
C-store Foodservice Business Continues to Shine

Dot Foods Helps Distributor-Customers Meet Demands of Growing Segment

NEW YORK – With foodservice continuing to be the highest gross and net category for c-store retailers, Dot Foods, Inc., Mt. Sterling, IL, has been busy helping its distributor-customers meet the demand with innovative products and programs.

According to George Eversman, director of retail channels for the redistributorship, foodservice's expansion in the convenience marketplace is driven by a conceptual transformation amount those retailers. In the recent past, c-stores have replaced classic gasoline stations along America's highways and byways, he explained, noting that very rarely do motorists see gasoline retailers selling only automotive fuel.

Furthermore, Eversman said, as consumers have become more time constrained, they have been looking for alternative sources for a quick meal or even only a sandwich. But that's not all, he added, there's a third reason that shows that the supply chain has caught wind of this opportunity.

"The quality of foodservice products has gotten so much better over the past 10 years. Retailers can now execute foodservice options better because manufacturers have done a much better job of providing equipment and food concepts to do that. This has reinforced consumers' confidence that they can walk in, get a quality meal and sandwich quickly, and have a good experience at the same time," Eversman explained.

He pointed out that many of the country's leading c-store operators have begun to promote foodservice rather than gasoline.

As for the latter product, automotive fuel along with the ubiquitous tobacco offerings have been pressuring c-store operators' margins, forcing them to search for alternative revenue sources.

"Foodservice continues to be one of the highest gross and net categories for c-store retailers. There is enough demand out there for all kinds of distributors to capitalize on that," Eversman said.

After seven years in c-store sales, Dot Foods' volume has reached 15% of its total business and Eversman expects sales to grow 15% this year. Throughout, the company has been working with c-store distributorships and traditional foodservice broadliners in tapping into those sales.

"Foodservice continues to be one of the highest gross and net categories for c-store retailers." One of the biggest boons for the foodservice supply chain has been the availability of products and concepts with specific applications for c-stores. Eversman said numerous food vendors have developed c-store packs sizes and products that can be easily prepared on site in a microwave or warmer and then immediately consumed by patrons.

"One of the things that we're working on is to take all of the c-store foodservice concepts that our manufacturers have and enhance their accessibility by packaging them together for all distributors, making them available nationally through our system," he said.

By organizing food products and concepts, Dot Foods is creating an easy-to-source directory of items for its distributor-customers that is also obtainable via the popular Dot Virtual Warehouse, he noted.

"We are excited by our ability to package these concepts and products in a category that is clearly one of the fastest growing ones in the c-store area," Eversman said. "We are helping distributors respond to this demand."

Eversman advises distributors that are considering expanding into c-stores to add frozen products, train their sales staff to be comfortable with calling on c-stores, and stock skus that have primary applications in c-stores rather than restaurants.

This retail category will continue to expand its foodservice offerings, attracting both c-store distributors and traditional broadliners. The resulting "channel blurring," as Eversman called it, will spur distributors of all types to capitalize on the "growing immediate food consumption opportunities" that exist in c-stores, traditional restaurants, hospitals, airports, and elsewhere.

This past year has seen almost all of the marketing groups launch well-organized c-store initiatives and Eversman said Dot Foods programs and systems complement their efforts very smoothly since their members are its customers.