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NorthStar
BY CUSTOM BUSINESS SOLUTIONS

Customized Tech Platforms Help Supermarkets Maximize Food Service

Faced with a dive in supermarket foot traffic and margins that have long been razor thin, supermarket retailers must find new ways to bring customers into their stores, maximize their high-margin categories, and boost basket size.

For many retailers, the answer is expanded food service. In addition to delivering gross margins ranging from 25% to 30%, an expanded prepared food department allows retailers to transform their stores from a weekly grocery shopping outlet to a destination experience.

Elevating food service has been a highly successful strategy for grocers. Shoppers who view supermarket-prepared food offerings as more convenient, healthier, and of better value than fast food options quickly migrate to supermarket food service. In a report by the Food Industry Association noted that in May 2022, 25% of shoppers surveyed purchased more deli-prepared food service items than the previous year.

IN THIS WHITEPAPER, YOU'LL LEARN:

- Supermarket Strategies to Boost Revenue

- Tech Integration for Enhanced Customer Experience

- Customized Solutions for Specific Retail Challenges

- Future-Ready Technology

WHITEPAPER

To fully unlock the potential of food service, retailers need to consistently raise the bar for their departments. That means investing in a menu that offers customers elevated, on-trend items and devoting resources to the labor, training, equipment, and space needed to provide an exceptional food service experience comparable—or better—than that offered by fast food operators.

Creating a Consumer-Centric Experience

Part of providing an exceptional food service experience is ensuring smooth and frictionless transactions from start to finish. To gain a share in a competitive food service marketplace, supermarket retailers must embrace the "get it now" and "pay as you go" options that shoppers now expect.

Eliminating roadblocks to support quickly locating desired items, swift ordering, and timely delivery /pickup of food is a must. User-friendly omnichannel platforms shoppers can access from their mobile devices, laptops, or in multiple locations throughout the store are critical to capturing sales.

> Retailers need the right software to deliver on what shoppers expect," said Jeremy Julian, CRO, CBS NorthStar. "Consumers want to be able to interact with the brand wherever they are, whether it's on their phone or at a kiosk in the store, and retailers have to deliver on the promise of making it easy, every time.

49% Of Retailers Consider It Important To Expand Into New Categories And Markets Such As In-Store Dining.

Of Retailers Consider Speed Of Experimentation As Their Top Technology Consideration When Selecting Their Next-Gen Unified Commerce Platform **86%**
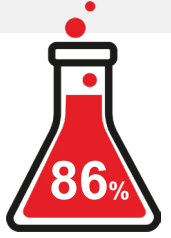
44% Of Retailers Say It Is Important To Improve The Efficiency Of Commerce Operations Across Digital, Stores, And Customer Service.

Retailers realize it's critical to remove any barriers that frustrate customers. That means giving them the option to order whenever and wherever they are and to order food exactly how they want it. "Retailers need the ability to allow consumers to order extra avocado on their sandwich and to have a way to accurately capture the pricing for that customization," he said. "They need to adopt technology that gives them the flexibility to make the guest experience unique."

Raising the Game in Food Service

Leveling up to a food service management system that supports front-end and back-end operations can be challenging for established retailers with legacy point-of-sale (POS) systems. Maximizing operations ensures retailers can rely on their systems, as any downtime can translate directly to lost sales. Systems like Toshiba's TCx® 810 All-in-One POS powered by the Intel 11th Generation processor provide improved speed and memory of the POS solution, which keeps up with multi-tasking food service management applications. Real-time access to inventory insights is essential in helping retailers pinpoint

best-selling items and provide visibility that ensures accurate forecasts. Inventory management is vital for ensuring fast-moving items are never out of stock at key mealtimes. In a channel accustomed to set pricing, offering flexible item pricing is also critical.

An effective food service platform should integrate with many plug-and-go solutions that can be easily deployed and managed, as well as being flexible and serviced. Retailers are increasingly looking for platforms that offer a unified technology stack with interconnected applications that allow seamless integration and data exchange.

Tech stacks enable retailers to track cash flow, sales, and food inventory more efficiently and also generate valuable shopper information that can serve as the basis for customized pinpoint digital marketing based on how customers interact with the brand. "When you know a customer regularly orders an IPA in the store, you can send targeted information about the newest IPA in stock to them," noted Julian. This application is becoming a higher priority for supermarket retailers.

GROCERY PAIN POINTS:

- Allowing consumer to purchase how and where they want to buy, for both prepared food and scanned grocery items
- Providing customers with speedy self-checkout
- Reconciling financial data in one place
- Updating the price file for multiple systems
- Investing in technology that will evolve as needs of business change
- Providing opportunity for prepared food delivery and potential of ghost kitchen prep integration

Customized Solutions Target Pain Points

When it comes to food service, a one-size-fits-all approach to technology won't meet the spectrum of retail and customer needs. "Not all grocery stores are the same, and they need to be able to create a unique guest experience," said Duffy Fron, Executive Director of Sales at Toshiba Global Commerce Solutions. "Our job is to enable the hardware and software to allow them to do that while giving management greater insight into the complete operation for better-informed decisions regarding procurement, inventory management, and pricing strategies."

CBS NorthStar and Toshiba Global Commerce Solutions are working with retailers to solve their specific challenges with a strategic mix of solutions, services, and innovations designed to create a retail experience that enhances operations and customer experiences. Here are three examples of supermarket retailers empowered with customized solutions designed to meet distinct challenges.

01

Bristol Farms
Streamlined Checkout, Boost in Basket Size

CBS NorthStar and Toshiba worked with California-based Bristol Farms to integrate its food service and grocery item checkouts and streamline both the cross-channel ordering and payment process.

"Bristol Farms shoppers were disappointed when they had to wait in one line to purchase prepared food and another line for groceries," said Julian. "We worked with them to allow shoppers to pay for their burrito or burger at the front of the store or their basket of groceries at the deli counter." The ease of customer checkout resulted in double-digit sales growth in prepared foods.

The checkout integrations also allowed the retailer to streamline accounting. "Accounting no longer has to handle two different checkouts; they no longer have separate silos of data, separate guest experiences, and a separate understanding of who the customer is," said Julian. Integration of customer data now allows the retailer to have a more robust understanding of customer behavior and to efficiently target promotions.

Another fix was alleviating lines at the deli counter through digital ordering so customers can order from a mobile device and then receive a text message when their food is ready. Eliminating waiting times allowed customers to spend more time shopping the aisles. "The additional free time in the store allowed Bristol to increase basket spend. It's all about transaction efficiency, which eventually leads to increased foot traffic around the store," said Duffy.

In addition, CBS NorthStar and Toshiba enabled Bristol Farms to add more customized options to food orders, integrate third-party delivery for DoorDash, GrubHub, and UberEATS, and allow customers to pay from several different platforms.

02
Niemann Harvest Market
One Unified Platform, Significant Cost Savings

Indiana-based Neiman's Family Market, CBS NorthStar and Toshiba collaborated to develop an all-in-one comprehensive platform that streamlined various aspects of the high-end market's business by replacing separate solutions and integrations.

Implementing a comprehensive platform that merges point-of-sale functionality and back-office management allowed the grocer to access smooth data flow for heightened efficiency and precision.

"The system had to make it as easy for a customer to order a sandwich on their way home from work as it was for them to sit down for a meal and a glass of wine in the store," said Julian. "They previously had two different loyalty databases and two different sets of books, credit card batches, and deposits," said Julian.

"Moving to a more modern cloud-based infrastructure and architecture allowed the retailer to not only integrate the two systems but empowered them to manage it from anywhere in the world," said Duffy. The resulting cost savings were significant enough that the retailer could shift one staff member to another position.

03
Lucky's Markets
Self-Service Boosts Business

Plagued with employee shortages, Colorado-based Lucky's Market was challenged with long lines of customers at its ramen and sushi bars during lunch hours. Working with CBS NorthStar and Toshiba, Lucky's moved to a complete self-service model by installing three kiosks in the food service area.

"Using the kiosk, customers could even schedule a specific pickup time if they wanted to spend more time shopping the store," said Duffy. "Lucky's not only increased throughput, but by allowing guests to customize their experience, they enhanced the level of service." The system also helps managers ensure that stores always have enough items in stock and can quickly identify any issues or trends with customer orders.

Focusted on the Future

Since efficient POS platforms must adeptly address present challenges, while being prepared for future developments, technology solutions must be ready for what comes next. "We're seeing more interest in voice ordering capability," said Julian. "Capacity management is another focus for retailers interested in using ghost kitchens or other solutions to meet the needs of their customers better."

About Toshiba

Toshiba Global Commerce Solutions empowers retail to thrive and prosper through a dynamic ecosystem of smarter, more agile solutions and services that enable retailers to resiliently evolve with generations of consumers and adapt to market conditions. Supported by a global organization of devoted employees and partners, retailers gain more visibility and control over operations while enjoying the flexibility to build, store

and transform retail experiences that anticipate and fulfill consumers' ever-changing needs. Visit commerce.toshiba.com and engage with us on X, formerly known as Twitter, Facebook, LinkedIn, Instagram, and YouTube to learn more.

About CBS Northstar

CBS NorthStar provides innovative software for restaurants and hospitality businesses. Its cloud and Windows-based platform is designed to streamline operations, increase revenue, and improve the guest experience. With over two decades of experience in the industry, Custom Business Solutions is committed to providing its customers with cutting-edge technology and exceptional service. To learn more, visit www.cbsnorthstar.com.

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