NORTH COUNTRY
BUSINESS PRODUCTS

Prepare Your Stores for the Future

Learn How to Turn Technology into a Winning Grocery Strategy

The Time to Adapt Is Now:
Why the Grocery Industry Must Change

It's an entirely new world in the grocery industry, and here's how stores can capitalize.

Grocery pickup and delivery are no longer optional service models; moreover, having the right products in stock at the right time is absolutely essential. Customers expect stores to adapt to their changing needs and buying habits more than ever before.

But when it comes to keeping up with industry trends, there's one thing that's traditionally held grocery stores back, and that's technology.

An effective technology strategy is crucial to meeting today's customer demands and needs, but grocers have historically lagged behind other industries when it comes to embracing and adopting new technologies. They've relied too much on outdated systems and service models while competitors and innovators have taken market share by becoming more efficient and creating new customer experiences and convenience.

As a result, many grocers were unprepared for the stocking and inventory challenges of COVD-19 and the changes necessary to keep employees and customers safe. They've also missed out on some of the best ways to improve operational performance, drive new revenue, and provide better customer service.

Those who don't adapt and don't keep up with changing customer needs and demands will face a future of dwindling sales revenue, customer loyalty, and market share. We've already seen it with many traditional retailers who weren't prepared for e-commerce and the impact of online shopping and new delivery and service models in their industry.

But grocers can avoid the same fate by doing what many retailers didn't: embracing technology to create new efficiencies, new customer experiences, and new

service models that help them adapt quickly to the changing future of the grocery industry.

In this e-book, we take a look at some of the ways grocery stores can use technology to improve their customer service, optimize their store operations, and grow their business in a time of rapid change. The expertise found in this book is based on our decades of experience in helping over 6,500 grocery stores and retailers transform their businesses for the better.

It starts by examining the latest trends and success stories in the grocery industry, including an overview of the most effective technology strategies and solutions that work for today's and tomorrow's customers. Let's take a look at some of these and why they should be in your plans for the immediate future.

Online Ordering, Curbside Pickup, and Delivery

If you're not already offering online ordering with curbside pickup or delivery, you are behind. Every grocery store should be implementing this strategy as quickly as possible.

Just one year ago, the percentages of consumers that had used curbside grocery pickup or grocery delivery were still relatively low. A March 2019 survey reported by Supermarket News found that only 23% of consumers had used curbside grocery pickup, and only 19% had ever used grocery delivery.[1]

But everything has changed in the wake of COVID-19. A March 2020 report by the Adobe Digital Economy Index found that online grocery orders for store pickup increased by 62% over the same period in 2019, and demand for grocery delivery has been overwhelming many grocers and delivery services.[2]

COVID-19 lockdowns and social distancing restrictions have been the primary drivers of this increase, but the end result is fundamental change to the marketplace and customer expectations.

A much larger portion of the consumer audience has now experienced the convenience of curbside grocery pickup or home delivery, and those consumers will continue to use and expect these options in the future. While some may return to their old habits of buying groceries in-person and entirely in the store, many will prefer to continue using online ordering with curbside pickup or home delivery.

Stores that don't offer these services or don't have optimal processes for managing pickups and deliveries will likely suffer from lost market share and customer loyalty. Thus, leaving a lot of potential revenue on the table.

The average grocery store curbside pickup order is worth $110.89, while Walmart and Target are both seeing average order values of over $100 for their curbside pickups. The key to capturing this revenue will be making sure grocery stores are equipped to capitalize on these new sales and service channels, and that starts with having the right technologies in place.

At North Country, we've teamed up with Zebra Technologies to help grocery stores implement online ordering and e-commerce using a combination of back-end computing systems as well as mobile and tablet computing, barcode scanning, and software solutions.

We're able to connect store inventory and point-of-sale systems with in-house or third-party e-commerce and delivery systems that make it easy for customers to place and manage orders, pay for purchases, and arrange curbside pickup or home delivery at their convenience. We also equip store staff with the mobile technologies to receive, pick, and manage orders or to ensure the right inventory is in place for third-party delivery services and their associates to fulfill orders from the store or warehouse.

The right solution varies depending on customer needs, your existing business model and systems, and your business as well as customer service goals. But there are many available technologies and integrations that help expedite and simplify the process of achieving and optimizing grocery pickup and delivery, and there are options for virtually any store and budget.

The only limitation is how quickly stores respond and develop a plan to implement or improve their grocery pickup and delivery service options. Now is the time to make your move because the marketplace and customer expectations have changed rapidly and dramatically, and things won't be going back to the way they were in the grocery industry.

1. https://www.supermarketnews.com/online-retail/shoppers-still-cool-grocery-pickup-and-delivery-survey-finds

2. https://www.forbes.com/sites/denisepower/2020/04/01/surging-demand-stresses-grocery-delivery-and-pickup-systems

checkout lanes and self-service points of sale, but also leading stores such as Meijer to launch self-scanning mobile apps that allow customers to scan their purchases as they shop and then use their phone at a self-checkout register to quickly pay for their items and get on their way.[3]

Given these trends, self-checkouts and other self-service options should be a focal point of every grocery store's future strategy. The big advantages for consumers are the increased speed and convenience of self-checkouts.

However, grocery stores also benefit by requiring fewer associates and less labor to provide checkouts, and as a result, they can assign and use those resources elsewhere, such as curbside pickups, deliveries, or mobile customer service.

However, it's also important to remember that self-checkouts have to function well, otherwise they can get in the way of the speed and convenience of the self-service experience. For example, a recent report by RetailWire found that nearly 80% of consumers needed assistance at least once during their self-checkout experience, and almost 30% were pulled aside by store associates to check their purchases.[5]

These inconveniences get in the way of good self-service, and that's why our team at North Country has been working with grocery stores to implement the most user-friendly and efficient self-checkout solutions. These include our new SmartCheckout, a compact and affordable self-checkout for smaller and space-constrained grocers. SmartCheckout includes Zebra's MP7000 grocery scanner scale for multi-plane 1D/2D bioptic imaging that makes scanning much faster and far more reliable for customers.

When the MP7000 is combined with SmartCheckout's intuitive and easy-to-use touch screen to guide the entire process, consumers are able to scan their items and check out quickly and seamlessly, without the headaches of needing assistance or dealing with technologies that are confusing or don't work properly.

Convenient Self-Checkouts

By now, most leading grocery chains have implemented self-checkout systems. There's no question that consumers are using self-checkouts in big numbers and prefer the speed and convenience of self-checkouts when they're designed and function well.

A 2018 report by PYMNTS.com found that 71% of consumers have used self-checkouts in supermarkets,[3] and a survey by SOTI, an IOT and mobile device management firm, found that 73% of shoppers prefer retail self-service technologies over engaging with store associates.[4]

These figures have been growing in recent years, and they're not only driving more investment in self-

3. https://www.pymnts.com/news/retail/2018/kroger-self-checkout-grocery-self-service-mobile-ordering

4. https://www.retaildive.com/news/study-73-of-consumers-want-self-service-technology/546044

5. https://retailwire.com/discussion/shoppers-have-a-love-hate-relationship-with-self-checkouts

Improved and Optimized Point-of-Sale Strategy

Just as today's consumers are increasingly using self-checkouts for speed and convenience, they want the same qualities when it comes to using traditional checkout lines.

No one wants to be stuck waiting in a long line to pay for their groceries, and store associates don't want to struggle with scanners, scales, and point-of-sale systems that slow down the checkout process and create obstacles to fast and efficient service.

This is why the grocery industry needs to continuously evaluate emerging point-of-sale technologies and consider upgrading legacy and underperforming systems in the interest of better operational efficiency and better customer service.

For example, innovations in checkout scanning technology have virtually eliminated the common problem of items that won't scan on the first try. Our partners at Zebra have been leading the way with the MP7000 checkout scanner scale, which has introduced advanced multi-plane 1D/2D bioptic imaging that finally delivers true "swipe-and-go" scanning performance.

The MP7000's advanced scanning algorithms capture virtually every barcode instantly, whether it's printed on a product or label, or it appears on an electronic screen such as a digital coupon on a customer's mobile device. There's even an optional customer-side scanner that allows customers to scan their electronic and physical coupons as well as loyalty cards and impulse purchases while they're checking out, so cashiers don't have to scan these items and aren't slowed down.

With Zebra technology, cashiers and customers can also scan and capture checks, receipts, and even utility bills, allowing purchases to be processed faster and stores to extend scanning automation to more processes and more services for their customers.

The MP7000 is also engineered for a major development in the future of barcoding, which is the widespread use of Digimarc® barcodes.

A Digimarc barcode is a visually imperceptible barcode that can be repeated up to hundreds of times across a package or label using no special inks or printing process. It's a digital watermark and advanced barcode that can be placed and scanned anywhere on private label packages to make checkout easier and promote product transparency and regulatory efforts.

The USDA has approved Digimarc barcodes for use in food product packaging to help provide consumers and stores with more information about products and

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ensure regulatory compliance. But Digimarc barcodes also have many advantages over traditional barcodes, such as allowing store associates to scan packages without having to pick them up and repeating data across a label so it can be scanned even if the label is damaged.

As food manufacturers begin to use Digimarc barcodes on their products, grocery stores will need to have compatible scanning technology in place to enable these benefits. Zebra's MP7000 allows stores to be ready for the Digimarc future today.

However, Zebra's MP7000 delivers a lot more than just scanning performance and support for paper, electronic, and now Digimarc barcodes. It also offers the lowest power consumption in the grocery industry, consuming 60% less power than other competing devices.

The MP7000 is also built with solid state technology that provides superior durability with no moving parts, which creates the fewest failure points in its class and results in fewer repairs, far more uptime, and much lower total cost of ownership (TCO). Its upper housing is designed with fewer components and parts as well, and the housing can be removed without tools for much faster maintenance and repair time.

Improved scanning, better hardware durability, and lower long-term costs are all great, but a good point-of-sale strategy isn't limited to checkout scales and scanners. It's also about having the right POS system in place to help stores grow sales, increase basket sizes, improve customer service, manage inventory, and optimize every aspect of their operations.
You need a comprehensive system that encompasses checkouts, inventory, sales data, analytics, operational management, and much more. There are many market-leading solutions to choose from, but, ultimately, the right POS system must do all of this while also being effective and easy to use.

It also has to support emerging or future needs such as customers' increased use of self-checkouts, self-service mobile scanning, digital coupons, loyalty programs, and more.

When it comes to POS, there's no one-size-fits-all approach. POS solutions need to be evaluated against your specific business and customer needs and goals, and that's where a good technology partner can be an essential resource.

At North Country, we work regularly with leading grocers and retailers to plot their POS strategy, find and implement the right solutions for their business, and integrate their POS with all the technologies and innovations they embrace throughout their stores.

Those technologies include the next topic in our grocery technology overview: mobile computing solutions for better grocery workflows and customer service.

SMART CHECKOUT
by NCBP

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Mobile Workflows and Customer Service

These days, many grocery customers can't live without their mobile devices. Now, we're seeing the same thing with grocery store associates who use store-issued mobile devices to do their jobs and provide good customer service.

A recent survey revealed that 73% of store associates believe shoppers have a better experience when associates can use the latest technology to assist them, and 58% of shoppers agree.[6]

Whether associates are managing stock, helping customers find products in the store, or helping with curbside order pickup or online grocery orders, when they're equipped with enterprise-grade mobile computers, they're able to deliver better service in a variety of ways.

For example, they can use handheld computers with built-in barcode scanners to quickly locate inventory, call for assistance, and fulfill orders. When these devices are combined with mobile printers, associates can also stock and label products faster and more effectively, and they can more quickly update prices for special sales and promotions. Some stores even use mobile computers so their associates can set up a temporary point of sale for line-busting purposes and small transactions.

However, an important key to realizing these benefits is making sure that mobile technology works as it should and can handle the all-day demands of grocery store workflows. This is where enterprise-grade solutions are an important choice.

Some stores attempt to save up-front costs by purchasing and using consumer-grade mobile devices in their operations. Some retrofit these devices with rugged cases and camera-based barcode scanning apps, but their hardware still falls short in terms of durability, scanning reliability, and the all-day power and app performance they need to keep workflows running seamlessly and as efficiently as possible.

With consumer-grade devices, stores may save money on their initial hardware cost, but they end up paying much more in the long run due to lost productivity and the high repair and replacement costs when consumer-grade hardware gets damaged or breaks in grocery store environments.

In some cases, this can add up to millions of dollars in unnecessary costs across multiple stores, and it's easily avoidable with a more long-term and enterprise-driven strategy.

6. https://www.zebra.com/us/en/blog/posts/2020/study-reveals-how-to-get-shoppers-in-your-store.html

In our experience serving grocers and retailers across the country, the better alternative is to choose enterprise-grade devices with built-in scanning capabilities as well as added processing power, memory, and around-the-clock batterylife for real-world grocery applications.

When store associates can quickly scan a barcode on the shelf or item, sync with back-end systems to retrieve real-time inventory levels, and access the information they need to make sure shelves are stocked and items are in the right place, stores and customers benefit.

But devices have to reliably power on—and stay on—all shift (or all day) long. And they have to work and keep on working even if they get dropped onto concrete floors, tossed into restocking carts, used in freezer areas, or bumped while they're carried on workers' belts.

In most cases, consumer-grade devices aren't up to the task. Their screens crack or shatter, their cases crack or break, and they can stop working once they've been dropped, hit hard enough, or used in cold temperatures.

Additionally, the batteries in consumer-grade devices aren't hot-swappable, unlike most enterprise-grade devices which provide optional battery packs and hot-swappable batteries so you can ensure continuous power. Moreover, enterprise-grade devices are available with configurable security options that far surpass the protections of consumer-grade devices, including mobile security extensions that allow you to control every device, app, connection, and user access.

At the end of the day, mobile computers are the ideal tool for mobile workflows and customer service in grocery stores, and they should be part of every store's technology and service infrastructure. But the type of devices you choose is also crucially important, and we strongly recommend enterprise-grade devices to minimize total cost of ownership and provide everything associates need in a more reliable and higher-performance solution.

Another key benefit that mobile computers are enabling in today's grocery stores is the availability of real-time store data at your fingertips.

When store associates can quickly scan a barcode on the shelf or item, sync with back-end systems to retrieve real-time inventory levels, and access the information they need to make sure shelves are stocked and items are in the right place, stores and customers benefit.

Real-Time Operational Data and Reporting

Companies and store managers are leveraging real-time data and reporting to stay on top of everything that's happening in their stores. That includes monitoring their operational key performance indicators (KPIs) and other metrics such as net sales, daily transactions, sales by touchpoint, average basket sizes, and even year-over-year comparisons.

At North Country, we've developed an app called Echo that delivers this data as well as dashboards and reports through any mobile device, including the Zebra mobile computers and tablets we provide to many of our customers.

In turn, our customers use Echo to get real-time visibility into their sales performance, store operations, and associate productivity. They can see all their sales and transactional data, quickly find stores and departments that are pulling or lifting sales, and identify trends and real-time developments to help them manage their operations more efficiently and profitably.

They can view data from multiple locations and even multiple POS systems right on their mobile devices. Echo is POS-agnostic, so you can use it with virtually any point-of-sale solution that you use across your stores.

Echo captures data from all your systems, and it provides intuitive dashboards and reports, so you can quickly and easily view daily and hourly sales, customer traffic, associate activity, and much more.

It's an ideal tool for management to understand what's happening in stores and react immediately to issues or needs that arise. And it's yet another example of how grocers are using technology, mobility, point of sale, and data to take easily accessible yet highly effective steps in modernizing and optimizing their stores.

Better Staff and Customer Safety

Before COVID-19, most grocery stores probably never imagined they would suddenly be confronting a major threat to the health and safety of their workers and customers in the form of a pandemic.

Since the COVID-19 outbreak, the industry has had to quickly adapt to social distancing and other preventive measures to help prevent the spread of the coronavirus while still providing essential goods and services to customers.

Most of this has taken the form of requiring customers and associates to wear masks, requiring associates to wear gloves, and implementing new traffic flow and distancing procedures with the help of signs, floor stickers, and personnel.

But keeping staff and customers safe is another area where technology can play a crucial, yet easy-to-overlook role in saving lives.

For example, if you're using mobile computers or tablets in the workplace, the physical design of the device can actually increase the spread of bacteria and infection. Wherever seams or ingresses create spaces for microbes to hide and hard-to-reach spaces for thorough cleaning, your devices can actually work against your safety efforts.

This is another reason why we partner with Zebra in bringing mobile and grocery technologies to grocery stores and retailers. Zebra makes safety a priority when designing mobile devices, so it chooses quality materials that can withstand harsh cleaning solutions and disinfectants. It also minimizes seams, ingresses, and other design issues that can create spaces for bacteria and viruses to thrive.

Zebra has specific cleaning instructions for each device it makes, so you can always be sure your disinfecting and cleaning solutions and methods are appropriate and effective while avoiding any damage to your hardware.

When planning your mobile technology strategy, it's easy to overlook these features. But it's crucial to keep cleaning and device safety in mind, especially during the COVID-19 pandemic and beyond. The good news is that Zebra provides best-in-class performance and capabilities across the board—from computing power, memory, battery life, and scanning capabilities to easy cleaning and safer design principles.

Taking Your Next Step with Grocery Technology

We've reviewed some of the biggest trends and opportunities with innovative grocery technologies, but the next step in exploring these developments and your options is to get a personalized assessment for your business.

At North Country, we make technology approachable. We make it easy for leading grocery stores to understand, evaluate, and implement the right innovations to optimize their grocery operations.

As a technology-focused company that serves leading grocers and retailers nationwide, our experts help you develop and implement winning technology strategies for your business.

We work closely with you to examine the latest trends and success stories in the grocery industry, develop an effective strategy that fits your customers and business, and provide the guidance and support to implement the right technologies and drive real innovation.

Technology doesn't have to be scary. It's easier to embrace than you think, and it can even start with something a little more old-fashioned: a simple phone call or email.

Contact us now to schedule a discovery session and a complimentary technology evaluation. We'll help you turn technology into a winning strategy to work more efficiently, improve customer service and loyalty, and grow your business.

Call 1-800-937-4140 or email us now at solutions@ncbpinc.com.

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