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Meeting Food & Beverage Sector Challenges with Ecommerce in 2024

Ecommerce trends and the food and beverage sector in 2024

Food manufacturers are embracing opportunities to improve the management of perishable products and to find new delivery and storage options. This affects everything from sourcing raw materials to logistics. There are opportunities to harness the power of ecommerce throughout the F&B supply chain.

The global F&B market is growing and changing dramatically in the face of increased online grocery shopping and direct-to-consumer (D2C) sales. Understanding current trends and buying habits helps you identify new markets and increase sales. You are better informed so you can create effective strategies and plan for success.
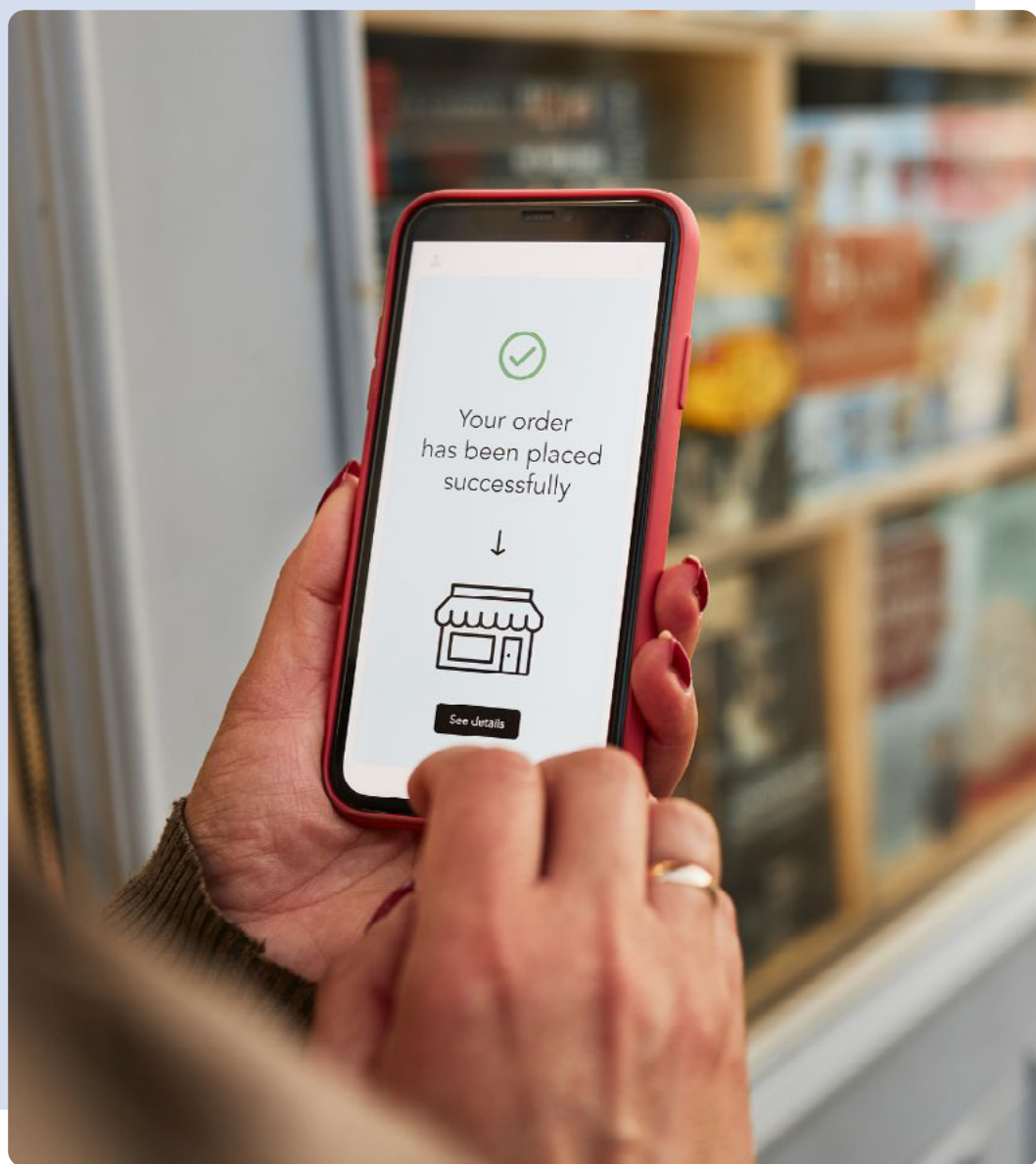
ACTION AREA 1 -

Q-COMMERCE

Consumers expect to find their favourite F&B products whenever they want them in stores and online. They want to buy them easily and receive orders in just hours or days. Amazon and other major online marketplaces have raised expectations for quick commerce or Q-commerce.

Customers want options for deliveries in hours or at least the next day. In many cases five- or seven-working-day deliveries aren't acceptable any more. Figures show that nine out of 10 consumers consider two- to three-day delivery timescales the minimum requirement. A recent survey found that six out of 10 customers will shop elsewhere if their order isn't expected to arrive in two days or less. A third expect same day deliveries. Consumers will abandon their purchases if delivery times don't meet their expectations.

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RECOMMENDATION 1:

The demand for fast deliveries is affecting the whole F&B supply chain. Companies that understand and optimize their end-to-end operations to meet these expectations will gain a competitive advantage. Providing inventory visibility on your ecommerce platform will increase customer satisfaction and minimize orders for out of stock items.

Many manufacturers now have partnerships with specialized carriers and fulfillment service providers. In addition to reliable and fast deliveries this offers invaluable insights into storage and handling best practices.

ACTION AREA 2 -

VOICE-ENABLED SHOPPING

Voice-enabled smart devices at home like Amazon's Alexa, Google's Home or Apple's Siri have made voice-activated search mainstream. Think with Google says that 62% of people with a voice-activated speaker are likely to use it to buy something in the next month.

RECOMMENDATION 1:

You'll need to answer both spoken and text enquiries when you're optimizing your F&B ecommerce site for search. Voice-activated search for your products helps you take advantage of top keywords and local search enquiries too.

ACTION AREA 3 -

DATA-DRIVEN INSIGHTS

Artificial intelligence (AI) and machine learning (ML) aren't new to ecommerce. However, after all the excitement about AI in 2023 using its power to improve customer experiences and generate content is unavoidable.

RECOMMENDATION 3:

AI can improve user journeys through personalization and help prevent fraud. You can use it to improve your marketing based on customers' searching and buying behavior. You can also tailor content and promotions to individual customer preferences based on near real time data.

ACTION AREA 4 -

INVENTORY MANAGEMENT

Maintaining the right stock levels to meet demand and avoid spoilage is never easy. Too much inventory could lead to waste while too little could result in missed sales.

Predictive analytics can help you avoid running out of stock by analysing data about your online and offline sales. Using AI, you can monitor current supply chain issues and economic trends to predict future demand. Real-time insights into buying patterns and trends help you optimize inventory and plan production schedules efficiently.

RECOMMENDATION 4:

F&B organizations can use data they collect online to become more agile and efficient, improving manufacturing and new product development. With the right ecommerce platform, AI and ML can help you reduce costs and increase efficiency. With more operational and financial insights, you can improve operational and financial performance.

ACTION AREA 5 -

TRACEABILITY

The need to continuously improve food safety and keep consumers informed is becoming ever more pressing. People want to know more about what they're eating, how it's produced and where it's coming from. Although F&B companies have a lot of this data, it's typically spread across many different systems.

Manufacturers can respond by investing in end-to-end traceability to keep track of the food journey from farm to table. This fulfills regulatory compliance requirements and enhances safety and quality with stringent quality checks and hygiene practices throughout.

RECOMMENDATION 5:

Unifying data through business systems integration is an important step. This might include internal manufacturing data, external manufacturers, suppliers and retailers. The right technology allows you to create early warning systems to identify risks and trends in real time. You can offer greater transparency to stakeholders and resolve issues quickly.based on near real time data.

WORKFORCE SHORTAGES

Many workers moved out of the F&B sector during the pandemic and a lot have not returned.

RECOMMENDATION 6:

Automation in manufacturing, packaging and distribution is helping to address labor shortages in the F&B supply chain. Business processes using robotic process automation (RPA), for example, benefit from AI insights.

SUSTAINABILITY

Increased interest in environmental issues continues to drive changes in F&B product certification, regulation and reporting. Many F&B companies are exploring opportunities for more sustainable practices to minimize their carbon footprint. Consumers are increasingly choosing brands that prioritize sustainability.

Sustainability in the F&B sector is important because of the reliance on natural resources. Minimizing food waste, improving energy efficiency and managing excess production are all priorities. Combining automation with human insights can improve both sustainability and productivity.

RECOMMENDATION 7:

Companies with strong sustainability credentials can benefit from financial incentives. In turn, this can attract investment to support innovation. Improved communication and integration throughout the F&B supply chain captures verifiable information about use of resources. Real-time data analytics and advanced sensors can deliver cost savings and reduce the environmental impact of overproduction and waste.

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ACTION AREA 8 -

PRODUCTION AND PACKAGING

F&B production processes must change to meet consumer expectations for quality and speed. One example of changing preferences is the growing popularity of personalized meal kits and individual servings designed for online ordering.

Delivering pre-measured ingredients directly to the door is now complemented by personalized options for meat, seafood, vegetarian and vegan meals. Recent research suggests that the meal kit market is growing rapidly due to its convenience and customization options. From US$11.1billion in 2021 it's predicted to expand to US$43.4billion by 2031, representing expansion opportunities for businesses ready to respond.

RECOMMENDATION 8:

Packaging isn't only about appearance; it now plays a key role in maintaining product quality throughout the supply chain. Process flows must accommodate unique product formats. Durable and transport-friendly packaging solutions are needed to make sure F&B products reach their destination in good condition. At the same time packaging design must optimize sustainability and minimize waste.

ACTION AREA 9 -

STRATEGIC PARTNERSHIPS

Strategic alliances can improve operational efficiency and provide advanced tools and data resources. F&B manufacturers can improve their understanding of the whole market, streamline operations, and implement data-driven decision making and planning.

RECOMMENDATION 9:

Focussing on partnerships including suppliers, distributors, retailers and consumers can improve customer experiences. Engaging with different stakeholders can underpin unique online shopping experiences.

STREAMLINED DISTRIBUTION

Efficient storage, picking and packing F&B products for onwards distribution is essential. Automation can streamline operations, improve accuracy, and save time by simplifying repetitive tasks.

Robotic solutions can quickly sort and assemble products, prepare orders, pack and unpack containers. This area of development is growing rapidly and the food robotics market is expected to be worth US$5.9billion by 2032.

Automated storage and retrieval systems (AS/RS) can replace and select inventory. The whole process can be streamlined to minimize waste and improve productivity.

To improve efficiency and resilience, many manufacturers are also shortening their supply chains. 35% of food and beverage companies are planning to use more local suppliers in 2024.

RECOMMENDATION 10:

Investment in installing and maintaining automated systems is a significant commitment. However, predictive maintenance, enabled by sensors and data analytics, helps avoid downtime and extends the lifespan of equipment. Supported by shorter supply chains and strong networks of local suppliers you can improve overall resilience and sustainability.

A PURPOSE DESIGNED B2B ECOMMERCE PORTAL FOR FOOD & BEVERAGE COMPANIES

The F&B sector is fast moving and price sensitive. Spoilage, regulations and supply chain disruptions all add to the challenges. Speed and efficiency are priorities and a purpose designed B2B ecommerce portal is part of the solution.

Few B2B ecommerce platforms seamlessly support multiple delivery locations each with unique order lists, around the clock ordering, or exclusivity deals, for example. Cloudfy is a cloud based B2B ecommerce solution for the food and beverage sector. It provides fast and easy trade-only ordering tools and supports D2C sales. Your F&B company can operate more efficiently with simplified order-to-cash (O2C) processes and reduced administration. As your business grows it can scale seamlessly to support your operations.

FAQs

Can I manage all my food and beverage product information in one place?

Yes, with a purpose designed B2B ecommerce solution like Cloudfy robust product information management tools are available out of the box. You can edit product details and manage your product library to keep it up to date. Alternatively, you can store your product information in your enterprise (ERP) system or product information management (PIM) system. They can be integrated seamlessly with your ecommerce customer portal.

Can food and beverage SMEs benefit from B2B ecommerce?

Yes, small and medium sized F&B businesses with unique offers can compete successfully online with the major brands. With modern tools to track and analyze market data accurately it's possible to price competitively and sell to niche markets. Lean inventory management and high quality online customer service help smaller businesses respond to changing customer preferences.

How are ecommerce trends affecting the food and beverage sector?

Online shoppers and B2B buyers expect to place orders easily and simply online. F&B businesses that don't offer this option are losing sales. Those that have an effective ecommerce operation and end-to-end visibility of their supply chain can take advantage of a growing market. In fact, in-house teams, suppliers, distributors, retailers and consumers can all benefit from accurate real time information about stock availability. This streamlines processes and minimizes out of stock situations.

Can complex food and beverage pricing and product data be handled in a B2B ecommerce solution?

Food and beverage pricing is often tailored for each B2B customer and product options are always complex. Integration with your enterprise (ERP) system allows you to build rules so customers see the prices and product options relevant to them. This reduces administration complexity and helps customers purchase what they want quickly.

WORK WITH A <mark>TRUSTED PARTNER</mark>

To answer all these questions and the many others you will certainly have about the best B2B ecommerce software for your manufacturing, distribution, or service business the expert team at Cloudfy will be happy to help.

Cloudfy has been designed from the beginning to meet the needs of B2B ecommerce and you can launch a new site in weeks rather than months or even years. You can fully integrate orders, pricing, product and stock data with a range of ERP, warehouse and accounting systems.

Upgrade your B2B Ecommerce Stack with ease

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