



WINIFRED GROCERY

Since 1913

Winifred Grocery Newsletter March 2011 Survey Results

We are really excited by the response we got to the March survey. We received 45 responses, and each of them provided us insights that will help us make the store a better place for Winifred.

Each question from the survey is shown below, along with the results for each question. We added our comments and observations after each question, where applicable.

- 1. How much do you spend on groceries each month?**

a. \$99 or less	2%
b. \$100 to \$200	24%
c. \$201 to \$400	58%
d. More than \$400	16%

- 2. What percentage of your grocery shopping do you do at Winifred Grocery?**

a. None	0%
b. 1% to 33%	68%
c. 34% to 67%	23%
d. 68% to 100%	9%

WG Observation: This confirms what we had long suspected—a relatively low number of people in Winifred use the store as their primary source of groceries. This tells us that we need to keep working hard to earn this additional business. With the insights gained from this survey, in addition to all of the feedback we hope to get from each of you on an ongoing basis, we're confident we'll be able to make a lot of progress.

3. To the extent you shop elsewhere for your grocery needs, what factors drive those decisions?

We aren't including each individual response for any essay question (as many of the responses were written in a way that made it clear that it was for our eyes only), but we will instead summarize the trends we saw in each of the essay questions.

For this question, most of the responses dealt with prices, variety, the lack of ability to buy in bulk, and that many people are simply in the habit of doing their grocery shopping in Lewistown. We also received a comment, that we take very seriously, that the store isn't child friendly and that it's hard to keep the kids from getting into the candy.

WG Observations: We will address each concern individually:

Prices: We feel like we've really addressed this concern in a huge way in last couple months, so we hope our efforts are addressing these concerns. We evaluated our entire inventory and adjusted each of our prices to make sure that almost every one of our grocery items is priced at or below what Albertsons charges for the same products. So in terms of regular prices, we are not only competitive, but we beat Albertsons head to head. Where Albertsons did have a leg up on us was on their sales. However, in the recent weeks, we have implemented a new policy of regular sales. So between our "everyday low prices" and our new regular sales (which will rotate every two weeks – look for the flyers!), we think we're putting up one heckuva fight against Albertsons on price.

Variety: Obviously, this is an area that we will never be able to compete well against Albertsons, due to the fact that our customer base is so small. However, if there are products you want to see that we don't have, we will do what we can to add it to our shelves. It is our goal to keep expanding our variety until we are able to satisfy a vast majority of your grocery shopping needs. There will always be specific items that you will have to seek out a big box store to find, but we certainly appreciate when people in Winifred do the bulk of their grocery shopping with us.

Buying bulk: We have this one completely covered. As we announced in our March mailer, we are now offering 20% case discounts on the roughly 20,000 different products we can order from our distributors. So if you have any bulk buying needs, or even a full list of them, just let us know what you are looking for, and we will provide you with excellent prices on a HUGE variety of products. And the best part? You don't have to spend all of the time, energy and gas money to make the 300 mile drive to a big box retailer.

Kid friendly: Since we all have experience with kids in the store as well, we definitely took notice of this criticism, and we want to address it the best we can. Creating an environment where everyone in the community feels comfortable with their families is certainly a high priority for us.

Part of the problem may well be the new counter design, where the candy display is at a kid's eye levels. We learned this first-hand when Kai discovered the M&Ms and proceeded to decorate the store in candy packages.

We want to stress that the counter design wasn't done in an effort to get "impulse sales" from crying children. In fact, we feel bad about that appearance. The motivation for that counter design was to replace the candy shelf space that was being displaced by the creation of the kitchen, and building those shelves into the front of the counter was the most effective way for us to expand the kitchen without losing shelf space.

To partially minimize the problems this candy display is causing people, we are going to scale back our candy display considerably and replace it with healthy snacks and other non-candy items (this will likely happen in June). We will also continue to try to think of ways to make the store more kid-friendly. If you have any suggestions, we would love to hear them!

4. What changes would you like to see in our deli/bakery operations?

We receive many great suggestions for additional products people would like to see, in addition to some suggestions for making small changes to our existing products. Thank you!

WG Observation: Now that we have all of these new ideas, it will be our challenge to determine whether we can add these products in an efficient way and if there will be enough demand to justify the different new products. We will be working on this over the rest of this year.

5. What changes would you like to see in our coffee service?

Like the bakery, we received many great suggestions, and we will work to see if we can effectively implement them.

6. If we changed our coffee from our current brand (Vittoria) to Starbucks, how would this impact you?

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|---|-----|
| a. It would not impact me. | 81% |
| b. It would make me buy slightly more coffee at Winifred Grocery. | 11% |
| c. It would make me buy a lot more coffee at Winifred Grocery. | 3% |
| d. It would make me buy less coffee at Winifred Grocery. | 6% |

WG Observation: It doesn't appear that changing to Starbucks would have a huge impact on the demand for our coffee service.

7. How much do you spend on bulk beer purchases each month, on average?

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|-------------------|-----|
| a. None | 18% |
| b. \$1 to \$30 | 50% |
| c. \$31 to \$60 | 25% |
| d. More than \$60 | 8% |

WG Observation: Based on this survey, of the people who didn't answer "none" (we removed the "none" surveys from the remaining beer questions so the results would not be skewed by people who aren't in the market for beer), it appears that respondents spend, on average, about \$30 per month on bulk beer purchases.

8. What percentage of your current bulk beer purchases are made at one of the Winifred bars?

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|--|-----|
| a. None (excluded everyone who answered "none" for #7 above) | 42% |
| b. 1% to 33% | 36% |
| c. 34% to 66% | 15% |
| d. 67% to 100% | 6% |

WG Observation: This survey result tell us that, of all of the beer purchases made by people in the Winifred community, only about 17% of it is currently being purchased at one of the Winifred bars. All the rest of it is currently being purchased in Lewistown or elsewhere. That means that 83% of the money spent on beer by the Winifred community is being lost by the Winifred economy entirely.

9. If Winifred Grocery started selling beer, how much of your beer purchases would you do at Winifred Grocery?

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|--|-----|
| a. None (excluded everyone who answered “none” for #7 above) | 6% |
| b. 1% to 33% | 39% |
| c. 34% to 66% | 18% |
| d. 67% to 100% | 36% |

WG Observation: This survey result suggests that, if Winifred Grocery were to start selling beer, the Winifred economy would retain approximately 40% more of the beer spending of the Winifred community as compared to the current levels. Based on the \$30 per beer-buying family figure from above and estimating that there about roughly 70 households in the Winifred community that buy beer, that works out to roughly \$10,000 of business that could be kept in the Winifred economy each year (going to pay salaries for Winifred people and funding donations to Winifred organizations and cycling back through the Winifred economy many times) that is currently spent outside of Winifred.

10. As the topic of beer sales is one that seems to hold a lot of strong opinions, please let us know your thoughts on the issue here.

Again, we aren’t going to provide the detailed comments, as many of them are quite pointed and were for our eyes only, but we will summarize them into these three general categories:

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|--|--------------|
| a. Winifred Grocery should start selling beer. | 24 responses |
| b. Winifred Grocery should not sell beer. | 2 responses |
| c. Other responses (not expressing a strong preference either way) | 5 responses |

WG Observation: The responses told us that people in Winifred overwhelmingly want the store to sell beer. Of the respondents who expressed a strong preference, 92% were of the opinion that Winifred Grocery should sell beer.

11. Do you think Winifred Grocery should expand its meat selection? If so, what cuts and varieties of meat would you like to see added to our inventory?

All but two respondents thoughts it would be positive for the store to expand its meat selection, and each of those who answered yes gave us some great suggestions for specific meat selections to focus on.

WG Observation: We have already started to expand our meat selection, and will use the results of this survey to continue to experiment with new meat offerings. Keep an eye on our future flyers!

12. What grocery products would you like to have available at Winifred Grocery that we currently don’t carry?

We received numerous excellent suggestions that we will look into and perhaps begin carrying. One trend that came through strong in this question was a need for more healthy foods and weight loss items.

WG Response: We are definitely focused on providing more healthy foods options, and have been working to expand our produce and healthy raw food availability. This emphasis will continue as we

try to identify ways to increase the healthfulness of our inventory. In addition, as noted earlier, we are going to pare back the candy selection we have as we try to increase our healthy snack food options. Of course, this will be a waste of our money if nobody buys it, so we're hoping to see a good response to these changes when they come. Finally, we are looking into carrying more low fat and weight loss food options, including Weight Watchers brand foods and other similar products. Again, if these don't sell, we will have to quit carrying them. Look for future announcements in our flyers about new healthy food options, and please feel free to make specific requests at any time. We're always hoping to learn more about what our customers want (and, more specifically, what they want to buy at Winifred Grocery), so your input is always welcome!

13. Are there any services or non-grocery items that you think Winifred needs that we should consider adding to what we do at Winifred Grocery?

We received a wide variety of great responses to this question, including requests for us to carry beer and wine coolers, Winifred-centric gift items, and others.

WG response: We also received some requests for items that we currently do carry, but we haven't done a good enough job in the past making that known. We do currently carry movies (we have a full display next to the beverage coolers). We also do have small shopping baskets (by the front door) and large push-type shopping carts (they are often in the back of the store, but please don't hesitate to go into the back room of the store to grab one—we definitely encourage people to use them).

14. To the extent that you do grocery shopping elsewhere, what improvements would it take from Winifred Grocery to earn your grocery shopping business?

There were a wealth of suggestions from this question, and we certainly appreciate the feedback. A lot of the suggestions were redundant, so we will just list representative comments and respond to each.

- Lower prices/set prices in line with other grocery stores

WG response: This has been a huge focus for us, and we are proud to be able to say that our prices are now not only in line with other grocery stores (Albertsons, most notably), but they are, on average, lower than Albertsons. In addition, we are now rolling our regular sales to allow you to stretch your shopping dollars even further. We firmly believe that we have eliminated “prices” as a reason for anyone to shop outside of Winifred.

- Bulk items/cases at affordable prices

WG response: We are now offering case discounts of 20% on the huge selection of items we have in our catalogs. By doing this, we are providing better deals than anything offered in Lewistown and are competitive with what you would get by driving 300 miles to Great Falls or Billings. Keep an eye on our future flyers for updated information as we continue to improve our case order policies and work to make it even easier for you to save a lot of money by making your bulk grocery purchases locally.

- Increase product variety

WG response: This, of course, will always be a challenge for us. Far too often, we expand our selection by adding new products, and then those products sit on the shelves until they expire, and we have to throw them away. So as we expand our product offerings, we need to do so carefully.

However, we are going to be more proactive in the future about letting everyone know when we introduce a new product (as there may have been many instances where shoppers didn't even know we had added a product they may have wanted to purchase). We also hope that by working to make all of the changes and improvements we are making, that more people will do their grocery shopping with us, which will make it possible for us to expand our inventory.

So in a lot of ways, you help us help you as when you do more grocery shopping with us, it allows us to expand our product offerings so that shopping in Winifred is more convenient for you. Everybody wins!

- Do a better job of posting prices on the shelves.

WG response: We hear you loud and clear. This is an excellent criticism, and one that we will work hard to fix.

- Carry more generic and off-brand products for cheaper prices.

WG response: We have been working to do this as much as possible by adding ShurSavings products. However, part of our limitation in this area is that we don't sell enough groceries to qualify to buy most of the discounts brands (Western Family, etc.) from our distributor. If we are able to increase our sales significantly, we will then have the buying power to offer even lower prices to everyone in Winifred. This is a big part of why we are working so hard to try to increase our sales volume, even as we reduce our profit margins on a huge number of items in order to do so.

15. If we carried Wilcoxsin's ice cream snacks in place of our current selections, how would it impact you?

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|---|-----|
| a. I'd buy a lot more ice cream products at Winifred Grocery. | 13% |
| b. I'd buy slightly more ice cream products at Winifred Grocery. | 32% |
| c. I'd buy about the same amount of ice cream products at Winifred Grocery. | 48% |
| d. I'd buy less ice cream products at Winifred Grocery. | 6% |

WG observation: There appears to be moderate-to-strong interest in us adding Wilcoxson's products. This is definitely something we will look into further.

16. Please let us know any other suggestions/comments you have that can help us make Winifred Grocery a better shopping resource for the Winifred Community.

Most of these responses were very kind and complimentary, and we are definitely appreciative of all of those kind words.

There were several other items of constructive criticism that we are taking very seriously and will address—thank you!

We got a question as to whether or not we would allow corporations to charge goods and pay at the end of each month.

We do allow some businesses in town (the school and some of the downtown businesses) to buy on credit and then pay their balances monthly. If you would like to discuss a similar arrangement, just talk to Eileen or email us at winifredgrocery@yahoo.com.

And that's it! Please remember that we ALWAYS want to hear your thoughts and ideas regarding anything that you think would make Winifred Grocery better. We are adding an anonymous "suggestion box" on our website, you can make suggestions in person to Eileen, you can drop an anonymous suggestion in the suggestion box at the store, or you can email us at winifredgrocery@yahoo.com.

We can never get enough feedback! Thanks so much to everyone who took part in this survey!