

Radius Networks - Transcription - The New Normal

Summary:

In this webinar, Radius Networks brings together insiders from the retail, grocery, and restaurant industries to discuss the immense challenges businesses are facing due to the COVID-19 crisis. These professionals highlight new strategies and tips for navigating through this crisis, and ways to keep their customers and employees safe.

Panelists:

Matt Van Gilder, Director of eCommerce, SpartanNash

Stan Mac, CIO, Pet Supplies Plus

Erin Corcoran, Director of Technology, Mendocino Farms

Alex Ross, Director of Business Development, Shipt

Moderator:

Jeff Baskin, SVP Global Partnerships, Radius Networks

REBECCA MCFARLAND, FLYBUY, RADIUS NETWORKS:

Welcome to our 5th episode in our webinar series, The New Normal: How Restaurants & Retailers are Coping with COVID-19.

First off, I just want to say, on behalf of everyone at Radius Networks, we're thinking about the people who are dealing with this crisis both personally and professionally around the world.

We're really excited about this webinar. We have four industry experts today from the restaurant, retail, and grocery verticals. Everyone on this panel has been impacted in different ways by COVID-19 in their day-to-day business, and I'm looking forward to hearing a little bit more about that.

Let me introduce you to some of the panelists:

First we have Matt Van Gilder who is the Director of e-commerce for SpartanNash. SpartanNash is the 6th largest food distributor in the United States with 155 corporate-owned grocery stores and distributes to more than 2100 independent locations throughout the country.

Next we have Erin Corcoran who is the corporate who is the director of technology at Mendocino Farms. Mendocino Farms is a restaurant group based in California with chef-driven sandwiches, salads and catering options.

We then have Stan Mac who is the Senior Vice President and CIO of Pet Supplies Plus, which is a specialty retailer and franchise operating in over 490 stores across 34 states.

Alex Ross is the Director of Business Development from Shipt, and Shipt is the service that does the grocery shopping for you and delivers it right to your door.

Last but not least we have our very own Jeff Baskin, who is the Executive Vice President of Global Partnerships. Jeff is spearheading the growth of our location-based curbside and BOPIS product, FlyBuy. And now I'm going to turn it over to Jeff.

JEFF BASKIN, FLYBUY, RADIUS NETWORKS:

Great. Thank you so much, Rebecca. First of all, I'm going to apologize right up front if you hear my kids screaming, my dog barking, lawn mower outside, or even the woodpecker that's been waking me up every morning at about 6am hitting the tin up on our chimney. So, I apologize for any background. As a matter of fact, on my first call with Stan, who is one of our panelists today, he met my 10-year-old daughter, Reese, who happened to barge into the room.

As we are all aware, this is the new normal. The world has changed so much in the last 4-6 weeks for all us, both personally and professionally. This is something we've never had to deal with in our lifetimes, and it's hard. In addition to making the transition to working from home in the case of some of our panelists, in very tough and apprehensive conditions at stores, while dealing with family and kids. Not to mention all of our businesses have changed very dramatically, almost overnight.

Those of us in the retail, grocery and restaurant sectors have had to change their entire operations from supply chains to inventory, merchandising, and especially delivery to our customers. At this point, in virtually every state, nonessential retailers have had to shut their doors. Restaurants, in particular, have either closed their dining rooms or can only allow 10 people in their restaurant at one time to operate takeout, curbside pickup, or delivery, depending on which state you live in, all while having to lay off thousands of workers.

Grocery, on the other hand, has had to take major precautions as business has increased significantly. But the operational focus has changed to keeping customers and employees safe so people can simply get their food and, of course, their toilet paper.

All of these verticals have one thing in common: they've had to accelerate their ecommerce and omnichannel businesses and urgently implement and/or improve their delivery or curbside pickup functionality.

While these are certainly crazy times, I'm a half-glass-full type of guy and I do believe when we come out of this there will be a silver lining.

Innovation has been thrust forward, customer behavior has and will continue to change, and businesses will become more efficient. And in addition to that we'll all have extremely clean garages, we'll have manicured yards, and our kids will be unbelievable tik-tok-ers... and even some dads, too.

This is going to be a really interesting conversation, as we'll get some different perspectives on how the panelists are dealing with this crisis and also how they're thinking of the future state and what will eventually be the new normal.

Rebecca and I really want to thank our panelists who are extremely busy right now and have been very gracious with their time to share their stories and really what it's like out there. So without further ado, let me get to our experts and our panelists. Let me start with you Matt, from SpartanNash.

First of all, I want to thank everyone at SpartanNash who are working tirelessly at grocery stores around the country. How is everyone doing at SpartanNash and what is SpartanNash doing to protect both customers and employees, Matt?

MATT VAN GILDER, SPARTANNASH:

Yeah absolutely, that's a great question.

At SpartanNash we're trying to take the precautions we can to keep our front line associates safe. They're the ones that are making all of what we have done as a company to develop this ecommerce program - they're making it work right now. And it's great to see that, from a community standpoint, the towns that we're in across America have always taken grocery for granted. Now the communities are coming out and they're letting us know how much they appreciate us and how meaningful our service and, specifically our shoppers at the stores, are to them to make their lives easier and, more importantly, safe.

So on the other hand, we want to make our associates safe, too. So what we're doing is we're taking extra precautions while we're shopping orders to make sure we're washing hands in between every order, wearing gloves, we're getting masks out to our associates. We're wiping down equipment frequently to make sure that that's staying sanitary. We are setting up special drop zones for any customers that are at risk or maybe even some that tested positive that still want pickup. So we've developed systems where we can set the groceries outside, we walk away, the customer is then able to pick those up and put them in the car themselves. For deliveries, we're doing no contact as an option, either by our driver or by the customer themselves. Beyond that, throughout the store, we do things to keep our non e-comm associates safe... sneeze guards, wiping down registers in between every order that comes down the belt, cleaning and sanitizing every night and before we open up in the morning. So everything we can do to keep our associates and the customers safe.

JEFF BASKIN, FLYBUY, RADIUS NETWORKS:

Thanks for doing that. It's obviously a lot to deal with and to launch all of those different all those operational changes in just a matter of days or weeks. And Alex, similar question to you... what are you doing at Shipt to ensure that your shoppers are feeling supported during this time?

ALEX ROSS, SHIPT:

First of all, thank you to everyone for taking the time to do this. It's a crazy, wild world we live in. I feel fortunate to get to be talking about this but also that so many others are contributing here.

So look, at the end of the day for us at Shipt, our shoppers are the heroes. They're on the front lines of this every day making sure community members who are either scared to get out of their homes or unable to get out of their homes are still able to get the household essentials, the grocery items, the products they need to live a normal life, whatever that means nowadays.

As things have evolved over the past handful of weeks we've been proactive in our efforts to make sure we're supporting our shoppers, our retail partners and really everyone involved but particularly on the shopper side. That ranges from financial assistance policies, sourcing protective equipment for our shopping community, and we've even gone so far as to provide bonuses and additional pay as an added thank you to our shoppers.

Last week as an example, we announced that we're providing every single one of our Shipt shoppers with gloves and masks. They can actually pick those up at their local Target location. They're going to continue to be able to do that throughout this pandemic so they can continue to replenish as necessary, to stay safe, to stay comfortable.

Similarly, along the lines of that, financial assistance, in mid-march we announced that we'll provide 14 days of financial assistance who is diagnosed in COVID-19 or placed in a mandatory individual quarantine. This extends to not only protecting but the end community members and, of course, our retail partners as well, as we're walking into their stores to provide these services.

JEFF BASKIN, FLYBUY, RADIUS NETWORKS:

That's great. Matt, let me go back to you real quick. The CDC urged citizens just on Monday to only go to grocery stores or pharmacies if it was absolutely essential. And I know that your ecommerce sales have already increased somewhere between 100-200%, depending on what time we're looking at. The industry overall has seen a \$2.8 Billion increase in online grocery sales just in the last 7 months with a lot of that growth happening in the last month or 2. So how are you dealing with this growth, and what do you have in place as this shift continues to go from in-store to online?

MATT VAN GILDER, SPARTANNASH:

We were seeing 100-200% increases. We're seeing more than that now, and as you mentioned now that people are being directed to stay out of the stores if not necessary, more and more people are going to funnel into this channel. Our challenges with that have really been people, product, and technology to a certain point. Those are restraints. Product is starting to come back down the pipeline, but really where we're really trying to focus our efforts now are on hiring more people to help us handle the capacity coming into the stores. Because our stores - as hard as we try and serve our communities - we can only push so many orders out the door every day.

So we need more bodies to be able to help pick those orders and provide that level of service that we expect for our customers.

And then the other part of it that we're trying to solve is that we can get more staff and more great associates, but if we don't have tablets or carts that we use to pick the orders then we run into an issue, as well. So we're trying to be creative in figuring out ways we can help our teams get the tools necessary to fill those orders.

JEFF BASKIN, FLYBUY, RADIUS NETWORKS:

That's a lot of growth to deal with in just a few weeks. Stan, let me go to you real quick. Pet Supplies Plus is in a pretty unique position, as you have been deemed an essential retailer. What restrictions are most of your stores under, and what has been the biggest change for you all?

STAN MAC, PET SUPPLIES PLUS:

Thanks for the question. You mentioned your daughter earlier by the way... today is my twins' 20th birthday party. SO I told them they need to stay quiet in the background. They're off making Tik-Tok videos and all those crazy things, too. They're doing their best to stay quiet.

So anyway, yes, Pets Supplies Plus... we are happy that as a corporate franchise stores that we can meet the nutrition and other supply requirements of our neighbors' pets. Most of our stores are franchise-owned. These are owners that are out in communities. It's important for them to take care of their neighbors, their neighbors' pets, and so forth. We're happy we're able to continue to do that, of course.

We've had to reduce our hours in some of our stores, as many retailers are doing. That's a given nowadays. We have had to limit some of our services, such as grooming, in certain states or certain jurisdictions. Certain areas of the business - even though we're classified as essential - there are certain areas of the business that are not essential.

Really the biggest change for us is the shifting from the in-person purchases to curbside and delivery. You mentioned the volumes that are going via ecomm, via curbside. **Cyber Monday is always a big metric for retailers such as us. We're blowing away Cyber Monday every day of the week now, and it's a record day every day.** So we're trying to adjust accordingly from a technology perspective, from a people perspective. **But I don't think any of us expected to have Cyber Monday every day of the week in March and April or most of April and some of March.**

JEFF BASKIN, FLYBUY, RADIUS NETWORKS:

So as a follow up to that, how are you handling that huge growth to e-comm, whether that be BOPIS and people coming into the store or curbside. What innovations have you been able to implement to be able to kind of help with that?

STAN MAC, PET SUPPLIES PLUS:

Well, we were piloting in some markets deliver-from-store concepts. That has drastically ramped up and, again, with us being a franchise-operator, we have owners who are very willing to embrace new ideas and move forward with it especially for the sake of helping their neighbors and moving the product.

We're doing a ton more with getting better processes around curbside delivery where it can be as simple as our stores are wiping down the product before they put it in the neighbor's truck or their car. And doing touchless, even cleaning the dog food bag when they drop it in the trunk of the car, especially if they know the neighbor is an at-risk type of neighbor they need to be cautious with.

JEFF BASKIN, FLYBUY, RADIUS NETWORKS:

Ok, great. Erin, I'm going to go to you real quick. I know that you have been in the process over the last several months and we've talked a lot about this you guys building your new mobile app and expanding your off-premise solutions even before this happened. Right now, 86% of consumers are demanding or wanting contactless services. How has this accelerated that and what are you doing to keep the business moving forward?

ERIN CORCORAN, MENDOCINO FARMS:

I think when you look at what Mendo is, we are very hospitality driven. So our interactions with our guests are very much high touch. It's about building that relationship with our neighbors and I think as we've thought about rolling out the technology, it's always been about how we can enhance that guest experience. So I think when we come into the current situation with coronavirus, I think it's really caused us to look and see how we can speed up some things and how we can change how we really think about the experience and what our guests want and need. It's kind of crazy - we're pretty lucky. We already had a very, I would say, pretty tied up online ordering system. I know a lot of restaurants have had to put one up in the last 3 weeks or so, so very quickly. But I think for us, we really ramped up our own native delivery. So we now offer delivery through our own website. That was something we were piloting and now we really released about 3 months ahead of time. So those are kind of the things we really started thinking through.

Another piece of us is we have a very large catering business. That is a very large part of who we are. Then when you look at what it takes right now, there's not a lot of businesses ordering catering. People don't really want to share their food. So we've definitely had to think about catering from a different perspective. And so another thing we were piloting and has caused us to very much move up the timeline is online ordering for catering and kind of modifying our offering to really suit the needs of the business and the economy and the environment we live in right now.

Another piece obviously is curbside. I think as much as we want to make the pickup experience in-store contactless, the perception from the guest is they have to maybe go in and they just

don't feel great about it. We are also going to be launching curbside at 18 of our locations as of this Monday.

And then, you know, really working with our third parties marketplaces. I think that's something that's unique about the restaurant industry. There's always this push and pull -- DoorDash and Postmates and Grub Hub -- and how they really integrate with the business. Is it more beneficial for one more than the other? But I think in this time it's really shown we are an ecosystem and we are all working to get the food right to our guests. And so really working with them. Another offering we never had would be third-party pickup option enabled. So really working with our third parties to really figure that out.

For us, it's really looking at everything that was on the table and really seeing what is important, how we lay that out. And making sure, as we work with leaner teams as well, making sure it's not cumbersome for the team. I know my Ops team always pushes back a little bit because, from the technology it's really easy to turn things on. But when you're talking about team members and the experience and making sure that we make that experience as great for the team members as we are the guests... that's also been something that's been really important for us.

JEFF BASKIN, FLYBUY, RADIUS NETWORKS:

Yeah I know that we're excited to get all those stores live with you to help with that curbside pickup process. So that'll be great.

Alex, you're in a similar situation we're in here at Radius where we're fielding a lot of calls with some urgency around getting folks live with our FlyBuy curbside solution and obviously people need to get delivery up and running through Shipt. People who had a partnership with Shipt on their roadmap a ways out are suddenly needing it right now, and you're trying to expand operations to help grocers or retailers to be able to deliver to people who need it desperately at this point in time.

I know you guys have hired thousands of people just in the last 2-4 weeks. How challenging has that process been to bring on that many people all in a very short period of time?

ALEX ROSS, SHIPT:

It's a great question. Before I answer it directly I just think that everything that's been said so far couldn't resonate more truly across all verticals, food and beverage, retail as a whole. Jeff used a term, silver lining, early on. And I think it feels weird understanding the stress that so many of our retailer partners and businesses are under right now for an organization like Shipt to say there's a silver lining behind all this. But quite honestly for us demand is at an all-time high. Our ability to scale that is fast and we are nimble. So we know we are able to help retail partners' community members on a lot of different ways.

And hiring for us, I think a lot of what's seen is hiring our Shipt shoppers, but from a corporate perspective, as well. I mean our Careers page is booming. We are bringing on more support at light speed. But I think most importantly, just to really directly answer your questions...

So look, we're in a unique position where given the demands we're seeing, we're actually able to support those who've been impacted with their own jobs. The beauty of what exists with Shipt is the flexibility that we bring from an employment standpoint and the ability we have for people who've been furloughed or let go to find that stopgap solution for financial ease. And removing some of that burden they're feeling immediately.

We've actually gone so far not just to be sort of reactive, but proactively working with organizations and other companies that are in the industry that have been impacted. Companies like Uber, Wag, Marriott, Kohl's, National Retail Federation just to name a few... where we've created processes so that their associates can actually quickly apply to become Shipt shoppers and immediately move through that.

And I think just sort of last and finally that once you have the pipeline of individuals wanting to come through it moves fast in the incredible team we have at Shipt from a corporate standpoint. We have dedicated shopper recruiters. It's really been an all-hands-on-deck process, but we continue to keep our standards of thoroughly vetting and only accepting the best in the industry. And we also have a local, 24/7 support team based in Birmingham, Alabama that's here to support our retailer partners, the end consumer, and our Shipt shoppers through this whole process. So it's been exciting, but it's not something to bat an eye at, for sure.

JEFF BASKIN, FLYBUY, RADIUS NETWORKS:

Right. That's a tough challenge. Stan, let me get back to you real quick. I was on the phone with a large retailer the other day, and he said to me that this has forced the retail space to really wake up a bit. It has pushed them to innovate very quickly, and it will accelerate their retail roadmaps 5 years ahead of schedule. Do you agree with that assessment, and what do you think will stick around when this thing is over, hopefully sooner rather than later?

STAN MAC, PET SUPPLIES PLUS:

I'm not sure if anyone really has the crystal ball that goes out 5 years in retail space technology. Things happen so quickly as it is, but definitely I think retailers are going to see that there's going to be a push for better technology, better processes, and be more reactive to conditions that happen in the market, whether it's COVID or whatever it may be.

It's tough, too, because not all retailers are at the same level. You've got multi-billion dollar retailers, and you've got 1- or 2-store retailers. Obviously their investment decisions are going to be drastically different based on the size of the company. And really, I guess at this point, the way I look at it is I'm afraid things are changing, and we've got to be careful this doesn't become a less interpersonal experience. I mean, it's great that we're contactless and it's great that people are going to get their products faster and more efficiently.

But in some ways I guess I look at it as a disappointing factor in that you lose the interpersonal relationship. I give the example of me being a hobbyist handyman. I like to go to Ace Hardware. I like to talk to a retired plumber there. He gives me great advice that's not necessarily the same advice I'm going to find on Google. But that may change in the future. If we're pushing to more and more or even 100% curbside, which some stores have to do now, you lose that interpersonal contact, and that's going to be a change that I think's going to happen.

From a technology point of view, we talked about it a little bit already, but obviously curbside online is going to grow. It's going to continue to grow every day, like I mentioned. Trying to find ways to surprise and delight the customer, we call them a neighbor. An example being the FlyBuy pilot that we're doing. The challenge I have to those stores is that neighbor should never have to put the car in park. They should be driving up and, heck, even get them to a rolling 5mph stop and hand off the bag and let them keep going. The chances of them getting COVID in that split second is going to be pretty unlikely.

So, you know, those things are going to happen. Obviously I think the cars are going to park for a couple seconds, but the challenge is to make things more efficient and quicker.

JEFF BASKIN, FLYBUY, RADIUS NETWORKS:

You know, it's really interesting, you talking about the interpersonal connection there. I have been to a lot of retailers and a lot of grocery stores and restaurants over the last 2 or 3 years as we have launched our FlyBuy pickup solution. It's really interesting, and Matt can probably attest to this... I've been in Grand Rapids at their stores and, as we've been doing testing, preparing to launch as we did a year or so ago. As we're standing in the parking lot watching people come up and do curbside pickup and have people literally get out of the car and hug their SpartanNash associate or the Lowes associate, who's also a partner of ours. They're seeing them on a weekly or biweekly basis.

I don't know how often people are coming to the pet supply store, but the interaction between the folks at the store was pretty incredible, for me to see at least. I didn't realize people were running out of the store and doing that - obviously not in today's world. There is kind of that relationship that's built up when you're doing that many orders, whether that be in a week or every 2 weeks. It's interesting to see that.

Erin, unfortunately the restaurant space has probably been the most negatively affected by this crisis. Many restaurants have had to shut down completely, lay off staff, and completely reinvent themselves literally just to stay in business. Many of the restaurants I speak with are down close to 70% in revenue, depending on how they're structured. How has Mendocino Farms shifted operations and marketing to regain customers even though they can't come inside the store?

ERIN CORCORAN, MENDOCINO FARMS:

I think it's super relevant to what Stan and you were just saying. All the brands I've worked for we've really focused on that relationship with our guest. We call it a neighborhood gathering place - it's essentially what we are as a restaurant. And so looking at that and trying to bring that experience to our guests in a digital way.

So our marketing team and our operations used to do a "fan of the day" where we would surprise and delight a guest who came in. Probably somebody super frequent, somebody with a relationship, and moving that to a digital forum. So now we have... "Nominate your Favorite Healthcare Worker" or something like that on social media. And then we really celebrate them and send them an e-gift card essentially for future meals on Mendo.

One of the things that's been a little bit of a challenge is we are not a discount brand. We never really doubled down on promotions. From who we are, we think the experience that we give you is above and beyond our competitors. But in this time and space we've had to re-think that a little bit. So we've offered a Mendo meal deal, we've called it, where it's essentially 4 entrees and 2 sides for a discounted price. So really looking at those options and kids eat free options, as parents are now feeding kids for multiple meals where they were at school and things like that. So really looking at those opportunities to really promote those from a marketing perspective.

And then really looking at utilizing our third parties, as well, for some of their promotions. They've been doing some great things about how we can benefit our communities. We personally are working to donate and have things for the restaurant communities. But then also from an operational side I think our Ops team has been amazing in how they've really adapted. I think we've kind of said it a lot here in terms of washing hands, and how they wear masks, and we've switched to canned beverages. All of those pieces in how our team is really adapting and making sure that our guests feel super comfortable when they come into the store or they do a delivery order, knowing what they're getting from Mendocino Farms was made in a really clean environment. But they're still getting the experience they would get if they had come into the store.

JEFF BASKIN, FLYBUY, RADIUS NETWORKS:

I think here in Arlington, Virginia where I live I think it's really interesting to see my neighbors and people in the community that are really going out of their way to help support the local restaurants and local businesses they normally frequent to make sure that they're not as impacted as much as they could be. I think it's great to see that community engagement there for the restaurants that they want to make sure they see stick around. That's been really great to see here in the community.

Alex, back to you real quick, as we discussed earlier, Shipt and other delivery providers have been hiring like crazy due to the demand. But online orders, which are how you take your orders, are up 192%. How have you dealt with the significant just traffic increase alone to your marketplace or as well as the ones that you're doing for last mile delivery requests?

ALEX ROSS, SHIPT:

So look, I think first and foremost communication and transparency are just key. We're all in this together. Everyone that's attending this is impacted and interested, everyone who's a panelist right now. This is a battle, we're all fighting together, we're all navigating these choppy waters. And the best thing we can do is be open, honest, and transparent with everyone we touch.

An example, just across retail, across grocery, out of stocks. Matt alluded to this. The supply chain is strong, but that doesn't always mean it's sitting there in a store. Changes to hours... specifically having hours for elderly people, changing hours so stores can focus on sanitation and cleaning. All of that has an immediate impact and a trickle down effect into what we're seeing. So we work directly with our retail partners to understand any challenges they're facing, and we make sure we message that to everyone. The end consumer, the Shipt shopper, back to our retail partners. If people are aware of it, they're generally understanding.

Again, we're all experiencing this. It's an unprecedented time. Not trying to hide the realities of what is going on is really the best tactic in our opinion.

Plain and simple, we're seeing, as the numbers show, people are shifting to this and people are embracing it. So the more that we communicate the benefit. The more that we are here from a labor perspective, an availability perspective, whatever it is, to support anyone who needs it... you know, it's just about awareness and again a silver lining. This is truly an inflection point for ecommerce as a whole. There have been many, but this is the most recent and relevant. So communication is key.

JEFF BASKIN, FLYBUY, RADIUS NETWORKS:

Matt, back to you. Pre-COVID, most grocers handled somewhere between 5 and 10 curbside pickup orders within their one-hour windows or time slots that you have available. And now curbside orders are up 150%. So with so much more demand for curbside pickup, grocers are running into challenges, that we have talked to at least, in order to maximize each pickup window and drive as much throughput through there as possible. How have you been able to deal with the increased demand for curbside pickup and maybe help drive more curbside pickup for any given day.

MATT VAN GILDER, SPARTANNASH:

Absolutely. And I did just want to clarify earlier you mentioned one of our personal shoppers hugging a customer. We have temporarily suspended that part of our process given the situation.

It's gotten crazy. The thing with a lot of our stores was we are in a place where the industry is growing, the ecommerce channel in the industry. And we had a lot of our time slots just wide open. Like ok, we'll accept just as many orders as you can place. So when this thing hit and we

were in a place where we were wide open, we just got slammed. It got to a point where we were not able to keep up, not humanly possible.

Since then we've been working with our stores to kind of shift back and forth between ok, we'll limit it to make sure you guys can get these orders out the door up to a service level that we expect. We can get enough orders to serve our community and then we've kind of gone back and forth... ok you've hired some more people, you've trained them. We're going to bump you up 5-10 more orders. You've hired more people, we're going to bump you up 5-10 more orders. We've been going back and forth and trying to approach it that way.

Again, the people factor's one of the big things. And the next thing we're working to solve for right now to help keep up with that capacity is the technology piece. **Part of that is working with our partners, like yourselves, in allowing our customers to use the FlyBuy experience, the ability to notify us automatically to showing up, we're out getting those groceries into their car within seconds.** Working with some of our other partners to figure out ways we can make the time slots dynamic. So we can fill time slots up based on how many items you have in your order, not just total number orders and the time slot. We're doing some more unique things there, but again the biggest problem is do we have enough people and enough technology in the stores to get these orders out.

JEFF BASKIN, FLYBUY, RADIUS NETWORKS:

And I think one of the things that's incredible, and you're probably being a little bit humble, but the **fact that you guys have been able to handle that increase of - somewhere around 150% for you guys - and actually in most cases decrease wait times at some times during the day is pretty incredible.** You guys are doing, obviously, a tremendous job there, so kudos to you on that.

Stan, you guys are new to curbside pickup but not necessarily to BOPIS (Buy Online, Pickup In Store) orders. And this setting includes curbside, so it includes both of those. But both of those have jumped 87% year over year between late February and March 29th of this year (2020). So that makes complete sense in the current situation.

One of the new words that has been really everywhere in our industry and everywhere in our culture is "contactless" and "contactless shopping" or "contactless pickup." I read yesterday that some states are requiring retailers to even have contactless payments like ApplePay or Google Pay. So being a retailer that is still allowing people inside the store somewhat and also doing delivery and curbside pickup, how do your stores handle this new contactless environment?

STAN MAC, PET SUPPLIES PLUS:

I think it goes back to we're improving the curbside, we're improving the delivery process. We're doing the delivery from the store. So that will take some of the traffic from inside the store to outside the store.

Obviously we're doing things that I think many other retailers are doing, whether it's the shield between the neighbor and the cashier, definitely doing the reminders throughout the store... 6 feet distance, there's frequent reminders you find within the store, whether it's decals on the floor, signage, L-square, the masks, the gloves, the frequent reminders to our team members.

We actually had an issue where team members were wiping down the POS register. Which would be great, but these are touch systems and they're wiping them down with whatever cleaner or soapy water or whatever they can find and they're wondering why the touchscreen doesn't work so well on the POS anymore. So we had to get into an education process to help the stores. Yes, we want to keep things clean, but you've gotta be careful on some of this stuff also. You don't want to put soapy water on a touchscreen monitor. But we're going through all that, I think all of our store team members are embracing it.

We're big Yammer community amongst our stores. Things like we've seen them posting pictures, and at one point you can clearly see they're within 6 feet of each other. So now we're reminding people even through Yammer, it's like, alright let's encourage the 6-foot thing. We're glad you've got 2 team members stocking the shelf, but separate and make sure everyone stays healthy.

JEFF BASKIN, FLYBUY, RADIUS NETWORKS:

And that's certainly the most important thing to remember throughout, as we drive operations in our sales and revenue, is to make sure everyone is healthy, first and foremost.

Erin, most QSRs and fast casual restaurants that have a drive-thru will typically see somewhere between 60 and 70% of their revenue come from their drive-thru. At least here in the U.S.; I think it's different in Europe. But these restaurants, while certainly impacted, maybe haven't been as impacted as those without. So for restaurants like Mendocino Farms, has curbside become the new virtual drive-thru? I know I stole that term from you, but has it now truly become the new virtual drive-thru?

ERIN CORCORAN, MENDOCINO FARMS:

I think it will. I think, for us, we're going to see it starting next week as we do a big push on this. But I think one of the things we learned throughout this pandemic so far is that we can have the most contactless pickup experience, but our guests still perceive it as being contact-ful, if you will. We can leave the door open, we can make sure they're not interacting with a team member, but they still don't feel great about going into a restaurant.

I think when you start talking about behavior change as we move forward, people are going to develop new habits. I think in the U.S. drive-thrus are convenient. We're all busy, right? You don't have to go in, you don't have to leave your car. You're in your comfort space.

And I think as the longer the pandemic lasts, the longer people have to change their behaviors and continue to utilize new technology. So **I definitely think curbside is going to be probably the**

new drive-thru for a lot of fast casual restaurants as we move forward, especially if it's done well. That's the challenge. I think when you think about curbside in the past, it's kind of tedious because you have to pull in a spot and call a number. So that's why something like FlyBuy is really helpful in giving that experience that it's so easy to drive thru. You don't have to call anything. They proactively reach out to you. They proactively hand you your bags. So if you can replicate that as much in a curbside experience I definitely think it will be a large percentage going forward.

JEFF BASKIN, FLYBUY, RADIUS NETWORKS:

I would certainly agree.

Alex, Wal-mart and your parent company, Target, have seen 20% overall growth just last week overall. With Shipt, you have your marketplace for your shoppers to handle all the grocery picking, as well as the delivery. And you also have your last mile solution, where the store associates of the retailer pick the items who then pass that on to a Shipt driver. So this is how a lot of Americans are getting their groceries and other retail products today. Because this such a necessity right now, what steps is Shipt taking to ensure safety for everyone involved in those types of transactions when there's a lot of people kind of involved in that chain?

ALEX, SHIPT:

I think it doesn't really doesn't differ all that much from what I was saying before with the steps we've taken for the Shipt shopper. Health and safety for anyone we interact with, anyone that we touch, is of paramount importance. Matt and others have alluded to technology as an enabler and in some cases even a bottleneck in being able to do more. But we've rolled out contactless dropoff, the ability to place orders even further in advance. Natively being an ecommerce solution, a lot of what we've always done is digital and contactless. But I think you've done a fine job of bringing on four brands that know that the most important element is the people element behind all of this.

I can't speak to what any given retailer is doing within their four walls, but I can tell you again we're following suit to understand the things that they're putting in place in terms of best practices for social distancing, best practices for health and safety following CDC regulations. And we're applying all of those to the efforts that we have in place. So again, communication through that and following the rules.

JEFF, FLYBUY, RADIUS NETWORKS:

Ok great, thanks Alex. And Matt, in a recent survey through Bricks Meets Clicks and ShopperKit when customers were asked how likely they were to continue using curbside and delivery after the COVID-19 crisis, 43% indicated they are either extremely or very likely to do so. What have you done and what's on the innovation roadmap to help SpartanNash continue to handle the heavy demand for ecommerce and other off-premise businesses so that you're prepared for what's to come and this incline continuing to rise...

MATT VAN GILDER, SPARTANNASH:

I think that number is maybe even a little low. We're seeing, week-over-week, our new customer counts are up 4000%. We're filtering so many new people to this program, and I think once they get a taste for it, it's something that they're going to see as an alternative in the future.

While I do think once this is over, there's going to be a little bit of give back, as people are going to want to get back out of the house, they're going to want to go shop at stores themselves, and they're going to want to go to restaurants and things like that...but the long-lasting effect will be a big bump in ecommerce.

Really for us, there's a lot of things we've had on our roadmap. We've been looking maybe 2,3 years + out. There are things on the website we want to do that we're always improving. But when you look at the fulfillment and operational side of things, that's where we're really starting to consider bumping things up. When you're talking about the automated fulfillment, micro fulfillment, warerooms, dark stores... things like that, that seemed like... "ok, one day, but the volume's not quite there yet, but that's a good idea." Now the volume's here - how can we react quickly and start to make things more efficient? Because you can only have personal shoppers in a grocery store before there starts to be more shoppers than there are customers, and that becomes a problem. So there's a lot of operational things we have on the table right now that we think will really help us as this channel continues to grow and especially with this big bump we've had.

JEFF BASKIN, FLYBUY, RADIUS NETWORKS:

I think that's really interesting. One of our partners, Giant Eagle, who just opened up a dark store that is only available for curbside and delivery orders. It's going to be interesting to see where that goes as things continue to increase but then to figure out where they level out and kind of what innovations we're all going to have to come with to handle our customers.

So, we're starting to get to the bottom of the hour, but I did have a couple more questions that I'd like to pose to the whole group. A couple statistics to throw out there...

- Curbside is up 150% in grocery.
- BOPIS orders are up 87% from this time last year.
- 86% of restaurant customers are demanding a contactless experience.

So I don't think it's realistic to think that these stats will stay this high post-COVID, which again will hopefully be sooner rather than later. But the question is: have we accelerated omni-channel services, you know, 5 years ahead of schedule in just the last 4 weeks? And will customers now be conditioned to BOPIS/curbside pickup and delivery now that the late adopters have almost been forced to do these things? And again, is this going to be the new normal? So I wanted to get your opinion on that. Let's start with Erin.

ERIN, MENDOCINO FARMS:

I think for us we're a prime example of somebody - we've ramped up our innovation roadmap. I joke that I think I got my 2020 roadmap completed in 3 weeks of this pandemic. And I think one of the things where you're looking at it, and you want to do it well, and I think that's the key... making sure you do it well.

I do think, though, as we look at, especially in the restaurant industry - I'm interested to see what Alex has to say from a Shipt perspective - we utilize DoorDash and Postmates and Uber Eats and those drivers a lot. And I think when you look at the economy prior to the pandemic and understanding where they were going and how they're going to impact different industries from a delivery perspective in the gig economy and how all that is impacted throughout this entire pandemic and what it's going to look like at the end... I think will really drive some of that future technology, whether it's in-house delivery teams and whether technology we need to utilize to have that. Because I think there's the piece of it that comes into it is the technology and economics of it. Delivery is more expensive. So right now it's worth it to the guest because of the pandemic and the scare... being scared to go into restaurants. But after this we'll see how that really shows. **I do think pickup and curbside, though, will stay as a pretty great option.**

ALEX, SHIPT:

Erin, I know you wanted to hear some things from me, so maybe this is a good time for me to chime in.

I'll just say, I think this has always been Shipt's - actually I know it's always been Shipt's - perspective on sort of the industry overall and, frankly, a huge reason why we are successful at national scale is because of the brick-and-mortar locations that our partners have. So there's a huge affinity and a huge loyalty and huge importance that we place on our partnerships with our retailers.

We strongly believe that - we've all used this omnichannel term before - but we strongly believe that the best definition of that is "all the ways." Forcing your customers to buy with you a certain is forcing them NOT to buy with you. There's no denying that, of all age brackets, people have begun to adopt ecommerce and a huge rate, and I don't think it's realistic to say they're suddenly going to throw that away.

But what I was saying from a tech perspective is... our roadmap... everything that we have on our roadmap that has now made sense because of COVID was greenlit and suddenly launched in a matter of weeks. And quite frankly, I think most of those things will remain features that are super important moving forward. Some of the projects that we had to de-prioritize that we felt like were really huge needs prior to contactless dropoff, as an example, we will get back to.

But right now our ability to be nimble as a technology organization, our ability to learn from what our retail partners are asking for, our community members are asking for, and what Shipt shoppers are asking for, is heavily influencing where we go next. It's an exciting time but again I think it's going to make us all stronger in the end.

MATT VAN GILDER, SPARTANNASH:

I agree with a lot of what you said. I already mentioned earlier a lot of the things that are coming up the roadmap for us in the ecommerce space at SpartanNash. But I think what this has really done is it's driven our customers, not from one channel to another, it's driven our customers to be across all channels. They're going to be much more likely to engage in delivery, engage in buy online/pickup in store or curbside or going in store or shopping with their phone in store... whatever it might be. It's just they're going to be much more comfortable shopping the way they want to when they want to.

So I think this is a very exciting time for us. Not the way we wanted to get there in terms of being exciting, but it's giving us an opportunity to really accelerate a lot of these plans and innovative ideas that were like... ok maybe in 2 or 3 years this might be something customers will adopt. This is something we can look out 3/6 months from now and say ok, they're going to be comfortable with this and this is something we can try now. So I'm personally looking forward to a lot of the things we're going to get to do together with our partners.

STAN MAC, PET SUPPLIES PLUS:

If I could add on to that too, I mean **obviously I think curbside is going to be a go-forward option out there. I think it's going to be well utilized.** I think the challenge for many of us is how do we make it better? How do we make it a unique experience for our customers? We go back to the option of FlyBuy or options like FlyBuy. Those are things that will make you a differentiator, and what other options are there out there?

So before it was all about the in-store experience. Now it's all about the curbside experience or the delivery experience. How do you make that so much better than anybody else?

REBECCA MCFARLAND, FLYBUY, RADIUS NETWORKS:

One last question we wanted to pose to the group. Some of you answered this along the way and in your answer just now. Essentially how does this change your roadmap from the technology and innovation perspective. I know, Erin, you mentioned you covered most of your roadmap in the last 3 weeks. But if anyone wants to chime in and add anything that would be great.

MATT VAN GILDER, SPARTANNASH:

I'll jump in. I mentioned earlier a few times now about our operational roadmap and how that's being moved up. But one of the things I'll highlight there's nothing like increasing your website traffic, like, 200-300% to really push the bugs out of the woodwork. We were not only thinking forward, but we found a lot of things we can fix today and make even better. So that's been another silver lining, if you will, for us.

ERIN CORCORAN, MENDOCINO FARMS:

Yeah I think that's also great as more people use it they're very helpful in telling us some of the inefficiencies and how we can make it better for them. I also think the roadmap for us is focused on a lot of the guest facing, from the ecommerce side on the actual user experience and user offering perspective. But I think as we move forward and we look at how this comes back into the store, and to your point about the whole omnichannel experience... do we play up using their phone in-store when they come back once we open? How do we really bring in the digital experience and not be this completely disjointed piece of the business? Making it part of that holistic Mendo experience going forward, which is something we've really been focusing on from a marketing and operations perspective. So I think it's really about bringing that into the in-store experience, which I think was probably a couple years out and now is relevant now that we've moved up some of those other pieces of our roadmap.

STAN MAC, PET SUPPLIES PLUS:

I think from my perspective, I talked about it earlier, it's how do we make the curbside experience so much better? And we still need to focus, of course, on the in-store experience but there's a whole new world out there of delivery and curbside experience.

REBECCA MCFARLAND, FLYBUY, RADIUS NETWORKS:

Awesome. Ok, well that is all we have. There are a couple questions coming in, and we probably have time for just 1 or 2. There is one for Matt... you and Jeff spoke earlier and the amount of customers served in pickup windows. How have you been able to increase the number of customers you serve within a window and will you be able to maintain this post-COVID-19.

MATT VAN GILDER, SPARTANNASH:

What we've had to do it - part of it is hiring more people and training more people to be able to help us with the ecommerce orders. But not just hiring and training but cross-training people we already had working in our stores for us. So that's another silver lining or a benefit of this. It's exposed a lot more people that are already working at our stores to the program and how they can help shop orders. So in the future, as we expect the demand to be up, but if we get those snow day-type events where orders do spike that we're not expecting, we've got people there that can jump in and help shop the orders and keep it up to the service level that we're expecting. But I think overall as we get more and more people and we build up these teams, that's really the foundation to keeping these time slots wide open.

REBECCA MCFARLAND, FLYBUY, RADIUS NETWORKS:

We are 1 minute out. There is one question for Jeff who can't hear us, but I can take it. How has your business adapted to the urgency required to get restaurants and retailers up and running quickly with the curbside pickup solution?

I think I know what Jeff's going to say, which is our roadmap has also totally sped up. What we've done for partners who had this on their roadmap but haven't started the integrations yet, we are offering a free 90-day, manual version of FlyBuy (FlyBuy lite) to anyone who's interested

to really get up and running. The idea is to help people who don't have a curbside solution in place and are really desperate to get something going but don't have the time to necessarily implement things right away.

I think we're going to just wrap this up. It is 12:59. So I really appreciate all of you listening. I appreciate all you panelist taking the time today. Everyone should receive a link to the recording. It should also be posted in our blog section on radiusnetworks.com.

If you would like to contact any of the panelists, I have their email addresses up here on this slide. And if you're interested in learning more about FlyBuy, feel free to reach out to Jeff directly at jeff@radiusnetworks.com.

Thanks, everyone. Thank you, panelists.