

Shop ‘N Go

**A PROPOSED PILOT OF A CLICK AND COLLECT MODEL FOR
ONLINE SHOPPING AT SHOPPERS DRUG MART**

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Executive Summary

The following proposal sets out a plan for implementing Shop ‘N Go, an innovative online retail model based on prototypes now operating in France, the United Kingdom, and the United States. In 2014 Loblaw's Inc. launched a similar program (Click&Collect®) at select grocery stores in southern Ontario. Shop ‘N Go would be the first of its kind among Canadian drugstores, and its launch at Chapman Mills Shoppers Drug Mart (SDM) would help maintain SDM's status as a trailblazer. It would also address unmet needs among area residents who are affluent, tech-savvy, and time-strapped; they are ideal candidates for pilot-testing Shop ‘N Go. Daily commuters to and from nearby residential areas also pass near Chapman Mills SDM on several main thoroughfares, and thus make an ideal secondary target audience. Too lengthy for the constraints of this proposal, a detailed situation and target analysis is appended; a summary is presented in the body of the proposal.

Chapman Mills SDM is uniquely positioned in a growing market with little competition; implementing Shop ‘N Go on a small scale could also be done for minimal cost. Infrastructure changes would only be necessary once the program grew sufficiently to warrant a free-standing pick-up kiosk. With an established webpage and a robust Shoppers Optimum loyalty card program in place, Chapman Mills SDM is looking at minor adjustments to facilitate Shop ‘N Go.

Following the two-fold purpose statement, the situation and target analyses, and pilot project description, this proposal sets out an implementation timeline, a benefits discussion, a preliminary budget, and a section on evaluation techniques. It conclusively shows how Chapman Mills SDM could launch this leading-edge online shopping model that resolves the ‘delivery bottleneck’ challenges inherent in the preceding models employed by retail giants Walmart and Amazon.com. Shop ‘N Go would allow shoppers to make convenient, timely purchases in two easy steps: 1) Shop—go online, select products, pay and designate a pick-up time; and 2) Go—drive into the SDM lot and check-in by phone to have the purchase delivered to their vehicle. Chapman Mills SDM could thus lead Canadian drugstores in the ‘future of online shopping’.

Limitations

For the purposes of this assignment:

1. Three interviews were conducted (with store owner and two staff members); in real life several more fact-gathering meetings would occur.
2. Budget figures are at best ballpark estimates; in real life, access to proprietary information and possible funding for some front-end research would lead to greater accuracy in predicted cost estimates.
3. Considerable customer profile information is gathered by Shoppers Drug Mart through its Shoppers Optimum loyalty card program. This information is proprietary and hence not available to me. Analysis of current and potential customers targeted by the proposed new retail model was therefore based on available customer data as presented in a 2013 report by the Barrhaven Business Improvement Area (BBIA).
4. After an interview on September 26, 2015 with SDM associate pharmacy owner Paul Pineo, the intended primary reader of this proposal, a detailed situation analysis was completed. Fundamental to this proposal, it is too lengthy for the constraints of this document and therefore is placed in the Appendix.

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Glossary

BBIA	The Barrhaven Business Improvement Area (BBIA) is an association of all businesses (including home-based) located in Barrhaven. It was created in 2006 for the purpose of advancing a mutual goal of growing a better community through healthy business practices and environment.
click and collect	Click and collect is a retail model/process where consumers order online (click) and collect their merchandise at a local store. It represents a compromise between online and in-store shopping (1).
Click&Collect®	Click&Collect® is Loblaw's Inc.'s implementation of the retail model/process known as click and collect for grocery shopping. It offers consumers the convenience of online shopping with the benefit of picking up their order when they are ready. Loblaw's prepares the order in advance of the consumer's specified pick-up time and brings it out to the consumer when they arrive at the store (2).
delivery bottleneck	The number one challenge to e-tailers is to deliver products promptly, efficiently, safely, directly, and in an environmentally friendly manner. With high customer expectations for immediate satisfaction, e-tailers have a host of delivery issues to overcome related to warehousing size and locations, shipping routes and schedules, packaging methods, and customer availability at the destination. These factors are collectively known as the delivery bottleneck.
e-commerce	E-commerce is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network such as the Internet. The business transactions occur either business-to-business (B2B), business-to-consumer (B2C), consumer-to-consumer (C2C), or consumer-to-business (C2B) (3).
e-tail	Retail business conducted online via the World Wide Web.
online shopping	Online shopping is a form of e-commerce where consumers buy goods or services directly from a seller over the Internet.
trade area	Trade area is the geographic area from which a community generates the majority of its customers. Usually this is the geographic area that represents 75% of current customers (4).

Staying in the Lead

This proposal recommends that Chapman Mills Shoppers Drug Mart (SDM) conduct a pilot test of Shop 'N Go, a click and collect model for online shopping at SDM, on the basis of suitability and timeliness in order to:

1. continue SDM's tradition of leading the drugstore retail field in innovative change, and
2. offer new and existing customers a quick new way to shop SDM's full range of products online and pick-up at their convenience.

Since its early beginnings as two small drugstores in Toronto in the 1940s, Shoppers Drug Mart (SDM) has been an innovative and ever-changing retailer on the Canadian drugstore scene. Founder Murray Koffler initiated the concept of pharmacist 'associates' owning and operating their own stores within a larger system and sharing profits. He also eliminated the traditional soda fountain and placed emphasis on the dispensary, requiring that pharmacists wear white smocks in order to better reflect their professionalism (5).

By the turn of the 21st century SDM had grown to over 1,200 stores across Canada and was listed on the Toronto Stock Exchange in 2001. In 2014 Loblaws Inc. purchased the chain for \$12.4 billion. SDM continued with other innovations on the drug and convenience store scene: the first large format drugstores, the increased emphasis on cosmetics through front-of-store boutiques, and the successful Shoppers Optimum rewards program among them.

The following proposal for the pilot testing of Shop 'N Go, a click and collect retail model based on Loblaws' online grocery shopping program Click&Collect®, will continue that trend. SDM would be the first drugstore chain in Canada to offer consumers the convenience of online shopping with customer pick-up at chosen SDM stores. Chapman Mills Shoppers Drug Mart located at 3151 Strandherd Drive in Barrhaven has been selected to pilot Shop 'N Go starting April, 2016.

This proposal includes an abbreviated presentation of a detailed analysis of your current market situation and the proposed audience for the pilot (Why Chapman Mills Shoppers Drug Mart?). The full analyses were compiled as a separate report appended to this proposal (Chapman Mills SDM Market Retail Study: Basis for a proposed click and collect online shopping model). This proposal also has a description of the pilot project (What is Shop 'N Go and How Would it Work?) complete with an overview of how Shop 'N Go would work (The Shop 'N Go Experience), a suggested implementation timeline (Rolling Out the Shop 'N Go Cart), a discussion of the benefits to you and your customers (What Shop 'N Go Could Do For You and Your Customers), and a budget (What Will Shop 'N Go Cost You?). The proposal then discusses how you measure the success of launching such a pilot (If Shop 'N Go is a Go, Would You Know?). Lastly, the conclusion and recommendations of this proposal are presented (Go For It!).

Why Chapman Mills Shoppers Drug Mart?

Currently, Chapman Mills SDM functions as a typical 21st century box store. It is an end unit (see Figures 1 and 2) with a square footage of approximately 21,600 square feet and is located on the southeast corner of the major Barrhaven intersection of Strandherd Drive and Woodroffe Avenue.



Figure 1 Chapman Mills SDM, view from NE



Figure 2 Chapman Mills SDM, view from N

Current Business Context

The Chapman Mills SDM is open 24 hours and offers: pharmacy, beauty boutique, dry grocery, frozen foods, refrigerated foods, and electronics (6). This SDM also offers products to care for pets, home, and garden. Additional services include: Canada Post Office, Passport Photos, and a Digital Photo Lab. This SDM also provides community health services such as flu shots and diabetes education.

A number of factors regarding your current business circumstances and context could have a bearing on the success or failure of the proposed pilot. Additionally, demographics in the trade area, other characteristics, and predictable behaviours of the potential shoppers served by your SDM could play a role. These were addressed in a report submitted October 16, 2015; it is attached as Appendix 1. The following discussion refers to the findings of a SWOC (strengths, weaknesses, opportunities, challenges) and target analysis. A quick graphic overview of the SWOC is presented in Table 1.

As the boxed summary shows, there are many positives (strengths and opportunities) concerning implementation of a click and collect shopping model at your SDM. The weaknesses and challenges are relatively few and many of those could be overcome with forethought and planning. Others could be offset by ensuring that SDM was the first drugstore to embrace the click and collect retail model, and thus lead the field in awareness and customer base-building.

Table 1 SWOC Analysis Summary

Strengths:	Weaknesses:
<ul style="list-style-type: none"> -serves large trade area -is well established, trusted -is near commuter routes -has growing population -can model after existing click & collects -has ideal stock for quick buys -has needed website in place, cash transactions are easily done -prior e-tail experience will speed customer appreciation of 'collect' feature, small/no learning curve is anticipated -Barrhaven pluses are also yours: young growing population that is mostly working, affluent, and spends lots 	<ul style="list-style-type: none"> -other drugstores abound in trade area -24-hour operation may mean more staff needed at night -may need to add a small cooler lock-up for food safety
Opportunities:	Challenges:
<ul style="list-style-type: none"> -Vimy Memorial Bridge brought more commuters -Optimum card enables easy tracking -possible info and program sharing with Loblaws owner 	<ul style="list-style-type: none"> -London Drugs' managers may modify their online model to include 'collect' and thus pre-empt -Bayshore Mall's recent 'convenience' updates to access and parking may attract busy commuters away -BBIA's economic development may attract more competing drugstores -possible staffing adjustments

Target Analysis

TRW Marketing's earlier report (see Appendix 1) also delved into the nature of the two main target audiences for the proposed Shop 'N Go: 1) your ongoing 'loyal' customers and 2) the potential new ones who would be attracted by the advantages inherent in convenient online shopping culminating in customer pick-up at a time of their choosing. The former can easily be reached with promotional material for Shop 'N Go via existing loyalty program emails. The potential new ones will have to be reached by more traditional means (flyers, radio and print advertising, local business promotions) or perhaps some creative social media communication/contests.

Implementation of Shop 'N Go on a pilot basis at this location would help maintain SDM's image as Canada's leading drugstore. It would also meet an emerging expectation among today's tech-savvy and time-strapped shoppers for a quick, convenient way to shop. A successful pilot would be expected to serve existing loyal SDM customers as well as attract new ones. Projected sales numbers are included later in this proposal.

What is Shop 'N Go and How Would it Work?

The SDM Shop 'N Go pilot will be the first Canadian drugstore implementation of the innovative retail model known as click and collect. Under the program, Shop 'N Go customers first shop online using a new Shop 'N Go portal on the existing SDM website (i.e. the 'Shop' part of Shop 'N Go). Online payment culminates with customers selecting a convenient store pick-up day and time of their choosing. Next, they drive to the SDM store at the specified time, park in the designated Shop 'N Go spot, and call to announce their arrival. SDM staff then deliver purchases to the customers in their vehicles. The customers are ready to go (i.e. the 'Go' part of Shop 'N Go).

Basing the proposed Shop 'N Go pilot program on Loblaw's year-old Click&Collect® program makes a lot of sense. Keep in mind that Loblaw's modeled their program after successful ones in Europe; in other words, there's no need to 'reinvent the wheel'. Furthermore, there may be some information sharing possible from the parent company, despite earlier indications the two entities would be kept separate with no mingling of shopper loyalty points systems or product acquisitions.

For reference, the Loblaw's Click&Collect® homepage is shown in Figure 3.

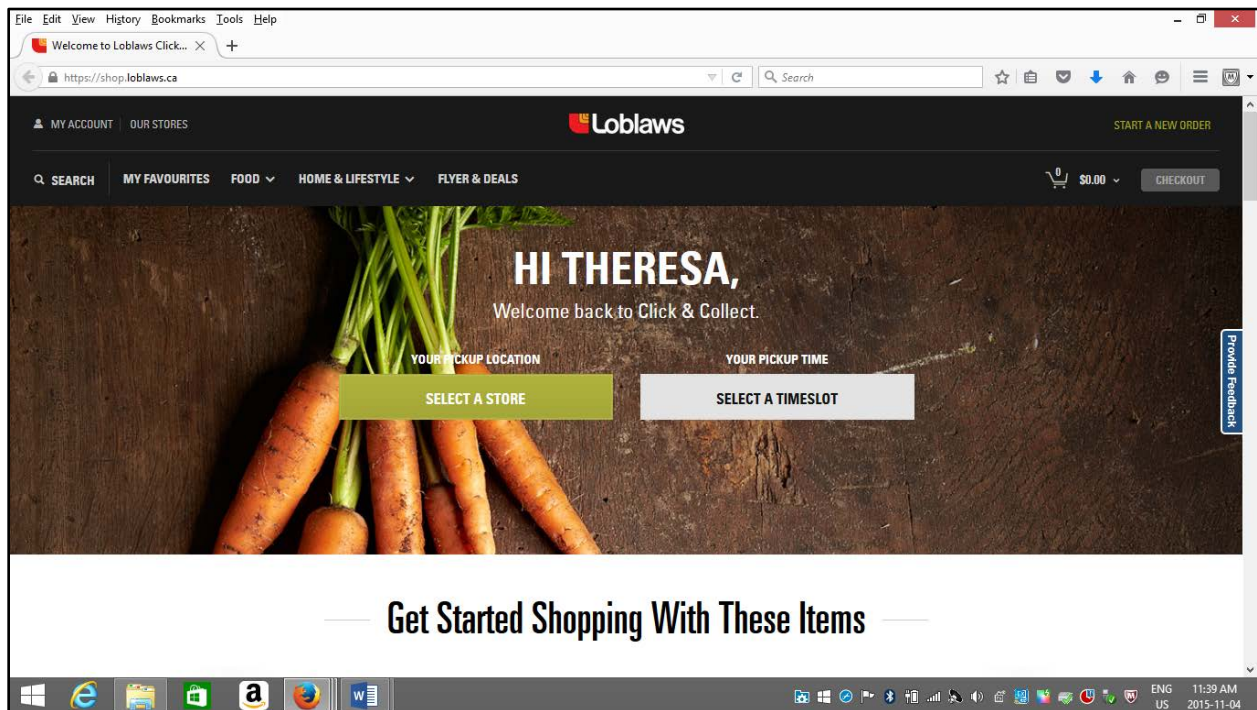


Figure 3 Loblaw's Click&Collect® homepage (7)

SDM could create a Shop 'N Go portal on the existing SDM website modeled similar to that of Loblaw's, shown in Figure 3. This would lead to a predictable shopping experience for Shop 'N Go shoppers who are already familiar with Loblaw's Click&Collect®.

The Shop ‘N Go Experience

Here’s an overview of how Shop ‘N Go would work:

1. Shoppers go online to your Chapman Mills SDM website. On the homepage they select the pull-down menu that says Shop ‘N Go.
2. They see simple instructions that spell out seven steps to follow and are asked to sign in (existing Shop ‘N Go customer) or register for an account (new Shop ‘N Go customer). They sign in or register as applicable.
3. Shoppers use the ‘Product Shop’ page to select and add products to their carts (i.e. the ‘Shop’ in ‘Shop ‘N Go’). They can view products categorized by aisle, by brand name, and by generic product name. Alternately, they can use the ‘search this site’ field.
4. When shoppers have completed their shopping, they click the ‘Checkout’ button and proceed to the checkout options.
5. Shoppers review the items in their carts and select a method of online payment.
6. Shoppers Optimum members enter their card number to earn rewards for their purchase.
7. Shoppers select a convenient time and store location to arrange pick-up, and complete their order by clicking the ‘Confirm my Order’ button.
8. Within the selected time slot, shoppers drive to the store, park in one of four designated spots, and use a smartphone to call the store to let the staff know they have arrived to pick-up their order.
9. Within minutes, the purchases are delivered to the shoppers at their vehicles by SDM staff. The shoppers are now ready to go (i.e. the ‘Go’ in ‘Shop ‘N Go’).

Rolling Out the Shop ‘N Go Cart

The proposed time for implementation of Shop ‘N Go is early in April, 2016. As shown in Table 2, an introduction would be made first to existing customers via the weekly Optimum cardholders’ promotional emails in Week One, followed by a pitch to new customers among those homeward-bound commuters heading for Barrhaven addresses or beyond two weeks later. The staggered start would allow tweaking of messaging and procedures with customers more likely to forgive start-up ‘hiccups’ and provide helpful feedback. The rollout to potential new customers could be delayed should there be any major ‘speed bumps’ instead of ‘hiccups’. Participation levels would be monitored daily, weekly, and monthly over a twelve-month trial period.

Table 2 Shop 'N Go Rollout Tasks and Timeline

Dates:	Tasks:
December, 2015 – March, 2016	-consult with Loblaws Inc.'s managers, adopt their best practices to accelerate effective rollout of Shop 'N Go pilot
December, 2015 – March, 2016	-develop graphic logo/identification, contract/recruit local art school/college -develop webpage modifications and integrate with inventory tracking database, preferably with in-house IT staff
February, 2016	-prepare/order signage for in-store and exterior
February - March, 2016	-arrange for painting of designated parking spots in lot -improvise secure lock-up/cooler near front of store
March, 2016	-train staff to collect customer purchases and deliver to customer vehicles -run trials
April, 2016 (Weeks One and Two)	-roll out to loyal customer base -monitor participation levels, tweak messaging and procedures
April, 2016 (Weeks Three and Four)	-implement small promo campaign: in-store signage, radio announcements, community newspaper ads and media approach -offer incentives to new customers for month of May -monitor participation levels, tweak messaging and procedures

What Shop 'N Go Could Do For You and Your Customers

Modeled after Loblaws' Click&Collect® program, the key features of Shop 'N Go are:

1. online shopping, and
2. pick-up at the store at a time of the customer's choosing.

The first feature reflects the growing consumer trend towards the convenience of online shopping that can be done at any time and from any place. The second feature is an improvement over the challenging 'delivery bottleneck' issue that has plagued early online e-tailers.

Ahead of the Pack with Shop 'N Go

Implementing Shop 'N Go at Chapman Mills SDM on a pilot basis would immediately reinforce SDM's reputation for being a retail leader (and thus also meet purpose statement part 1). Not only would the program attract new customers from the ever-growing drive-time crowd hurrying home from work through your community, but also from among the tech-savvy, well-paid, mostly young professionals already in the Barrhaven community. The latter would also be likely to make Shop 'N Go a habit. Your customer base and hence annual sales should increase.

Suitability and Timeliness of Shop 'N Go

As evidenced in the SWOC of Table 1, your SDM franchise is well suited for such a pilot based on several factors such as location, size, product range, staffing, and store configuration. Several

other circumstances (such as other click and collect models in existence, shoppers having some knowledge and experience with the concept, Loblaw's recent purchase of SDM, and the potential for information sharing regarding Loblaw's own Click&Collect® program) suggest that early 2016 for a launch would be most timely.

Shop 'N Go Projections

For Weeks One through Four (see Table 2), with an average of 5 to 10 shoppers per day making purchases in the \$30-\$40 range would yield about \$1,050-\$2,800 per week in revenues for your SDM. Adding 20 new customers per week in the second month could lead to revenues of \$3,450-\$6,000 per week by the end of May. As of 2013, the experience of European grocery retailers who had moved to click and collect was that within a year 5 to 10% of sales were generated by the online program (8).

Why Would Customers Love Shop 'N Go?

What Shop 'N Go would mean to your new and existing customers:

- It saves them time.
- It facilitates last minute pick-ups on the way home from work.
- It frees customers from the tedium of moving shopping carts up and down aisles in search of several items, waiting in lines, and carrying purchases out to their vehicle.
- It frees young parents from the stress of shopping with cranky toddlers or having to move sleeping babies in and out of vehicles.
- It enables those customers who are able to drive but require walkers or other aids to maneuver in and out of vehicles, in and out of glass doors, and up and down aisles with the option of avoiding such challenging experiences and remaining in their vehicles with their purchases delivered to them.

In short, Shop 'N Go is all about convenience.

What Will Shop 'N Go Cost You?

As noted in the limitations to this proposal, the following budget (see Tables 3 and 4) is based on best information available to date. Further refinements to the listed direct and indirect costs will be necessary for a successful launch in April.

As shown, the actual direct cost of piloting a click and collect online shopping model is relatively low. The initial creation of websites and brand identity can be costly, but serves a business for years. With a website in place and an on-staff webmaster, you have already addressed the customary big expenditure items. Creation of a suitable logo for your pilot project could be entrusted to your current agency of record, or if a lower cost avenue is preferred, the task could be done in-house by your current webmaster.

Table 3 Direct Costs for Shop 'N Go Pilot

Direct Expenditure Type:		Cost:
graphic design (logo, signage), contract with agency of record		\$5,000
printing costs for large outdoor signs		\$500
parking lot signage, painting		\$300
promotions		\$1,200
incentives		\$300
	Total:	\$7,300

Table 4 Indirect Costs for Shop 'N Go Pilot

Indirect Cost Type: (absorbed into existing budget)	Time Investment Required:
web page modifications	40 hours in-house webmaster time allocated
indoor small signage printed on office machines	2 hours/25 signs
staff training	20 hours to be split—5 hours for all staff orientation, additional 4 hours for shift floor managers

Time invested in orienting all staff to the program, and training those who will be program-specific, will be important to its success. This cost item should be increased according to need. The cost of promotions and incentives used to attract new customers can be quite flexible. Radio drive-time promotions are still the most effective way to reach commuter audiences in a timely manner, but social media can also be considered. These are options to be explored more fully in the weeks to come. Also for long term consideration would be the creation of a free-standing outdoor pick-up kiosk, such as the Tesco model from the UK shown in Figure 4.

**Figure 4 Tesco Outdoor Pick-up Kiosk (8)**

Free-standing kiosks are gradually becoming the norm for European online grocery retailers. Some are even considering locating these kiosks in more convenient locations such as subway depot entrances. For the initial pilot of Shop 'N Go, no infrastructure changes are required.

If Shop 'N Go is a Go, Would You Know?

Assessing the success of this proposed click and collect online shopping model is relatively straightforward. If Chapman Mills SDM is indeed the *first* Canadian drugstore to step forward with such a shopping model, then it will indeed have met the goal of maintaining its reputation as an industry leader.

Secondly, the number of repeat Shop 'N Go shoppers and the number of new customers attracted by it will indicate the success of the pilot. Your ongoing monitoring of Shoppers Optimum loyalty card data will reveal much useful information: numbers of shoppers, their frequency of visits, preferred time and day for visits, average number of items purchased, and total spent per visit.

The alternative to not piloting this program would be to maintain the status quo of in-store shopping, and thus not capitalize on your advantageous market positioning. It is only a matter of time before a Canadian drugstore jumps into the lead with this 'ultra-modern' manner of meeting customer needs. Why not you?

Go For It!

Given the many advantages of Chapman Mills SDM's current market status (as discussed in Appendix 1 and summarized in Table 1 of this report) as well as SDM's tradition of market innovations, your commitment to launching the proposed suitable and timely Shop 'N Go pilot is recommended as a priority. As outlined in the implementation and budget sections of this report ('Rolling Out the Shop 'N Go Cart' and 'What Will Shop 'N Go Cost You?') direct costs would be relatively minimal, whereas the gains could be construed as exceptional. You would be forever recognized as the *first* Canadian drugstore to boldly jump into this new arena and thus assure yourself of a place in Canadian retail history.

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Appendix 1

SWOC and Target Analyses

Chapman Mills SDM Market Retail Study:

Basis for a proposed click and collect online shopping model

Prepared for: Paul Pineo, Associate/Owner

Prepared by: TRW Marketing

Date: October 9, 2015

An innovative online shopping model—to be called Shop ‘N Go—is proposed for the Chapman Mills Shoppers Drug Mart (SDM). The following is a detailed situation and target analysis of the current business context in which this model would be introduced.

Implementation of Shop ‘N Go on a pilot basis at this location would help maintain SDM’s image as Canada’s leading drugstore. It would also meet an emerging expectation among today’s tech-savvy and time-strapped shoppers for a quick, convenient way to shop. Shop ‘N Go is modeled after a number of other similar service models introduced in France, the United Kingdom, and most recently (2014) in Canada among grocery chains (1).

A successful pilot would be expected to serve existing loyal SDM customers as well as attract new ones. Projected sales numbers will be included in the formal proposal to be submitted in November. The following analyses are provided to shed light on Chapman Mills SDM’s current retail context and the nature of loyal and potential new shoppers targeted by Shop ‘N Go.

Your current business context

Currently, Chapman Mills SDM functions as a typical 21st century box store. It is an end unit (see Figures 1 and 2) with a square footage of approximately 21,600 square feet and is located on the southeast corner of the major Barrhaven intersection of Strandherd Drive and Woodroffe Avenue.



Figure 1 Chapman Mills SDM, view from NE



Figure 2 Chapman Mills SDM, view from N

The Chapman Mills SDM is open 24 hours and offers: pharmacy, beauty boutique, dry grocery, frozen foods, refrigerated foods, and electronics (2). This SDM also offers products to care for pets, home, and garden. Additional services include: Canada Post Office, Passport Photos, and a Digital Photo Lab. This SDM also provides community health services such as flu shots and diabetes education.

A number of factors regarding your current business circumstances and context could have a bearing on the success or failure of the proposed pilot. Additionally, demographics in the trade area, other characteristics and predictable behaviours of the potential shoppers served by your SDM could play a role. These will be discussed below using a common SWOC (strengths, weaknesses, opportunities, challenges) approach, together with a target analysis.

Strengths

1. Chapman Mills SDM is one of two located on Strandherd Drive in Barrhaven (see Figure 3, red pin 2), with the nearest other SDMs located in a cluster north of Hunt Club Road, one in Kanata, and one in Manotick. It thus serves a comparatively large geographic area.

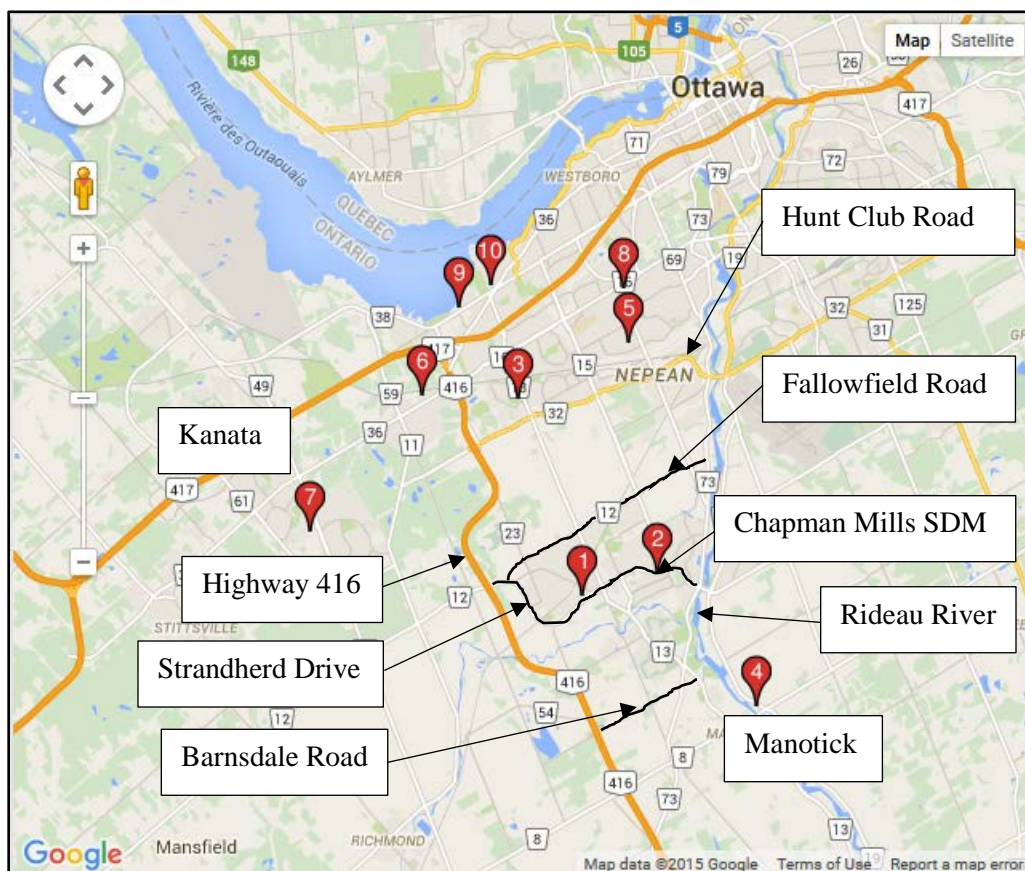


Figure 3 SDM locations in the area (3)

That area is bounded by Fallowfield Road to the north, the Rideau River to the east, Highway 416 to the west, Barnsdale Road to the south, and is referred to as your ‘trade area’ (4).

2. Chapman Mills SDM goes back about 13 years at the same location. It is thus well known and has a well-established following. Familiarity and established trust could be a factor in whether or not a shopper with no previous online shopping experience could be encouraged to order online and pick up items on a homebound trip. The trust factor is further enhanced by your well-known national drugstore chain branding and popular Life brand products.
3. Chapman Mills SDM is well situated for easy access to commuter traffic along Woodroffe Avenue and Strandherd Drive (see Figure 4). The recent completion of the Vimy Memorial Bridge (previously known as the Strandherd Bridge) was anticipated to move even more traffic through Barrhaven every day of the week and not just in prime commuter time when people are considering quick purchases for supper or other family-oriented needs.

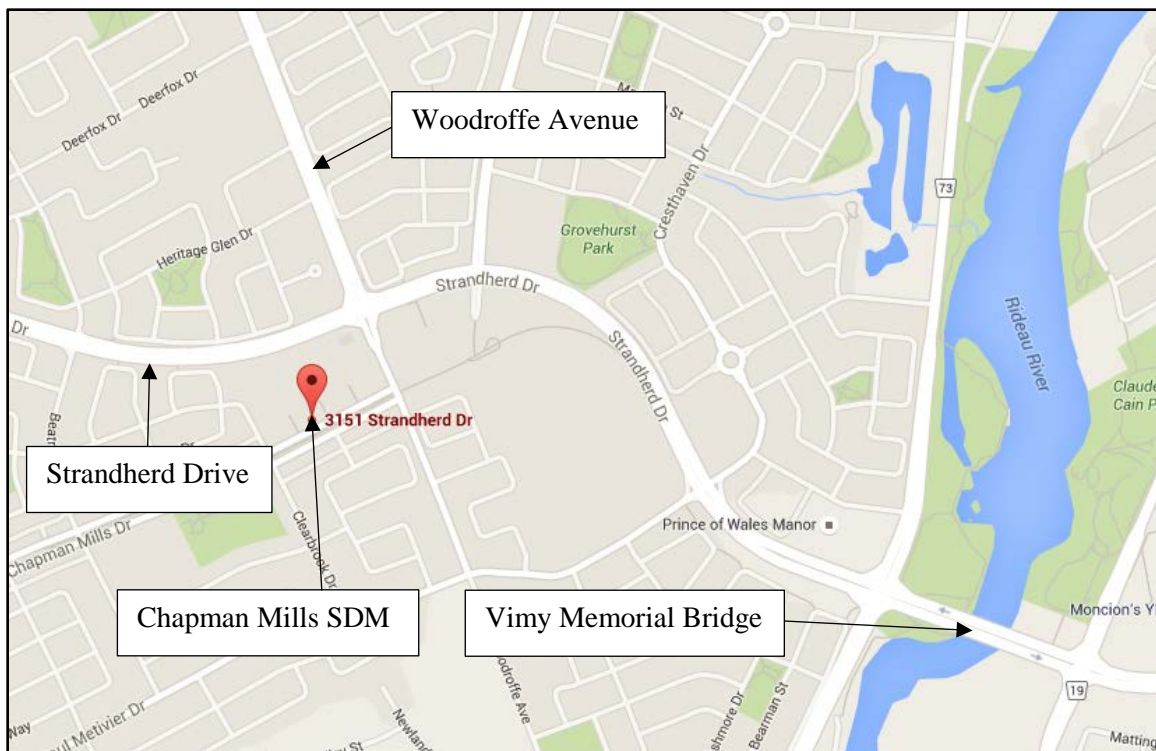


Figure 4 Chapman Mills SDM, located at intersection of major traffic routes through Barrhaven (5)

A key finding in the 2013 Barrhaven Business Improvement Area (BBIA)’s Market Retail Study was the need for fast, efficient, and convenient transportation into and out of Barrhaven in order for the community to diversify and grow (6). At that time, approximately 75% of Barrhaven’s total labour force worked outside the community.

4. Barrhaven is said to have the fastest growing population in Ottawa. As stated by (4), “Before municipal amalgamation in 2001, Barrhaven was a neighbourhood in the City of Nepean

with fewer than 35,000 people. With new developments being built, Barrhaven's population will surpass 100,000 in a few years.”

5. Click and collect shopping models already exist in France, the UK and the US (7). Not only does this mean some public awareness of their existence and perhaps interest among ‘early adopters’ and tech-savvy people (of which Ottawa has an abundance), but also the predecessors will have worked out any procedure-related problems.
6. Furthermore, groceries are proving to be a successful product for click and collect shopping models, and SDM already has developed small grocery sections with tried-and-true brands and product selections. Your store is ideally stocked for piloting such a shopping model. If a shopper wants to pick up a few items for supper on the way home from work, then could he/she not also include home & garden, beauty products, or pet supplies.
7. Chapman Mills SDM already has a store website with email access; modifications for online shopping would involve adding account creation forms, linking to a searchable product database with a shopping cart, and payment options. Because cash transactions can be done online in the click and collect model (and loyalty card points can be collected) no need for additional (portable) credit/debit card machines is foreseen.
8. Today’s consumer is familiar with online purchasing and may also have experienced the delivery bottleneck issue that remains a detriment to sellers (such as Amazon and Walmart) and purchasers alike. The click and collect model eliminates that problem with the key element of ‘collect’, wherein the shopper chooses when and where to pick up the items. Familiarity with online shopping also means no huge learning curve is anticipated and hence minimal education needs to occur in your service promotion.
9. In the BBIA Market Retail Study noted above (6), the three most relevant ‘strengths’ for shopping in Barrhaven were identified as:
 - i) its young and growing population,
 - ii) its high level of affluence and thus spending at retail and service businesses, and
 - iii) its large number of working residents.

These factors could all contribute significantly to the success of a proposed pilot click and collect shopping model at your SDM.

Weaknesses

1. People do have choices among pharmacies in your service area, and may even have a favourite. Currently Yellowpages shows eight pharmacies in Barrhaven (8). Not all are of similar size or even part of a high-recognition chain, but there could be some strong, well-established loyalties that even the convenience of a click and collect shopping model cannot unseat.
2. Chapman Mills SDM is a 24-hour store and uses reduced staff at night; you may need to increase on-duty sales staff and maybe beef up security measures, should pick-ups increase in late night hours.

3. Large grocery chains such as Loblaw's have coolers as lock-ups and some of your purchases may involve items needing a cooler. You may need to add a small cooler near the front of the store during the pilot stage. Future needs might dictate further store modifications to a larger cooler-type locker. Similarly, a separate outdoor pick-up kiosk or drive-up window could be considered in the long term.

Opportunities

1. As mentioned, the recent completion of the Vimy Memorial Bridge is bringing more commuters to nearby thoroughfares. Advertising that targets labourers returning home and wanting to pick up a few groceries or family-oriented products could prove effective in attracting new customers (6).
2. SDM has a robust tracking mechanism in its Shoppers Optimum loyalty card program. The data should be of great benefit in monitoring implementation of the proposed Shop 'N Go program.
3. With the recent purchase of SDM by Loblaw's and the fact Loblaw's was the first Canadian grocer to add the click and collect retail model to its mix in 2014 (9), there is potential for information sharing, i.e. you could learn from their experience. While initial comments by Loblaw's executives asserted the two entities will remain separate (and retain brand equity) there has been some industry speculation the purchase was done with an eye for future possibilities for drugstore dominance as well as grocery dominance in a world where click and collect shopping exceeds traditional in-store experiences (10). If this is the case, the Shoppers deal gives Loblaw's 1,100 potential pick-up points for groceries.

Challenges

1. London Drugs may be poised to launch a click and collect model as they have already moved to online shopping dependant on conventional ship-to-home delivery (11) (10). They are another large Canadian drugstore chain with established brand awareness, diverse product ranges, and large box stores. Should they beat SDM to rolling out a click and collect retail model, they may make huge market share gains, and be seen as a leader.
2. Recent renovations at Bayshore Mall to enhance all-in-one-place shopping experiences, (such as easier vehicle access and parking) may draw away some of SDM's potential customer base for a quick Shop 'N Go model, as noted in the BBIA Retail Market study (6).
3. If many of the recommendations for retail growth mentioned in the BBIA Retail Market study are implemented, Chapman Mills SDM could be facing additional drugstore competition and possible other click and collect retail outlets. The report did observe a shortage of pharmacies for the population size (6).
4. Managing and meeting the customer pick-up time choices could pose staffing challenges. Loblaw's currently provides two-hour 'windows of time' for customers to choose from. Their customers typically would be purchasing larger amounts of groceries and picking up throughout the day, whereas grocery purchases at SDM would likely be smaller in nature and done primarily in the 'drive-time' window as people return home at the end of the day. Rush hour street traffic could also mean rush hour Shop 'N Go traffic.

The foregoing SWOC analysis is summarized in Table 1.

Table 1 SWOC Analysis Summary

Strengths	Weaknesses
<ul style="list-style-type: none"> -serves large trade area -is well established, trusted -is near commuter routes -has growing population -can model after existing click & collects -has ideal stock for quick buys -has needed website in place, cash transactions are easily done -prior e-tail experience will speed customer appreciation of 'collect' feature, small/no learning curve is anticipated -Barrhaven pluses are also yours: young growing population that is mostly working, affluent, and spends lots 	<ul style="list-style-type: none"> -other drugstores abound in trade area -24-hour operation may mean more staff needed at night -may need to add a small cooler lock-up for food safety
Opportunities	Challenges
<ul style="list-style-type: none"> -Vimy Memorial Bridge brought more commuters -Optimum card enables easy tracking -possible info and program sharing with Loblaws owner 	<ul style="list-style-type: none"> -London Drugs may modify their online model to include 'collect' and thus pre-empt -Bayshore Mall's recent 'convenience' updates to access and parking may attract busy commuters away -BBIA's economic development may attract more competing drugstores -possible staffing adjustments

As the boxed summary shows, there are many positives (strengths and opportunities) concerning implementation of a click and collect shopping model at your SDM. The weaknesses and challenges are relatively few and many of those could be overcome/addressed with forethought and planning. Others could be offset by ensuring that SDM was the first drugstore to embrace the click and collect retail model, and thus lead the field in awareness and customer base-building.

Target Analysis

The proposed Shop 'N Go program would be presented to two kinds of shoppers: your ongoing 'loyal' customers and the potential new ones who would be attracted by the advantages inherent in convenient online shopping culminating in customer pick-up at a time of their choosing. The former can easily be reached with promotional material for Shop 'N Go via existing loyalty program emails. The potential new ones will have to be reached by more traditional means

(flyers, radio and print advertising, local business promotions) or perhaps some creative social media communication/contests.

The potential rewards to Chapman Mills SDM from the proposed Shop 'N Go program would be seen in numbers of new customers, increased sales, and numbers using the new service. To generate those new customers and overall sales increases, greater understanding of shopping behaviour of Barrhaven residents would be helpful.

In addition to the considerable information you already know about your loyal customer base (tracked through Shoppers Optimum cards) pertaining to gender, age, postal code, household size, frequency of visits, average purchase totals, product preferences, preferred time and day for shopping, other relevant information is available. The BBIA's Retail Market Study of 2013 provides abundant insights into the kinds of shoppers in Barrhaven and their preferred shopping practices. Here are some of the most relevant study findings:

1. Barrhaven businesses receive/generate approximately 60% of their total customers from within Barrhaven, and 20% from within western parts of Ottawa (of the remaining 20%, some 16.5% did not disclose where they lived, 1.5% live outside Ottawa, and 2% elsewhere within Ottawa).
2. Almost 9 in 10 (89.7%) of all shoppers drive to the shopping centres in Barrhaven, 6.9% walk, and only 1.0% take the bus.
3. More than 7 in 10 (71.0%) of all shoppers go shopping from home, 14.5% from work, and the rest from other origins. In other words, shopping in Barrhaven is primarily a pre-determined/pre-planned activity, and not subject to intervening opportunities.
4. Barrhaven is an affluent community, the majority of its income is generated by those residents who work outside, and its own internal economy is primarily service oriented. However, significantly more and higher-paying jobs are expected to be attracted into Barrhaven. By the year 2018, the total number of jobs in Barrhaven is estimated to almost double, from 11,000 in 2012 to 21,760.
5. On average, shoppers in Barrhaven spend \$72 each and at 1.41 businesses every time they shop.
6. Shoppers at Barrhaven businesses like: a) variety, choice, selection b) price, value and c) friendly staff/services. The top three aspects they do not like are: a) traffic congestion b) unattractive look/poor atmosphere and c) high prices.
7. It is generally agreed by urban economists and planners that an overall average annual growth rate of 1% is economically healthy. Within the trade area, the annual growth rate has been in the range of 8% to 12%, which is considered to be exceedingly high.
8. Over 8 in 10 (83.5%) of all respondents indicated that they normally shop one to three times per week. This frequency is quite high compared to the findings of similar surveys elsewhere in Ottawa.

9. Every adult at any of the shopping centres and strips in Barrhaven represents an average spending of \$51 at 1.31 businesses every time he/she is there. On weekends, each adult represents spending of \$62, and every female shopper represents an average spending of \$57 regardless of the day of the week or time of day.

Additionally, TRW Marketing notes the following two significant factors:

1. That Barrhaven is populated by many young families means often you have young moms/dads trying to squeeze in several errands—including a stop at SDM for diapers or other preferred products—and toddlers get cranky, babies fall asleep in a car seat. A click and collect shopping model wherein that stressed parent could go online (from home, parking lot, or previous errand location), place a small order, and then continue on to your store to have it delivered to the vehicle would be of great value.
2. A click and collect model would also be of value to those who are mobility challenged. They could benefit from the convenience of placing an order online and driving to your store to have it delivered to their vehicle, thus avoiding time lost to exiting and re-entering a vehicle, circumnavigating a crowded store, and waiting in rush hour line-ups.

As noted, due to the comprehensive nature of the preceding analyses of Chapman Mills SDM's current market situation and the two main target audiences, this discussion is presented as a separate report. It will be appended to the proposal for Shop 'N Go, an innovative online shopping model designed for piloting at Chapman Mills SDM.

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