

Monthly e-Newsletter

September 2019, Issue 53



SafeSourcing e-Newsletter

Have comments, questions, or suggestions about the SafeSourcing e-Newsletter? Let us know what you think by emailing us at the following address. We look forward to hearing from you! events@safesourcing.com

Trivia!

What is ThisFish™? www.safesourcing.com

Industry News

Marketing Convenience to the Modern Consumer

Millennial and Gen-Z Consumers

The Millennials and Gen-Z consumer's expectations are driven by technology and an on-demand culture. They have grown up with media and services driven by a touch of button. The retail concept once meant a product or experience was within a reasonable walk or drive, maybe on the way home from work. Perhaps if the need wasn't too urgent, an order could be placed online and delivery could be expected in a day or two.

Millennials prefer not to get into a car to pick something up if the cost and product availability are equal. The clear definition of "convenience" has changed. Retailers must bring their products closer to the consumer. That means fast home delivery at a good value. Where does that leave the classic convenience store retailing model? Ripe for disruption! The convenience store industry sales totaled \$616.3 billion in 2017. New and innovative services must keep up with new consumer trends. A Philadelphia-based startup, goPuff, offers delivery services in 55 markets nationwide. The app-based retailer offers 2,000 products for delivery from ice cream, beverages, snacks, pet products and even alcohol for a \$1.95 per order. GoPuff knows how to market to millennials and their mission is to bring them the products they want faster than anyone.

Jeff Fromm, WSJ, 8/27/2019

INSIDE THIS ISSUE	
1	Millenials
2	Domino's and Delivery
2	Trivia! Answer
COMING NEXT ISSUE	
Oct	Answer to our Trivial

Recent Savings Uniforms Savings were over 20% of total spend. Marketing Materials Savings were over 12% of total spend . *Please contact SafeSourcing to schedule your RISK FREE event today.

Domino's vs. Third-Party Delivery Service

Domino's Pizza has set themselves apart from other pizza companies by offering value and speedy delivery capabilities. This has enabled the company to rapidly expand their business. "But the proliferation of third-party apps over the past year is neutralizing these competitive advantages in the U.S., bringing deep discounts and more accessible delivery capabilities to the broader market, courtesy of investors willing to sustain money-losing, rapidly growing companies."

From August 2016 to August 2018, Domino's shares are down approximately 15% this past year. Management claim third-party players are pressuring the company. Domino's seems to still want to go it alone in the U.S. noting costs, quality, and safety. "To be fair, the benefit of third-party delivery for chain restaurants is still somewhat unproven, with some restaurants reporting improved in-store traffic once quitting the apps." Companies, such as Grubhub, still brag on their success with their restaurant partners, which includes Pizza Hut. Domino's is offering a loyalty program and is installing a new point-of-sale system in its stores. They are looking into self-driving cars.

Laura Formann, WSJ, 8/13/2019

QUESTIONS AND ANSWERS

Q: How can I subscribe or unsubscribe to these newsletters?

A:You can subscribe or unsubscribe to these free newsletters by simply going to our <u>website</u>, and clicking the option "e-Newsletter" or by contacting us directly at

events@safesourcing.com.

- Q: I have run events in the past, is there any chance I could be saving more?
- A: Yes. No matter when your past event ran, the team at SafeSourcing can find ways for your company to save.
- Q: I want to know more about what SafeSourcing does. Who can I talk to about this?
- A: You can contact a customer services representative by calling us at 1-888-261-9070 or by going to our <u>website</u> and trying our "Risk Free Trial" offer.

Retailers Look to go Cashier Less

Large and small retailers are looking towards artificial intelligence to track what customers put in their carts and bill them as they exit the store. AmazonGo stores launched this concept in 2018; there are currently 15 stores operating under this premise, with two more stores to launch in New York late August. Several companies that sell cashier less technology, such as Standard Cognition Inc. and Vcognition Technoloies Inc., said they are currently working with U.S. clients, but refused to name them. Sam's Club will offer A1-powered cashier less shopping at a 32,000-square-foot store in Dallas by the end of August. Retailers are realizing that this is the future and they need to invest in the technology. "Not every type of store is suited for cashier less technology. Walmart tried out a cashier less system based on scanning barcodes for about six months in more than 100 stores but discontinued it in April 2018." It proved impractical for pricing produce and other products that needed to be taken to a cashier to be weighed. Theft is also a major concern. It is designed as an honor system and some customers don't scan all of their items.

John Murawski, WSJ, 8/13/2019

Trivia: From August 2019 Issue What is SCP?

SCP stands for Supply Chain Planning, which is one of the two main elements of Supply Chain Management (SCM). This is used to assist in supply chain modeling, design, distribution, and supply network planning. This assists in the process of Supply Chain Execution (SCE) which aids to track the physical status of goods, the management of materials, and the financial information of all the parties included.

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