

The Essential Guide to Omnichannel Growth for Grocers

Powered by Phononic Solutions



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The Evolution of Grocery Retail

Since the Covid pandemic, there has been a notable shift in consumer grocery shopping habits that is here to stay. This rapid change in behavior has created challenges for traditional brick-and-mortar retailers, as they work to adapt their business to meet these new customer expectations while trying to stay competitive.

Driving innovation with digital orders

Grocery consumers are increasingly shopping online, with digital growth expected to continue at 3x the rate of in-store shopping. This new and growing demand for e-commerce orders can be a shock to the system for grocers — but also creates opportunities to better manage staff utilization, improve the speed of their operations and to reimagine how to use their existing assets.

Rather than looking at digital grocery as a fad, smart grocers are embracing the change, and viewing it as a way to drive new revenue and profits moving forward.

Digital grocery expected to reach

\$250B

by 2030

Digital growth expected to be

3X

rate of in-store shopping



Optimize business with omnichannel operations

In a landscape where digital grocery is growing larger every day, consumers are looking for new levels of convenience and flexibility. With demand increasing for e-commerce fulfillment options such as curbside pickup and delivery, customers are now expecting a seamless retail experience across multiple channels.

To adapt and thrive in this new reality, grocers must find ways to incorporate omnichannel retail strategies — a consistent coordinated customer experience across all possible pathways.

Digital grocery is not a trend

75%

of consumers indicate online purchases will stay the same or grow

Provide consistent coordinated customer experience through omnichannel retail strategies



The challenges of curbside

In the midst of these changes, grocers also need to ensure that their customers remain satisfied. In a recent grocery consumer survey about e-commerce, customers reported the following areas of concern regarding curbside order fulfillment:

Awkward, time-consuming pickup experiences

Troubles with online ordering

Shoppers making unwanted substitutions

Problems with freshness & quality of food



Transitioning your business to meet omnichannel needs does not come without challenges, however.

Top concerns for grocers include:

Having adequate staff to fulfill online orders

Increased costs related to curbside or delivery fulfillment

Maintaining quality control of groceries

Achieving profitability in this new channel



Challenges & Opportunities for the Modern Grocer

This major shift in grocery shopping creates a paradox for grocery retailers. There's a real pressure to invest in these newer digital fulfillment models or risk being left behind. But on the other hand, grocers must also balance cost concerns and how to effectively create a sustainable plan for growth and profitability. Either way you look it at, sitting out is not an option. Some action must be taken.

Following are a few of the top challenges — and opportunities — that grocers are facing when trying to incorporate digital commerce to their business:

Cost concerns with digital grocery fulfillment

Adding digital grocery operations to their existing processes has become a cost problem for many grocers. In fact, the average grocer is losing \$13 per \$100 on every curbside order. Grocers are giving up valuable space for order staging that could be used for other revenue-boosting activities. If they buy new walk-in freezers or refrigerators, there's likely a huge bump in energy costs not to mention the initial capital outlay. Grocers may also incur extra labor costs – as they need additional staffing to pick, stage and transport digital orders to the curb.

Take action: It doesn't pay to do nothing

Conversely, doing nothing about digital grocery is not a good option, either. By ignoring this new way of doing business, grocers are losing customers, top-line revenue and market share to competitors who have found ways to incorporate a digital-first approach. This leaves them even further behind the curve in an industry that now demands a certain level of e-commerce engagement to remain competitive.



Operational inefficiencies can hold you back

To kick start their digital grocery business, many grocers choose to invest in more reach-in coolers to stage e-commerce orders while waiting for customer pickup. However, it soon becomes clear that reach-ins can create a bottleneck in the store's operational efficiencies. Coolers take up massive space in a store footprint, which can eat up square footage, especially when curbside demand is slower. Manning walk-in coolers also requires more time and energy from staff, who may not be thrilled about the interacting with extreme temperatures so frequently. Lastly, walk-ins use significant amounts of energy and emit large levels of greenhouse gasses, which is not an effective, cost-conscious or safe recipe for growth.

A smarter way forward: tri-temp order consolidation

Complex challenges require inventive solutions. And for digital grocery fulfillment, tri-temp order consolidation is a solution that can work on several levels to help grocers be more successful. Tri-temp consolidation uses special products and technology to store refrigerated, frozen and ambient products in the same location, which can help grocers significantly drive efficiency, reduce costs and improve customer satisfaction. No matter whether you're just getting started with curbside fulfillment or it's already a large part of your business, tri-temp consolidation can benefit everyone.

Phononic Tri-Temp Helps Build Digital Grocery Success

Delivering innovative technology, products, services and infrastructure, Phononic has developed a proprietary tri-temp order consolidation solution to help grocers find success and profitability in omnichannel retail. By reimagining how stores can respond to the digital grocery imperative, Phononic's tri-temp solution features frozen and cooled totes, carts and modular racks to help grocers scale their operations effectively, gain new efficiencies, maintain costs, cut greenhouse gas emissions, fill orders more accurately – and drive new levels of both customer and team member satisfaction.

SCALABLE

Grow as you go

To optimize costs and avoid waste, your digital order staging setup must be adaptable to dynamic market conditions. No matter how big your footprint, Phononic's tri-temp order consolidation solution can work for your space. There's no need to over-invest hundreds of thousands of dollars in reach-in solutions, when the Phononic solution can meet those needs at a fraction of the cost. Tri-temp order consolidation allows you to buy products for your current need, and expand as your business scales and grows.

CONFIGURABLE

Customized options to optimize cost

Even if your store's curbside business is growing, there will be times when your digital order volumes are lower. The Phononic tri-temp solution gives you the option to flex capacity up and down to correspond with demand. By only using the products and energy that you need to support your e-commerce business on any given day, you will be able to precisely balance your refrigerated to frozen order proportions, based on need. This unique flexibility means that you never have to power an entire reach-in cooler to house just a few orders.

AGILE

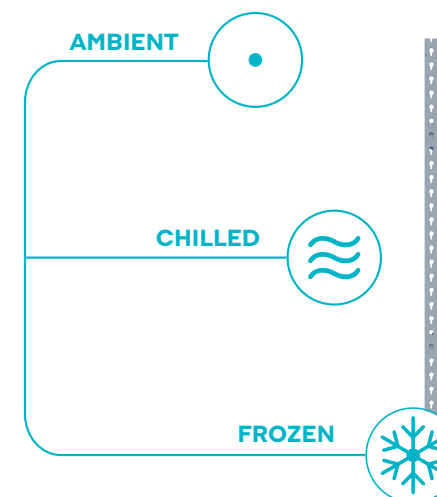
Easily shift capacity, location & use

Using Phononic's tri-temp order consolidation solution, you can quickly shift capacity, location and use-case as your cooling needs change. Phononic racks, carts and totes are modular enough to work easily within your existing store footprint, and allow you to move them as needed to meet specific and changing demands. With this unique solution, you can easily move your order consolidation space from the backroom to curbside front of store staging area in minutes.

Reimagine Omnichannel Fulfillment

Tri-temp staging and consolidation can grow your business

-  Cool only what you need
-  Save space and time
-  Eliminate toxic refrigerants



Additional Benefits of the Phononic Solution

Unlock efficiency savings

Phononic e-commerce solutions can help you drive unheard-of levels of efficiency for your business. Tri-temp order consolidation can deliver a 53% reduction in staging time and labor, and a 78% reduction in energy costs.

Improve customer satisfaction

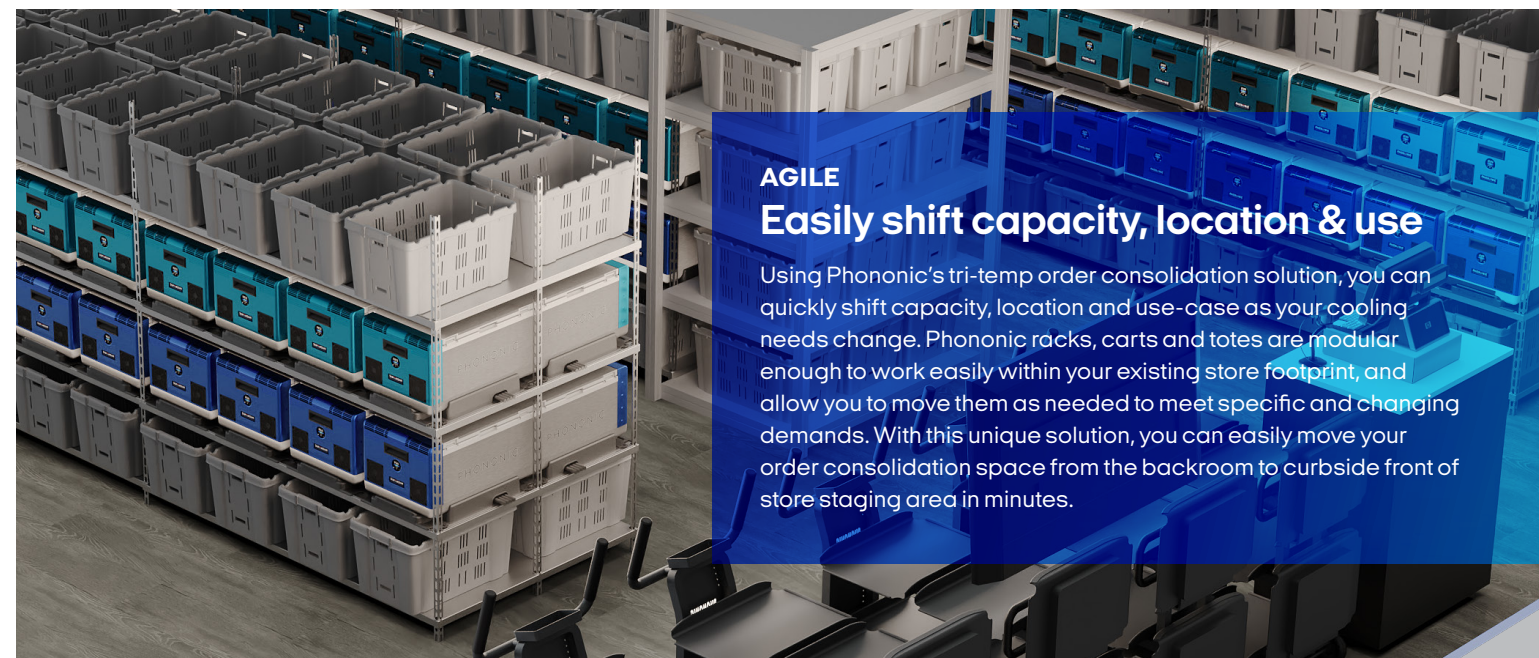
As digital grocery continues to grow in popularity with millennial shoppers, it pays to utilize a solution that delivers online orders in ways that eliminate pickup time lags and errors. Tri-temp solutions are designed to keep customer orders together, organized and correct, thereby helping to eliminate human error. Phononic products have helped grocers realize a 72% reduction in curbside delivery time.

Improve space utilization and drive \$/sq ft.

With the Phononic solution, you can save > 50% of space within your current footprint, while providing fully flexible cooling and freezing capacity that can change as needed.

Champion sustainability goals

Using walk-in coolers is not only more expensive, there's a huge environmental cost as well, as refrigerants from these devices are more than 2000x more harmful than CO₂. Phononic's highly energy-efficient technology helps grocers reduce the danger of greenhouse gases, and allows them to meet modern consumer demand for energy efficiency.





Simple

Getting started with the solution is easy. There's no need for costly build-outs, and setup takes a few hours at most. The technology is intuitive and easy to learn, making it seamless to onboard your team members and get your digital order operations up and going quickly.



Cost-effective

Upfront, the Phononic tri-temp order consolidation solution costs a fraction of alternative solutions, such as walk-in freezers. What's more, its flexibility means you only buy what you need – allowing you to right-size your investment to align with what your business demands.



Versatile

The solution also allows you to use the technology in different places at different times. Because the system is modular, you can move it throughout your footprint to accommodate cooling and staging needs on any given day.



Efficient

With lightning-fast setup and modular flexibility to move the solution wherever you need it, you can start realizing the benefits of a highly efficient, cost-saving digital order fulfillment solution right away.



Service & Support

And as a Phononic partner you will have access to our on-going service and support for life. When you implement the solution, you will receive hands-on Phononic implementation and onsite training that allows you to set up and start using the solution in your operations right away. As you continue to integrate the Phononic solution into your curbside operations, the ongoing data will serve as the basis for unlocking continuous operational improvements and efficiencies.



AMBIENT



CHILLED



FROZEN

Unlock Profitable Omnichannel Operations with Phononic

By storing refrigerated, frozen and ambient products in the same location, Phononic's proprietary tri-temp order consolidation solutions truly empower grocers to reach new levels of success in the omnichannel market.

As your digital business grows, the Phononic service portal and live support will be with you every step of the way to provide transparent communication and problem solving to any user.

Ready to reimagine your digital grocery operations?

[Schedule a demo today](#)

About Phononic: As the global leader in solid state cooling technology, Phononic is driving the world to a more sustainable way to cool. Its transformational technology reduces greenhouse gas (GhG) emissions and supports climate goals, while meeting the demanding performance needs of the market. The company's thermoelectric devices and integrated products are mission critical to how people work and communicate; automobiles 'see'; the protection and effective delivery of life-saving vaccines and drugs; last mile solutions supporting e-commerce; and innovative methods to cool living and workspaces.

Learn more at: www.phononic.com

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