



**Chuck Ferrar, owner of Bay Ridge Wine & Spirits in Annapolis, MD, has used the same POS company, Atlantic Systems, for the past 12 years, and utilizes many of the latest upgrades in his system.**

PHOTOGRAPHY BY MARK MOLESKY

# New and Improved

## Technology designed to increase POS efficiency keeps on improving.

**By Cheryl Ursin**

It can be easy to forget that the technology that seems so commonplace today hasn't been around for very long. Personal computers have been around for less than 30 years, widespread use of the Internet for less than 15.

At the age of 71, Bob Feuling, owner of Westside Liquor, a chain of nine stores headquartered in Wade Park, MN, can remember even bigger changes. "We didn't have electricity in our area for the first 14 years of my life," he said. "At one time, before cable TV, I had a restaurant and put up satellite dishes. People would come to eat and watch TV channels they couldn't get at home."

Feuling has seen huge changes in his lifetime — and major changes are still happening. Until the 1980s, when the PC made its debut, only the largest retail oper-

ations in the country could afford to be computerized. Now, according to a white paper available from Microsoft (*The Effects of POS Implementation and Retail Technology on Sales and Profitability for Small to Mid Sized Retailers*, by James E. Dion, Dionco Inc., April 2003), "there is not much functionality that large stores have that is also not available today to small [and] mid-sized stores."

Computer companies have been actively developing systems for even the very smallest or most specialized of retailers. Some computer companies focus on small- to mid-sized retailers of all types. Others, such as Atlantic Systems and Innovative Computer Solutions (see Buyer's Guide), focus even more specifically on just beverage alcohol retailers. And most recently, new companies have sprung up, that specialize in customizing the



**A wide variety of new and improved handheld devices continue to improve retailers' efficiency.**



general products introduced by large companies like Microsoft, IBM and NCR for use in specific types of retail.

Feuling's Westside Liquor Stores, for instance, use the Microsoft Dynamics product (see Buyer's Guide), but it has been customized — by Feuling's own son. After working in his family's liquor stores for a number of years, Rick Feuling started his own company, RITE (Retail Information Technology Enterprises), to provide custom-fit point-of-sale solutions using the Microsoft Dynamics product. A special area of expertise: liquor stores.

"One of the first software additions we built was for keg registration," explained Feuling. "Here in Minnesota, five or six years ago, the law changed, requiring retailers to gather information about the buyers of kegs. A lot of retailers now don't sell kegs because they figure it's too much rigamarole, to have someone filling out forms at the cash register on a busy Saturday." RITE developed an addition to Dynamics that allows the store employee to swipe the purchaser's driver's license and have all the required information, with the sole exception of the person's telephone number, printed out on the correct forms. The system also prints a bar-coded receipt that can be scanned to automatically process the return of the customer's deposit when the keg is returned.

Another feature developed by RITE's in-house staff of five software developers won't allow a sale to proceed until the driver's license belonging to someone of legal drinking age has been swiped or scanned. "You can set it for everyone in the store or just a certain cashier," said Feuling.

RITE has tackled back-office capabilities as well. It can add software to the Microsoft Dynamics product that produces state-specific compliance reports automatically. It can also integrate the electronic price books

produced by wholesalers. "Our system will sense price changes as they occur and automatically suggest a new retail price for the product," said Feuling. It allows that price change to be scheduled and will even print out new shelf labels on the day the new price is supposed to start, automatically.

## **Adaptation Is Key**

Whether they develop their own systems or customize more generic systems, the best computer companies are the ones that remain responsive and open to change: to technological advances, to changes in the beverage alcohol business, such as the changing laws governing the possibility of e-commerce, and to the growth of their clients' individual businesses.

Bay Ridge Wine & Spirits in Annapolis, MD, for example, has been with the same point-of-sale company, Atlantic Systems, for more than 12 years. "When I start-

## **Wine Online**

**The clever use of technology can solve the most perplexing of problems.**

**T**ake, for example, the complexity of direct shipping. Even with changes in state laws, it can seem impossible for licensees to obtain wines from small, out-of-state wineries while fulfilling all the state laws and requirements of the three-tier system.

Enter Wine REvolution, a service from Inertia Beverage Company.

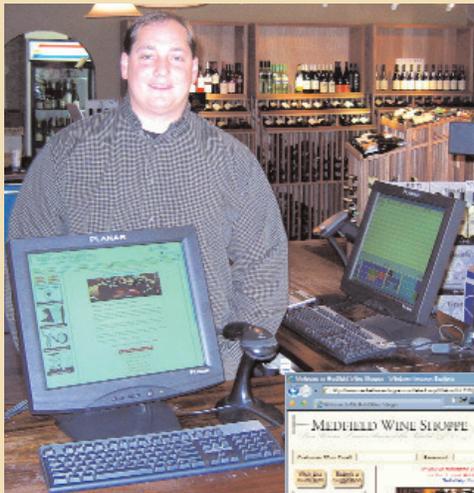
This Internet-based service is specifically designed to electronically process a transaction between a winery and a retailer or restaurant, going through a wholesaler in the process.

A winery signs up to use the service. When a retailer or restaurant places an order directly on the winery's website, it is routed through a designated wholesaler. In an instant, the wholesaler verifies the buyer's license, electronically buys the wine from the winery, the winery bills the wholesaler and the wholesaler bills the buyer, sending the payment to the winery and paying the necessary taxes. From the retailer or restaurateur's perspective, it feels like a direct sale. Everything is automatic.

Wine REvolution is currently running in nine states — Arizona, California, Connecticut, Florida, New York, Ohio, Vermont, Washington and Wyoming — as well as the District of Columbia and is being used by over 350 wineries. For more information, visit [www.winerevolution.com](http://www.winerevolution.com).

# Kiosks Can Generate Business

The Medfield Wine Shoppe, in Medfield, MA, is in a competitive market. And that market is likely to get even more competitive in the future. Currently, supermarket chains in Massachusetts can sell wine, though only



**Matt Carroll, owner of the Medfield Wine Shoppe, Medfield, MA, beside a terminal displaying EnoFile software.**

at a maximum of three of their locations. They have been lobbying hard to change that law.

“And it will probably extend beyond supermarkets,” speculated Matt Carroll, Medfield Wine Shoppe’s owner, “to any place that carries food.”

Carroll, who bought his store eight years ago and renovated last year, has given careful thought to establishing his niche in the marketplace. Medfield Wine Shoppe stopped selling beer, for example, a year ago. “As much as I like beer, customers can get it anywhere,” Carroll said. He also does not sell the biggest brands in wine. “We don’t carry Yellow Tail anymore,” he explained. “We focus on the smaller, hard-to-find wines.”

For Medfield Wine Shoppe to stand out from its competition and to sell lesser-known wines, it must offer the very best in customer service.

Enter the customer kiosk.

Customer kiosks have been kicking

around for a number of years. They are the ATM-like machines that give customers information. They might contain the directory and map of a department store. They can allow a customer to scan a product and see its price at stores, including Toys R Us.

And now there are a number of companies offering kiosks that provide information on wine. Customers can scan a bottle of wine and see, not only its price, but its winemaker’s notes and its ratings. Or they can enter search terms — “red wine under \$10” — and see the information on wines fitting their criteria. They can see food pairing suggestions and even print out food recipes.

“Your customer kiosk becomes a “silent salesman,” said Mike Curran, wine manager at Bosa Wine & Spirits in Burlington, MA. He explained that it can

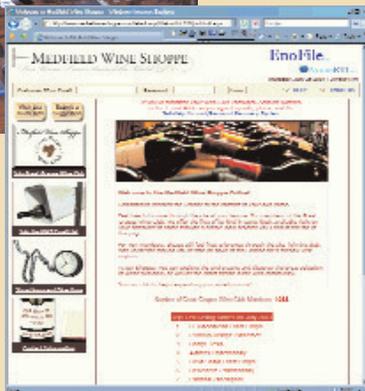
be difficult to always have a person with wine knowledge available in the store. “Having a kiosk is cheaper than hiring three to four more people,” he pointed out. Bosa Wines & Spirits uses a kiosk from ChoiceMaster (see Buyer’s Guide).

In addition, retailers find, there is the intimidation factor. “People want to shop by themselves rather than rely on a store employee. It can be intimidating to ask a question and they’re afraid they’re going to get a big sales pitch,” said Scott Sutherland, owner of Drinx Fine Wine and Spirits in

D’Iberville, MS. Sutherland uses a Wine Market Kiosk from Wine Miner.

And Carroll’s Medfield Wine Shoppe was the inspiration for the creation of another kiosk company. Two Medfield Wine Shoppe customers, both with technology backgrounds, got to talking about both technology and wine. Rick Lane and Chris Poulin eventually started the company AxiomRTI and developed EnoFile. With this system, the kiosk is linked to the store’s Microsoft Dynamics Retail Management System and also to the store’s website.

EnoFile’s point of differentiation is that store customers can enter their own notes on wines, either at the kiosk in the store or, via the website, from their own homes. While the EnoFile can be set up so that everyone can see everyone else’s reviews, it can also be set, as it is at Medfield, so that a customer’s notes are kept private, with only the customer and the retailer having access. Customers can see what they’ve ordered in the past and they can compile a “wish list” of



**Wine Market Kiosk (from NCR), which runs Wine Miner software.**



wines they want to purchase in the future. “We always have six to 12 wines open for tasting,” explained Carroll. “We’ve had people taste a wine, then carry a bottle right over to the kiosk to scan and enter into their wish list.”

In order to keep notes on EnoFile, customers must identify or register themselves with the system, so it functions like a frequent-shopper program. “We’re a small shop — 1,700 square feet — in a small

town,” said Carroll, “and we’ve had over 1,000 people sign up in six months. We can’t even get through our presentation and the customer is saying, ‘I want to.’ And then, they tell their friends and family.”

Sutherland of Drinx has seen the same type of customer reaction to his two Wine Market Kiosks. “People make a special trip to our store and use it. They bring their friends in to show them,” he said. Unlike some of its competition, Wine Miner’s kiosk can contain ratings and reviews from independent sources as well as information from the wineries themselves. It can be loaded with over 4,000

recipes as well as pairing information for 400 different cheeses. In the future, Wine Miner, which also runs a website called winesandrecipes.com, plans to offer wine retailers the opportunity to have their own sub-sites on winesandrecipes.com that can be used as a community website where, for instance, members of a shop’s wine club can interact with each other as well as see information about the shop and its products.

According to John Saccomanno, director of industry marketing for NCR, the time is ripe for customer kiosks. “There’s been a convergence between

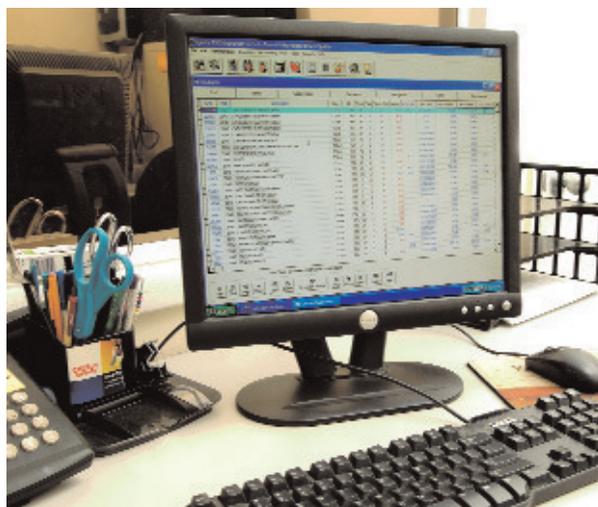
customer wants and capabilities and retailers’ challenges,” he explained. “Customers want to have more knowledge about products, they expect to be given information when shopping, they are more comfortable with technology, they have home PCs and they pay at the pump and use ATMS, and they have a do-it-yourself mentality. Retailers can’t have a wine expert in their stores at all times, yet [they] want to offer the product knowledge and customer service that will set them apart from their competition.”

A customer wine kiosk can be key.

ed, we were really tiny. That first year, our gross revenues were \$600,000 — sales, taxes, everything,” said Chuck Ferrar, owner. “We’ve grown more than ten-fold since then — our store is 10,000 square feet, which is the legal limit in the state — and the nice thing is, it doesn’t matter, the system still works for us.”

The system from Atlantic includes — and Ferrar uses — some of the latest capabilities available. Ferrar, for instance, is able to track what are sometimes referred to as “lost customers” or “missing persons.” Ferrar can ask his system which of the 15,000+ customers in his frequent-shopper program have not made a purchase in the last six months. “If I lose a customer — and who hasn’t lost a customer? — I can pull their information up and send them an email offering them — and only them — a special offer, say five special prices on items I know they buy,” he explained.

For many retailers who are unhappy with their systems, the complaint isn’t so much that the system doesn’t do what they bought it for, but that it cannot be adapted — or the computer company is uninterested in adapting it — to do things differently or to do new things. One retailer who began using a customer kiosk (see kiosk sidebar) said, “Our only issue was getting our point-of-sale system to link up. It wasn’t anything with the kiosk, the POS company didn’t want to bother, they already had our



**At Bay Ridge Wine & Spirits, a master computer in the back office congregates data from terminals throughout the store.**

business. I’m not exactly happy with them.”

A similar situation was the inspiration for Rick Feuling to start his computer company. “I was in college, working at my father’s stores, when I saw that it would be better if the system did something a different way. The company we were working with basically said, “The system doesn’t do that, too bad, deal with it.” Feuling dealt with it by hiring his first software developer.

The ideal, with computer systems, as with any other investment in a business, is to start with the minimum investment necessary and add as the business grows. RITE recently implemented a system in a new store, The Wine Shop in Minnetonka, MN. The Wine Shop opened for business the day after last Thanksgiving. The store, which, as its name suggests, does 85% of its business in wine, has three POS stations and a work station in the back office. The system is Microsoft Dynamics, customized by RITE. “It’s very user-friendly,” said Paul Hoisser, store manager, “and I’m still learning, still scratching the surface of all it can do.”

And if need be, it can be adapted to do more or to do the things it already does in a different way. “That’s what’s wonderful,” said Feuling. “They are not in a box. If the industry changes in six months or a year, they can too.” □