



ZEBRA CASE STUDY

Fast Track Convenience Stores Redefine Convenience

Zebra RFID Printer Pays for Itself in Six Months

About Fast Track Convenience

For more than two decades, Sterling Services has offered fresh cuisine selections for vending, dining room management and executive catering to customers in the Detroit Metro area. Sterling Services has broken new ground with Fast Track Convenience powered by Freedom Shopping, self-checkout convenience stores that use RFID technology.

Challenge

In a society where people are constantly on the go—to work, school or to work out—convenient food options are not just a nicety; they're a necessity.

Offices, schools, fitness clubs, hospitals and other facilities have tried to meet those needs with self-service vending machines or manned cafes. Vending limits options to a few dozen items while staffed cafes are costly and only open certain hours. In fact, a business can spend \$50,000 to \$150,000 per year operating an on-site cafeteria.

Solution

After more than 20 years of offering vending and catering services, Sterling Services recently took its business to the next level. A light bulb went off when the company discovered radio frequency (RFID) self-checkout technology at a trade show.

Pioneered by Freedom Shopping, a North Carolina-based technology company, the solution provides RFID kiosks for retail locations, allowing customers to check out on their own. Sterling Services introduced the solution, which it named Fast Track Convenience, to its diverse customer base.

“Fast Track Convenience gives customers a lot more variety than vending machines,” said John McGlathery, general manager of Fast Track Convenience. “They can have 300 to 400 different items in the store. It’s the next evolution of the vending industry.”

The checkout kiosks automatically detect and read the pricing and item information on RFID tags on each product. Initially, Fast Track Convenience used foam tags; however, the foam tags were expensive and obtrusive on smaller products.

Faster Tagging with Zebra

After testing two types of RFID label printers, Fast Track Convenience chose the Zebra® RZ400™ printer to print UPM Raflatac ShortDipole tags. With the Zebra printer, the company can print labels in batches, with more detail on the label, reducing tagging time.

“The Zebra printer is automating our tagging ten-fold. We’ll reduce so much in labor and the cost of the tags,” McGlathery said.

Sterling found the UPM Raflatac ShortDipole tags sturdier and less costly than the previous option—which adds up to significant savings over 20,000 to 30,000 tags per month. The compact, low-profile pressure-sensitive label not only simplifies and speeds up on-demand printing and encoding, but makes the application as simple as conventional price-tagging.

Fast Track Convenience prints the Zebra tags in batches at its warehouse and that information goes right into a database. At the food production facility, workers tag all products before they head out to Fast Track Convenience store locations. Small Zebra tags more easily fit on the caps of drink bottles, compared to the foam predecessors.



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With some firmware customizations by Zebra, Sterling prints rich information on each tag. A single tag has the RFID inlay, and the printed price, food ingredients, location and expiration date—giving the warehouse and Sterling customers complete information to support inventory management. Plus, the company can easily change labeling to promote sales items.

“We have a ton of flexibility to mark products for specials or sales without adding a separate label,” McGlathery said.

Six-Second Checkout

Sterling customers quickly embraced the Fast Track Convenience solution. The company now has more than a dozen Fast Track Convenience stores in southeastern Michigan. Hospitals, schools, fitness clubs and businesses added fully stocked convenience stores to their premises—without needing checkout staff.

Sterling owns the equipment and operates the convenience stores, while its customers provide space at their facilities. The company also provides fresh foods, as well as many other convenience store items such as packaged food and drinks, over-the-counter medicines and other sundries.

Customers bring their items to one of the checkout kiosks. An RFID reader automatically senses the tag and totals the costs, and customers then pay with cash or a credit card—all in about six seconds. Or, they can establish an account with the store and check out with a personal identification number, a magnetic stripe card such as a driver’s license or employee ID, or even use their fingerprint for biometric verification.

If someone tries to leave the store without paying for an item, security gates detect the UPM Raflatac ShortDipole tags and sound an alarm that alerts the authorities. Additionally, backend software and reporting give Sterling rich sales and inventory data, without requiring manual assessment.

Results

Fast Track Convenience stores have expanded options and access significantly for those at customer locations. Sterling estimates that Fast Track stores sell more than double what vending machines yielded at the same locations—and offer larger, more varied items. At once, some facilities eliminated a money-losing staffed location as they added convenience for customers.

Second and third shift employees at a hospital can purchase fresh foods, instead of just vending machine items, after the coffee shop closes at 7 p.m. With around-the-clock access, monthly sales increased from about \$3,000 to \$8,000 at the Fast Track store.

Ford Motor Company also swapped vending machines with a store in one building, giving Ford a very low-cost way to offer lunch and snack items to employees who would otherwise have to leave by car.

Fast Track Convenience also made an impression with students at a local high school. In fact, the store became so popular, with hundreds of purchases per day, that the school added a second kiosk to keep lines short.

While Fast Track was already profitable for Sterling, the move to Zebra printers decreases the company’s costs while increasing efficiency. Over a year, Sterling saves thousands of dollars in tag costs. Rapid batch printing also reduces the time to prepare labels each day by one to two hours, which improves labor costs.

Next, Sterling will add another Zebra printer at its food production facility so that items go directly from there to locations, increasing freshness. Already, the company has seen the payoff of the new printer.

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“At our volume, the printer delivered a return on investment in less than six months,”
McGlathery said. “We’re very, very happy with the new addition to our processes and it’s
having a major impact on the way we do business.”

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