

## USE CASE

# IMPROVING PROFITS AND COMPLIANCE WITH THE PUSH OF A BUTTON

Grocery store operators are subject to various compliance measures, including state and city/county efforts to reduce the prevalence of plastic bags at grocery stores and other businesses. In August 2014, California became the first state to enact legislation imposing a statewide ban on single-use plastic bags at large retail stores. The bill also requires a 10-cent minimum charge for recycled paper bags, reusable plastic bags, and compostable bags. The bill specifies that EBT, WIC, and food stamp program users are exempt from being charged a bag fee. Grocers failing to comply expose their license to sell to users of these programs to suspension or expulsion.

## Challenges

In the wake of the legislation being passed and taking effect, many grocery and supermarket brands found that processes and training practices needed to be created or updated to ensure regulatory compliance.

## Solution

According to several studies, roughly 5% of grocery store shoppers bring their own bags. Using this as a baseline, and Agilence's intuitive query engine, users can filter out transactions including at least one 10-cent bag charge, any EBT, WIC and food stamp purchases, and transactions with low item amounts that may not require a bag. The remaining percentage of transactions without bag charges should fall within industry average of approximately 5% of total transactions. Based on the results of this reporting and analysis, users can track regulatory compliance and identify training and process issues. For many, process improvement could be as simple as adding a button to the POS system to indicate when a customer has brought their own bag or to automatically discount the full value of the purchased bags to optimize inventory planning.

## Benefits By the Numbers

- Using Agilence, one grocery chain revealed nearly \$64,000 in bag purchases that were not rung into the POS in just 30-days across all California locations. This could amount to over \$750,000 in additional profits annually.
- Improved regulatory compliance helps the enterprise avoid preventable fines and protects their license to sell to WIC, EBT, and food stamps program users. For the organization mentioned above, these transactions make up approximately 5-20% of total grocery transactions at any given time.

## Additional Benefits

- Continued transaction reporting will make it easy to detect associate training issues and react early.

The ever-evolving regulatory compliance requirements for grocery and supermarket brands demands unparalleled agility. The Agilence data analytics platform is a powerful solution designed to help users make sense of their data and make informed decisions, faster.