

Co-Shop: Willy Street Co-op's online shopping and delivery service

BY BRENDON SMITH

In early 2006 Willy Street Co-op managers began creating a system for members to order our products online and have them delivered. Our Co-Shop service also lets members order online and pick up groceries at the store as well as to shop in the actual store and have the groceries delivered.

Why we did it

We were (and still are) faced with a busy store and were looking for ways to manage our growth. This service, which a few other grocery stores in Madison, Wisc. also offer, could reduce the traffic in our parking lot and aisles a bit by taking groceries directly to members, while affording better accessibility to members who found it difficult to make it to our store. It could also increase our market share.

But creating an online store and a system to handle more frequent order fulfillment and deliveries would be a big change and a massive undertaking. We knew of only two other co-ops who have online shopping—Lakewinds Natural Foods and Wedge Community Co-op—and we benefited from their advice as we undertook our own service.

We had been delivering phoned-in orders two days per week for the previous year. “I was able to take and deliver the three or four orders each day myself, the closer ones with a bike trailer” said Becca Schill, front end manager at the time. “Most were to members who found it difficult to make it to the store, and there had been requests for this service before.” We could see the limitations of the process, though—phone orders take a long time, and it wasn't always efficient to make so few deliveries.

Because this project would involve almost every department in the co-op and had many interconnected time lines, a staff member was named project manager. Sarah Dahl helped us to iterate our goal—“Implement an e-commerce system in less than one year that increases access and use of our goods and services while highlighting the co-op's benefits without increasing stress on current retail site”—and laid out the project's timeline.

Building our virtual store

After our IT department evaluated and presented options for the site software, we settled on Zen Cart. “It is an active open source shopping cart system,” said Erik Meitner, our system administrator, “and we can modify the software to suit us. It also has no odd server software requirements.” On the negative side, “It does not handle managing large numbers of products without additional modification. So, we modified the software, and we are now in the position of being our own software developers, with no support except from the Zen Cart user community.” The majority of our IT work was to automate the import of product data from our product management software; add features that support the business model we had in mind for the project (most of these assist our staff who handle orders more efficiently); add features that we predicted our members would want that did not exist in Zen Cart; customize the “look and feel” of the site; and finally test, test, and test some more.

Making shop.willystreet.coop from scratch also meant that we had to come up with product photographs. Through some practice, we developed a method of being able to take a photo in a lightbox in an average of 25 seconds

per product, and that included pulling it from and replacing it on the shelf and assigning it a UPC or PLU. With almost 14,000 products on the site, it still took quite a while. (The photos and software used to assign UPC/PLUs are available for sale, if you get inspired by this article!)

As we got into the process, the complexities started cropping up: what about our Wellness Wednesday promotion, where we offer 10 percent off all bodycare and wellness products on the first Wednesday of the month and the store typically rings up sales higher than even holidays? How do we handle web pricing vs. shelf pricing?

We tried to keep things as simple as possible, both for administrative reasons and to make our policies relatively easy to explain. To avoid the difficulty in explaining that we wouldn't deliver on Wellness Wednesdays but on other Wednesdays, we just chose not to do any deliveries on any Wednesday. All pricing is the same between website and shelf, even promotional pricing. We currently don't have any web-only or store-only promotions.

The service had its debut on August 15, 2007 and now makes six to nine deliveries on most days. We had agreed at the outset that the purpose of Co-Shop was not profit, and that if it was serving the purposes mentioned at the beginning of the article, it was worth losing a bit of money over. Wynston Estis, assistant store manager, Operations, is now in charge of the program, and she has been working to streamline the labor involved. “We are reducing our cost of offering this service,” Estis said, “while sales have grown from near \$3,000 our whole first month to a record high of nearly \$5,000 in one week. So we think things are heading in the right direction.”

Despite ads in local publications, a newsletter article about it, and a few others mentioning it, the service took a while to catch on. Part of the issue was availability—it's only open to co-op members (although we've had a few people join with their first order). Once the weather turned nasty—bitter cold and bad driving conditions—the service picked up and hasn't decreased much, even as we move into summer.



Home page for shop.willystreet.coop

All in the delivery

Our deliveries are made by Catherine King who drives a VW van holding two coolers. Currently we offer same-day delivery if orders are placed by noon, but that has become challenging as the volume of orders has increased. We are planning to change the same-day order deadline to 8:30 a.m. to better prepare orders and handle the volume. Deliveries are made between noon and 6 p.m.; customers specify a two-hour window for delivery time. A future upgrade to our shopping cart site will automate this process.

Our fee structure for Co-Shop deliveries is:

	Distance from Store	Fee
Online Shopping and Delivery	Less than 5 miles	\$5
	5 to 10 miles	\$7.50
	Over 10 miles to edge of delivery area	\$10
Delivery Only	Less than 5 miles	\$2
	5 to 10 miles	\$4.50
	Over 10 miles to edge of delivery area	\$7

So far, customers haven't made a single negative comment about the delivery fees, and consider the service well worth the price. "I've received many, many thanks from Co-Shoppers," said King. "If the kids are sick and mom or dad can't get out, or they work from home, or people are unable to come into the store for any reason, we get overwhelming 'thank yous.'"

Because of Madison's odd geography (the downtown is on an isthmus between two lakes), travel times between drop-off points can vary greatly, and it can be challenging to chart the fastest route. It also necessitated

that the distance used to calculate the fee is as driven, not as the crow flies. We split the city into three areas based on zip codes—this made it easy for people to tell which days we delivered to them, and kept deliveries to the same side of the city each day.

"Fresh produce is the biggest area of Co-Shop sales," King said, "then our weekly/bi-weekly and member specials, with staples following. Probably 95 percent of our orders are repeat customers, with a few new Co-Shoppers who are trying out the service sprinkled into the mix. Regular Co-Shoppers drop in and out with the university semesters or for vacations." The high percentage of repeat customers has spurred the creation of a module (soon to debut) to make it easy to save an order so that the same products can be ordered in the future without shopping for each one again.

Thinking big

We are working on better integrating our catering, wholesale, and Co-Shop delivery systems so that we have more flexibility. Growing the catering and wholesale components of our business were other ways we were trying to manage growth and get the most out of our production kitchen. This facility, separate from our store, was built to provide most prepared foods—deli, bakery, catering orders, dips and spreads, and more—for at least two stores. (See "Willy Street Co-op Triples Production pace at New Off-Site Kitchen," in *CG* #118, May-June 2005.) As the catering and Co-Shop in particular have grown, it has become more challenging to schedule deliveries. We will be promoting the "We Shop, You Pick Up" option to address this challenge while continuing to grow the program.

Although there are still some kinks to work out, Estis is confident the Co-Shop will fulfill its potential. "Our original sales goal with Co-Shop was to add a 'lane' of sales bringing in \$2 million," she pointed out. "We always thought big about this program. And we'll get there." ■

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