

Implementing an effective fresh food markdown strategy to reduce waste and labor hours.

Stater Bros. Markets is a privately held supermarket chain, based in San Bernardino, California, consisting of 171 stores located throughout Southern California. Stater Bros. embarked on an ambitious journey to reduce their overwhelming shrink and gain a better handle on their markdowns.

With the help of InvaFresh, markdown processes were standardized and markdown best practices were implemented across their stores to save labor hours and reduce shrink.

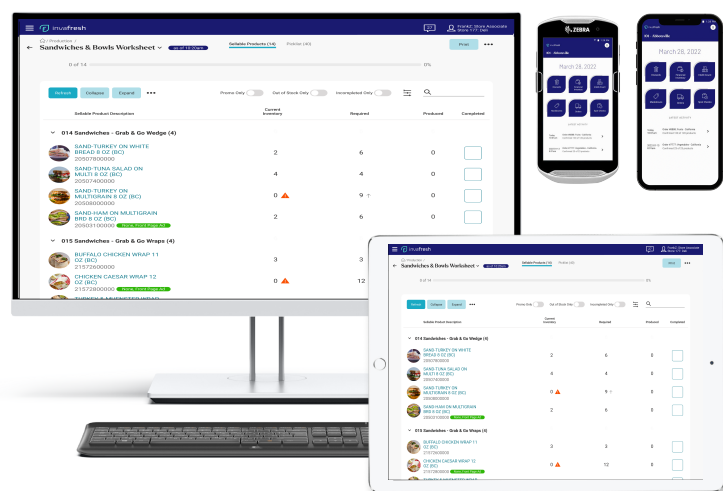
Goals

Like many supermarkets, Stater Bros. struggled with finding a markdown solution that met the challenge of simplifying the in-store markdown process, while centrally controlling which items were eligible for markdown, as well as the best markdown price point to both move product yet maximize return to their stores. They faced numerous challenges with their existing Fresh Item Management system's limited markdown controls and data analytics, as well as post implementation support. They were unable to accurately track shrink at store level, inconsistent markdown processes, a lack of visibility to products available to be marked down and too much labor spent on marking down product that was set to expire. Concerned with the unnecessary amount of shrink produced at the store-level, Stater Bros. was determined to find a technology solution to streamline their markdown processes for store associates to combat and reduce the waste being produced. They wanted a system to measure markdown effectiveness, maximize markdown margins and improve markdown security.

Solution

After carefully reviewing technology partners, Stater Bros. chose InvaFresh to take their markdown strategy to the next level. InvaFresh's robust functionality provided a complete solution to meet their needs. Stater Bros. first implemented InvaFresh's shrink tracker solution and were quickly able to evaluate shrink by department, category and item level. InvaFresh's real time scanning and reporting capabilities also made a significant impact in operations and reducing labor hours.

InvaFresh's markdown solution provided opportunities previously unavailable to store associates, merchandisers and operators. They are now able to recover margin on items that would have previously expired. With InvaFresh's powerful markdown reporting, the business could identify sweet spots on where they could move the most markdown product with the lowest reduction from the full retail price. InvaFresh's knowledgeable Customer Success team also provided guidance on the best approach to marketing, including advice on how to manage markdown sales at the POS, how to maximize fresh sales to minimize markdowns and markdown merchandising within fresh.



Results

The ease of use of the markdown manager allowed adoption to be high, resulting in a consistent chain wide approach to markdown management. Stater Bros. now have control over markdowns with central management and control, to guide store associates on which items can be marked down, and to provide consistent markdown practices across the chain. Stater Bros. leadership team is able to analyze and track the number of items that sold, at each markdown price point. Markdowns can be managed centrally and controlled through a simple interface that allows for both percentage and dollar value markdowns. Items can also be blocked from being marked down, where appropriate. Stater Bros. have been so pleased with InvaFresh's markdown manager in Fresh that they recently decided to move forward with expanding markdowns to center store by purchasing our center store markdown module. As part of this project, Stater Bros. will also be working with InvaFresh to upgrade to GS1 markdown technology to further reduce fraud, to improve the POS process for their store associates, to track tonnage, and to improve markdown accuracy and security.

Deployed in more than 25,000 grocery stores across 15 countries, InvaFresh is the industry leader of Freshology™ with its cloud-based, AI enhanced, and award-winning Fresh Retail Platform, empowering grocery retailers with omnichannel merchandising, replenishment, and sustainability and compliance. InvaFresh's technology has contributed to \$150 million annually in waste reduction and is used in \$100 million worth of transactions daily.

Be the Best in Fresh! We'd love to show you how InvaFresh Shrink Management can improve your business operations. Schedule a demo with a Freshologist™ at invafresh.com/demo.