ECOLE HOTELIERE
LAUSANNE
FOOD & BEVERAGE INDUSTRY CHAIR

JOB OBSERVATORY IN THE F&B INDUSTRY

PURCHASING FUNCTION

SUPPORTED BY

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Unilever Food Solutions

This booklet presents a prospective study conducted by the Food & Beverage Industry Chair of the École Hôtelière de Lausanne (EHL, Switzerland).

The goal of this research was to anticipate which activities and skills will characterise the **purchasing function** in European restaurants in **2025.** More precisely, it not only investigated the way the evolution of this function is envisaged by F&B buyers and restaurant managers themselves, but also confronted it to the opinions of academic experts.

We used **qualitative and quantitative methodologies** to study **six European countries:** France, Poland, the UK, Germany, Sweden and Spain. This allowed us to examine the differences, similarities and singularities in the perceptions of restaurateurs from these various areas and cultures.

Several factors will induce **changes** in the way restaurants, and more specifically the purchasing process and function, are organised. They belong to four domains:

- In terms of **agro-economy,** agricultural production will have changed: competition with less developed countries will require specialising in products that are high quality, safe and environment-friendly. Producers will have to be educated, flexible, entrepreneurial and aware of new technologies. Large producers and farms managers will benefit from this evolution the most, while small and local producers will be integrated into larger agro-businesses or cooperatives.
- **Urban factors** will include the regulation of transportation of goods and people within cities, the installation of logistics platforms at city entrances to streamline the distribution of goods and control their sanitary quality, a new organisation of deliveries (by district and by type of product), and an increase in tourism due to the expansion of the middle class.
- The field of **technology** will not go through any scientific breakthrough. On the other hand, technological innovations linked to nanotechnologies and the increased connectivity between individuals will have profoundly changed everyday behaviours, including food consumption. Other technologies and tools which will affect restaurants and food consumption practices are geolocation, augmented reality, holography and robotics.
- **Consumers** will face two major problems: a tight budget and lack of time. Convenience and food on-the-go will therefore be strong market drivers. Consumers will also be more aware of personal and societal needs and more demanding and knowledgeable about the multitude of services offered to them. Restaurant selection will be facilitated, even managed, by smartphones and virtual experiences. Restaurants will have to provide both goods and social connections to face the increase in micro-social groups of consumers.

We identified three **types of restaurants** for 2025:

- **Latecomers** that have neither improved their practices nor adapted to the use of IT or to sustainable development practices will still have opportunities to survive. It will be thanks to their location, to their willingness and capacity to adapt to delivery constraints, to extended hours of service or to relationships with suppliers of high quality products, for instance. Some will exploit a niche market by going back to past habits and practices, much to the delight of people who are nostalgic or tired of the omnipresence of technologies and IT, for example.
- **Green restaurants** will attract consumers interested in environment or nutrition through dedicated concepts, menus or even personalised diets. It will be easier for this kind of restaurant to customise their offer, as long-term relationships will be implemented with suppliers. These relationships will include co-development of products and a high level of trust. Customers will also have great expectations in terms of corporate social responsibility and sustainable development. Managers and purchasers in these restaurants will be demanding when it comes to training (management, nutrition, IT...).
- **Geeky restaurants** will demonstrate proficiency in IT or sustainable processes and be run by professional managers. It will be easier for these managers to implement procedures which help forecast needs, costs and spending evolution or scan the supplier market to find opportunities to increase revenues and profits. New technologies will be used to improve the customers' experience, but will also be a crucial part of the managers' relationship with their suppliers (who will have implemented it). The managers will expect sustainable practices from their suppliers as well. Managers and purchasers in such restaurants will be demanding when it comes to training (management, nutrition, IT...).

Along with the results we obtained, the changes anticipated by the experts and professionals we interviewed allowed us to identify the **skills** and **activities** which the purchasing function will require in 2025.

Contents

Introduction

The Food & Beverage Industry Research Chair was founded in 2010 by EHL and is supported by Danone Professional, Nestlé Professional and Unilever Food Solutions.

Its **objectives** are:

- To contribute to the development of innovative trends for operators, suppliers, distribution channels, sellers and marketers.
- To enhance students' and professors' understanding of the industry.

It has two **work axes:**

- Observation post for current and prospective jobs in food & beverage outlets.
- Business intelligence (monitoring of strong and weak signals of F&B professionals' interest in sustainable development).

Context

The Chair has created an **observation post for current and prospective jobs in the catering industry,** which aims to:

- Develop a better understanding of F&B jobs: operators, suppliers, distribution channels, sellers, marketers, etc.
- Provide a framework for job identification and employment trends that includes different methodologies and agree on a common working language.
- Analyse the impact of technological or organisational advances on the skills required for F&B jobs.

This booklet summarises the **first project** conducted by the Chair: a **prospective study** on the **purchasing function** in F&B outlets. The goal was to anticipate how this function will have evolved by 2025, especially in terms of activities and skills. This of course implied anticipating the evolution of the macro-environment as well.

Geographically speaking, this research had a European scope. We chose this area because it would enable us to determine the differences, similarities and singularities in the perceptions of restaurateurs from various European countries. The nations we studied were: **France, Poland, Germany, the UK, Sweden and Spain.**

The purchasing function

Ensuring the liaison between internal departments and suppliers, the purchasing function is located upstream of the production and transformation process. Overall, it can be considered **strategic,** as it contributes directly to the quality policy of a company.

It is essential that the buyer have a **global vision** of strategy and business objectives and be able to meet the specific needs of different departments that depend directly or indirectly on its performance. These departments can include sale, marketing, development, production and logistics. To do so, the buyer must above all use business intelligence so as to identify trends and suppliers.

The purchasing function **exists in all institutions, but its explicit position might not.** It is therefore frequent for independent restaurants to handle or outsource procurement. In larger companies, one or several persons are specialised in purchasing.

The buyer must take responsibility for **all procurement management tasks,** such as order tracking, inventory and budgets. In an effort to **control costs,** he looks for suppliers and selects products according to defined sale or production criteria (quality, cost, delivery time…). Familiar with the characteristics of suppliers and their products, he **negotiates** the terms of purchase and delivery in collaboration with logistics services. But, above all, he must study the markets, get in touch with potential suppliers and stay aware of the latest innovations. To do this, he practices a **"purchase watch"** by analysing purchase and supply market trends. This leads him to collect a potentially considerable quantity of information that he is able to sort and prioritise so as to optimise its use.

For most people, the buyer and the seller appear to have common skills. Purchasing of course has an extremely **strong commercial dimension.** It is sometimes associated with marketing because it requires a thorough knowledge of the markets. Some large companies have merged their purchasing and marketing departments in order to have procurement and distribution monitored by the same persons.

Interviews of F&B buyers
qualitative research: France & UK

To complete our literature review and study the purchasing function in the F&B service industry in Europe, we interviewed F&B buyers in **two pilot countries: France and the UK.**

We created one panel of UK foodservice market experts and another of French foodservice market experts; each was composed so as to mirror the structure of the foodservice market in question (ratio of chained vs. independent outlets, for example). The panellists had diverse backgrounds (academic research in supply chain management, government administration or supply chain managers in large companies...).

The 32 interview questions were validated by academic experts. They concerned **four topics: organisation of purchases, relationships with the suppliers, technologies and innovations** and **corporate social responsibility.** Most of them concerned the respondents' current practices, although some asked them to anticipate the future.

Each interview was analysed individually. Then, a transversal analysis was done to identify differences and similarities between two countries for each of the four topics. Moreover, the panellists' answers were compared to the opinions of French and British academic and professional experts.

Creation of prospective scenarios

We identified **three sub-systems** (macro-environment, foodservice market and purchasing organisation), each with different number of variables. Each of them was studied six times – once per research country. We considered each variable's past evolution, its trend and the disruptions which could affect it. We also identified three or four degrees of intensity or performance for each variable.

We then **crossed the variables and their intensity levels.** This produced fourteen **micro-scenarios** for the macro-environment sub-system and fifteen for the foodservice market and purchasing organisation sub-systems.

Finally, a **cross-analysis** determining which micro-scenarios were most compatible with each other allowed us to create **a total of eleven scenarios.**

Workshops

To validate the future scenarios and their probability, we organised two workshops, one in **Paris** on September 13, 2011 and the other in **London** on September 15, 2011.

The participants highlighted **variables** they considered important, notably the professionalisation of the purchasing function, the increased use of IT and sustainable development. However, only some aspects of these variables seemed important to them.

The participants also selected **three scenarios** which they deemed coherent and likely to have happened in Europe by 2025; they are described below, on page 19. This helped us create our quantitative research survey.

Data collection

quantitative research: France, Poland, UK, Germany, Sweden, Spain

Using the results of the qualitative study and the insights provided by our experts, we created a **survey** for people in charge of purchasing in catering outlets (restaurant managers, buyers...) to know which changes they **anticipate** for 2025.

The questionnaire included questions about:

- the macro-environment in the respondent's country,
- the foodservice market in the respondent's country,
- the purchasing function in the respondent's outlet,
- the use of technology in the respondent's outlet,
- the way the respondent will select suppliers,
- the way suppliers will be organised,
- the identification/collection and impact of customers' perception,
- the respondent's relationship with his/her suppliers,
- the implementation of sustainable development and CSR in the respondent's outlet,
- skills and training for F&B buyers.

The questionnaire was checked by a panel of foodservice industry experts, then translated so as to be available in the six languages and uploaded online. The link distributed by national associations of foodservice and hospitality providers in Europe (FEHR, SYNHORCAT, BHA, DEHOGA and SHR). We also distributed the link via EHL students from the countries studied, the alumni network and **the Chair's Facebook page.**

The members of the Chair and two EHL students **contacted 2,500 restaurants directly** (generally by phone, occasionally by email) to get more data, using a shorter version of the survey to facilitate the data collection and increase the return rate.

In total, nearly 400 replies were collected, among which 360 were usable.

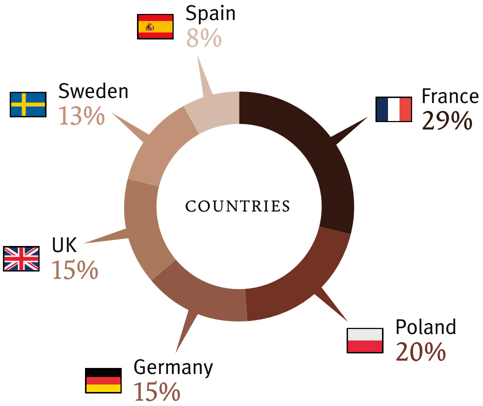
Results

Analysis of the variables

We used three **measurement scales** on the model of SPSS: nominal measurement, ordinal measurement and scale measurement.

Variables were analysed using several **methods.** The most relevant were:

- Descriptive analysis: This helped bring out the mean, median, standard deviations, variances and proportions of responses for each variable.
- Sample tests (the Khi-2 test, the Kolmogorov-Smirnov test, the Wilcoxon test).
- One-way ANOVA.
- Correlations: This allowed us to identify the strength of the links between the most important variables for each scenario.
- Cluster analysis: This helped identify groups of individuals that are similar to each other but different from individuals in other groups.

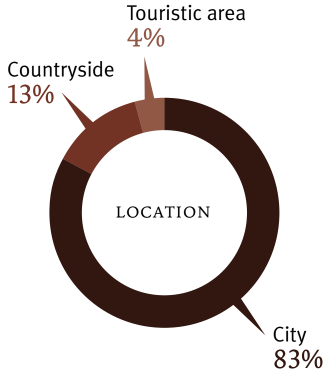


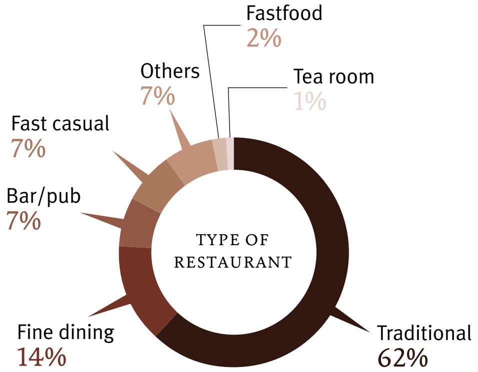
6 COUNTRIES

Due to the significant number of **Polish respondents** (73), this research represents an opportunity to better understand a part of Europe which is difficult to study because of its fragmented foodservice market.

83.3% IN THE CITY

A reason the sample features few restaurants in touristic areas might be that those located near touristic attractions in urban areas had to choose between the two categories.



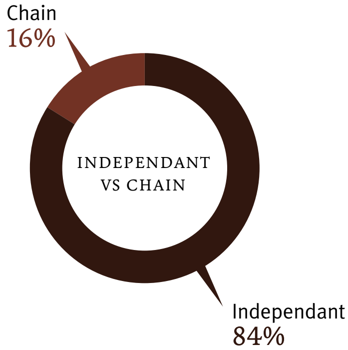


62% TRADITIONAL RESTAURANTS

The large shares of **traditional and fine dining** restaurants are representative of the population of restaurants in the countries concerned.

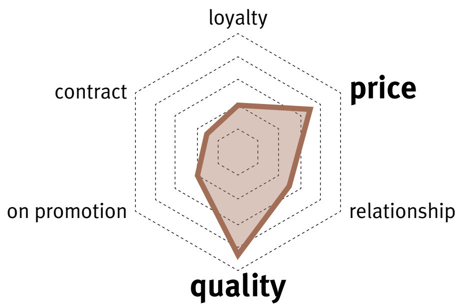
84% INDEPENDENT RESTAURANTS

The proportion of chains in the foodservice market varied amongst countries. The prevalence of **independents** in our sample was intentional: we wanted to focus on this type of outlets, as our partners are less familiar with them than with chains.

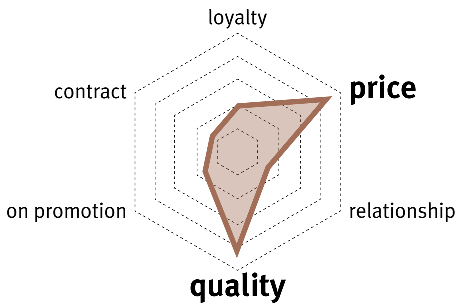


Reasons for brand choice

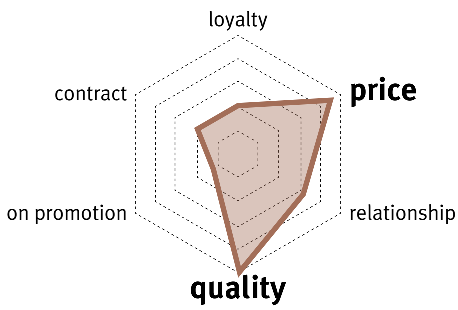
FRANCE



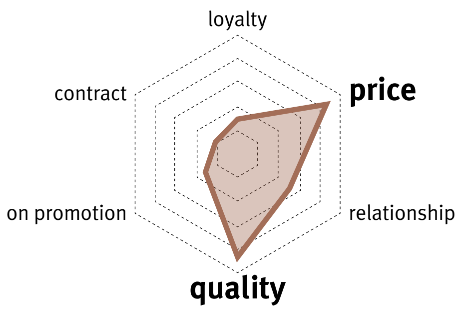
POLAND



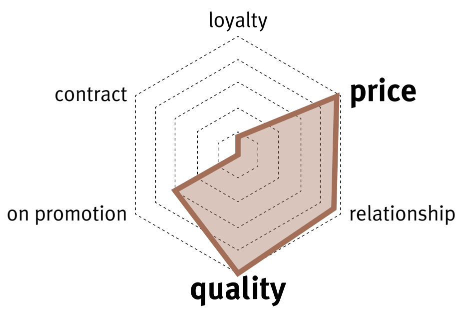
GERMANY



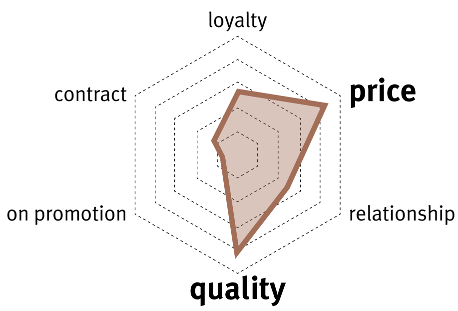
UK



SWEDEN



SPAIN



Price and **quality** were considered important by an overwhelming majority of respondents in each country, the latter variable even reaching 100% positive responses in Sweden.

The existence of a **contract,** on the other hand, was not a big incentive. The highest positive response rate for this variable was in Germany, where it reaches 42%.

Brand **loyalty** was deemed important only by a slight majority of our Spanish respondents; all the other countries had very similar rejection rates (60 to 80%).

Promotions interested only Swedish restaurateurs (63%); in the other countries, this option was rejected by 60 to 80% of the respondents. This most likely means that they prefer making decisions based on the permanent price of products: promotions may be temporarily advantageous, but the long-term financial impact is more important.

Finally, while 93% of the Swedish respondents found the **relationship with the representative** important, about half of the respondents rejected this variable in Spain, France and the UK, and so did 71% of the Polish respondents.

Distribution of purchasing activities: comparison with prospective results (2025)

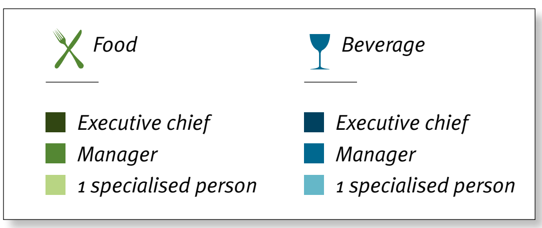
IDENTIFICATION OF THE NEEDS

SEARCH & CHOICE OF SUPPLIERS

ORDER & ORDER TRACKING

NEGOTIATION OF THE CONTRACT

EVALUATION PURCHASING PERFORMANCES



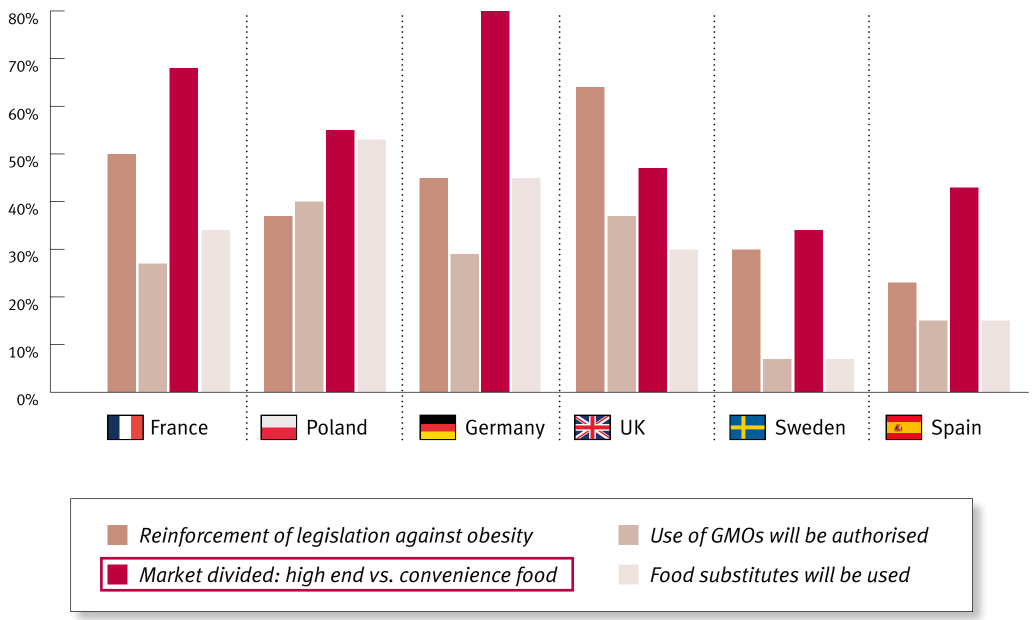
Prospective results (2025)

The following graphs show the percentage of positive responses for each variable by country. A positive response generally means that the respondent agreed with an assertion, though in some cases it corresponds to the selection of one option over others.

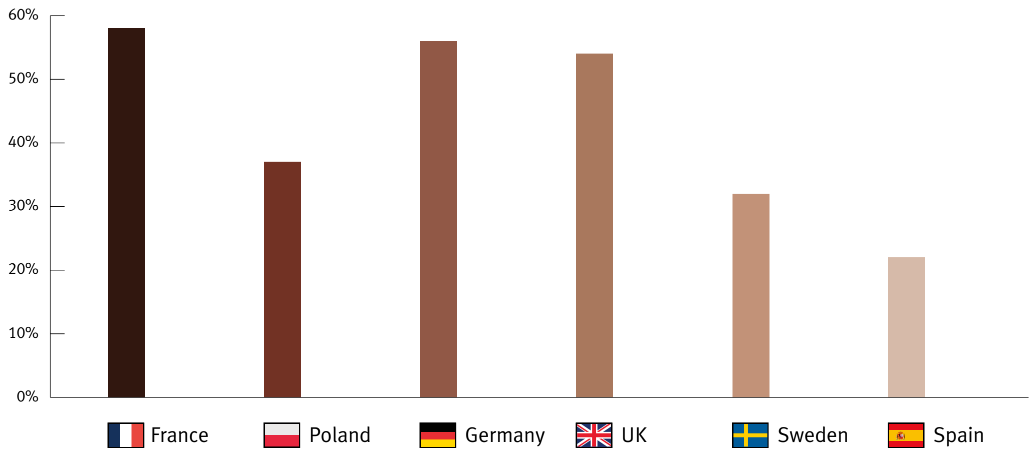
As a reminder, the questions concerned what the restaurant managers and buyers thought they would do or need in 2025, as well as how they thought the F&B market and the macro-environment would be. They therefore indicate their opinions on the future.

F&B market and environment in 2025

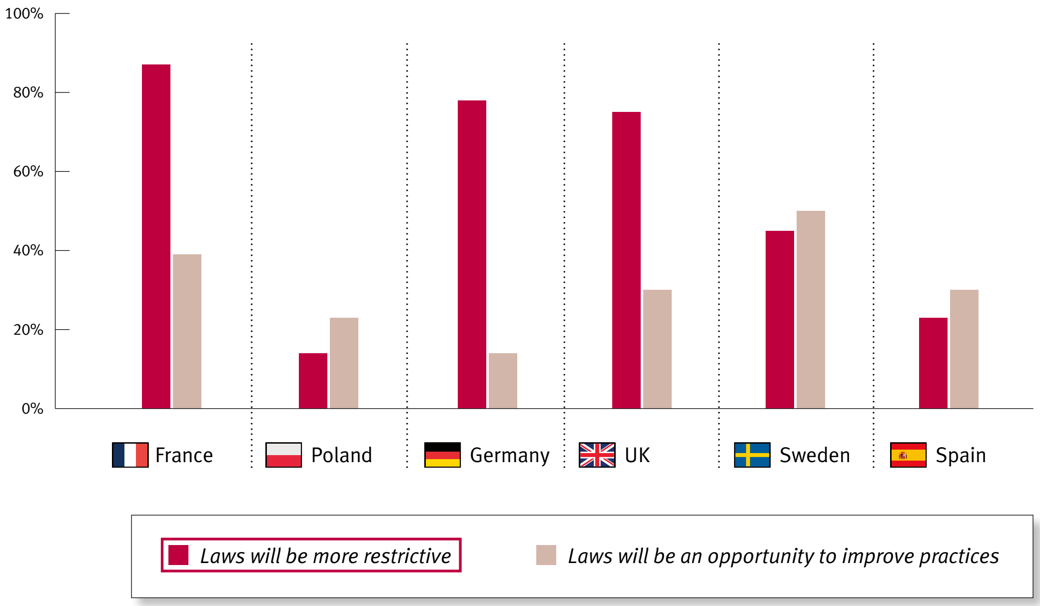
MACRO-ENVIRONMENT & THE FOODSERVICE MARKET



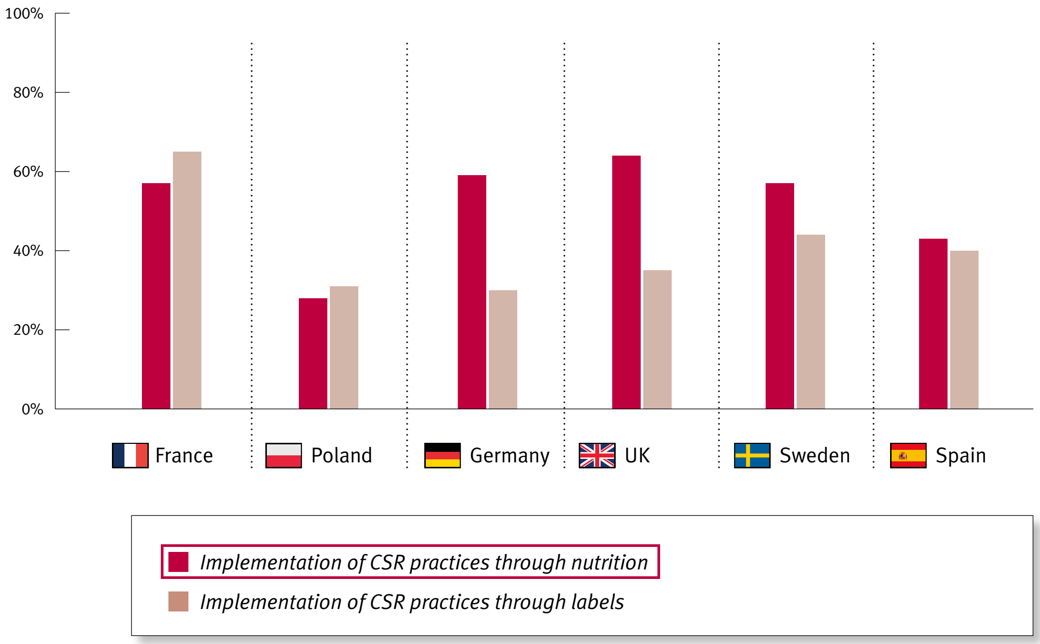
PERCEIVED CUSTOMER INTEREST FOR LESS STANDARDISED PRODUCTS WILL ENCOURAGE LOCAL PRODUCTS



LAWS PERTAINING TO THE CATERING INDUSTRY

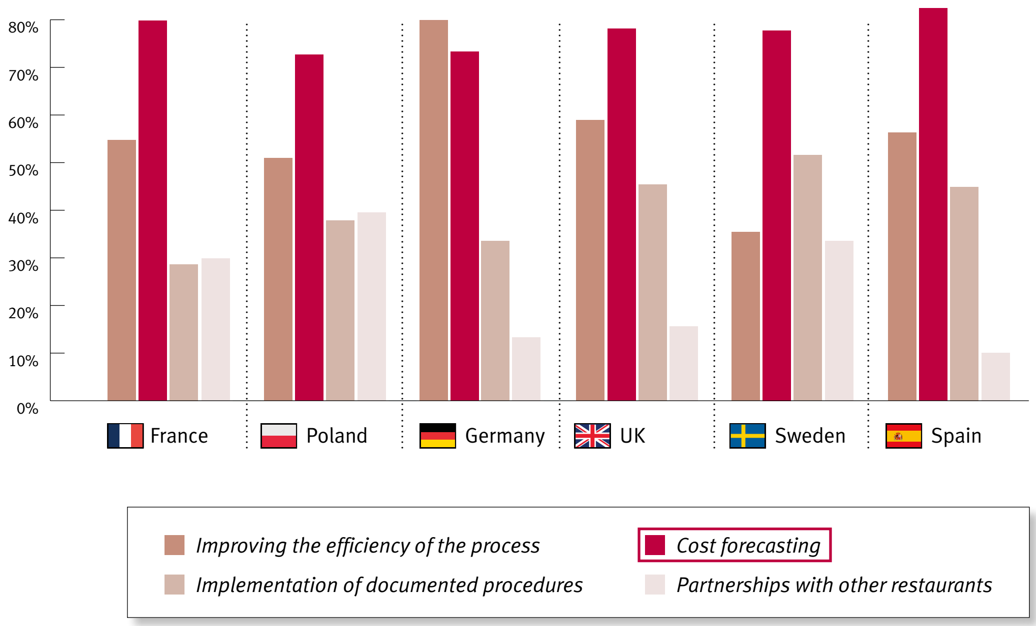


CSR

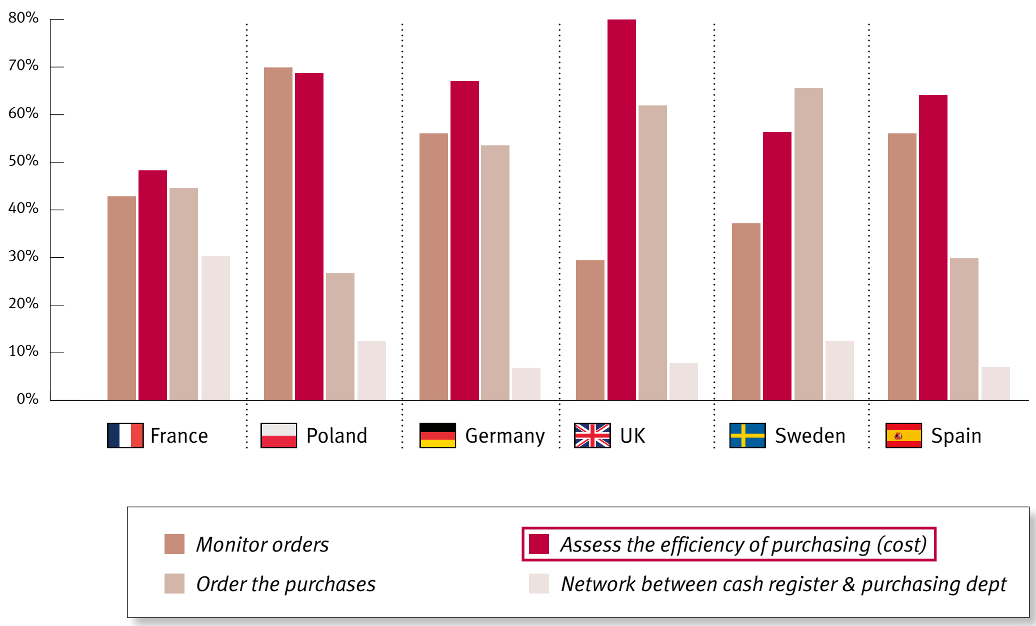


The reason these results are not overwhelmingly positive might be that, according to restaurateurs, it will mostly be the suppliers' role to implement CSR practices. In this regard, these results are coherent with those linked to their expectations regarding their suppliers (see below).

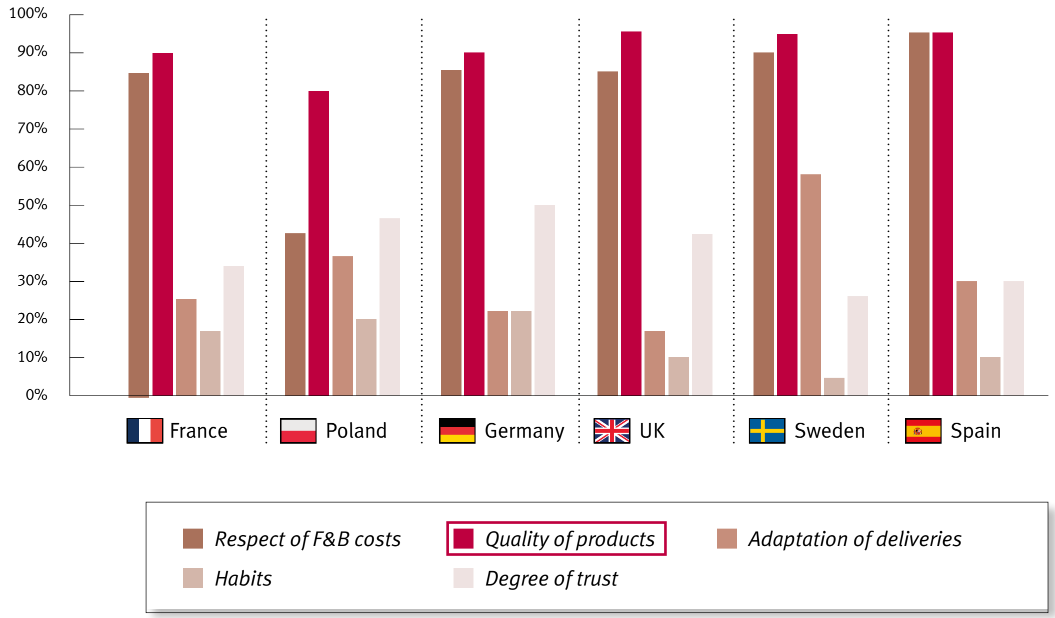
PURCHASING AND STRATEGIES: IMPROVING THE PURCHASING PROCESS WILL INCLUDE...



PURCHASING AND IT: IT WILL BE USED TO...

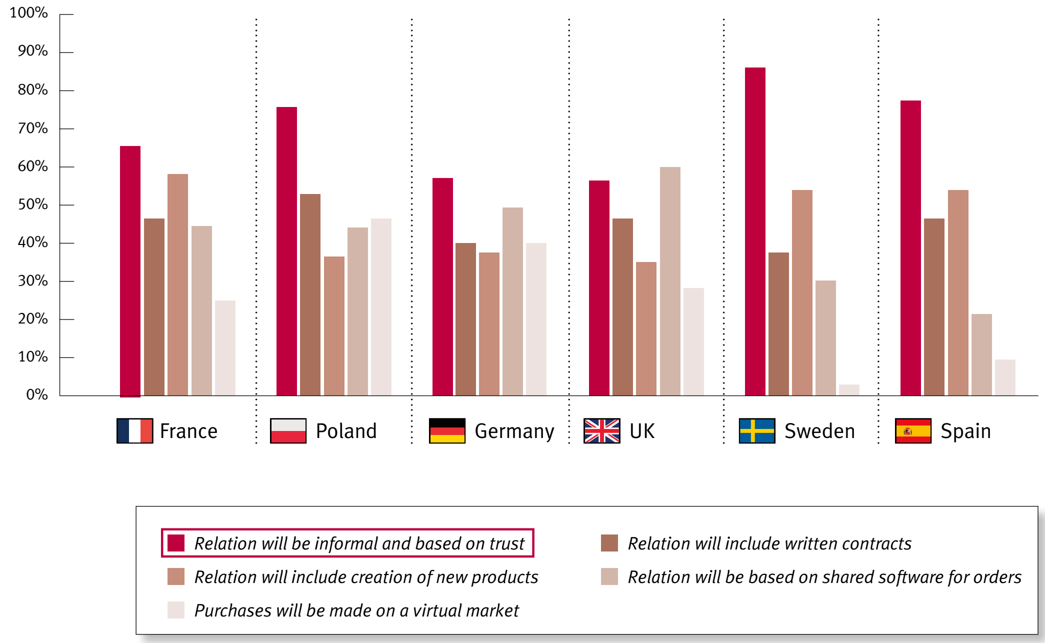


PRIORITIES IN SUPPLIER SELECTION WILL BE...

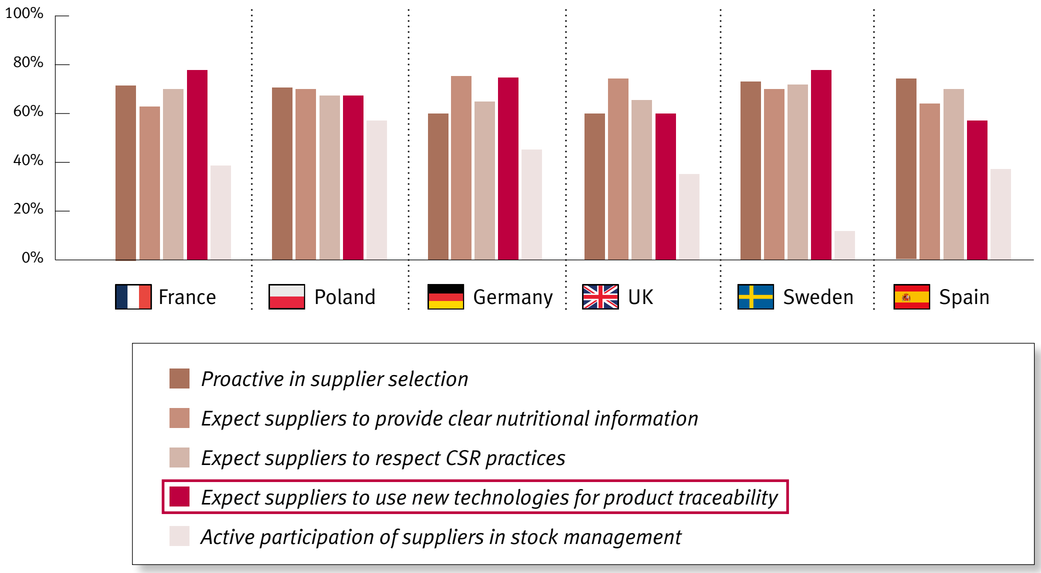


It is important to note that Poland was the only country where the variable "respect of food and beverages costs" was not widely accepted.

PURCHASES AND RELATIONSHIPS WITH SUPPLIERS

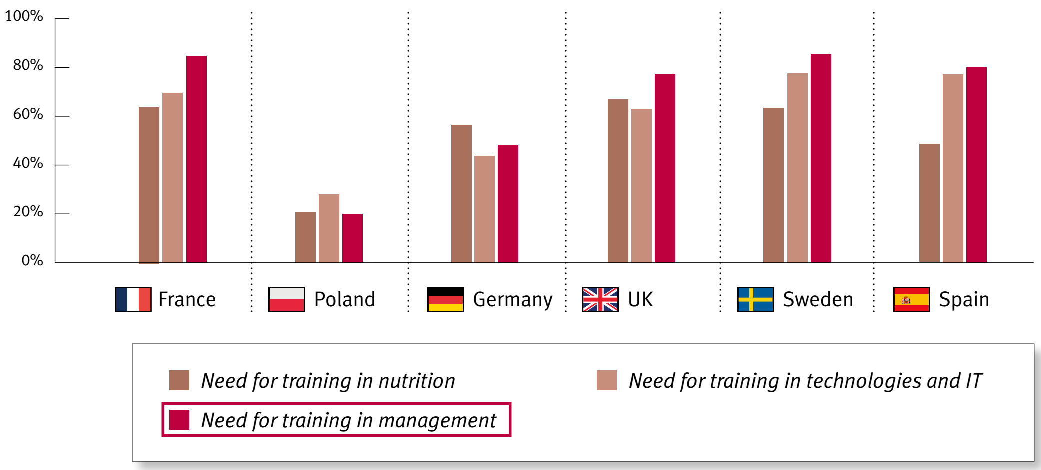


MANAGERS' EXPECTATIONS FROM SUPPLIERS



MANAGERS' ATTITUDE TOWARDS SUPPLIERS

TRAINING



What will 2025 look like?

Combining our literature review and our findings allowed us to imagine the daily life of the people working in the restaurant industry in 2025 and of their customers.

Agro-economic factors

European agricultural production will have changed qualitatively and quantitatively under the influence of the Common Agricultural Policy, which will fund only the most high-quality products, and competitive agricultural production in developing countries. Indeed, competition with less developed countries will require specialising in **products that are high quality, nutritious, safe, environment-friendly and that respect sanitary norms.**

Producers will be educated, flexible, entrepreneurial and aware of new technologies. These skills and characteristics will be necessary in knowledge-based, sustainable, rural bio-economies. Those who will benefit the most from this evolution are large producers and farms managers with professional knowledge (as opposed to traditional, family-based farms).

The remaining small and local producers will be integrated into larger agro-businesses or, for the most professional among them, into **cooperatives.** These will be highly skilled not only in sustainable development and nutrition, but also in new technologies, enabling product traceability, safety and the availability of nutritional information. They will allow a more efficient use of agricultural material, more efficient deliveries and a better analysis of life cycle of products.

This efficiency will allow local producers to overcome the two main problems they currently have: **prices** and **flexibility** in terms of delivery. Cooperatives will indeed deliver products to logistic platforms as well as restaurants. They will also be big users of new technologies, and software shared with restaurant buyers will facilitate agreements on quality and prices.

Urban factors

Urban pressures due to ecological, economic and demographic factors will have forced individuals and governments to streamline individual and collective behaviour.

The **transportation** of goods and people within cities will be regulated so as to reduce pollution and increase living space. Sectorial **logistics platforms** at city entrances will streamline the distribution of goods and control the sanitary quality of the products entering the urban area. Information on the life cycle of products and polluting emissions due to transportation and conservation will be some of the constraints managed by these platforms. They might also conduct the collection of some products and even waste in order to recycle them for compost or biogas, for example. **Deliveries** will be organised by district and by type of product and integrate new urban policies meant to streamline the movement of vehicles.

The aging of the population, the increase in the number of households and the employment rate of the population will have affected **food consumption practices.** Consumers will favour **convenience** when it comes to their meals, with higher expectations in terms of price, quality and personalisation. The rise and consolidation of services offered to individuals will provide new growth opportunities to restaurants through deliveries.

Tourism will also continue to influence food consumption in Europe. The global middle class will have increased from 1.8 billion to 5.2 billion people in 2030; for a country like France, this means an increase of 475,000 tourists per year and revenue of 461 euros per tourist, among which 40% for food.

Technological factors

There will have been **no breakthrough** in terms of scientific research on technology. On the other hand, technological innovations linked to nanotechnologies and the increased connectivity between individuals will have profoundly changed everyday behaviours, including food consumption.

Nanotechnologies will be present in people's daily life primarily for informational purposes and to guide people's actions. For instance, they will ensure optimal traceability of food products, provide nutritional information and help educate individuals about their weekly or daily nutritional needs and deficiencies (for example through regular saliva testing).

Enhanced connectivity will be the norm for both individuals and businesses. Economies of scale and the high rate of diffusion of new applications will have revolutionised practices. Facebook will be the first global platform for payment and reservation. **Community or micro-group practices** will guide the selection and planning of actions and events.

Geolocation will be used to provide services adapted to workers and their environment: for each Facebook member or group, the website will list and rank the services available in the area and give real-time information concerning occupancy, prices, menus, recipes, when customers can pick up their orders, etc.

Others technologies and tools will be widely used: augmented reality will be used in several areas of work or leisure activities, and there will have been important advances in holography and neuroscience. Robotics and home automation will be **an integral part of people's daily life.**

Impacts on consumers

Consumers will face two major problems: a **tight budget** and **lack of time.** At the same time, they will have access to **more services** that can help them with their choices than today. They will also be **more aware** of both personal and societal needs. Finally, they will be **more demanding and knowledgeable** about the numerous services offered to them.

Though society will be more strongly divided between upper and lower social classes, everyone will want cheap and rapidly consumed meals when eating outside of home during the day. **Convenience** and **food on-the-go** will therefore be strong market drivers; these meals will be consumed all day long, not only during traditional meal times.

Thanks to education and technologies, all consumers will be familiar with sustainability, **nutrition** and **health requirements.** Moreover, consumption will be personalised, with everyone being aware of their needs and intolerances. People will for example be able to enter parameters related to their needs on their smartphones and then let it choose a restaurant for them.

To eat in a sit-down restaurant, people will form groups of customers on **Facebook** and book their tables and even their menus in advance. **Virtual experiences** of the places or of the food will also be used to taste dishes beforehand or to anticipate the experience the restaurant will offer.

In an over-informed society, new and ethnical concepts will offer opportunities to escape one's daily routine or to share values and experiences with Facebook friends. Restaurants will have to provide both goods and social connections **to face the increase in micro-social groups of consumers.**

Will only chains survive in this context?

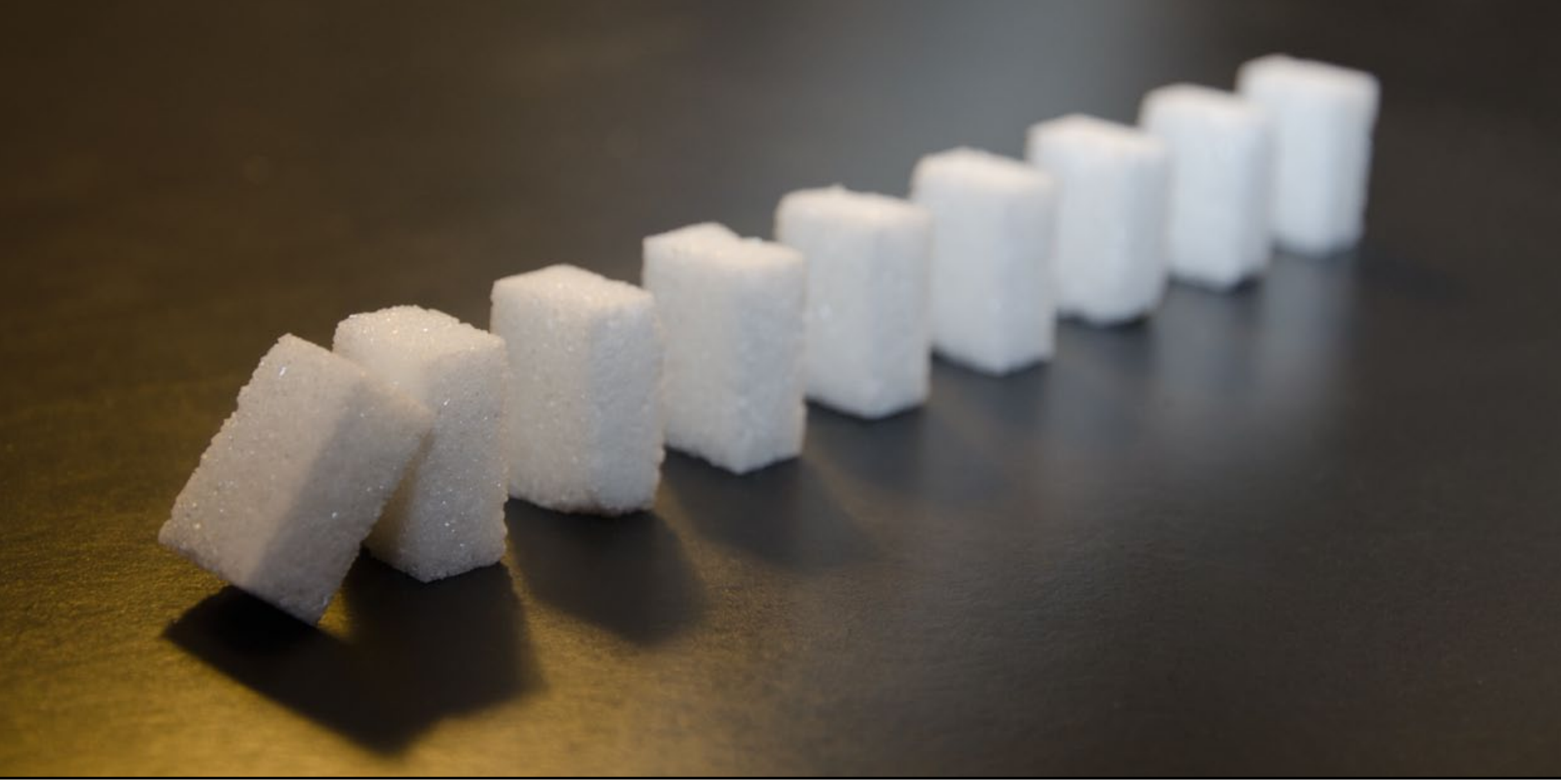
No, for several reasons.

First, the **turnover** of the foodservice market will increase because of higher rates of out-of-home consumption, renewed tourism and the development of deliveries, notably for elderly people or groups of people. The increased volume of food consumed will thus at least compensate for a potential decrease in the amount of money spent on food.

Secondly, **traditional restaurants** that have not improved their practices or adapted to the use of IT or to sustainable development practices will still have opportunities to survive. It will be thanks to their location, to their willingness and capacity to adapt to delivery constraints or to extended hours of service. Changing menus and servings, creating new concepts or establishing personal relationships with suppliers of high quality products will help them face the time and money constraints of their customers. They also expect their wholesalers not only to give them advice and practical solutions concerning nutrition, sustainability and food safety, but also to reduce purchasing or transformation costs.

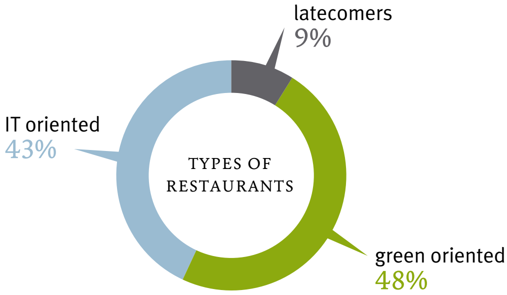
Despite these possibilities, the number of independent restaurants will decline and will be equal to that of **chain restaurants.** The latter will have implemented tools which help them comply with urban, technological, legal and customer-related changes. The improvements of supply chains and of major suppliers (wholesalers, cooperatives, frozen products providers) will help them increase food quality, safety and sustainability. Chain restaurants will modify their outlets, and sometimes their menus, according to their location; they will hence be able to offer more variety and flexibility to their clients, thanks notably to the reactivity of more professional suppliers. Even the concept of the restaurant could go through regular changes.

Chain restaurants will also be able to better face price issues by **pooling their purchases** and hiring very qualified buyers who are aware of the necessary skills and of managerial constraints. Moreover, the **automation of tasks and procedures** will enable them to offer a day-long service.



Consequences on restaurants

There will be three types of restaurants in 2025:



Characteristics of the latecomer F&B buyer:

- **Suppliers:** informal partners, finds a relationship based on trust crucial.
- **Nutrition and CSR:** not priorities, but offer is diversified (more balanced meals) in response to market demand. Consequently, expects suppliers to provide clear nutritional information and traceability.
- **Technolog**y (shared software, online purchases): possible, but not essential.

Characteristics of the green-oriented F&B buyer:

- **Professionalisation:** skills developed to face a difficult economic context and increasingly restrictive laws.
- **Negotiating skills:** obtaining competitive prices and quality products is essential.
- **Nutrition and CSR:** high expectations regarding suppliers' attitude towards these topics, wants them to use technologies which improve traceability.
- **Suppliers:** favours independent suppliers, direct contact, relationship based on trust, co-development of products and competitive prices.
- **Training:** seeks training in nutrition, technology and management.

Characteristics of the IT-oriented F&B buyer:

- **Legislation:** aware of the evolution of the legislation pertaining to the catering industry, which he considers both an opportunity to improve his practices and a hindrance.
- **Strategic** element in a restaurant because of the division of the market (fine dining vs. convenience food), so he focuses on **quality and costs.**
- **Suppliers:** informal, trust, aims to formalise procedures within the restaurant, interested in having his suppliers help him optimise his stock.
- **Nutrition and CSR:** expects suppliers to use technological tools which guarantee the traceability of products and provide nutritional information; in order to have these expectations met, uses wholesalers more often than he used to.
- **Technology:** increasingly used, purchases ordered and monitored online, software products connect him directly to his suppliers, interested in a virtual market.
- **Nutrition and eco-labels:** not put forward on the menu.
- **Training:** needs training in management, nutrition and technology.

Most probable scenarios for purchasing in restaurants in 2025

We looked for correlations in the results of the quantitative study to determine which of our eleven scenarios are the most probable. Those for which more than 50% correlations were confirmed by the quantitative study can be considered very likely. This was the case for three of them.

1st scenario: "finances first"
60% of correlations confirmed

Governmental investments have led the economy in the Euro zone through an upswing, leading to a rise in the active population. **Consumers therefore seek simple and quick-service food,** which they find easily thanks to technologies allowing **enhanced connectivity and the transmission of real-time information.** The demand for fast food and take-away being on the rise, the number of chains increases. This results in an overall **professionalisation** of purchasing departments in F&B outlets.

F&B market:

- Number of fast food and take-away restaurants increases
- Demand for healthier food increases
- Professionalisation of the catering industry

Purchases:

- Moderate rise in healthy food offer
- More/larger wholesalers and group purchasing organisations, as they are increasingly used
- Pursuit of financial optimisation and productivity
- Extensive partnerships with suppliers

2ND SCENARIO: "A DEDICATED PROFESSIONAL"

66% OF CORRELATIONS CONFIRMED

Europe is in an economic and demographic upswing, strengthening its competitive position compared to countries which have experienced a significant development. Sustainable development has become a topical issue. These elements have a positive impact on foodservice operations. **Numerous independent F&B operators enter the industry and increase the offer of sustainable and ethnic products.** Because of significant investments and the development of technologies (notably scanners, software and online platforms), **the purchasing process has been entirely automated.**

F&B market:

- Number of independent restaurants increases
- Slow food, healthy products, sustainable development
- Average ticket and total amount of transactions increase

Purchases:

- Strategic purchasing
- Purchases are handled by a group purchasing organisation
- Continuous innovations
- CSR, healthy food
- Monitoring of costumers' demands

3RD SCENARIO: "IT'S ALL ABOUT THE GREEN"

52.5% OF CORRELATIONS CONFIRMED

Changes in legislation as well as the pressure from consumers have modified the organisation of foodservice operations, supplier networks and the purchasing function. **Real-time information, enhanced connectivity and nanotechnologies help consumers obtain and communicate about nutritional and ecological information.** In order to respond to the demand for organic and traceable products, producers have grouped into **cooperatives** whose influence and expertise has developed considerably.

F&B market:

- Healthy and CSR-friendly snacking
- Practices of traditional and take away restaurants converge
- Growing importance of ecological criteria
- Local or substitute products
- Information on ecological and nutritional facts and on the country of origin for every product
- The costumers' opinions are taken into account

Purchases:

- Influenced by CSR- and health-related considerations
- Buyers collaborate with suppliers, which facilitates partnerships
- The quality of the relationship with a supplier is determining
- Local products are preferred

VALIDATION OF THE RESULTS

We asked several European **experts** to comment on our findings and analysis. They were very positive regarding the results we obtained and **validated the three most likely scenarios** for the future of the F&B market. They notably confirmed that the gap between independent and chain restaurants will remain wide, even though it will be smaller than it is today. They pointed out that, as a consequence of this gap, independent and chain restaurants will have different relationships with their suppliers; moreover, chains will be more proactive when it comes to looking for and using technologies. They also stressed the fact that, in the future, product traceability and regulations concerning sanitary issues will be strongly reinforced all along the supply chain.

Consequences of the most probable scenarios on the purchasing function

	"Finances first" *Probability rate: 60%*	**"A dedicated professional"** *Probability rate: 66%*	**"It's all about the green"** *Probability rate: 52.5%*
Activities	› Management of key suppliers (audit, etc.) › Analysing, negotiating, evaluating and managing a panel of suppliers (certification, search for new suppliers...) › **Making decisions focusing on cost reduction and overall increases in productivity**	› **Defining purchasing strategies and overall policies** › **Monitoring the purchasing process** › Analysing, negotiating, evaluating and managing a panel of suppliers (certification, search for new suppliers...) › **Securing the purchases (contractual agreements)** › Ensuring the follow-up and management of possible problems occurring with the suppliers	› Management of key suppliers (audit, etc.) › **Suggesting new product development** › **Researching innovations**
Skills	› **Ability to adapt promptly to changes in the environment (focus on costs)** › Knowledge of the suppliers' market › Ability to face precarious situations › **Managerial skills (strategy, finance, project management)** › **Evaluating/synthesising complex information** › Adaptability/flexibility › Supplier cost targeting › Negotiation skills	› Knowledge about technological tools (software, web 3.0) › Knowledge of the suppliers' market › **Technology planning** › **Ability to scan the environment (virtual market, suppliers)** › Ability to implement CSR and nutritional practices › Managerial skills (strategy, finance, project management) › **Strategic thinking** › Evaluating/synthesising complex information › **Organisation/time management/prioritising**	› **Knowledge related to nutritional and legal issues** › **Knowledge of the suppliers' market** › Ability to implement CSR and nutritional practices › **Structuring supplier relationships**

☞ Click here to discover "B(u)y Chance", a **short movie** which synthetises our results, to find out what the typical day of an F&B buyer could be like in 2025!

Conclusion

The results of our study show that there will be several changes in the European foodservice market in 2025, both in its structure and in its practices. Indeed, although it will remain fragmented, the trends of concentration, professionalisation and rationalisation of operations will deeply modify the global picture.

The foodservice industry will be one of the sectors with the lowest profit margin rate, and the **external pressures** it must face will be huge. On the one hand, the **decrease in the consumers' purchasing power and free time** will force restaurants to modify their offer. On the other hand, **legal and social pressure towards sustainable development and nutrition** will mean that they need to adapt to these challenges. In doing so, they will insert themselves in more professional supply chains which provide food of higher quality; in addition, they will give specific information to customers and a public body in order to comply with their requests. Restaurants will face important upstream and downstream **technological challenges** too, as clients will make their choices and reservations using social media and new technologies. They will therefore have to **develop their own interfaces** in order to avoid being marginalised or falling prey to bad evaluations.

Many restaurants will be used to proactively **influencing the consumers' choices** thanks to the **internet** and **social media.** They will track influential consumers and offer them invitations in order to attract their "tribe" or followers, either directly (Facebook page managed by the staff, for example) or indirectly (specialised communication agencies). The most IT-friendly restaurants will provide augmented reality services to customers. Some videos or virtual experiences will allow clients or potential clients to experience the atmosphere of the place and taste the food. Holographs will also be available on restaurants' websites and Facebook pages.

Finally, the efficiency of restaurants will be improved by **robotics** and **home automation,** which will optimise the use of resources such as water, electricity or even food products. Some basic cooking operations will be done by mechanical devices integrated in the kitchen or even by robots. Other devices (for example coffee machines or ovens) will work thanks to voice recognition. Some operations will consequently require less time, thus potentially reducing staff needs.

Based on this research, here are our **recommendations for F&B suppliers:**

Macro-environment & foodservice:

- Support restaurant managers in understanding market trends and changes in customer expectations (especially in France, Spain and Poland)
- Give assistance in understanding and applying laws (Poland, Spain and Sweden)

Training:

- Give some information to help improve the efficiency of procurement with light procedures (but no written procedures)
- Help restaurants have more balanced meals by providing training or recipes corresponding to their positioning along with the products
- Provide basic computer training (free or cheap)
- Provide advice and tools that are fast and easy to use for the various disciplines of management (sheets, video)
- Help restaurants be more effective thanks to simple and practical tools which do not require learning
- Create dynamic and self-controlled training programs in IT, management and nutrition which will be promoted on an exchange platform for restaurant owners

IT:

- Provide simple technological (Excel) and paper tools to help restaurants monitor their costs
- Provide technological tools which are quick, easily understandable and ergonomic for orders (France, UK, Germany, Sweden)
- Create a virtual marketplace to help restaurants (could be tested in Germany and Poland)
- Provide tools such as scanners to check the traceability of products when they arrive
- Support stock management in restaurants (IT tools, connection with cashier machines or suppliers...) in Germany, Poland and Spain
- Monitor and support changes towards an increased use of technology in the kitchen (production), service and purchases

Products:

- Offer more local products and collaborate with local suppliers
- Trust is important, but it is necessary to guarantee quality and professionalism so that sanitary controls are not an issue
- Emphasise the good value for money of products

Relationships:

- Improve relationships between restaurant managers and traders, which may include the creation of products and a greater visible customisation
- Long-term relationship based on trust and non-contractual agreements (trading platform)
- Cooperate with local and independent suppliers to reduce the number of contacts and help them become effective players in the market by integrating them into logistics platforms

CSR and nutrition:

- Communicate and highlight the CSR practices of your business
- Communicate more nutritional information on products
- Make product traceability clear
- Increase traceability and CSR practices

☞

In short, based on this research, we globally recommend that F&B suppliers...

- Provide training in:
  - technology oriented towards outlet management,
  - technology oriented towards improvement of the turnover,
  - management skills,
- Anticipate shorter supply chains and manage the supply of local products,
- Guarantee food safety and nutritional components for restaurateurs.

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