

Rural Grocery Summit IV

Building Community Support through Customer Service and Effective Grocery Operations

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Building Community Support

- What is the value of customers shopping locally
- Does my store deserve customer support
- How do I compete with the chain stores



BUILDING COMMUNITY SUPPORT

- If Community Support is to be developed, consumers and business must be educated and both do their part to maintain and build their community.
- Consumers must be educated about the value of shopping locally and how it benefits themselves and the entire community when they do
- Business owners must realize that they cannot simply expect the business to come in the door because they are local
- They need to understand the importance of offering the products and services that the local consumer will demand and deserve
- Businesses also need a plan to effectively compete with the chain stores and supercenters



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Reasons to buy Local

1. Money Spent Local Stays Local.

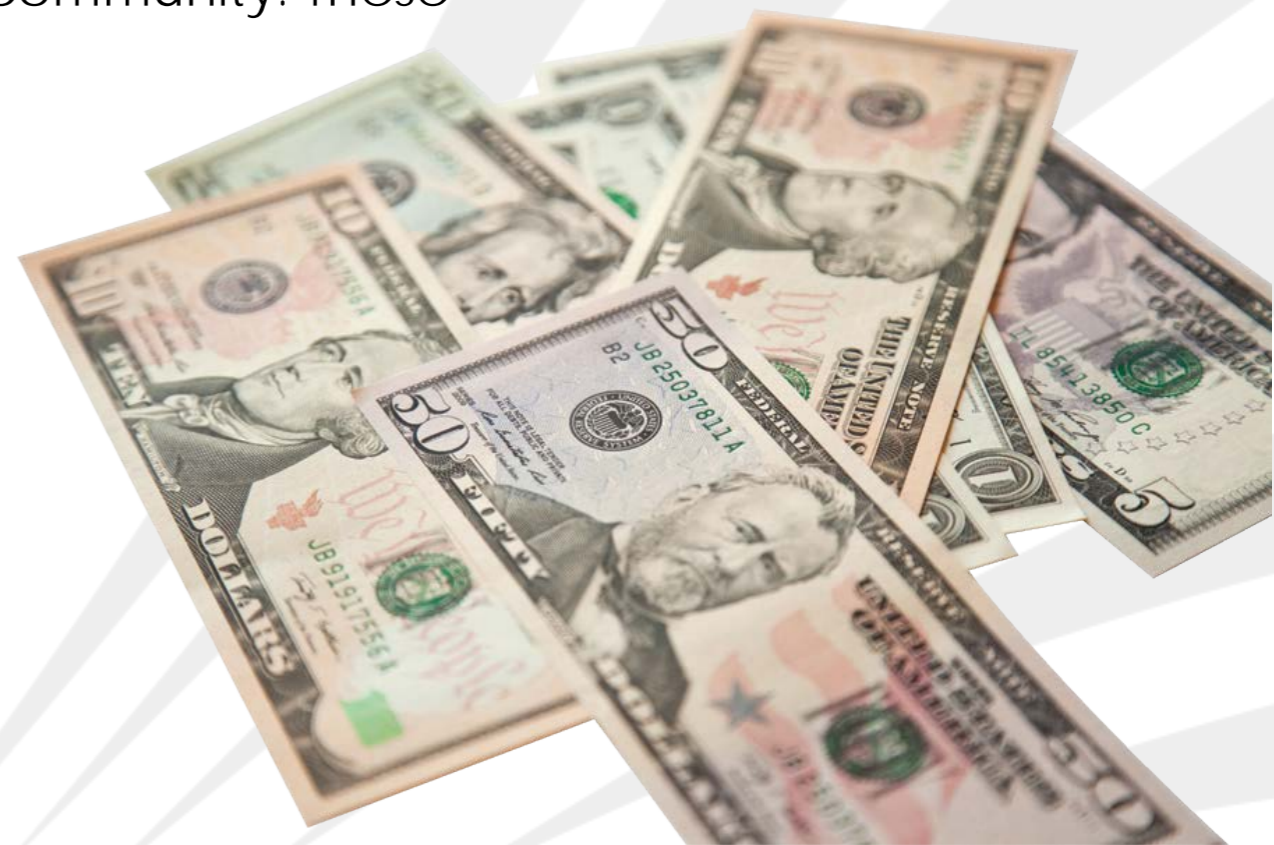
By shopping locally, you simultaneously create jobs, fund more city services through sales taxes, create more investment in neighborhoods and promote community development.

2. Local Businesses Contribute to the Community.

91% of local business owners contribute to their community including schools, nonprofits and community groups, by volunteering and making donations.

3. Local Businesses Provide Jobs.

Small local businesses account for a large share of new jobs created each year while locally based businesses create some of the most stable employment opportunities in a community. These employees in turn spend in the local economy.



Reasons to Buy Local

4. Supporting Local Business Supports Your Neighbors.

Local businesses are generally owned by people who live locally and are part of our community.

5. Local Businesses Maintain Uniqueness.

Today's workers are choosing to settle in places that preserve their distinctive character.

6. Small Businesses Offer Unique Choices.

Small local businesses offer shoppers unique products and services. Independent shops create distinctive shopping experiences and respond more quickly to the need of local customers, stocking products to meet the changing population needs.



REASONS TO BUY LOCAL

7. Receive Extra Attention and Quality Service.

Research shows that small business owners compete by focusing on customer service and quality goods. Local business employees take the time to get to know their customers.

8. Shopping Local Saves You Money.

Choosing to shop locally first saves you gas and travel time which equates to money saved.

It is costly to buy most of your goods out of town. 2014 IRS Mileage reimbursement rate is 56 cents per mile



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SPENDING OUT OF TOWN DESTROYS LOCAL SPENDING

- Every dollar spent locally recycles in your community. Local Spending Recycles WITHIN a community 3-7x.
- This multiplier effect will have an impact in more ways than can be imagined.
- Many times we think we are saving money shopping out of town, when in reality we are costing ourselves much more in other ways.
- City Sales Tax lost (What isn't collected in sales tax is collected in increased property tax)



DOES IT REALLY MAKE A DIFFERENCE WHEN I SHOP OUT OF TOWN?

- Maine study showed that a local business spends over three times more money in the community as compared to a national chain or big box retailer.
- Austin, Texas study showed that money spent at an independent or local chain had ten times more economic impact than money spent at a national chain.
- Andersonville, Illinois study showed that every square foot occupied by a chain store had an economic impact of \$105 as compared to \$179 at an independent.



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WHO IS AFFECTED?

- Local suppliers of product
- Architects, Engineers and Designers
- Carpenters, Plumbers and Electricians
- Accountants and Lawyers
- Newspapers and Ad Agencies
- Insurance Brokers and Banks
- All other Retail Outlets in Town
- All Charitable giving such as (Boy Scouts, Girl Scouts, Local foundations, School organizations, Service organizations and Churches are just part of the list)



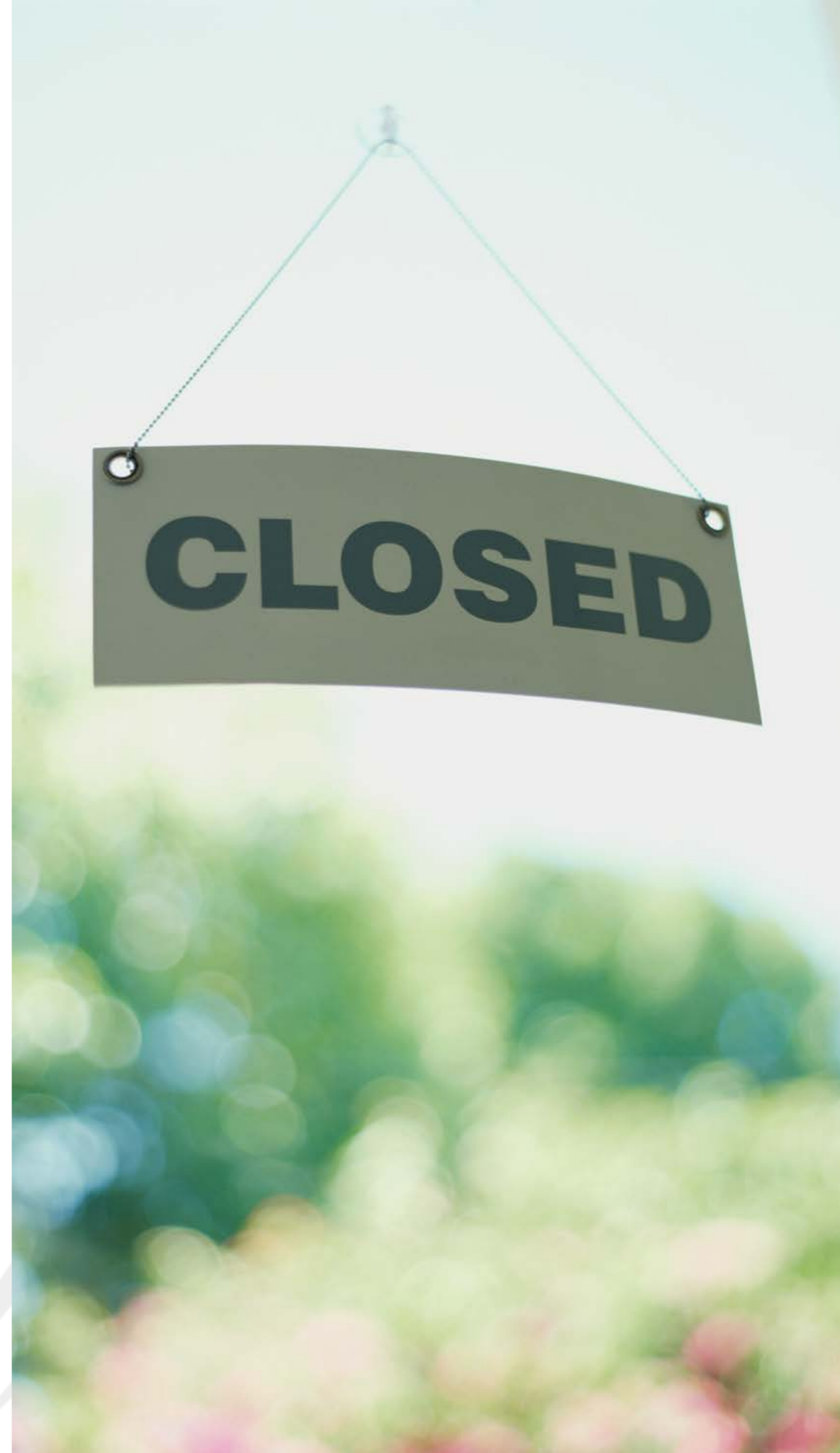
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WHAT IS THE FUTURE OF YOUR COMMUNITY?

- Strong businesses are vital to the well being of any community.
- It is hard to attract individuals, professionals or other businesses to a community without places to shop.



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COMMUNITY SUPPORT

Are you deserving of community support?

- Businesses can't simply expect the business to come in the door. Customers cannot be taken for granted
- Consumers need to fully understand what it means to themselves and their community when they make their shopping decisions
- Businesses, along with consumers, need to work together for a thriving community.
- Shop locally, everyone wins including businesses, citizens, churches and charitable organizations.



COMPETING WITH THE CHAIN STORE

- Wal-Mart has changed retailing drastically over the past 20 yrs.
- Wal-Mart operates over **4,000 US stores** & **10,000 worldwide**.
- In many of our states, WM does over **50%** of the grocery business.
- Wal-Mart employs **1.3 million** people in the US & **2.2 million** worldwide.
- Wal-Mart purchases over **91%** of their products from China.



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COMPETING WITH THE CHAIN STORE

This sounds like a daunting task but in order to accomplish it, you must start at the beginning

- Grocery store owners must get back to the basics
- Much of what I am going to discuss is so very basic and would seem to only be common knowledge.
- When you are in your store day after day, you simply don't see your store as your customer sees your store



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COMPETING WITH THE CHAIN STORE

Back to the Basics

- Paint and spruce up your store
- Modernize your equipment
- Check the lighting (*make sure store is bright*)
- Make sure your floors shine
- Wash windows and replace faded signs
- Clean the rest rooms & keep them clean
- Eliminate clutter in the store
- Clean and repair the parking lot
- Do a store walk through on a daily basis to check out your stores condition pretending to look through the eyes of a customer



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COMPETING WITH THE CHAIN STORE

Back to the Basics

- Keep your store well-stocked
- Check your sanitation practices in perishable departments
- Eliminate dead merchandise & clutter
- Run weekly ad
- Create a web presence
- Do frequent promotions (*be imaginative*)
- Offer new and expanded services
- Develop unique services the Super Center can't
- Continue to walk through other businesses looking for new ideas



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COMPETING WITH THE CHAIN STORE

Customer Service *(you must be the best)*

- 68% of customers leave because of an employee attitude
- Customers want knowledgeable employees
- Be the friendliest store in town
- Call customers by name
- Count change back
- Say thank you
- Implement the 10 foot rule
- Don't be the local gossip center
- Promote teamwork amongst employees
- Teach employees to have a great attitude
- Store dress code (Do your employees look sharp or sloppy)



COMPETING WITH THE CHAIN STORE

Train employees

- Do you have the best employees meeting the public
- Give employees the authority to make a decision
 - On the spot cash back
 - Immediate product replacement
- Pay attention to the customer you are waiting on
 - Don't be visiting with other employees
 - Don't be visiting with other customers
- Don't whisper or laugh in front of the customers



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COMPETING WITH THE CHAIN STORE

Brand your store. Branding can mean any niche product or service you have and are the best at

- Store with the best customer service
- Brightest and cleanest store
- Best meat in town
- Best produce in town
- Find your niche in products or services and be the absolute best at them (*items*)
- Make sure your employees know your Brand
- Make sure your customers know your brand.
- Brand through consistent advertising both in store and through other media including your web site and other media such as Facebook



COMPETING WITH THE CHAIN STORE

Brand your Store

Build your brand on points of differentiation you really have and on areas that really make a difference to today's customer and the customers of the future.

Success in today's marketplace will be achieved by those who minimize the emphasis on price in their stores and focus on the points of differentiation that we all have in our stores. Branding is a vital component to achieving it.



COMPETING WITH THE CHAIN STORE

Know Your Numbers

- **Know your margins**

What do the numbers mean

- **Examine your expenses and re-act quickly**

Watch your labor percentage

Track your shrink

- **Examine your hours of operation**

are your hours convenient for you or the customer

- **Have regular employee meetings.**

Keep them informed of where you are and where you are trying to go. They are the face of your business and your greatest ally and resource



COMPETING WITH THE CHAIN STORE

Community Involvement

- Be involved in the community, both personally and financially
- Be seen at as many community events as possible. Be on the front line working at these events
- Get your employees involved also
- Be so involved that people can't help but think of you and your business when they make their shopping decisions

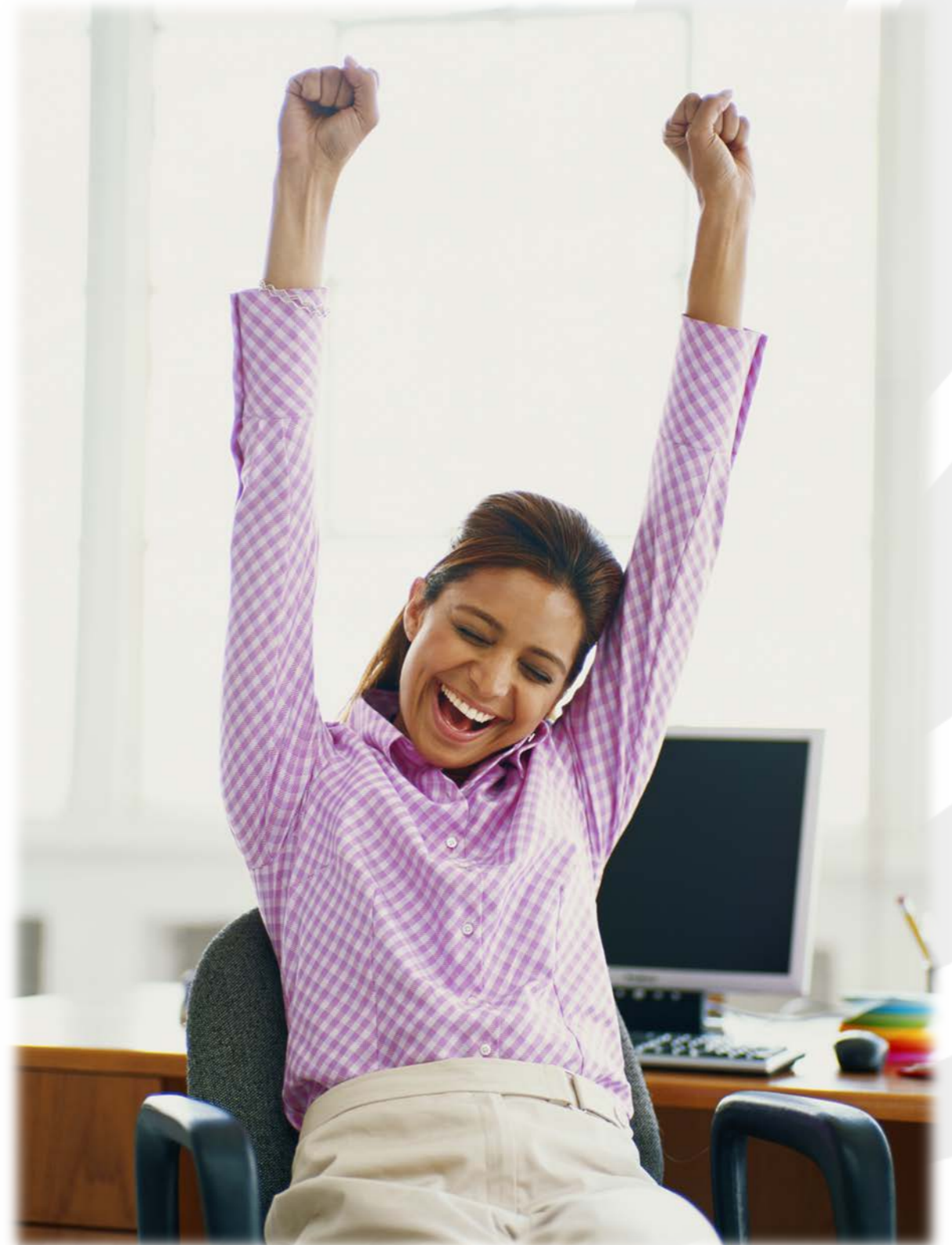


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COMPETING WITH THE CHAIN STORE

Will your store Succeed?

- Educate the consumer
- Get back to the Basics
- Offer Superior customer service
- Train your employees
- Brand your store
- Know your numbers
- Get involved in the community



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COMPETING WITH THE CHAIN STORE

- It is not the strongest of the species that survives, nor the most intelligent, but the one most responsive to driving change.
- Demise begins with satisfaction! Always keep building and tweaking your brand.
- Don't be predictable, be different.
- Develop a plan, work the plan, and watch the customers return again and again to see what your doing next!



Thank You!

