



How Seafood City Entered the Digital Space With Great Success

Case Study



HOW DO YOU FULFILL A CUSTOMER ORDER THAT CONTAINS FRESH-FILLETED FISH AND HOT FOOD ITEMS WHILE MAINTAINING THE QUALITY OF BOTH?

Seafood City is a supermarket chain of 33 locations in the U.S. and Canada headquartered in Pomona, California. The chain also operates Grill City – a quick-service barbecue and a la carte Asian restaurant – at many of their stores.

Seafood City's mission is to provide members of the Filipino community with the taste and ambiance they might've been able to experience back home. Over 70% of Seafood City's customers are Filipino, but the chain wants to be able to reach out to anyone who wants fresh seafood, quick-service barbecue, or ready-made delicacies and broaden their culinary perspective.

Before the pandemic struck, Seafood City had online retail on their roadmap, but after the shelter-in-place orders, it became imperative that they reactivate their online plan fast.

**“Ordering a fresh fish online is not like ordering boxed goods from Amazon.”
– Jonas C. Veneracion**



HITTING THE GROUND RUNNING DURING THE PANDEMIC

Jonas C. Veneracion, Head of IT at Seafood City, is responsible for integrating and managing everything technology and software-related across Seafood City's 33 stores. He needed an eCommerce solution that would be flexible enough to grow with an expanding grocery enterprise and be easily integrable with the highly efficient systems he put in place.

"We handle everything from Hawaii to Chicago and up to Canada: cellphones, network security, point-of-sale," said Jonas C. Veneracion. "So, we need to have the right partners to do our job – people that we can rely on so that we don't have to do everything ourselves. It might be an evening back East but morning in Hawaii. I need to be able to solve the issues at any time."

When the first lockdown orders went into effect, Veneracion and his team knew they needed to get online, ASAP. This meant building an online store from scratch, figuring out how to manage online stock, developing a system that could coordinate hot food deliveries with grocery orders, and integrating all this across the existing POS system. It would be a daunting task even for a big team – one that could potentially take many months to complete – but Veneracion was determined to meet the timeframe he had set for himself: two months.

"We needed coordination between inventory, ordering, dispatch, and delivery, and we needed to get online as soon as possible. Our research showed that most of our competitors took over a year to get online," Veneracion said. "We ended up launching in two and a half months."

Local Express allows Seafood City to manage what items are being sold per location in all their stores: from locally caught fish in Hawaii to local specialty items only sold at their locations in Canada and Chicago. They required a solution that fulfilled their needs from both a tech and human capacity.

"I have to say, Local Express weren't the first eCommerce vendor we spoke with – but they definitely were the last," he said.



HOW SEAFOOD CITY GREW THEIR ONLINE SALES FROM 0 TO 8% IN JUST SIX MONTHS

Veneracion shared the 'secret sauce' as to how Seafood City was able to raise their online sales from 0% to 8% in just ten steps.

1 Teach shoppers to order online

For Seafood City, this included old-fashioned in-store promotions, posters, banners, pamphlets with QR codes, and coupons. They also ran promotional campaigns aimed at essentially "training" shoppers to make the online shift.

2 Limit SKU to popular items based on POS data

Seafood City has over 7,000 stock-keeping units under inventory, but they chose to only put the most popular 2,000 SKUs on their digital shelves. In doing so, customers who would have driven down to one of their stores pre-pandemic now instead choose to order online.

3 Turn to real-time inventory insights

Veneracion notes that each Seafood City store has an online inventory manager in place whose responsibility it is to constantly monitor and update levels of online stock. This person's whole job is to make sure the 2,000 popular SKUs are readily available to anyone online who wants to order and to minimize occurrences of items being sold out.

4 Assign an eCommerce coordinator

In addition to an online inventory manager, each Seafood City location also assigns a person to take ownership of each online shopper's order experience. Online shoppers are local customers that normally would visit the store. eCommerce coordinator's job is to ensure each shopper's online experience is as pleasant as the in-store shopping experience.

5 Make online-experience consistent with in-store experience

For Seafood City, this means cutting the fish the way customers like it – just like the way it's done in the Philippines. Veneracion achieved this by working with Local Express to allow for more customization options when ordering fish – but he also ensured Seafood City could offer specials to their digital customers, including online-only sales, white-glove curbside pick up, and a waiver of each pick up/delivery fee for orders over \$200.



6 Run personalized marketing campaigns from previously gathered data

Local Express' online platform allows Seafood City the opportunity to promote new items to their customers based on their preferences.

"Online shoppers tend to be your best customers, so more data about them is better to keep them happy and to increase sales," Veneracion says.

7 Take special care of your 'big-basket' online shoppers

"High-end customers and your best return customers tend to shop online. These customers fill bigger online carts but shop less frequently and as a consequence of bigger basket sizes," Veneracion said.

"This is one of the benefits of selling online. Stores must take care of these "high-end" customers with larger basket sizes, or they may go somewhere else."

8 Put flexibility first

"The term 'online grocer' means being able to change and adapt to your environment and your competition – but also each individual store's ability to adjust quickly to unique changes, customer demand, and ordering processes," Veneracion said.

"Stores without a strong IT team, or who lack online selling experience, are going to need to rely on support from an eCommerce vendor who is willing to invest the time and effort into giving the right support," he added.

9 Execute fast

"If you're not online yet, the ability to get online fast is key – you can't afford to take months to get up and running," Veneracion notes.

10 Promote local growers/fishers to keep your fresh perishable inventory moving

"To the surprise of many, online grocery sales of fresh and perishable items are high," Veneracion says.

He credits the flexibility of the Local Express platform to integrate with Seafood City's existing POS system to staff's ability to own the fulfillment process end-to-end, so that perishable food items arrive on time with no decline in product quality.

AGILITY, FLEXIBILITY, AND CAPABILITY – INVALUABLE ASSETS FOR UNCERTAIN TIMES

When asked what he thought the greatest asset Local Express provided his team, Veneracion highlighted the platform's capability to adjust, and their willingness to go the extra mile during the setup process.

"They're willing to work with us Saturdays, Sundays, at night... Most of the big companies would say: "Hey, it's Sunday, we're not working today." But Local Express put in that extra work for us," he added.

Veneracion says that when Seafood City started with Local Express, he had to ask for many things to be tweaked to fit their unique offering.

"This included layout and a lot of integration with our out point-of-sale system. But that's the biggest advantage with Local Express – flexibility. We're able to customize things that make our eCommerce operations better," Veneracion said.



DRIVING FUTURE GROWTH BY FLEXIBLY INTEGRATING DAILY CUSTOMER FEEDBACK

Seafood City's customers have high expectations, and Local Express helps Veneracion and his team meet their needs.

In order to establish an online version of the human connection Seafood City highly prizes as a defining feature of their in-store shopping experience, the grocer has hired online coordinators tasked with calling recent eCommerce customers directly, to collect feedback. Veneracion says this daily insight could include both tips for improvement, or complaints. The idea is to create a space devoted to understanding where customers are facing issues, and find out what they'd like to see more of.



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