



NUTTER'S BULK & NATURAL FOODS STORE #6 Lethbridge, Alberta Customer Solution Case Study



Overview

Store: Nutter's Bulk & Natural Foods
Store #6 Lethbridge, Alberta

Retail Market: Health and Specialty
Food

Customer Profile

The Nutter's Bulk & Natural Foods store located in Lethbridge, Alberta sells a variety of bulk, natural and organic foods, including vitamins.

Business Situation

In recent years, the store has faced a change in market trends from candy and bulk foods to natural and organic foods. They have also experienced a swelling of competition from a variety of big box chains. A solution was required that would be a key tool in assisting the store realize goals, stay ahead of the competition and grow their customer base.

Solution

Owners chose Auto~Star's Star~Plus point of sale and retail management solution from certified Auto~Star reseller, Memory Lane Computers. Since switching from electronic cash registers, the business has realized sales increases and growing customer loyalty.



The Nutter's Bulk & Natural Foods store, located in Lethbridge, Alberta (Nutter's #6), carries a variety of bulk, natural and organic foods, including vitamins. The growing store has faced a variety of opportunities and challenges and owner, Victor Wetch, wanted to better track sales and stock of products, maximize margins, and promote customer loyalty to increase sales. The existing electronic cash registers in the two-lane checkout store were not offering the tools that enabled Victor to maximize results for his business.

In recent years, the store has faced a variety of challenges that Victor and his team have successfully turned into opportunities. The store has faced a shift in market demand from candy and bulk foods to natural and organic foods. "Seven years ago, candy was our number one category, now its number four," said Victor. "Today organic and natural foods are 60 to 70 percent of our business." To accommodate the market shift, Victor has focused on continuously evaluating the company's existing product line and bringing in new products. The store's existing system, however, made tracking sales and inventory time consuming and error-prone as non-bar coded items such as candy and nut trays had to be recorded manually. In addition, inventory purchase orders also had to be entered by hand.

Nutter's #6 has also experienced a swelling of competition from a variety of big box chains that includes supercenters and grocery stores with large bulk sections. In response to this challenge, they have stood apart from the competition by offering superb customer service, first-rate staff knowledge, and customer loyalty programs and discounts. Marketing programs such as Power Tuesday where customers receive a 20 percent discount on most items and Vitamin Cards where customers receive money back for purchasing vitamins are great at bringing customers into the store, but a way of tracking the success of these promotions and limiting the items on discount was needed.

After researching the market, Victor chose the Star~Plus solution through certified Auto~Star reseller, Memory Lane Computers. Since then, they have realized sales increases and growing customer loyalty, not to mention decreased training time. "Training new staff on the system went from two to three weeks to less than a day," said Victor.

Inventory & Sales Monitoring

The Star~Plus solution has offered Victor and his staff better management visibility on product sales and inventory, allowing them to stay ahead of market trends. "It has made us more aware of how inventory is moving and if products are walking out," said Victor. When items are not meeting expectations, they are replaced with better selling or new items. In addition, non-bar coded items, such as candy and nut trays are now assigned a PLU number and sales are tracked through the point of sale, saving time and offering an error-free analysis of the success of the items. With product sales tracking, the store is able to optimize which products are ordered and their quantity, to ensure shelves are properly stocked, through the use of suggested ordering.

In addition, Victor and his staff use wireless handheld devices to keep data up to date. They use the handheld units for inventory counting, price checks, shelf labels and inventory receiving. "We don't know what we would do without them," Victor commented.

Increased Sales & Maximized Margins

Since implementing the Star~Plus solution, the store has realized increased sales, "Last year, our store saw a 10.29% increase in sales...a 2% gain from the previous year," Victor referenced. He has also been able to maximize margins, particularly with products that may qualify for multiple promotions or customer discounts at the same time. In those cases, products are setup with a minimum profit margin. The customer will pay the lowest sale price, but not below the pre-established profit margin. Specific products can also be easily excluded from store-wide promotions, such as Power Tuesday, or all promotions. "It works great and saves our margin," said Victor.

"Last year, our store saw a 10.29% increase in sales...a 2% gain from the previous year."

Victor Wetch, Owner,
Nutter's Bulk & Natural Foods
Store #6 Lethbridge, Alberta

Growing Customer Loyalty & Spending

In spite of increased competition, Victor has also noted growing customer loyalty and an increase in the amount each customer spends. Customers appreciate the ability to clearly see what is rung through on the large cashier and customer display at the checkout. Marketing programs, such as Vitamin Cards, continue in popularity. Now, customers can see their savings at the bottom of the receipt, reinforcing their decision to shop at the store. The success of the Vitamin Card program is also easily tracked and Victor is able to view, at-a-glance, the dollars spent, which he reinvests into advertising dollars.

As their dynamic business continues to prosper, owner Victor Wetch is confident that he is backed by both Auto~Star and Memory Lane Computers, "They are always there to help."

Auto~Star's Star~Plus solution is designed to assist businesses in achieving efficiency and effectiveness in the health food market. For more information, please visit <http://www.auto-star.com/products-star-plus.htm>.