



Today's food shoppers expect to shop several stores instead of just one, and some of that spending is also moving online.

## Progressive Views

By Bill Bishop

# A Glimpse of Next-gen Food Stores

It's wise for food retailers to plan their forthcoming store concepts now.

**T**he next generation of food stores will operate on a whole new set of principles that will replace today's self-service model with a personalized service model that lowers retailer costs and makes it easier for each shopper to satisfy unique needs.

### Building a New Model

Here are four things that will shape what these stores will look like:

➤ **New Footprints:** Stores will be smaller, carry fewer products and be located closer to home. They will serve a broader set of everyday needs than stores of this size do today. Some will be operated by traditional food retailers, others by chain drug, convenience and dollar stores.

➤ **More Personalized Service:** Stores will offer "platforms for customer engagement" located strategically across the store. There, staff (employed by the retailer or sometimes by brands) will establish customized service relationships with customers, providing the human touch in an otherwise efficient, high-tech experience.

### ➤ Digital Connections Before, During and After Shopping:

Stores will communicate with their customers more effectively and at a much lower cost, using a variety of digital touchpoints, from e-mail to text messages to social media.

➤ **Data-driven Operations:** Assortment will be determined by combining data from scanning systems about what sells, with insight from customer feedback on what can sell. Modern inventory management will use data analysis to drive decisions about which items are stocked in the store and which are stored at a remote location, making it possible to minimize store size.

### Creating New Dynamics

Next-generation food stores will offer retailers and product suppliers alike the opportunity to come

up with different responses to what shoppers want. Expect to see big changes in these four areas:

➤ **Role Of Consumer Packaged Goods:** A lot of the duplication currently on shelves results from carrying multiple brands and varieties of a single item. Reducing assortment has sometimes proved costly for larger stores, but it's possible to do with smaller stores that are positioned differently in the minds of shoppers.

➤ **Access to Unique Items:** Today, strict shelf disciplines make it difficult for shoppers to find many unique items in food stores. Next-generation food stores will make it easy for customers to get these items, either at the store or through online ordering portals.

➤ **More Focus on Meals, Less on Ingredients:** As time becomes even scarcer, more households will seek meal solutions. Next-generation food stores will likely position popularly priced meals as a destination.

➤ **Role of Brands in the Store:** Next-generation food stores will invite brands in, on a selected basis, to play a more active role in the store and increase customer engagement without expending their own labor.

### Start Planning Now

Today's food store shoppers aren't satisfied with the traditional shopping experience. It takes them too long to find what they want, and their habits have changed for good. Now they expect to shop several stores instead of just one, and some of that spending is also moving online. This loss of sales isn't sustainable in a slow-growth economy. If you haven't yet felt these pressures in your business, it's only a matter of time until you do. Now's the time to start planning your next-generation store, or risk getting left behind. **PG**

Bill Bishop is chief architect of Barrington, Ill.-based omni-channel consultancy Brick Meets Click. He can be reached at [bill.bishop@brickmeetsclick.com](mailto:bill.bishop@brickmeetsclick.com).

