR Smart](#) if you want DSRs really to pay attention to your videos. It's a fast, cost-effective way to get their attention about your product.
- Worry less about how pretty your videos are and focus on content that explains how your product will help operators. "Five menu ideas with Product X" will be popular — whether the video is professionally produced or shot on an iPhone!
- Avoid the "we're the best" kind of language. Just keep to the facts. An operator will determine "what's best."
- Few will care that you're a "vertically integrated" company and other obscure info. While these details can be important, save them for the face-to-face meeting with the individual who gets into this sort of thing.

DSRs, do product training and recipe videos help you sell a product or product category?

DSR UNCENSORED COMMENTS

- Recipe videos change the game.
- Yes, like everything else now days, videos on how to do everything, our industry needs to ramp up much more than it has so far with videos of products and recipes.
- Yes, but keep them short. any longer than a minute is 30 seconds too long.
- It would be great if manufacturers would have the recipe videos on their product pages on the website so when I find a product I can find multiple recipes for that product. That would encourage a customer to purchase one product over another.
- I'm a greenhorn and it is hard to see many of the products that I'm selling before I sell them and the videos are helping tremendously.
- Product videos with item code numbers would be a huge benefit, and what would really help is to have my item code number on the product in the video to ensure I code-out the right product.
- YouTube has changed our world it's so easy to follow a recipe and make things customers never thought they could make.
- We need more of them, very few that are any good.
- My distributor is starting to make their own because manufacturers don't seem to get it. Very few available.
- Please add videos where the product search tools are on your website so I can have one site to go to and find multiple manufacturers recipes.
- It's the best way to learn about a product and I can review over and over when I need to.
- Yes yes yes please keep new ones coming.
- Videos that are less than a minute long are more valuable because customers actually watch them.
- They are a VALUBLE sales tool but don't have chefs or models in the videos, it takes away from the product and wastes time.
- With unskilled labor in the back of the house videos with recipes power those workers to prepare dishes they never would have tried in the past.

DSRs, since labor costs are such an issue with operators, are you selling more labor-saving products than in the past?

YES

83.1%

NO

16.9%

WHY THIS QUESTION

Many operators are constantly balancing between “scratch” cooking and using value-added products that make it easier to prepare dishes.

The paradox, of course, is customers are asking for more “fresh and local.” Yet, finding great restaurant staff to pull off scratch cooking is harder than ever.

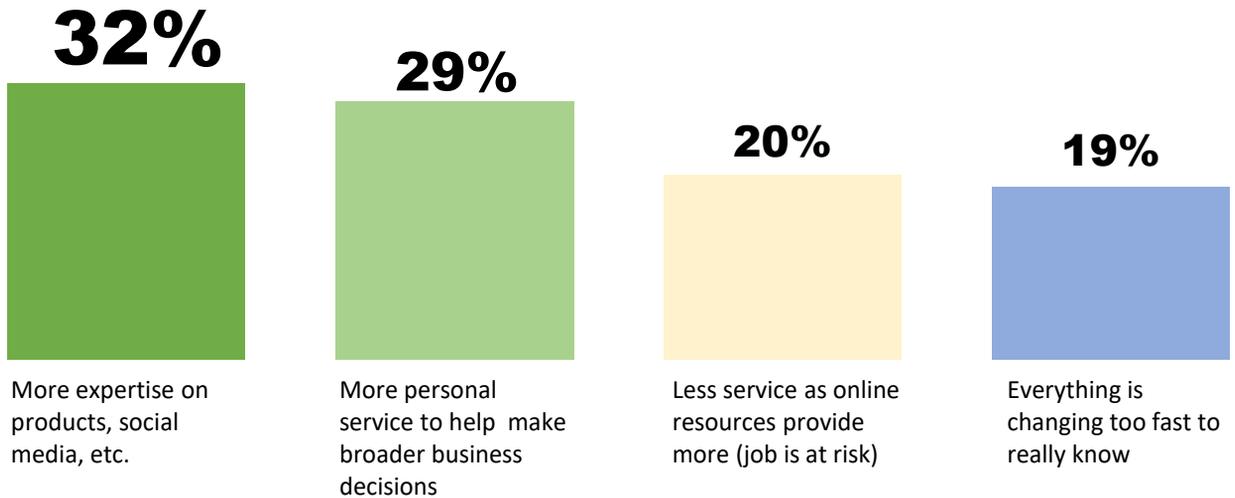
Manufacturers hopefully have more labor savings products in the R&D pipeline than research is predicting. Our theory is research is often conducted among the same larger successful operators, which can afford to pay skilled labor. Smaller independents can't afford skilled labor, therefore are requesting more labor saving products.

DSR UNCENSORED COMMENTS

- We need more pre-cooked meats and seafood.
- Recipes that require more than 2 steps seem to be the opportunity for manufacturers to have pre made .
- Yes, especially in nursing homes and retirement facilities.
- Selling more desserts that are pre done and frozen just thaw and serve.
- Yes but we need more catering and banquet items available.
- One selling most are pre cooked hamburgers because of labor and time saving .
- This is been an issue for years now. Nothing new, the 80/20 rule you know. I only have a few customers that are a scratch kitchen and they even use what you're calling labor savings products I called them precooked or premade or ready to serve.
- Most of my customers are white tablecloth and only serve products that they make from scratch.
- Labor savings products that are doctored up with one or 2 other ingredients helps with making it more authentic
- Skilled labor has always been an issue as long as I've been in the restaurant industry so the more products that are available the better.

Trends

DSRs, on average over the next five years,
do you expect your customers will want you to provide...



WHY THIS QUESTION

What's the future of the DSR?

This is one of the most asked questions we get. So, we turned to DSRs and asked... and, as you can see, there's no real consensus. There's definitely a sense that more expertise in products, social media and overall operations will be valued. And not just from a consulting perspective, but actually helping operators with services to handle everything from reputation management to staffing.

Of course, a significant number aren't really sure. Stability in their job is not a given.

AFDR OPINION

No doubt technology has impacted virtually every job in every industry at some level. As a Nobel Laureate Nils Bohr once said... *"Prediction is very difficult, especially if it's about the future."* We agree! And we don't hazard a guess about the "future of DSRs."

What we do know is good DSRs are good at problem-solving, being flexible and are natural multitaskers. So, those who stay focused on these skills will likely have a role in the future. The responsibilities may be radically different. But they will be valued by operators.

For brands, we see the changing roles (whatever they may be!) as a huge opportunity. More than ever, DSRs will crave insights and ideas they can share with their customers. The brands that help in this effort will be rewarded with brand loyalty.

DSR COMMENTS FOLLOW ON NEXT PAGE

**DSRs, on average over the next five years,
do you expect your customers will want you to provide...**

DSR UNCENSORED COMMENTS

- Experts needed to help DSRs learn and understand social media, so they can help their customers.
- Product information is still the biggest hurdle that DSRs must overcome to be successful selling. More product training is needed from manufacturers in all forms.
- Enable DSRs to search and find ALL foodservice products the industry has to offer, not be limited to what's in their warehouses.
- Instant detailed nutritional information and ingredient statements so when a customer ask if a product is gluten free I'll have that info at my fingertips.
- I will not only be the DSR, I will also be the broker manufacturers Rep ultimately the expert on all products my customers use.

**DSRs, whom do you think the
will win the overall MIDTERM elections?**

REPUBLICANS

74.8%

DEMOCRATS

25.2%

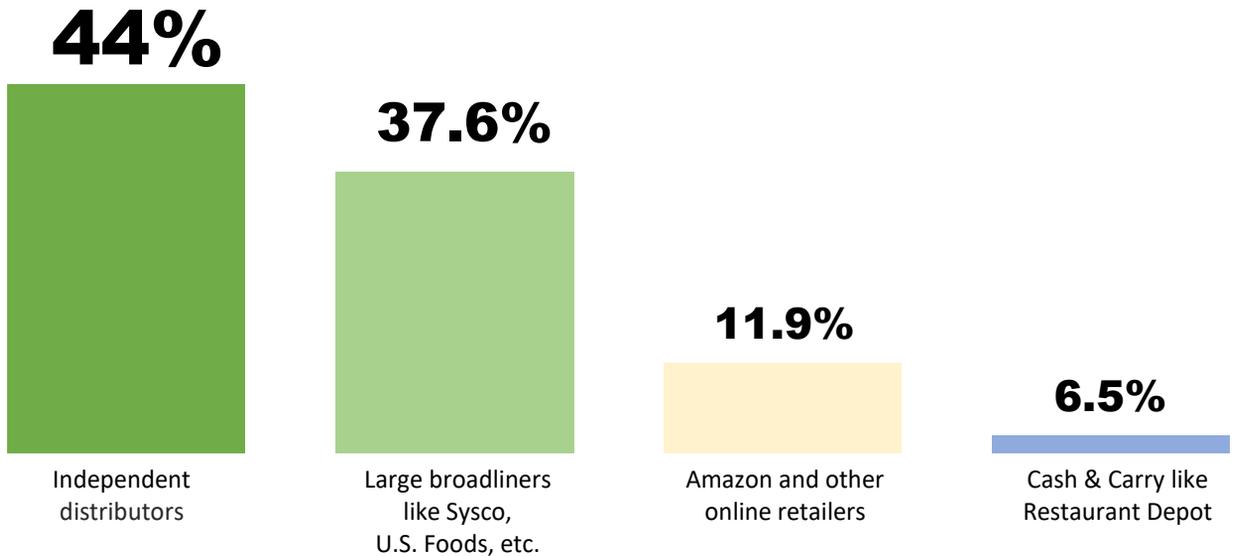
WHY THIS QUESTION

We asked DSRs right before the 2016 Presidential Election who they believed would win. DSRs overwhelmingly predicted that Donald Trump would win.

Was it a fluke? Or do DSRs have some special insight by working on the street?

Well, DSRs guessed wrong on the mid-terms. The elections turned out mixed with Democrats winning a majority of House seats and Republicans maintaining a majority in the Senate.

DSRs, who's in the better position to compete for operators' business in the future?



WHY THIS QUESTION

Manufacturers that want a brand a few years down the road might want to focus on helping independent distributors succeed. The independents want to sell national brands because they have fewer private label options. Independents are the fighting force against distributor brands... and ultimately might be the key to hold off Amazon and others that will enter the foodservice market.

DSR UNCENSORED COMMENTS

- Amazon if they deliver distributor brands because I sell 80% of my distributor label, otherwise we (Sysco) are in the best position to compete in the future covering all of USA.
- Not Amazon, because their delivery system (as good as it is) can't yet deliver 50 cases of product in 3 different temperature zones at a specified time window when an operator has someone to receive that order.
- Amazon for a case of this or a case of that but not for multiple different products from multiple different brands.
- Sysco, US Foods, etc. when they start acting like Amazon and place a shopping cart on their websites... then ship products the most affordable way whether it's on their truck, FedEx or UPS.
- Independent Distributors because they are more flexible and for the most part sell national brand names which many of my customers specify.

MORE DSR COMMENTS FOLLOW ON NEXT PAGE

DSRs, who's in the better position to compete for operators' business in the future?

DSR UNCENSORED COMMENTS

- Independent Distributors because they are more flexible and for the most part sell national brand names which many of my customers specify.
- Restaurant Depot for the small operators who struggle week to week to make it which are majority.
- Amazon will definitely sell more and more products to independent operators as the years go on. But with all the temperature controlled products that are used in our industry it will not be cost effective shipping ice/dry ice and foam containers.
- Not Sysco, they keep wanting to limit good choices for operators with their category management which is just the opposite of what my customers are asking for, they want more of a variety not less.
- When US Foods allows any customer or any person to order using their website they will be in the best position in the future be cause of their purchasing system is all in one place.