

2020

Growing Grocery-Ecommerce Sales



HPT CONSULTING

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GROWING E-COMMERCE GROCERY BUSINESS

WHAT NEEDS TO BE PLANNED

1. SHOPPER EXPERIENCE

Define as much as possible how to Everrise envision the Customer Experience on the Platform, either on Web or Mobile.

- a. **Customer Target** [The experience might be different for B2B and B2C targets]
- b. **Ordering Options** [online; in-store; Phone; subscriptions;]
- c. **Delivery Options** [Home delivery, store click-and-collect; warehouse click-and-collect; 3rd party click-and-collect; Drive Thru,...] Which ones do we want to privilege? Is there differences among stores?
- d. **Payments** [Cash, Card, Points, Credit, Crypto,...]
- e. **Managing Customer Feed-Back & Request** [Local Call-Centre, delocalized call centre, social media desk,...]
- f. **Customer Community** [Do we want to create one and for what purpose? If we want to create one, where shall it be?]
- g. **Customer Privileges: Services offered by the Platform** (purchase products, insurance, book loans, redeem points, check spending, control budget, book hotel & planes, pay bills, share on Message Boards, ...)
- h. **Customer Communication:** how do we want to communicate with customers? What shall be the preferred, secondary and tertiary channel?
- i. **Partnerships:** what type of partnership, powered by CRM, do we want to offer for special prices and points redeem.

2. BUSINESS PLAN: OBJECTIVES AND GROWTH STAGES

Looking at the coming 3 to 5 years, look at the company's business growth objectives the same way a physical store expansion plan is managed

- a. **E-Store Role:** a simple approach to look at the e-store roles is to consider it either as an additional service or a spearhead for growth and conquest or market shares. Each role will require different strategies and will generate different financials.
- b. **Financial:** Sales Value & Growth, Sales Contribution, Margin, etc...When considering these financial,
- c. **Services & Territories:** at each stage, what additional geographies and services are offered
- d. **Expenses and investments:** what will be the investments (people, assets, communication, sourcing, supply chain, etc...) at each stage

- e. **Organisation:** how will the E-Commerce organisation mature and what will be its constituencies with CRM, Marketing, Merchandise, Operations and Supply Chain?
- f. **Cost of Ownership** defines how much it cost to run and maintain the e-store, This notion, when measured in sales and profit contribution, will impact the service provider options, the organisation setup to support it and the sales strategies. ¹

3. BUSINESS RULES

As products and promotions will remain at the Core of the e-Store, fundamental business rules needs to be established so existing Departments and business units can work coherently with as less friction as possible. [in the context of centralized merchandising]

3.1. ASSORTMENT

- a. Common Offer With Stores: Do we want to offer the same assortment online as in stores or a smaller one? What type of high margin products do we want to offer – either in the existing assortment or not – to ensure a healthy margin mix?
- b. Availability By Geographies: what footprint are we looking at and what are the stages
- c. Online only products: Do we consider it?
- d. Assortment Management: Who drives it? What are the selection criteria for adding or deleting a product? Impact on suppliers: what listing fees policy? Return policy?
- e. How will the communication take place (media, frequency, roles) between the e-commerce team and Merchandising?

3.2. PROMOTIONS

- a. Do we want to align with Store Promo Plan?
- b. Do we want to have Online Only Promotion plan or offer additional privileges for existing promotion plan items sold online?
- c. Do we want to integrate the CRM only promotions
- d. Do we want to integrate Deals: Promotion not in Assortment, offers from partnership?
- e. Opportunities: partnership
- f. Promotion Management: Who drives it? What are the selection criteria for a promotion product? Impact on suppliers: what promo fees and visibility fees policy? Return policy?

3.3. PRICING

- a. Do we want to have the same Pricing (normal items and promo items) online and in-store (recommended)
- b. Do we want to setup Dynamic Pricing online (i.e. immediate adjustments to competition's online prices)
- c. How do we want to finance the Dynamic Pricing alignment if we set it up?

¹ The same applies to CRM, ERP, POS, etc...

4. OPERATIONS

Once the geographies are established, the pick-up and preparation must be fine-tuned. The points below apply for both Warehouse and Store Pickup and preparation

- a. In-Store (or Warehouse) Pickup and Preparation team: do we want to have a dedicated team or setup shifts with existing staff?
- b. For cash payment on deliveries or on pickup, what are the processes we want to setup with Store Cashier teams and Finance at the Head Office
- c. For stores and warehouses that will be used as a preparation centre, where are the areas ("Dark Rooms") we want to dedicate to orders preparations
- d. For order preparations, do we want to involve 3rd Parties? ²
- e. What security measure do we want to setup for basket control?
- f. Out-of-Stock Management: how do we want to manage they out-of-stock (information to website, stock transfers among other stores, proposition of substitutes product..
- g. How do we want the Platform and the ERP to connect flawlessly for immediate stock update and integration of the sales in the order proposal?
- h. For Store pick-up and Drive Thru options: where should be the pick-up collection? What should be the customer journey ³

5. WORKING PROCESSES & WORKFLOWS

Once we have business plan, shopper experience and business rules have been established, some time needs to be allocated to the working processes and workflows inside the company. Some will need to be adjusted, some will need to be created. One simple approach is to start from the Existing Processes Map. The key flows to be defined are

- a. Assortment management
- b. Price Management
- c. Promotion Management
- d. Communication Management
- e. Products Availability Management
- f. Money Flow Management
- g. Security
- h. E-Delivery Flow (from customer registration, orders reception, preparation, order confirmation, store pickup, delivery reception, payment collection and payment confirmation)

² In China, Carrefour Stores were using the 3rd party delivery teams to prepare and pack the orders, as they had a differentiating expertise in this area

³ IN France, a leading country in Drive Thru, dedicated offices, parking locations and waiting rooms have been setup in stores

- i. IT 7 Systems alignment: what are the partners we are selecting and are we sure they can be flawlessly communicating to each other

Once the processes are established, communication and OTJ training would ideally be applied

6. COMMUNICATION TO CUSTOMERS

The e-store is ready, the teams are all hands on-deck. We now need to first inform Customers about what we have prepared for them – even maybe aligned it with an aggressive CRM campaign to recruit new members and steal them from the competition – and then plan how we will regularly keep them informed of what's going on to maintain our sales funnel.

- a. Launch Campaign
- b. Recruitment Campaign
- c. Alignment With Communication Plan
- d. Digital communication Support & Frequency
- e. Social media Support & Frequency [What Budget? Cf.2. Financials]
- f. Integration of Partners campaigns

7. PARTNERSHIPS

While the choice of partners can come along the stages as the roadmap deploys, there are several types of partnerships to be considered for the Customer Experience:

- Online payment providers
- Pick-up points partners
- Last mile delivery partner
- CRM partners (companies with points sharing, exclusive offers and special prices are established)

