



Operational Checklist for a Great Grocery eCommerce Experience

GROCERY RETAILERS who have been looking over their shoulders at Amazon.com would be well advised to start looking their shoppers straight in the eye. Would they say you are delivering the eCommerce experience they expect and deserve?

Whether you are just exploring online grocery options or have years of experience, success depends on much more than just the right web site or mobile app. Order fulfillment is exceedingly hard to do well within the store environment. This means Order & Deliver or Click & Collect both require adherence to operational best practices that, upon first examination, may seem disconnected from the shopper experience.

Never underestimate the expectations of your shoppers when it comes to service standards in the omni-channel era. They have been forged in the furnace of Amazon.com, not in the tiled aisles of the supermarket. An out-of-stock issue that shoppers may grudgingly accept in your stores could very well send them packing if they encounter it online. One [CLICK] and they're gone.

Today's shoppers seek and expect mobile and online engagement to complement the in-store experience. Operational excellence is not a strategy (to quote the management guru Michael Porter), but *inattention* to operational excellence can be a formula for disastrous performance.

This means that tried and true practices such as usability testing for your transactional web site and mobile apps are certainly necessary, but not sufficient to deliver a fully satisfying encounter for your shoppers. Great experience is not just about taking the order swiftly and smoothly. It's also about how you deliver on the promise:

- Do you maintain an accurate item catalog for each store and link it to digital order taking?
- Do you enable online shoppers to confirm desired items are available in their selected store before they click the "buy" button?
- Do you sustain high levels of on-shelf availability to keep substitutions and out of stocks to a minimum?
- Do you hit your pickup and delivery windows accurately?
- Do you optimize the labor cost of in-store order fulfillment so you can charge the lowest-possible fees to online shoppers?
- Do you have well-designed handling procedures for completed orders, including temperature control?
- Do you work with a technology partner that builds best practice and process know-how into the backend, not just the app?

Some grocery executives have been slow to adopt eCommerce because they worry that it might cannibalize store sales or add unwanted operational

complexity. Others see their stores as strategic assets that can extend and enhance the total shopping experience – clicks plus bricks.

Whether you're contemplating a new online ordering offering or seeking to improve upon one that is already established, operational considerations are paramount. The following checklist enumerates the broad considerations that grocers will want to master in order to deliver effectively for their shoppers:



Define Your Unique Strategy. Online grocery ordering and fulfillment is not a one-size-fits-all proposition. Focus first on your strengths. What are you known for among your best customers? Consider how that can best be translated within the digital experience.



Start Simple. Order fulfillment in the stores can present a huge challenge at first. Manage shopper expectations initially by defining pick times with plenty of buffer. Click & Collect is usually easier to introduce than home delivery, so begin there first. Meet initial demand for home delivery by partnering with a 3rd party that serves as the last mile extension of your branded eCommerce store.



Plan Store Assortments. Careful attention to assortment and inventory control can minimize out-of-stock incidence and the need for order substitutions, resulting in a superior shopper experience. Clean, reliable store-level product data is a key enabler for this. When OOS do happen, be both proactive and reactive when it comes to dealing with them.

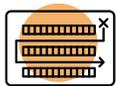
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This means a transparent process that gathers preferred substitutes from customers during the ordering process and assists the customer with an appropriate substitute when needed. Setting and meeting realistic expectations assures satisfaction. It also improves labor efficiency, by removing the need for subjective decision making during order fulfillment.



Make the Most of Your Labor.

In-store order fulfillment will add a labor cost that must be amortized, so controlling this cost is paramount. Before hiring dedicated order pickers, leverage existing staff who are already familiar with the store layout. Train carefully and monitor performance. Efficient use of labor resources is critical. For each scheduled store pickup or delivery time slot, ensure that there is sufficient consumer demand. Under-utilized slots can draw labor resources away from higher-demand slots that have excess consumer demand.



Map Store and Pick Paths. Fulfillment success is enhanced when team members move efficiently through the stores.

An accurate, up-to-date store map enables store associates to pick with a purpose, minimizing steps and handling multiple orders on a single mission. Picking by zone — such as expert produce selection or chilled departments — can speed fulfillment and enhance shopper satisfaction.



Plan Your Staging Area. In-store orders must be prepared in advance of customer pickup or delivery, so

a temporary storage or staging area must be

designated, with appropriate temperature controls. The ideal location will be in proximity to the pickup area (probably not in the back room), and laid out so that orders can be accessed quickly. Allocate enough space to handle anticipated growth, but be careful to not over-invest. Leveraging a “passive chill chain” using insulated containers is one of several options to reduce excess investment in refrigeration and freezers.



Establish a Scorecard. Define key performance indicators that enable you to accurately measure success, and put mechanisms in place to monitor them closely.

Operational metrics such as time-to-fulfill and labor costs should coexist with measures of order accuracy and shopper satisfaction. A scorecard or dashboard will keep KPIs front and center and maintain your readiness to scale the business to meet future demand.

Forward-thinking supermarket retailers will begin with these areas of operational excellence and continuously seek refinements and improvements to better anticipate and meet rising shopper expectations. Cost control is a means, not an end. Designed thinking matters. The goal is to bring shoppers closer and win larger baskets and shares of their wallets.



About GrocerKey: GrocerKey helps grocery retailers leverage their brands and their brick & mortar stores via intelligent eCommerce. Our solution goes well beyond just advanced digital technology. We partner with our customers with planning, training, and strategy to help ensure the profitability of their eCommerce grocery operations. grocerkey.com