



Grocer Case Study: Newport Avenue Market

HOW NEWPORT USED ELECTRONIC SHELF LABELS TO CUT LABOR, TIME AND MONEY — AND A FEW LESS TREES

Newport Avenue Market is a single-store independent grocer in Bend, Ore. The 22,000 square foot upscale store features fresh meat and seafood, grocery, wine and beer, cheese, produce, floral, deli and bakery departments, as well as a kitchen store that “foodies” frequent for the latest cooking gadgets and technology.

For Rudy Dory, retail technology and customer service go hand-in-hand in his daily efforts to differentiate Newport Avenue Market from surrounding competition. As owner of the popular single-store location in Bend, Oregon, Dory constantly keeps watch for progressive, customer-friendly technology that will further enhance a unique shopping experience that includes quality products and services in a fun, inviting atmosphere.

With Bend’s reputation as a mecca for advanced ecological thinking, Dory also strives to create a more environmentally friendly business. That “green” commitment also translates to his in-store technology.

That’s a major reason why in May of 2007, Newport Ave. Market turned to StoreNext Retail Technologies LLC and became the first independent grocer in Oregon to install electronic shelf labels (ESLs) and eliminate reams of traditional paper labels that were previously used to indicate product prices.

The move added to the store’s growing lineup of cutting-edge technology dating back to a March 2006 installation of four U-Scan self-checkout stations from StoreNext. Combined with a Fujitsu iPad mobile technology – also from StoreNext – Newport Avenue Market introduced an efficient self-checkout solution for its customers. At the same time, Dory upgraded his point-of-sale (POS) software to ISS45, one of StoreNext’s leading POS systems designed exclusively for independent grocers and regional chains.

PAPER OR DIGITAL

Paper labels have been the standard since the first modern self-service grocery stores in the 20th century. As with many other grocers, traditional labels and the resulting labor and materials costs were a necessary evil for Newport Ave. Market.

“Our old labels were expensive, time-consuming to produce, and extremely labor-intensive,” said Jeff Grandmason, pricing co-ordinator for Newport Ave. Market. “We invested hundreds of dollars in thousands of paper labels that needed to be replaced every month. Pricing accuracy was difficult, at best, to maintain.”

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About Newport

- Headquarters: Bend, OR
- Area of Operations: Central Oregon
- Number of Locations: One family-owned store
- Focus: “Life is short. Eat good food.”





In addition, environmental conservatism played into Rudy Dory's ESL decision.

"Yes, paper labels are costly and labor intensive, but most importantly, they are so environmentally unfriendly. We believe that to stay sustainable we need to stay green. We want to cut down on our paper consumption and reduce our environmental footprint and the ESL system gives us the opportunity to do just that," said Dory.

THE RIGHT SIGN

Now with StoreNext and its Pricer® electronic shelf label system, Dory and Newport Ave. Market can instantly modify and validate item prices while eliminating virtually all the physical activity associated with the process. With the POS system electronically linked to the labels, Grandmason can easily implement price updates with immediate store-wide shelf display on the easy-to-read digital labels. Scan price inconsistencies are eliminated — along with the reams of special labeling paper, messy ink and printing equipment that's expensive to maintain.

The ESL system also can work as a product-by-product inventory display system, showing store associates stock levels, last order dates, shipment quantities and other information right at the shelf where the items are stocked. It's a feature Newport Ave. Market is considering for future use.

"Part of what made StoreNext's ESLs the natural choice for us was that we were so happy with the StoreNext technology we had already deployed," said Dory. "We've had overwhelming success with the self-checkout units, with almost 40 percent of our customer base now flowing through them. That's an eight percent increase from when we first installed them."

The ESL installation began in late May 2007 and after only a few days, the project was completed and the store was experiencing benefits.

"It was seamless," explained Grandmason. "In fact, we turned the labels on even as we were installing them in other aisles. We started on

May 20 and by Memorial Day weekend, we had them all up and running, and they performed flawlessly."

LABEL LUXURY

Dory said the positive customer response has been overwhelming, which was the icing on the cake. Shoppers commented that the ESLs are much brighter and situated at the perfect angle for easy reading. "People walk right up to us in the aisle and tell us how much easier the labels are to read and how much better informed they feel about our products," said Dory. "Our shoppers like the labels because they're new and different. That experience is part of what we're striving for with our customer service efforts."

On the operational side, price-changes are now automatic and labels for new products can be set up in seconds. Previously, multiple steps were required just to produce a label reflecting a new price, but the ESLs take one tenth the time.

"Earlier, it was difficult to guarantee that the price in the aisle was going to be the price at the scanner. It was especially hard to keep up with marking all duplicate item locations within the store," said Grandmason. "Now, no matter where the ESL or the item is located, the price change is automatic. What you see on the price tag is what you get up front. The labels also make a huge contribution to the overall greening of our company."

During the transition to ESLs, Newport Ave. Market placed laminated tags underneath the ESLs to display basic information about the product, helping customers get used to the new system.

"We went from using thousands of paper tags per month to about five hundred laminated tags that do not need to be replaced," Grandmason said. "The ESLs themselves will last us for years, saving us countless labor dollars and reams of paper."

Newport Ave. Market is located at 1121 NW Newport Avenue in Bend, Oregon. More information is available at www.newportavemarket.com.

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