Case Study

Empire Marketing Strategies Closes 25% More Out-of-Stocks and Saves Over $1M

On-Shelf Using GoSpotCheck

With help from next-generation mobile technology and a team of category experts, Empire achieves operational excellence in 2,500 Kroger stores.

EMPIRE

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About the Company

Since 1980, Empire Marketing Strategies (EMS) has consistently delivered flawless in-store execution at Kroger, the country's largest conventional supermarket chain with over $122 billion in annual sales. Empire's in-store retail teams operate exclusively in all 18 Kroger divisions across the U.S., and are dedicated to grocery, meat, seafood, deli, bakery and produce. Empire is celebrating its 40th anniversary this year, and with its beginnings in the fresh departments, the company has applied its expertise and attention to detail to its ever-growing grocery business to increase market share for some of the world's top-moving brands.

Part of what sets Empire's work apart in their call coverage for Kroger's 2,500-plus store locations is its staffing model, which deploys category experts on dedicated retail teams to service individual departments within the store. Empire retail teams ensure planogram compliance, monitor pricing, check on displays, work to identify and correct out-of-stock issues, and train and educate Kroger associates. Empire's specialized in-store work supports an impeccable customer experience and protects item-level and category erosion for the brands it serves. To ensure teams can achieve ultimate efficiency and execution while in-store, Empire's frontline is equipped with intuitive, state-of-the-art mobile technology.

"We give our brands unbeatable service and execution in some of their most strategic retail accounts. We're passionate about supporting the customer experience in a grocer that sets the bar for quality, value, and excellence."

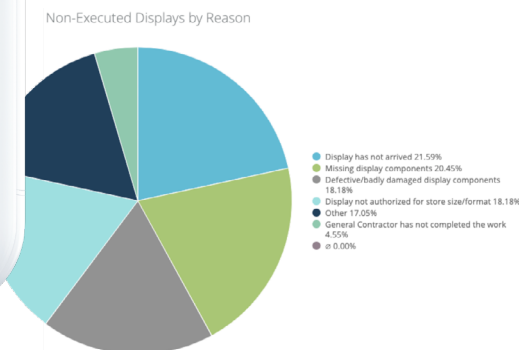– Bob Halpin, Vice President of Retail, Empire Marketing Strategies

The Challenge

Prior to implementing GoSpotCheck, Empire was already a tech-forward innovator, but needed a more flexible platform to direct its large field team on mobile. Empire's previous technology made it difficult to capture the granular data they needed quickly, and they moved to GoSpotCheck to improve reporting and increase transparency into execution. With GoSpotCheck, Empire now designs "Missions" (audits) for a specific rep at a specific store, and uses conditional logic to gain precise data tied to brand, POG, and division using GoSpotCheck's smart team and place group capabilities. "We've long-believed in putting digital tools in the hands of our frontline retail teams to make them more efficient. What we gained with GoSpotCheck was the chance to direct work dynamically and gain better insights in the process," explains Austin Scott, Retail Executions Reporting Manager at Empire Marketing Strategies.

"Today, we use conditional logic and save our teams time--we might have 100 questions on an audit, but depending on what the rep's seeing in the field, they may only need to complete 30. In our previous platform, there was no way to skip a question, and we lost efficiency. GoSpotCheck's platform helps us get the insight we need quickly and makes our reps much more efficient, and we're redirecting that labor into higher-leverage selling activities for our brands," explains Scott. Using GoSpotCheck's Insights business intelligence dashboard suite, Empire quickly identified and closed execution gaps and redirected work, based on the data flowing in from its mobile teams.

Non-Executed Displays by Reason

- Display has not arrived 21.59%
- Missing display components 20.45%
- Defective/badly damaged display components 18.18%
- Display not authorized for store size/format 18.18%
- Other 17.05%
- General Contractor has not completed the work 4.55%
- ø 0.00%

Example data only.

The Solution

With the robust capabilities of GoSpotCheck on Empire's side, the team turned its sights to refining its out-of-stock prediction and identification process. By using historical store-level data, Empire created a proprietary algorithm that feeds daily alerts into GoSpotCheck which sends corresponding Missions to individual store reps for specific stores with detailed OOS (out-of-stock) predictions. This gives reps unprecedented visibility into where to proactively look for an OOS, a method to confirm what caused the OOS, and directives to resolve the issue and get the product back on-shelf quickly.

"We cover a lot of SKUs in each of our stores, so it's crucial for our store reps to know where to look for voids," says Nathan Johnson, Director of Business Intelligence at Empire Marketing Strategies. "Unfortunately, an out-of-stock isn't always visible on the shelf, which is one of the reasons why we began searching for a solution. In a busy retail environment, tags fall off, product gets faced over or shorted from the supplier, or customers accidentally put product back in the wrong place. Our ability to spot and resolve an out-of-stock is critical for our brands, but also for the customer experience at the retailer. For a newer rep who's not familiar with how a set's planogram flows, it can be easy to miss where a product has fallen out, and now we have a proven way to identify the issue and drive quick resolution. Both the brand and the customer win."

Scott adds: "It's helped our reps be more efficient in-store, and it's improved our accuracy in identifying out-of-stocks without-a-doubt." In effect, Empire has leveled up a long-held best practice of the "track-review-act cadence" to manage out of stocks, which can only happen with data integrity, according to an analysis done by Sameer Anand and Sumit Chadha, Operations and Performance Transformation analysts specializing in consumer products, manufacturing, supply chain planning, and advanced analytics.[1]

Retailers are losing up to $1 trillion in sales annually as a result of out-of-stocks.[2]

"Some of our top customers used a different OOS process previously, but they moved to us because our accuracy and ability to close out-of-stocks was better: They had more confidence in what we were doing and saw that we were looking to add meaningful value and not sit still," says Halpin.

With powerful frontline mobile technology in the hands of its category field experts, Empire increased store-level accountability, enhanced retail rep engagement and productivity, and developed a precise process to quickly identify and close out-of-stocks -- giving their brands an exceptional edge.

Business Impact

After implementing GoSpotCheck, Empire realized a business impact almost immediately. Within the first month, Empire's survey response accuracy, data relevance, and efficiency shot way up: Store reps were delivering data faster, closing out-of-stocks more efficiently, putting up more cases for brands, and working in offline mode without interruption or data loss. "We have been able to close 25% more out of stocks with our proprietary algorithm and alert system in GoSpotCheck," says Johnson. Measuring the cost of an OOS across its top SKUs, based on the average case price per department, Empire estimates this has protected over $1M in product costs in 9 months for its brands. This benefit is multiplied when one considers the revenue and margin impact for the retailer by having product in-stock, and the long-tail of market share upside for brands when customers find what they come in to buy and avoid switching brands or banners. On average, customers encounter an out of stock every 1 in 5 trips to grocery stores across the US, according to a study by IHL Group, forcing them to choose a different brand.

"By closing 25% more out-of-stocks, we're protecting our brands and ensuring their product is there to sell. We're also supporting Kroger's mission to deliver the best customer experience possible, capture every selling opportunity, and not lose customers to competitors. In the end, the business process we've innovated ensures we're fulfilling our commitment to all our stakeholders, including the end consumer," says Halpin.

In addition to impacting top-line revenue, Empire also optimized its own labor line, reinvesting 15,762 labor hours YoY, or the equivalent of 7 FTEs, into selling and case placement activities. "For our retail reps, there's no comparison," says Scott. "The technology works with you; you don't have to work around it. There's so much more we can do today that we couldn't do 3 years ago, and our customers reap the benefit."

$1M
saved in
on-shelf value

25%
more out-of
stocks closed

15K
labor hours
reinvested

Empire Marketing Strategies & GoSpotCheck: Allies in Analytics

The granular insights produced in GoSpotCheck's platform also helped Empire managers provide better coaching to its retail reps and benchmark performance across individuals, teams, and regions, which they believe has impacted talent acquisition and retention. "Through this process, our reps gain a better understanding of how the data they collect translates to value for the customer -- and because the platform is easier to use, they're more engaged," explains Halpin.

Increased engagement has also happened at the regional level, where 20 sales leaders have been empowered to react to market conditions at the speed of retail using the GoSpotCheck platform. "Grocery is a regional business, and consumer buying patterns vary. So the more nimble you are in response to local demand, the more incremental gains you'll produce," explains Halpin. "In GoSpotCheck, we created global audits to drive standardization and consistency on our core programs, and empowered sales leaders to build regional missions to drive next-level execution on local initiatives. It's a great blend of centralization and regional autonomy that boosts the business."

"We're seeing a huge difference for our brands and internal teams because we're creating autonomy to react in-market to opportunities. At the end of the day, tapping into excellence, specialization, and empowerment is making the difference for our customers, and that's at the root of who Empire really is."

– Bob Halpin, Vice President of Retail, Empire Marketing Strategies

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From the standpoint of client retention, Empire knows analytics matter, and brands have a choice. "The analytics we have in GoSpotCheck enable us to be extremely transparent with our customers and validate their investment in us--when we report the amount of cases we're putting up and translate that to a dollar value, measure the number of OOS we've closed, and share that data with brands and retailers, they know we're not just collecting data--we're actually working the shelf, and that's where the value is for our stakeholders," shares Johnson. "GoSpotCheck's Insights suite allows us to share our data easily, and many of our brands are loading it into their own BI tools to create incredibly powerful retail reporting and benchmarking that's driving innovation and growth," reflects Johnson.

Next up on Empire's digital transformation roadmap are new innovations in scorecarding. "Many brands have retail scorecards. We're looking at new ways to evaluate what's happening in-store, get that information out to brands and retailers faster, and display it so people can digest it and take action on it. People need to operationalize data in response to real-time customer demands and conditions. We think we can drive a lot of innovation here that ultimately benefits the customer experience and our partners' bottom lines," says Johnson.

These innovations have galvanized communication and transparency between stakeholders and suppliers, explains Johnson. "We show our suppliers the work we're doing in-store

so all of our stakeholders know what's going on, when it's happening, and who's driving the results." The same goes for identifying and closing OOS issues: Since retail reps now receive daily alerts and detailed, real-time store conditions through GoSpotCheck Missions, they're properly informed on where likely OOS issues will be -- and they're better-equipped to take action to resolve the issue, whether on-the-shelf or elsewhere.

In the end, Halpin feels Empire's success stems from its deep focus on continuous improvement. "Anyone can have great technology. The key is to have great people using it. Brands work with us because they know we're not just sitting still--we're not repeating the same thing we did yesterday; we're always looking for ways to improve, and for partners who can help us do that. Investing in business intelligence and retail experts helps us keep growing and sell great products, and that's what we love doing."

Example data only.
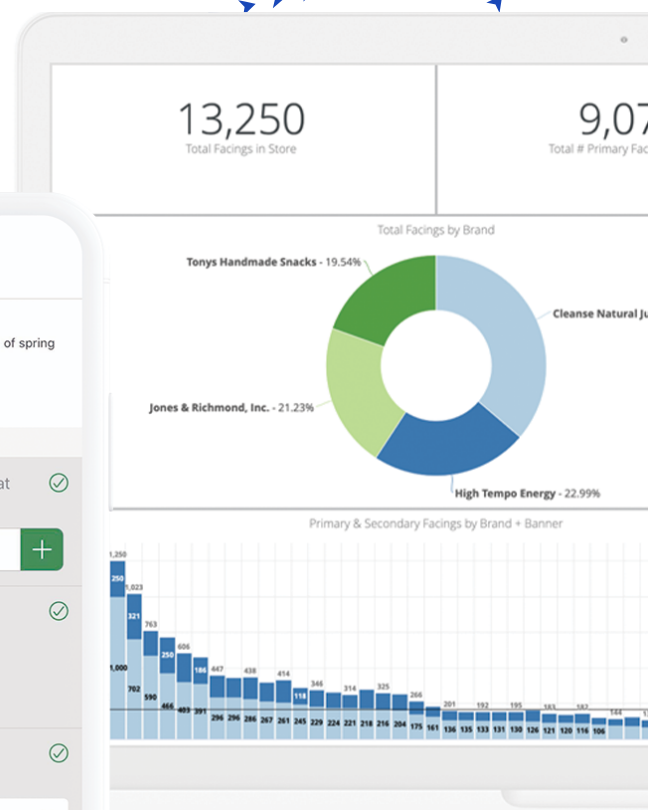
⊘ GoSpotCheck

GoSpotCheck is reimagining how tomorrow's workforce works. 225+ of the world's top brands use our software to distribute work and receive execution analytics in real-time, with a mobile app for the frontline, and an analytics dashboard for leadership.

We present the right action at the right time to the right person in the right place to improve execution and surface insights that help leader make better decisions, faster.

Enterprise brands use GoSpotCheck in 70 countries to manage the execution of field sales, marketing and merchandising, QA, asset management, competitive analysis, and training. We enable execution at scale for customers like PepsiCo, Coca-Cola, Danone, Dole, Boar's Head, Perfect Bar, Empire Marketing Strategies, JOH, Impact Group, Alliance Sales & Marketing, Dirty Handz, Panera, Red Robin, Dairy Queen, and more.

References

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