



STORE
MANAGEMENT
SYSTEM LLC

Online **Grocery** takes a clearer shape



Econo is the first supermarket to start the ecommerce digital channel in PR.

Our positioning facilitated an accelerated growth strategy with each crisis, first Hurricane Maria & recently COVID-19.

As the omnichannel accelerates, we have a structure of more than 125 associates to meet the demand of our customers.

However, we continue to seek innovative ideas to attract customers and drive digital growth.



The future of Commerce



Traditional Single Channel

Brick and Mortar



Online Single Channel

Online Shopping



Multi-channel

Various Disconnected Channels



Omnichannel

Seamless Integrated Experience



Econo To Go

Econo Supermarket E Commerce Platform

First E Commerce
with Delivery and
Pickup of groceries
in Puerto Rico

Over 15,000 items

On Demand
Butcher for online
orders

QR code scan for
pick up

Delivery on
Demand

Available in 23
stores

\$3 pickup fee,
\$6.50 delivery fee

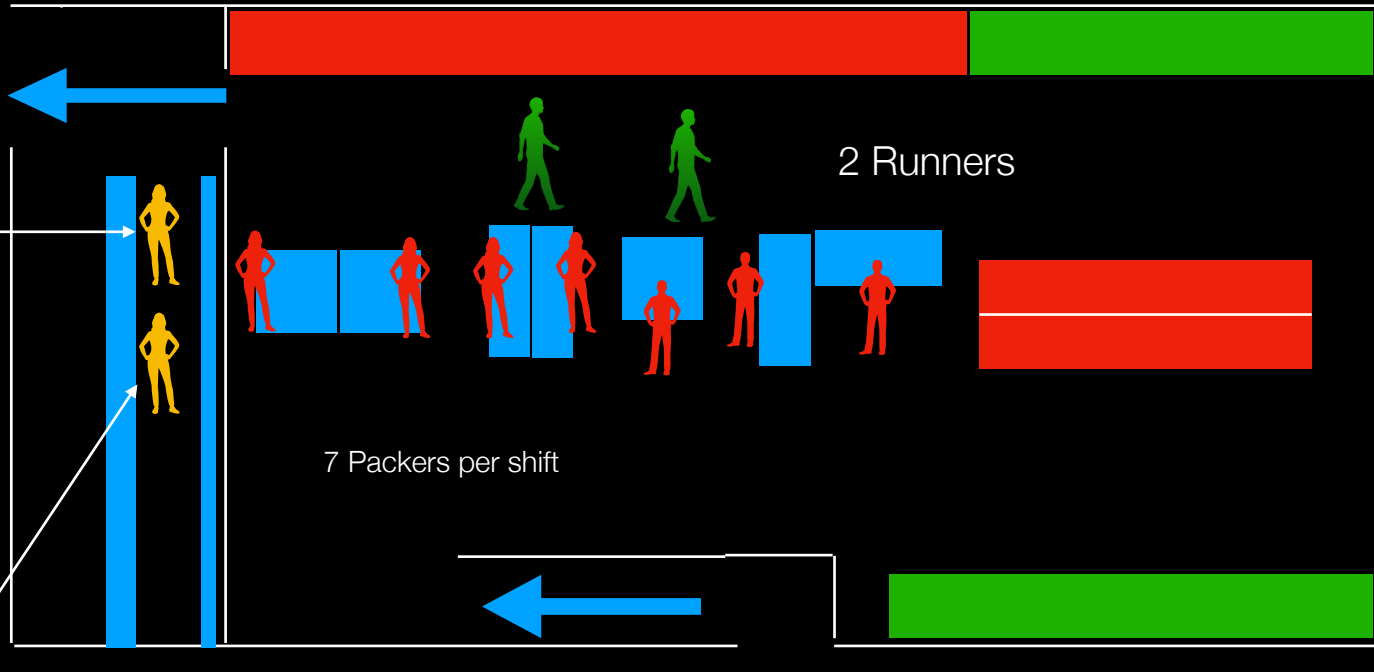
Methods of
payment: ATH, ATH
Mobile, Visa, MC,
AMEX, Discover,
EBT, Paypal,
Medicar Cards

Prepared Meals
added to the
platform

Future orders up to
three days in
advance

Structure to Manage 300 orders per day

2 Runners for curbside Pickup



135 Bins Frozen
95 Bins Frozen
176 Bins Dry

2,000 Square Feet

Manager 1: In store Order Flow



12 pickers, 3 orders per hour

US online grocery market generated \$8 Billion in sales during September driven by Delivery/Pickup



Airfreight vs. Maritime Cargo



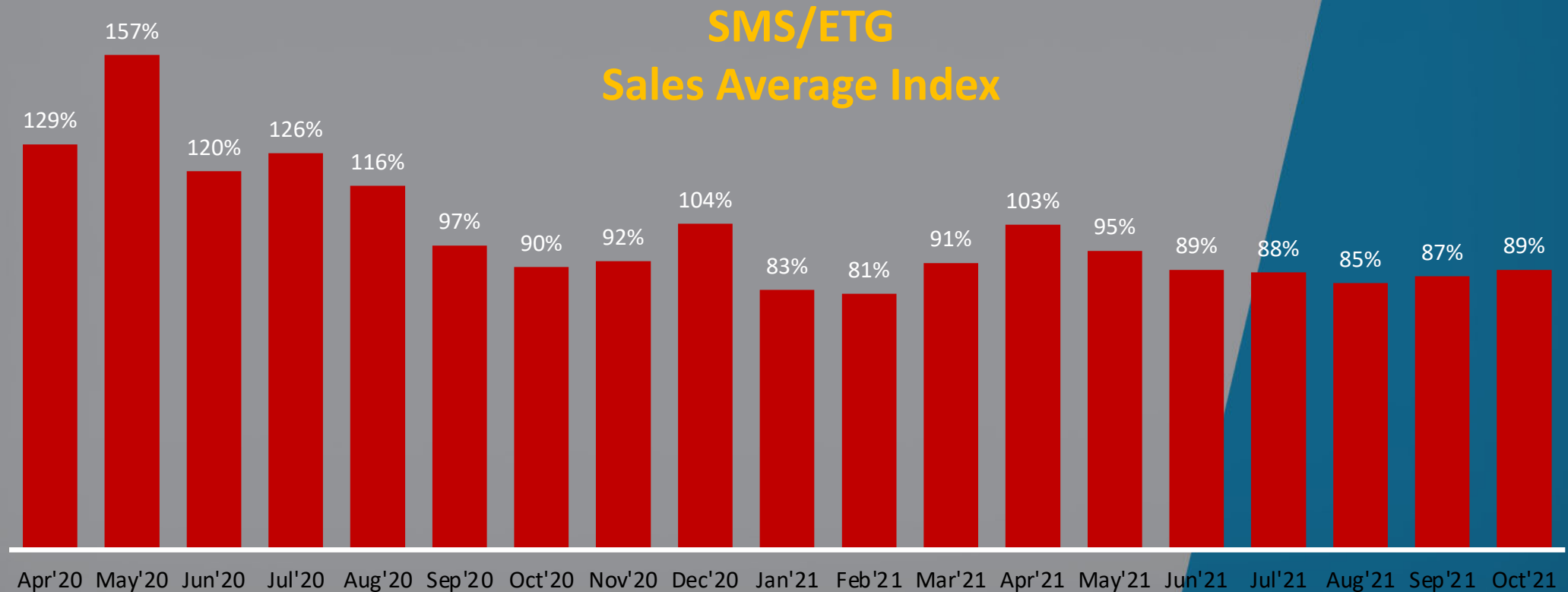
2,100 Airfreight planes in the world
3,240 planes widebody with underbelly
-11% reduction in capacity
+4% projected increase in capacity
over the next 10 years



46,000 ships
+5% increase in capacity this year alone
+4% projected increase in capacity
over the next 10 years

Grocery E Commerce in PR with better penetration than USA

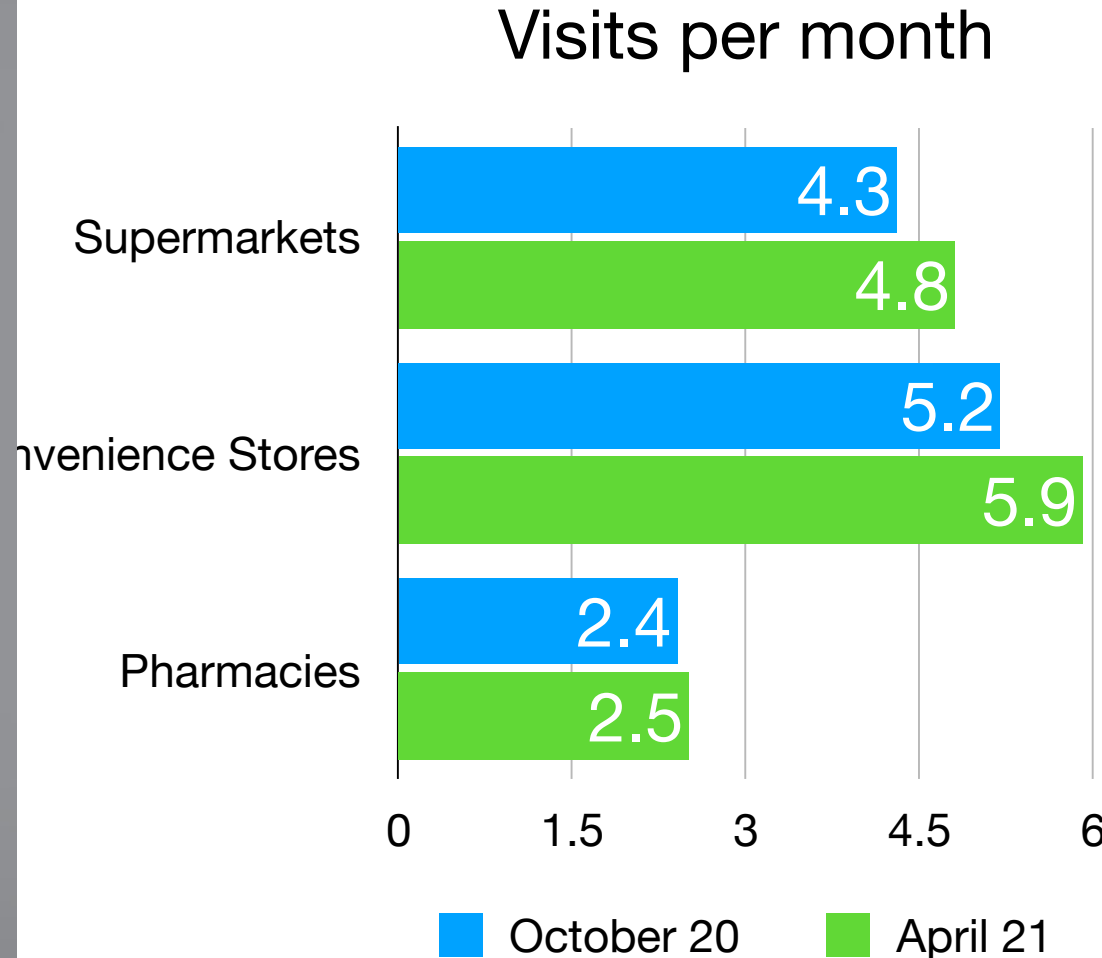
Nevertheless, within ETG by the end of October closed 89% in sales index, similar against Oct'20 but with a recovery versus previous months.



Source: Econo SMS POS

Store traffic frequency **going up**

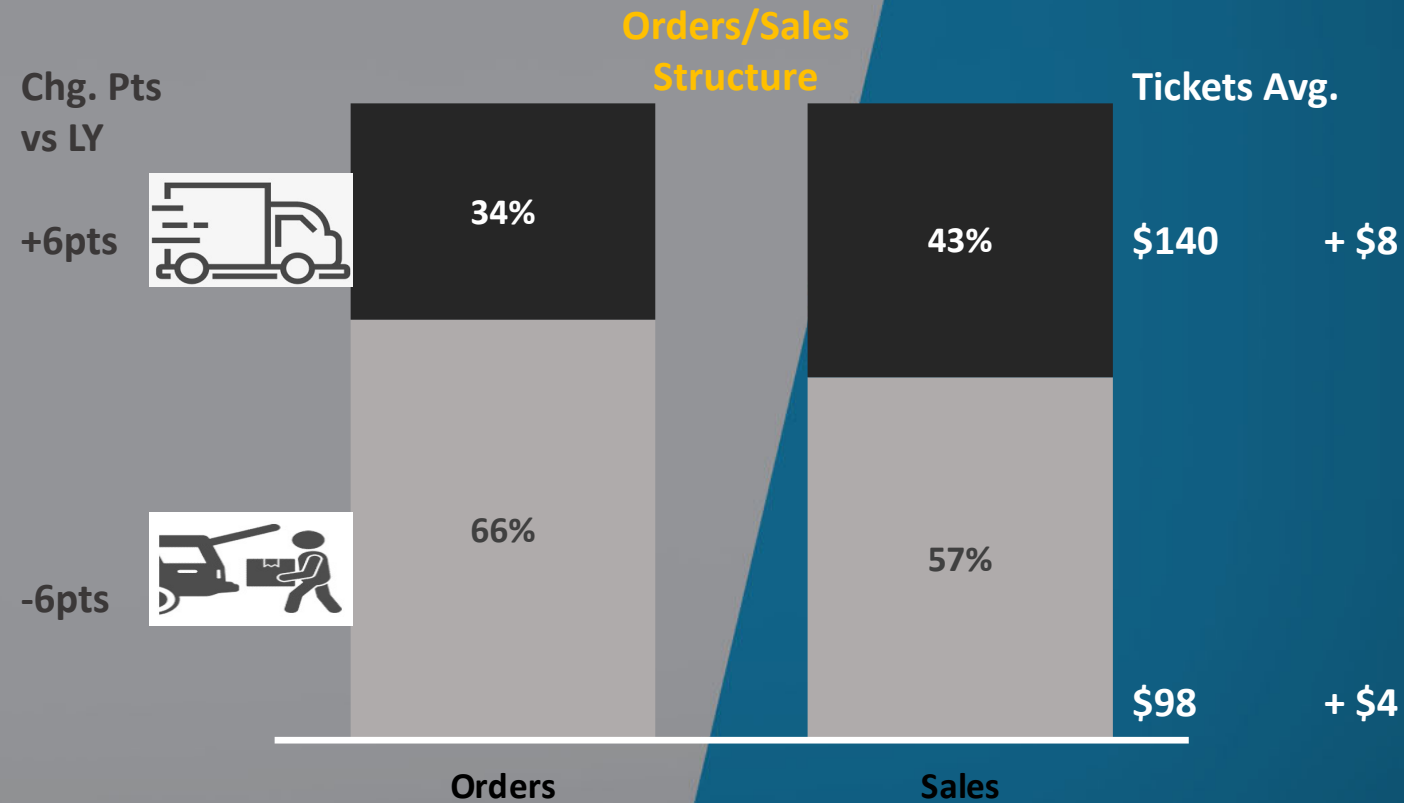
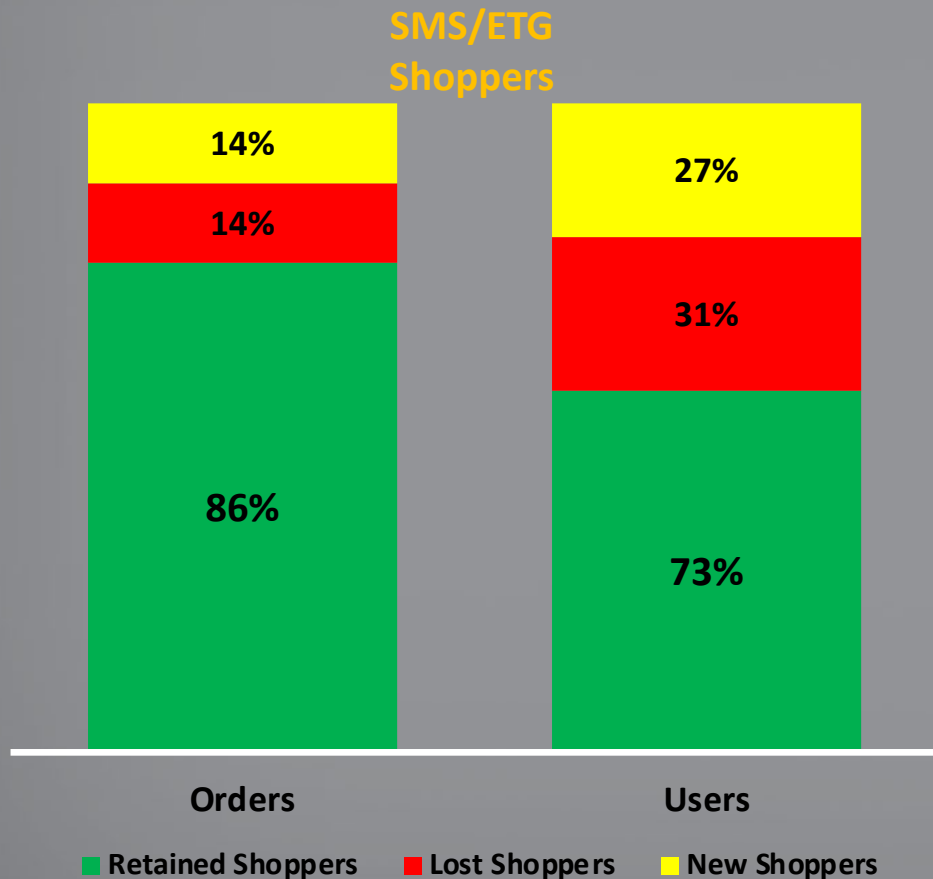
Store visits to Brick and mortar stores



Frequency of visits to Online Stores dropped from 3.1 times per month in Oct, to 2.4 in April. As vaccines do their work, **local stores** are to benefit.

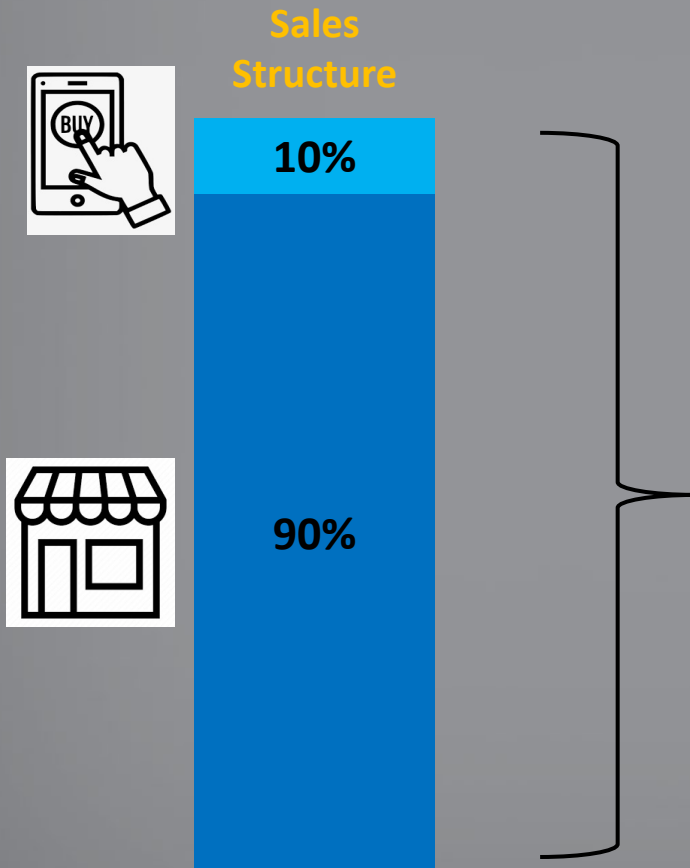
High loyalty among our Shoppers 7/10 stay with us over the years

Over 66% of our orders are for Pickup, however Delivery is capturing more relevance among shoppers



As Retailer we handle over 160 categories, nonetheless we have to keep track of the shifting

Understanding categories shifting between Brick & Mortar vs Online, help us to improve product assortment, availability and pricing strategies



- 42% of the categories in which Online sales makes more than 10% of the total sales
- Still these group of categories account for the 67% of the online sales, while they only account for 51% within the brick & mortar

CATEGORIES	ONLINE SALES
AGUA PREMIUM	33%
AGUAS CARBONATADAS	23%
AGUA CON SABOR	22%
CHAMPAGNE	21%
VINO ESPUMOSO	21%
QUESO RICOTTA	18%
VINO BLANCO	18%
QUESOS REBANADOS	17%
YOGURT GRIEGO	16%
GLUTTEN FREE	16%
AGUA REGULAR	15%
COMIDA BEBE	15%
QUESOS PALITOS	15%
PROD NATURALES/SOYA/ORGANICOS	14%
CEREAL PARA NIÑOS	14%
VINO TINTO	13%
LECHE UHT	11%

**PREMIUMIZATION
OPPORTUNITIES**

Challenges:

- Now Hiring:
 - Despite of the technological advances and high cost of Robotics for fulfillment, we still need people to meet our customer's demand
- OOS Supply Chain complication
 - Shortages make it difficult to keep up
 - Ports, warehouses, and trucking companies are processing more goods than ever while combatting a series of crushing shortages, including workers, equipment, and space.
- Brands/Manufactures lack of engagement
 - They still haven't figure it out how to connect with their shoppers trough the Retailers online stores

Operational Dashboard

Econo Barranquitas

Econo Comerio

Econo Humacao

Econo Naguabo

Econo Naranjito

Sales Forecast:

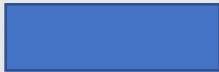


-1.66 %



Forecast Vs. Sale...

Sales:



Lost Sales:



7.96 %



% Loss Sales

L/S by Out of Stock:

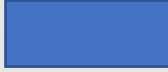


6.49 %



% Outs

L/S by Underweights:



0.46 %

% Underweights

L/S by Substitutes:



1.01 %

% Loss due Substi...

Orders Forecast: 83,214



-7.01 %

Orders Vs. Forecast

Total Orders: 77,381

Fill Rate: 96 %

Pickup On Time: 91.94 %



Delivery On Time: 79.99 %



Payroll Productivity: 91.18



16.5% out of stock
In our stores.

Brand's problem with Ecommerce



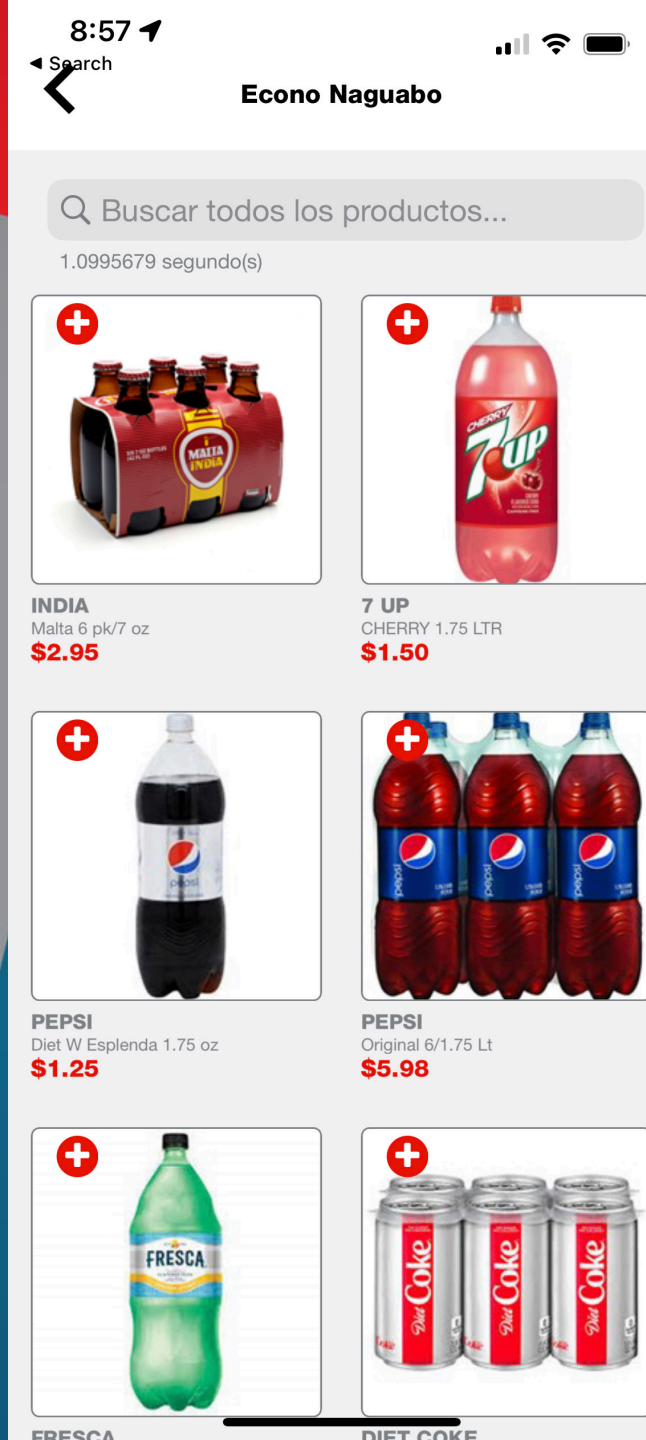
Over emphasized soda aisle provides Brands with a market share heads up.

Makes it harder for new products to make their way into consumer's baskets.

Difficulty in over emphasizing a product creates opportunities for new items.

Brands need to devise ways to be relevant to consumers with digital tools.

Categories perform different in E commerce vs. Brick and mortar.



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What's Next:

- Control your Branding
 - Whether shopping online or in-store, consumers should be able to distinguish your business from your competition, and your branding plays a major role.
- You're in charge of your customer experiences
 - Shoppers who use online services are looking for a seamless experience from start to finish. From the moment they open the app, to their checkout and delivery, using your online or mobile grocery platform should be quick, easy and memorable.
- Getting superior services
 - Build in Loyalty Programs
 - 30 minutes services
 - More sophisticated shopper segmentation
 - Expand services and product offering (hot foods)

Thanks!

Juan Carlos Agosto

CEO SMS

agostojuan@smsecono.com

M. 787-362-1004

