

“Test Bed for New Ideas”

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SENIOR EDITOR

With more than 3,400 customers a day and a selling area of 71,530-sq. ft., the NB San Diego, Calif., commissary buzzes with activity. By sales volume, the store is the second largest of the 254 commissaries operated by the Defense Commissary Agency (DeCA), and it is ranked No. 1 in club pack sales among DeCA's commissaries worldwide for calendar year 2009. Overall customer transactions increased 7.6 percent in fiscal 2009 over fiscal 2008.

Heralded as the “Store of the Future” and a “test bed of new ideas” when it opened in April 2007, the NB San Diego commissary incorporated novel features such as deli-order kiosks, electronic shelf labels, and a separate entrance conveniently located near the Grab-N-Go section.

The store has continued to enhance its innovative approach to military resale. For example, one of these improvements was the addition of a register to the Grab-N-Go section to speed up the checkout process for those time-sensitive shoppers and the installation of more registers in the main checkout area. The already-extensive produce department was also expanded based on strong market demand (*see E and C News 1/10*), and club pack displays were created in other areas of the store to meet patron needs.

“As the largest store in DeCA, this store offers more selection than most stores,” reported William Vick, NB San Diego Store Director, “and can be a specialty store as well as a general grocery merchandise store.”

TARGET AUDIENCE

“Our shoppers come from all walks of military life, from young sailors and families to empty nesters and retirees,” Vick explained. “Since we are on a Navy base, most of our active duty patrons are Sailors. Plus, within a 20-minute drive, are NAS North Island (NB Coronado) and OLF Imperial Beach. More than 40 percent of our shoppers are active duty,” he noted.

Nearly 260,000 authorized commissary shoppers live within a 20-mile radius of the San Diego commissary, according to the Defense Enrollment Eligibility Reporting System (DEERS). This includes 70,414 active duty servicemembers, with 60,337 dependents; 16,795 Guard and Reserve members, with 22,545 dependents; 34,790 retirees, with 44,415 dependents; and 10,466 survivors.

“A big draw to this store is its tremendous selection of quality brand-name products,” Vick said. “Our shoppers come from a rich, diverse ethnic background; we offer something for most every shopper.”

ETHNIC FOODS

When the store opened in 2007, Vick recalled, “DeCA customized the stock assortment to satisfy

PHOTOS: RICK SANBORN

The store's NB meat department, which includes poultry, ham and luncheon meat, runs 402 linear feet, including the island tables, and is 102 feet longer than a football field.



Among the NB San Diego commissary management staff are, from left, Robert Hannum, meat department manager; Rubin Barcelona, assistant store director; Numerino Reyes, produce department manager; Jessica Means, retail store manager; and William Vick, store director.





A free-standing sushi station is located near the deli and next to the Grab-N-Go section at the NB San Diego commissary, and is popular with mealtime patrons, especially since the store added a six-item checkout register there during the lunch and dinner sales periods.

the preferences of our local clientele, and over the past two years, we have continuously massaged that stock assortment to meet the wants and needs of our customers. In addition to products offered in a typical grocery store in the U.S., we offer 250 linear feet of foods from other cultures, including Korean, Japanese, Vietnamese, Thai, Indian, Filipino, Chinese, Hispanic, German, Italian and Kosher. Next to our regular bakery, located in its own alcove, is the Red Ribbon Bakery, specializing in Filipino bakery products ranging from cookies and crackers to ice cream and wedding cakes.

“We have not strayed from the ‘Store of the Future’ model,” the store director explained. “Most every concept originally included in the store design has been highly successful. As we settled into the store and observed shopper behavior, we made improvements to further enhance a few store of the future concepts.”

FACILITY FEATURES

The store has been constructed with “green” values in mind, from lighting to recycling and assortment. It also offers drop-down electrical lines strategically placed around the sales area that can be pulled down from above. “The drop-down lines allow us to set up a demo where it will be most effective.

“The cooking station has been another success story,” Vick pointed out. “All cooking events draw an appreciative crowd. Vendor demonstrations are held several times a week.”

ELECTRONIC SHELF LABELS

“Electronic shelf labels and deli order kiosks have been very well received,” according to Vick. “San Diego was one of the first commissaries to get electronic shelf labels and they have been a labor-saving technology that provides accurate pricing to our customers,” he said. “We love them!”

SELF-CHECKOUTS

The self-checkouts are popular and always in use, Vick said. The store features eight of these units in addition to 21 standard units.

DELI ORDER KIOSKS

“This commissary is equipped with two deli-order kiosks, and customers really like them,” Vick reported. “One is located just inside the entrance on the opposite side of the store from the deli. The second is located on the same side of the store as the deli, near the Grab-N-Go.

“Most customers enter the store on the opposite side of the deli,” Vick explained, “and place their deli order at the kiosk when they walk in the door, then they do their shopping. When they get to the deli on the other side of the store, their order is ready for pick up.”

DUAL ENTRANCES

“For a store our size, having two entrances has worked out well,” Vick reported. “Most shoppers coming in to stock up their pantry enter on the produce side of the store. Customers coming in for lunch, dinner or to pick up a few items appreciate the entrance on the Grab-N-Go, deli and bakery side of the store. He pointed out, “Another convenience feature that our customers appreciate is the 15-minute parking spaces on the Grab-N-Go side of the store.

“Initially, the Grab-N-Go section wasn’t doing as well as projected,” Vick remembers. “In June 2009, to speed checkout during the lunch and dinner shopping hours, we added a wireless cash register near the Grab-N-Go entrance. With a cash register for

six items or less, located in the middle of the Grab-N-Go, deli, sushi and bakery areas, we were able to speed up the visit for the customer coming in for a just few items or to purchase a quick take-out meal.” He concluded, “Since then, foot traffic has increased to the areas on this side of the store.”

SALES INCREASES FY2008 to FY2009

Department	Percent Increased
Deli	15.2 percent
Bakery	12.3 percent
Meat	13.6 percent
Produce	10.5 percent
Grocery	9.1 percent
Customer Transactions	7.6 percent

Source: DeCA

PRODUCE

“Although the produce department was large when the store opened in 2007, we increased the size by 2,000 sq. ft. to 10,854 sq. ft.,” Vick reported. “Our signature produce department is undoubtedly the largest produce department of any area store,” he pointed out. “When a new customer enters the

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store, I can usually tell,” the store director continued. “If they enter on the produce side, they take a few steps into the store then stop to look around and take it all in. Between the size of the produce department and the beauty of the rich, colorful displays, the view is breathtaking.”

EXTRA-LONG MEAT CASE

“With more than 3,400 customers a day, the extra-long meat case helps the butcher keep the meat displays stocked,” Vick noted. Furthermore, “we pack the meat case full in the morning and add to it as the day goes on. We are able to offer our mid- and late-afternoon shoppers the same selection as early morning shoppers.”

TOP TRAFFIC DRIVERS

“Most everything in this store sells well,” he pointed out. “Many of our customers come here to load up their pantry. Some of our biggest selling categories are cereal, paper goods, bottled water and sport drinks,” Vick noted.

“In the produce department, seasonal fruits are traffic drivers. We put seasonal fruits out in big, beautiful displays and our customers scoop them up,” he reported. “In the meat department, our top-selling items are pork spare ribs, 93 percent ground beef, 97 percent ground beef, beef rib eye family packs and beef T-Bone family packs.”

DELI/BAKERY/SUSHI

“We are using the same deli/bakery contractor and they are doing a fabulous job,” the store director said. “In August 2009, the contractor brought in a line of fresh, baked-in-the-store muffins that are doing very well.

“Sushi sales are holding firm,” Vick reported. “Our sushi bar and our sandwiches, both ready-made and made-to-order, are popular with the lunch crowd.”

INDUSTRY’S ROLE

“Our industry partners are vital to our success,” Vick observed. “They provide chefs for cooking demonstrations, help with outreach events by supplying samples and prizes, and work with our merchandising manager to plan the creative elements that go into displays. During case lot and side walk sales, they contribute during the planning, help with the physical set up of the sale, assist customers during the sale, and provide entertainment and the extras that put an event over the top,” he pointed out. “They are also a tremendous help with promotions by producing banners, radio and newspaper ads, posters and fliers.

“It is evident in the attention they bring to keeping shelves stocked, building displays, providing demos and coupons, and offering health education, contests and special events, that like our employees, they understand the importance of delivering the commissary benefit,” he noted. “Several manufacturers have full-time merchandisers and vendor stockers dedicated to the San Diego commissary. We could not deliver world-class customer service without the help of product manufacturers, brokers and distributors.”

REGION INPUT

Vick also saluted the contributions of DeCA West. “The DeCA West staff is just a phone call away and the staff is available to provide guidance with whatever is needed,” he noted. “DeCA West is extremely helpful and responsive when called upon. “During a period when the assistant store director was temporarily assigned at MCB Camp Pendleton, Calif., the region sent a commissary management specialist to fill in.

FY10 GOALS

“Sales have grown significantly since the store opened in 2007, and our goal is to continue that,” Vick said. “Sales increased 15.5 percent in fiscal 2008, and 9.5 percent in fiscal 2009. We know it is a reach, but our sales goal is to increase another 7 percent in 2010. We plan to accomplish this,” he explained, “by providing world-class customer service, offering the right selection of products to satisfy our diversified customer base and by continuing to build customer loyalty for DeCA’s case lot sales and frequent sidewalk sales.

“Our case lot sales have grown from sales of \$65,000 in Sept. 2006 (before the new store) to more than \$350,000 in September 2009,” Vick reported.

MILITARY FAMILY SUPPORT

About 75 percent of San Diego commissary employees have family ties to the military. “As a military spouse, child, retirees or parent of a son or daughter currently serving, they have a stake in how the commissary benefit



Store Associate Austria McPeak helps make the checkout process a pleasant experience for patrons at the NB San Diego commissary.

is delivered and they understand the difficulties military families endure.” Vick said. “I am fortunate that the base commander is an avid supporter of the commissary benefit,” Vick pointed out. “Capt. Ricky Williamson, USN, and his family are frequent shoppers in the commissary and he actively participates in commissary events. The base is very responsive to our facility maintenance, security, safety, and public affairs needs. The San Diego military community is extremely proud of this commissary. They understand and appreciate how fabulous it is.”

OUTREACH EFFORTS

“We attend outreach events every month to inform area military about their commissary,” Vick said. “We go to the base monthly indoctrination for sailors who are reporting to NB San Diego; the Commander’s All Hands Meetings; the San Diego retiree seminar, an annual event that draws 4,000 retirees; and homecoming events when ships return to port. At these events, we set up a booth and pass out information on commissary hours, services and upcoming events,” he reported. “Commissary vendors keep it festive with product demonstrations, sampling and prizes,” including gift certificates and special events.

Vick said he is grateful to lead this commissary’s operation. “I feel very fortunate to be the store director for this commissary. The facility is fabulous; the staff is phenomenal. I depend on this extraordinary staff to deliver the military benefit in this outstanding facility each day to our deserving customers and they never let me down.”

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Frequent cooking demonstrations add spice to patrons’ shopping trips at NB San Diego.

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