

CASE STUDY

UK retail chain Jempson's increase customer loyalty with electronic shelf labeling solution

Jempson's has installed Electronic Shelf Labelling (ESL) in most of their local stores to remain at the forefront of technological innovation and sustain its award-winning reputation.

Client: Jempsons Ltd

Location: Peasmarsh Petrol Station and Northiam Convenience Store

Product(s) supplied: **Electronic Shelf Labels**

Challenge

To improve pricing compliance and the safety of stores so that customer loyalty to the Jempson's brand is strengthened.

Solution

By automatically updating labels, the ESL system ensures 100% pricing compliance and provides safer spaces so that customers enjoy a confident, carefree shopping experience.

"Having experienced the Electronic Shelf edge Label system up close and witnessed the many benefits that it has, there is no doubt that the added efficiency and additional cost savings have been hugely beneficial."

Stephen Jempson, Managing Director, Jempson's Ltd

Jempson's Ltd is a family-owned, independent business which has been serving the community of East Sussex since 1935. The business consists of six supermarkets, seven cafes, a petrol filling station, four-post office counters and a pharmacy. Every week, the business opens its doors to over 100,000 customers.

Stephen Jempson, Managing Director, Jempson's Ltd said, "We pride ourselves in offering our shoppers the highest standards of customer service as well as providing some of the finest foods from around the world." In recent years, this mission has resulted in the business winning several industry-leading retail awards, thereby sustaining a brand reputation which is at the centre of its local community.

In particular, Jempson's is keen to deliver the latest technological solutions to its retail stores. This has resulted in their latest investment in Electronic Shelf Labelling technology (ESL). After a successful first installation at the Peamarsh Petrol Station (2,710 sq. feet), the technology was also rolled out to the Northiam local convenience store (1,100 sq. feet). The others followed immediately after and one of the last stores will be completed in Spring 2022. In total about 26,000 ESLs have been installed at 5 locations up to now.

Stephen Jempson said, "As a business, I think it is fair to say that we have struggled to get totally on top of actioning price-changing at local levels at the point which they are actioned at Head Office. This is a major issue across the sector, although I appreciate that many businesses are fearful of acknowledging it!"



Operational Benefits

Traditionally, the bulk of Jempson's price changes were done every three weeks in line with their promotional calendar and they relied on their colleagues to update the price labels in-store. However, there are also daily changes which have to be actioned as a result of cost price changes and new or substitutionary lines being introduced. To mitigate any confusion about pricing, the day before the prices were set to change, the colleagues would remove all of the price labels from the shelves (this could be up to 1000 in a three week cycle). The next morning, they would update the labels with the latest pricing information and promotions. Whilst the till changes had been made it was always a struggle to ensure the correct labelling was in place at the shelf. In the event of discrepancies, colleagues would verbally communicate the correct pricing to customers. Jempson states, "We hoped to mitigate this by moving to a fully automated electronic shelf labelling system".



The Electronic Shelf Labelling system, which was installed by Panasonic, caused zero disruption to the store during the installation period. This resulted in an invisible benefit to the business and its customers. The ESL system links into Jempson's core price management system and is centrally controlled. By changing the price on the master list, labels throughout the store are automatically updated. The result is a 100% reduction of errors and an 80% time saving on price tag updates. On the first day of the installation, Jempson's business commented that the price updates had already occurred before the colleagues entered the store at 7 am. Upon inspection, all of the changes to the electronic shelf labels had been successful, thereby improving the speed and efficiency at which prices are updated.

Jempson said, "Now, our price updates match our price files with 100% accuracy. The result has undoubtedly been a labour and cost-saving for the business. The colleagues no longer have to worry about updating the labels because they can do it within the click of a button. As a result, they can then focus their attention elsewhere in the store. The savings that can be had on paper labels, ink and printers are also a positive benefit that is not to be sniffed at."

The Customer Experience

As well as streamlining the operational processes of their local stores, the benefits of the ESL system have been felt by the wider Jempson's community. Jempson commented, "The real benefit is customer confidence. This new development (ESL) has given the customers the reassurance and our store colleagues the knowledge that the store is at all times fully compliant. To put a value on this is extremely difficult, but I do feel that customers faith in the system is high and as a result confidence in our brand and expertise has been enhanced." To measure the customer's in-store experience, Jempsons frequently employs mystery shoppers to survey a range of shopping factors which contribute to an overall customer experience score. "Because the ESL system does not require additional work from the colleagues, we also expect our customer experience score to increase", said Jempson.

Health and Safety

The system has also benefitted the in-store health and safety measures that are required from all retailers following the outbreak of the Covid 19 pandemic. Jempson comments, "The ESL has helped to obtain high health and safety standards for our customers, when social distancing rules were in place, we were able to increase the capacity in our Northiam (1,100 sq. feet) by 2 extra people, because fewer colleagues need to be on the shop floor."

The result of this change has been a safer shopping experience, in which the store is much easier to navigate for incoming customers. Because the colleagues no longer need to update the paper labels, they can maintain a safer distance from the customers on their shop floor. Customers are also happier because there are shorter queuing times into the store, there is an improved flow of traffic and they are less likely to be obstructed whilst shopping the shelves. In addition, this has positively impacted the store's revenue, with a larger number of customers in the store at any one time also helping the stores turnover.

Long Term Plans

The benefits that ESLs has brought to Jempson's company reputation and the in-store customer experience has therefore led to considerations towards a further roll-out of the technology in their other stores. Jempson commented, "as we move into more competitive times, the ability to react instantly to price fluctuations This is expected to increase the frequency of price updates and enable the Head Office to adopt different pricing strategies if required."

