

AFDO Conference

Home Delivery - Coming of Age

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Home Delivery – Is it Really New?









Like our stores, servicing the needs of our customers is an evolutionary process



Is this Service Really New?



"If we can treat people right, shopping becomes a pleasure..."

-Fred Meijer



It's all about Customer Service



Local food deliveries have been around for years

How many years do you think online grocery and home delivery have been around?

- A) Less than 5 years
- B) 5 to 10 years
- C) 10 to 20 years
- D) More than 20 Years

It's all about Customer Service



Really, home delivery for groceries has been around since the corner store, but...

Answer: Peapod pioneered the online grocery order & delivery service in the Chicago area in 1989

Home delivery is nothing new

How did we get here - Overview



- Grocery shopping was a way to connect with community
- Increased fresh high quality foods led to personal preferences
- Two wage earning households time starved balance work, family and chores
- Digital devices gain wide acceptance and ease of use
- Online ordering becomes more of the norm trusted
- Order to store and pick-up services fill-in orders

Testing the Market





September 2016

- Meijer pilots Shipt Home Delivery across 25 stores in the Detroit Market
- Set new record for memberships prior to launch with 2,000
- Created 500 new jobs

Meijer & Shipt

- \$99 Annual and \$14.99 Monthly memberships
- Access to 55,000 products across Foods, Drug & Consumables
- Same day delivery in as little as one hour

Customer Benefits



- Convenience for time-starved consumers – 2 hours/week
- You decide delivery time within 1 hour time window
- Ability to schedule deliveries
 24 hours a day 7 days a week
 in some areas
- In as little as 20 60 minutes

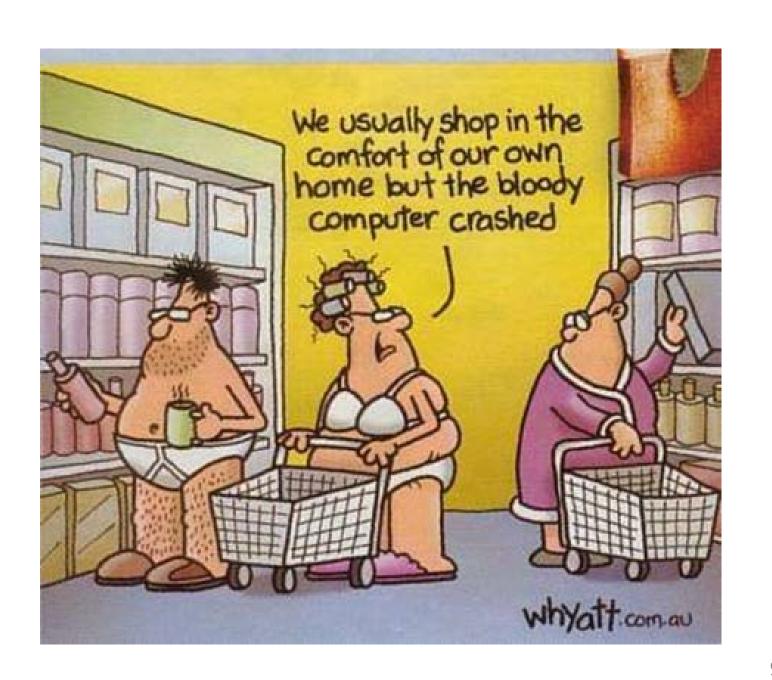


Challenges & Concerns



What happens if the internet breaks down?

Will people really forget how to shop??



It's all about Customer Service



When did you first begin shopping online for groceries and used a home delivery service?

- A) Within the past year
- B) Between 1 and 2 years
- C) Between 3 and 5 years
- D) Never, I love to go grocery shopping
- E) Never, but I might consider doing so

Food Safety Concerns to Consider



- Customers trust in their Retailer
- Shoppers are independent contractors – must be trusted
- Food safety knowledge & training of shopper: cleanliness, product knowledge, cross contamination, temperature control, etc.
- Speed of delivery from store to home
 10 20 minute Shipt target
- Insulated bags and or coolers for transport





Food Safety is Deliberate

It doesn't happen by accident

Food Safety Concerns to Consider



- Retailers need to keep their eyes wide open
- Customers are looking for convenience
- What guidelines do the service providers have in place to insure safe wholesome product?
- Outsourcing to a service is not the same as saying we have no control over the customer experience
- We're all looking to meet and exceed our customers needs



Safe Food - It's just good business



The End – Questions?