

Polish Grocery Store

Presentation by Kaitlin Rouse

Grocery Store Background

Customers

- Residents of the neighborhood
- Sporting event patrons
- City residents on trade free Sundays
those who work abroad and shop
when home

Polish Trading Ban

- Trade free Sundays will increase
in numbers in the upcoming
years.
- Decreases competition from
larger supermarkets in the area.

Our Challenge

Store is currently losing profit due to a lack of rotating goods within the store and a group of goods generating significant losses.

How can the grocery store increase gross profit margin by eliminating, rotating, and/or adding specific groups of goods by at least 10% by December 2019?

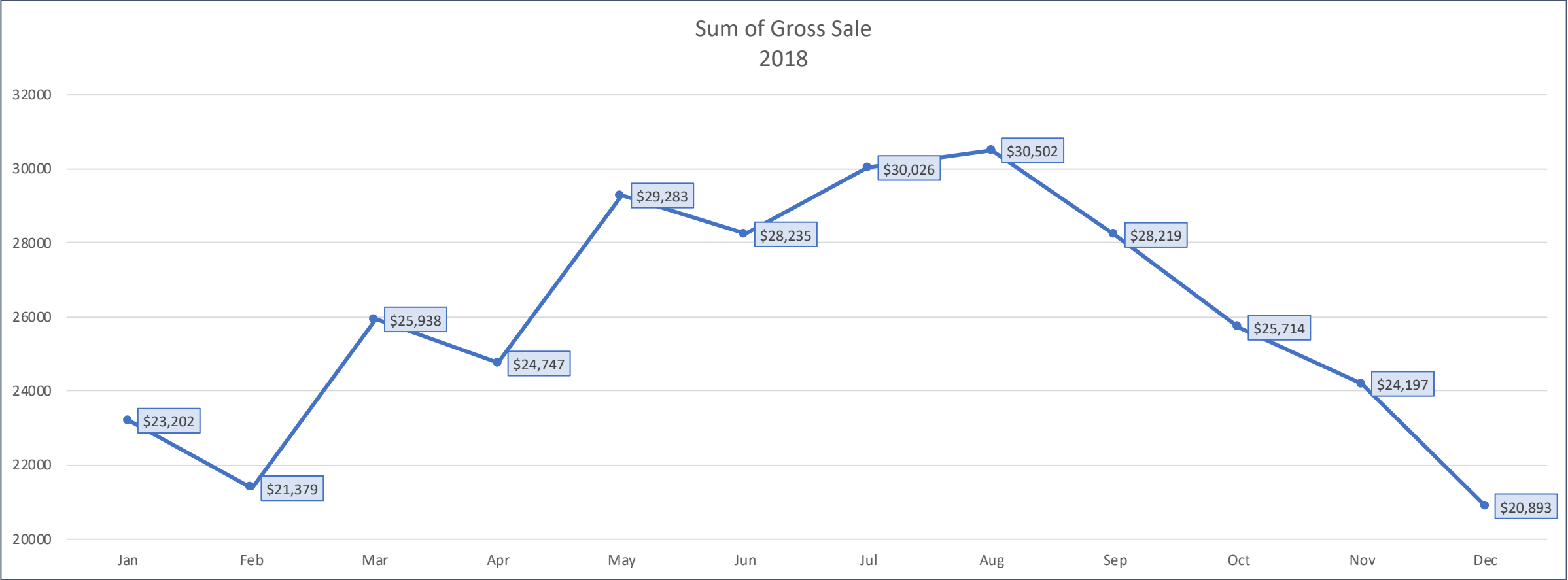
Revenue:

- Increasing number of trade days open
- Improve marketing strategies during peak seasons

Costs:

- Decreasing waste by lowering average stock left in store over time
- Removing or limiting specific items

The Grocery Store shows an significant increase in gross sales during the summer months but drops drastically starting in September.

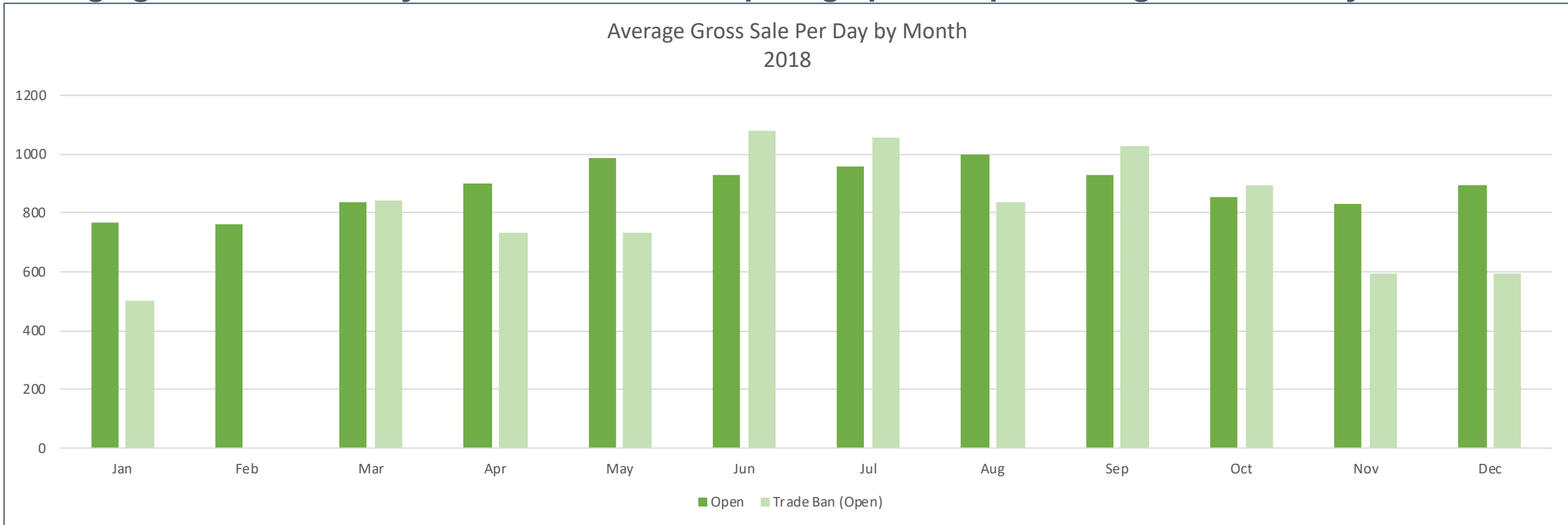


Key insights

- 1. Revenue – Revenue will improve if more trade days are utilized throughout the year, especially in the summer months. Be sure to use marketing and promotions to bring additional customers in from sporting events and trade days.
- 2. Costs – Increase stocking of perishable items (produce, meat, etc.) during summer months only. Limit stocking of packages, facial tissue, eggs, cigarettes, and phone items available in store

Revenue

There a large unused opportunity in the trade days: we are showing only a difference of \$81.57 for average gross sale for the year of 2018 when comparing open to open during trade ban days.

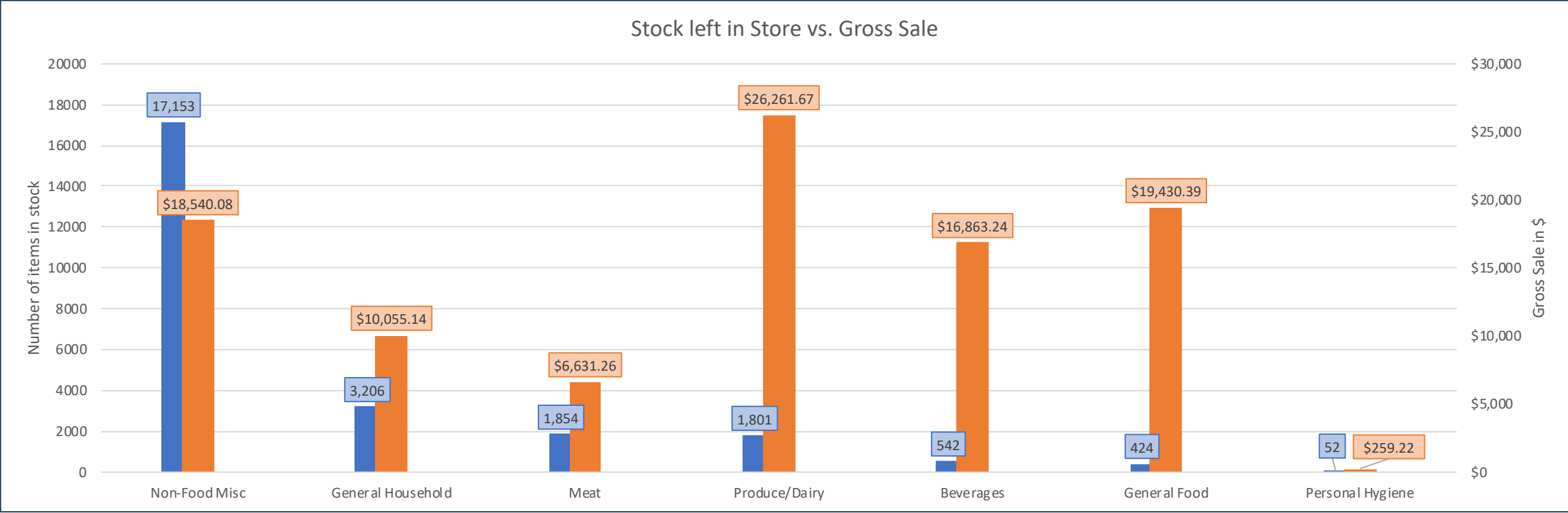


Key insights

- In the months of March, June, July, September, and October the trade days brought in more average gross sale
 - Need to be sure to take advantage of future of Trade Days in those months
- Trade days would increase from 33 days in 2018 to 47 days in 2019
 - Need to continue to be open for trade days to increase gross sales
 - Promotions/marketing improvements on trade days is advised

Costs

Product is being disposed of due to high amount of stock left in store for perishable items with potential loss of \$28,880, dependent on expiration dates, in Dairy/Produce alone.

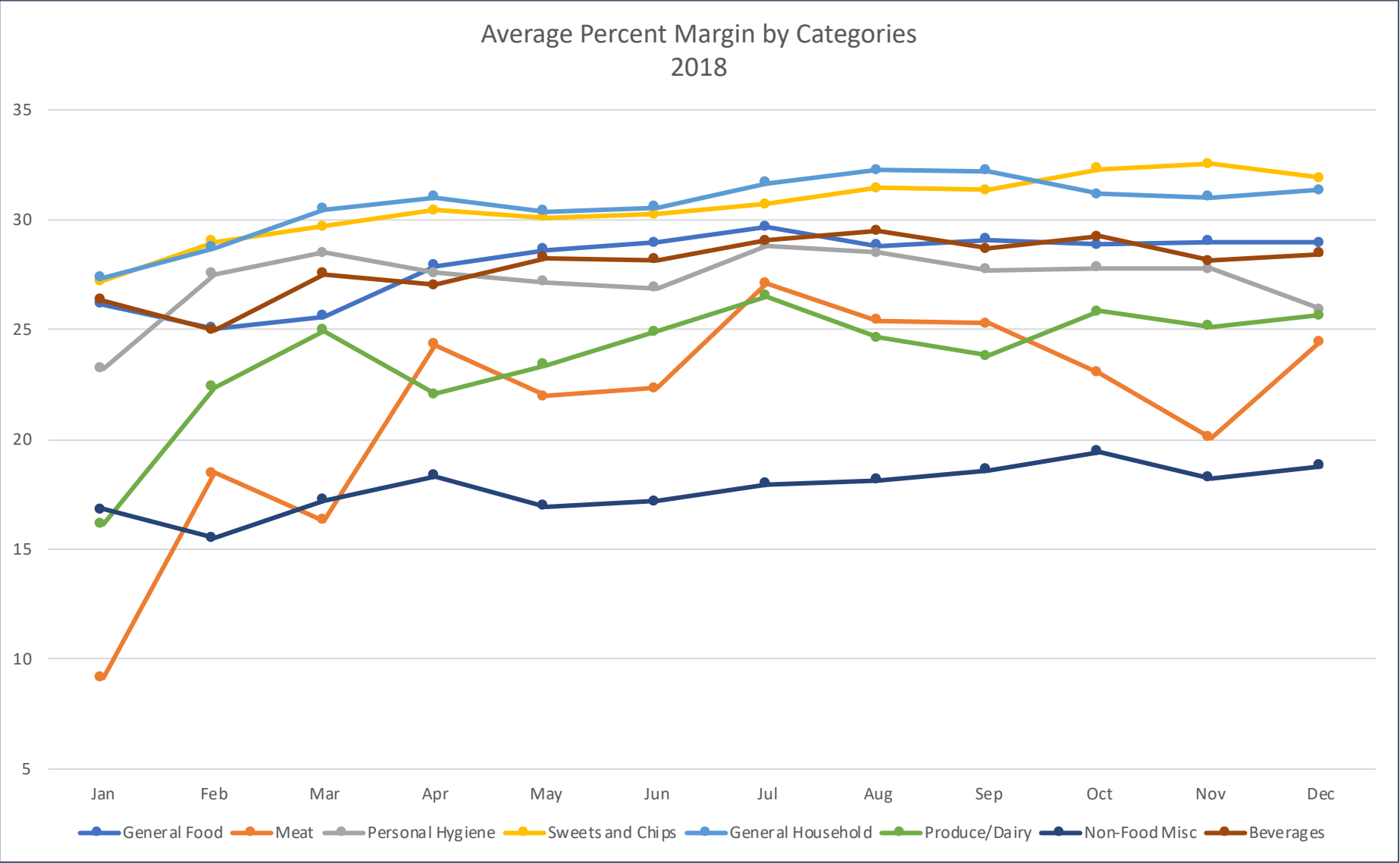


Key insights

- Items with 100+ left in stock include packages, facial tissues, pet food, and fish
 - The greatest amount of stock left in Non-food Misc. comes from packages (with 15,002 left in stock)
- Meat and Produce/Dairy items would have shortest shelf life
 - Products not purchased would need to be disposed of after expiration date or when quality is poor
 - The greatest amount of money could be lost from the Produce/Dairy category.

Profit Margin

Profit Margin increased from January to July (5%) and if adjustments are made to 3 categories overall profit margin could drastically improve.



Key insights

- Lowest Profit Margin
- Non-Food Misc., Meat, and Produce/Dairy
 - Phones, Cigarettes, meat, packages, and eggs all have less than 20% profit margin; Reduce quantities of these items
 - Low profit margin linked to products left in stock
- January showing lowest (25%) and July and August showing highest (29%) percent margin
- Meat and Produce/Dairy struggled the most in January but increased by July
 - Increase stock only in summer months

Recommendations

Increase Revenue

- Plan to be open on all available Trade Days (exception of holidays)
 - Especially summer months when increased sales occur
- Improve marketing for summer months (sporting events) and trade days

Limit Costs

- Increase stocking of perishable items during summer months only.
 - Specifically Produce/Dairy and Meat
- Limit stocking of packages, facial tissue, eggs, cigarettes, and phone items available in store