

## CASE STUDY: SHOPRITE STORES



**ShopRite Stores:** Leading grocery store chain in New York and New Jersey with 27 stores and 5,000 associates.

**Challenge:** Increase sales and market share through improved customer service.

**Tactics:** Introduced Shopper Advocate position, integrated skill based training programs for all associates, created non-negotiable standards and a structured leadership development process.

**Results:** 7 percent increase in market share in one year.

ShopRite is a well-known grocery store chain in New York and New Jersey. During the 1980's the ShopRite brand dominated its market by a considerable margin. But in recent years, changing consumer tastes, increased competition, and a variety of economic pressures on the grocery industry caused ShopRite's market share to slip. "The grocery business has changed a lot in the past 20 years," said Dave Figurelli, President and Chief Operating Officer of ShopRite Stores (SRS), "and it is much harder to dominate in highly populated areas. But we still knew we could do better."

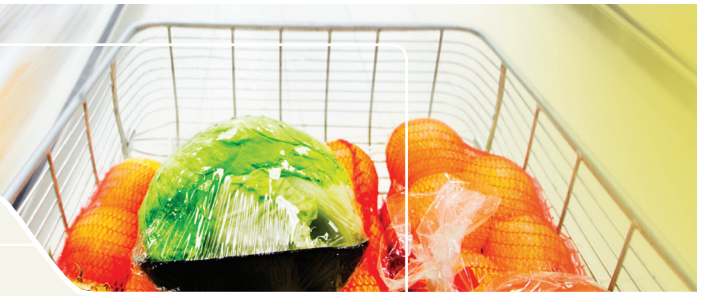
Beginning with the high-level goal of increasing market share, Figurelli targeted multiple factors negatively impacting sales. He and his management team focused on them at the same time. "In this market, you don't have the luxury of focusing on one plate at a time; you have to keep them all spinning," said Figurelli. One significant "plate" was the quality of the shopper experience. "We knew that our numbers wouldn't increase if our service remained where it was," said Figurelli. To accomplish that goal, SRS sought a partner who had expertise in strengthening shopper loyalty and a

track record of achieving measurable results. They decided on Neil Cerbone Associates (NCA) and the two companies began collaborating in October, 2007. "We were thrilled to begin working with ShopRite," said Adam Diglio, Senior Associate for NCA. "The sheer number and variety of shoppers who go through their stores every day made this an exciting project because our objective is always to prepare our clients to exceed the expectations of every single one of their customers."

### DECISION POINT®

The cornerstone of ShopRite's loyalty transformation was NCA's loyalty methodology, Decision Point. Decision Point is based on the underlying principle that every interaction with a shopper is a perishable opportunity to make an impression. Each and every impression either strengthens loyalty or deteriorates it; there is no status quo. This principle requires every associate to take individual responsibility to capture shopper loyalty one interaction at a time.

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This strategy has huge ramifications for grocery employees who have long been taught to focus operationally. Reducing shrink while maximizing sales of high margin items were considered top priorities of a well-run grocery store. The result of this mindset found many associates viewing shoppers as a distraction to their work, rather than the purpose of it. “We needed to refocus attention on the people who were shopping in our stores,” said Figurelli. “We knew we had people who wanted to do a good job and we had to redefine for them what a good job meant.”

In looking at ways to ensure that every decision is indeed based on the needs of the ShopRite shopper, the NCA team took note that there was no one in the stores whose job it was to focus on those needs. “To make the kind of impact that SRS wanted to make, they needed to focus on every aspect of the shopper experience and funnel information to the people who could make the necessary changes,” said Diglio. “We recommended the creation of a new position: Shopper Advocate.” Every store now has a Shopper Advocate whose job it is to look at every aspect of the store through the eyes of the shopper and solve any issues that might prevent an ideal shopping experience.

Of course, the Shopper Advocate role could only be effective with the support of the greater organization. So, the next step was to introduce Decision Point to all employees. To begin, Neil Cerbone Associates planned a launch event, which included multiple opportunities for associates to witness Decision Point in action. Associates were able to experience the difference between shopper interactions that strengthened loyalty and those that did not. It quickly became clear; those that deteriorated loyalty looked more familiar to them. It was an eye-opening experience.

The launch was followed by training programs designed to develop Decision Point skills in all store associates including senior management. Front end managers attended a special program focused on the unique challenges supermarket front ends face every day.

“The skills driving Decision Point are easy to learn and hard to forget. This is not about complicated skill mastery; this is about knowing how to communicate with all shoppers under all circumstances. It definitely can be learned by all associates,” said Diglio.

“We began to see changes in behavior almost immediately,” said Figurelli. “Our people learned in a way that they could act on right away. It made a significant difference.” Because the training was entirely focused on putting the shopper first, associates were able to see for themselves how to apply the skills they learned.

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“The associates started submitting ideas based on the needs of their customers from the first day. It was exhilarating to see the change in mindset,” said Diglio. That change in mindset clearly had an impact on shoppers. Within one year of implementing the training program, ShopRite Stores gained an additional 7 percent of market share.

The astounding results at ShopRite Stores certainly indicate that the Decision Point strategy pays off. Although, there is another critical factor, according to Adam Diglio: “The level of commitment from senior management at ShopRite Stores is extraordinary,” said Diglio. “They did not just ask us to design and deliver a training program and then hope for change. They have stayed involved every step of the way, carefully monitored results, worked closely with us on the details, and taking the whole thing very seriously. It made all the difference.”

