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Grocery store trends shift to the tech-savvy shopper

By Lou Fancher



A screen kiosk in the wine and beer department allows customers to scan barcodes to see ratings and information about beverage selections.

Photo Lou Fancher

Lamorinda, despite the 10-mile commute? What general trends are driving the industry?

For people unfamiliar with 365, the value-centric stores share WFM's mission (since the company's founding in 1980) to bring healthy food to customers. Unique to the 365 markets are smaller footprints, emphasis on in-house generic 365 products and quick, in-and-out convenience. At 29,200 square feet, the Concord 365 offers a reduced floor plan with open sightlines. Unlike the Lafayette WFM, a person at the entrance can see to the back wall and each corner of the store, making it easy to navigate with purpose.

There are other highlights: a taqueria with order-at-a-screen tacos, burritos, and other items; Detroit-style pizza; a do-it-yourself taco bar; full-size produce section with weigh-it-yourself scanning scales; and most notably, partner businesses known as "Friends of 365." Richmond-based Urban Remedy, makers of plant-based packaged meals and beverages, occupies a 619 square foot space and Oregon-based Next Level Burger, with vegan burgers available at their 1,149 square feet in-store eatery.

But it's technology and self-serve options that reflect broader trends and features introduced in response to customer demand, says Senior Marketing Director Kate Neu, during a private tour. "Experiential shopping," she says, "is increasingly defined by convenience." At a screen kiosk in the wine and beer department, customers scan barcodes to see ratings and information about beverage selections. "If they don't want to find an employee but want to know more about their purchase, this makes it easy, instant," says Neu.

Community Relations Leader Paul Barron outlines reasons the 365 store might appeal to Lamorinda customers. "They already know the Whole Foods experience: they'll get the streamlined version here. It won't supersede Lafayette's WFM, but they'll jump in on the way home from work for things like the meal kits, flash finds picked by our buyers, 10 percent membership discounts, the value-added 365 brand-and here, we have a great parking lot."

Increased automation will surely result in job loss-right? Neu says Amazon's purchase of WFM stabilizes and establishes the brand as permanent in the ever-changing food retail industry. Concord 365 Team Leader Chris Tiger says the new store has approximately 90 employees. Two-thirds were new hires from the area and 70 percent of the jobs are full-time, with benefits. "We create jobs in a community," says Tiger.

At a Nov. 14 community symposium sponsored by the Moraga Chamber of Commerce at Saint Mary's College, Jay Kerner, President/CEO of U.S. Realty Partners, said retail establishments have suffered "an apocalypse." Kerner represents the regional commercial real estate operating company that owns the Rheem Shopping Center. He said, "Everyone is trying to reinvent themselves to keep up with technology, to

Retail grocery is a moving matrix. In Lamorinda, the action swings from family-owned Diablo Foods to corporate Safeways to healthy food Trader Joe's and Whole Foods Markets-now owned by Amazon-to specialty food purveyors and farmers' markets. Local residents have seen stores come and go-Moraga used to boast more than its single Safeway; Lafayette once had an Albertsons, and so on.

Obvious to experts or casual observers of the industry, constant change isn't unique to our community. Cutthroat competition everywhere means supermarkets and grocery stores operate like animated sudokus or nimble jigsaw puzzles: constantly shifting to create bottom-line solutions and complete brand images. Because brick-and-mortar businesses survive only if the numbers add up exactly-only if their perspective is near-perfect-retailers constantly evolve. To keep and attract customers in an everything-on-demand era, new technology and trends must be integrated-but always without sacrificing the mom-and-pop, user-friendly experiences customers continue to expect.

So when Amazon recently bought Whole Foods Market-and opened Dec. 6 the East Bay's first 365 Whole Foods at the Veranda shopping center in Concord-curiosity about the impact of the two moves led to a case-study examination. What are the ripple effects caused by Amazon's move? Will the value-driven slant or novelty of Northern California's first 365 store draw customers from

keep up with Amazon." Supermarkets and discounters are sectors that are surviving well, if not easily. Shopping centers with known names, like Starbucks and Whole Foods, attract new businesses that bring valuable tax revenue to communities, according to Kerner.

Which makes the recent purchase of Whole Foods Markets by Amazon an interesting maneuver. The first evidence of the purchase's impact in Lafayette were price reductions on WFM products. The next wave might be Amazon lockers. The company's self-service parcel pickup and delivery service allows consumers to retrieve or return items ordered from Amazon. "Anyone who's worried something might be stolen from their front doorstep will love the security of picking up their package and groceries in one location," says Neu.

Reach the reporter at: info@lamorindaweekly.com

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