

## Editor's Note:

*The Journal* is pleased to present another article penned by an industry expert.

# To Service, or not to Service: is there really a Question?

By Ken Venell

The one constant in the Arizona grocery market is change. Whether it is the big store chains or the small independent markets, they are all competing for the same grocery dollar. But grocers never use the word dollar to describe the company's profit or success. It simply is not part of a grocer's vernacular. What you will hear is the company's market share and that they are competing for the same customer. When profits are made, the credit is given to a loyal customer base...and rightly so.

But in this competitive market, how does a grocer stay one step ahead of their competition? How do they create and maintain a solid customer base when the competitor down the street is increasing their presence on the corner with a beautiful new facade, remodeled interiors and new lower pricing initiatives?

During the 35 years of providing architectural services to local and national grocers, we have seen good store merchandising design trends repeat. In the 90's, the buzzword was to "outsource" the work. Store designs focused on the introduction of self-service departments. Where the materials are packaged at a central plant, labor is reduced and shrink minimized. The new self-service cases and prepared foods proved to be a good way to reduce costs. But with the focus on cost reducing measures, grocers lost sight of their true target....the customer.

A few years ago we helped open a new large prototype for a major grocer. The store of course incorporated the latest



Ken Venell

trends, cases and colors. The store opened with a new self-service Meat/Seafood Department. Within 4 years of opening the store, we were hired to redesign and convert the department to a full service Meat/Seafood with the latest design trend using new combination over/under service/self service cases. Just this year, we helped convert nine stores in the state from self service back to full service. Eight years earlier, these same Meat/Seafood Departments were full service and converted to self service.

Today's shopper cherry picks each store for the weekly grocery ad items that are sold at or below cost. How can a grocer survive on little to no profit? What is the secret to creating or even maintaining a loyal customer base? We have the pleasure of working with some of the very best in the grocery business. In the Arizona market, the grocer with the lowest prices usually is market share king. It's good to be king, but staying king requires a

company to be ever vigilant in its defense of the throne. Challengers arrive every Wednesday morning in the grocery ads.

So, where is the best return on the investment? Grocers should invest their time and money training employees to focus on the customer. Full service is the answer. Better yet, customer service is the true target answer. When asked about the shopping experience, your customer will not mention the stylish decor, the color of the finished floor or the music being played. What your customer will remember is the shelf price, store cleanliness and pleasant helpful employees.

As a Tempe native, Ken began his grocery career at Fry's Food Stores in 1983. During his college years, he worked at store level until he graduated from the College of Architecture. At that point he was promoted to the Facility Engineering Department at Fry's Corporate Headquarters. While at Fry's, Ken held various titles and responsibilities which included: millwork design, store planning and construction management. In 2005, he joined a local architectural firm, KDRA, and became the Kroger Company account manager. In 2008, he joined Robert Kubicek Architects and Associates, as the Grocery Division Manager. He continues to work closely with local grocers, and has expanded his knowledge in the field of medical, pharmaceutical and land planning.