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Saladworks to focus on tech in 2018 as it opens 1st supermarket location 'to prepare for omni-channel' world

Saladworks entered the grocery channel with its first in-supermarket location at a local ShopRite "to prepare for omni-channel alternatives" as food industries begin to merge.

The suburban Philadelphia company, nearly three years since an acquisition lifted it out of Chapter 11 bankruptcy, in 2018 will focus on leveraging technology to "access new consumers" as Saladworks continues to undergo its 2015 image and growth strategy.

Conshohocken, Pa.-based Saladworks on Friday opened a 150-square-foot store-within-a-store in the ShopRite at the Penrose Plaza Shopping Center on Island Avenue.

It's a strategy to adopt to significant changes in the food industry in which disparate channels begin to merge.

"You've ordered meals to be delivered to your home, gone to restaurants to sit down, and you've picked up meals you ordered ahead," President and CEO Patrick Sugrue said. "You've gone to a grocery store and bought a pre-made meal. These are all multiple channels and they're merging."

Amazon's \$13.7 billion purchase of Whole Foods — which brought on drastic changes — will be seen as a "real significant milestone" in the merging of food.

Although traditional brick-and-mortars will still make up Saladworks' core business model, Sugrue told the Philadelphia Business Journal, the company "needed to prepare for omni-channel alternatives and take our brand where it's relevant."

"The connected commerce era has arrived," Patrick Dodd, president of global retailer vertical at Nielsen, said in a report. "Consumers are no longer shopping entirely online or offline; rather, they're taking a blended approach, using whatever channel best suits their needs."

"The most successful retailers and manufacturers will be at the intersection of the

physical and virtual worlds, leveraging technology to satisfy shoppers however, wherever and whenever they want to shop," Dodd said in the report.

E-commerce will grow, but brick-and-mortars will still dominate, the report reads. Success in retail will include an improved in-store experience that's "pleasant, efficient and relevant" while "infusing technology in the in-store experience."

This "omni" concept, or the integration of different ways of shopping, is industry wide. Even Campbell Soup Co. in Camden, N.J., is making changes to adopt; it recently hired a retail veteran who's leveraged data to understand consumer behaviors and build omni-channel capabilities for major companies Kohl's, eBay and Amazon.

Saladworks in early 2017 enacted a mandatory store redesign to bring its franchised and corporately-owned restaurants in line with a new image and growth strategy introduced in 2015.

Saladworks in mid-December 2017 upgraded the point-of-sales systems and completed exterior renovations that reflect the new branding in nearly 100 locations.

About 50 percent of the stores completed interior remodeling; the remaining locations are in the architectural drawing, permitting or construction phases, Sugrue said.

The rebrand has had an impact; Saladworks' same-store sales have been up 11 percent over the last two years, said Sugrue.

The company has been making strides to become a more "high tech, high touch" company after a 2015 acquisition that came months after the salad company filed for Chapter 11 bankruptcy protection.

Technology will be a large focus now that the visual and physical rebrand is almost complete. Saladworks in 2018 will leverage technology to access new consumers.

"[D]igital is redefining what it means to 'go' shopping, according to a report by Nielsen. "Lines between the physical and digital worlds are blurring. Shoppers are growing accustomed to the benefits of digital in other retail settings and are beginning to expect them in grocery as well."

"Savvy retailers are winning by leveraging technology to enhance the shopping experience and meet consumers' evolving desires," Nielsen's report reads

Prior to new POS systems, Saladworks used different systems from multiple manufacturers "that didn't talk" to each other.

"At its best, we could pull what top-line sales were, but there's more that needs to be understood about transactions, franchise profitability and consumer behaviors," Sugrue said.

Saladworks now uses cloud-based Gusto that records every transaction, "so we can take data and turn to it into insights."

Offering special offers or discounts enticing consumers to visit a store during traditionally slow hours is one example of using data.

Saladworks will also work on a loyalty program, an online ordering app and implement more in-store kiosks.

There are three corporate stores, and Sugrue said Saladworks will open at least seven more this year in areas like Atlanta, Texas and Greater Philadelphia.