



FRESH MEAT...

NOW FRESHER THAN EVER!

**HOW FRESH MEAT JUST GOT FRESHER WITH THE
ZERO ZONE CRYSTAL™ MERCHANDISER**



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It was only a few short years ago that most retailers would have thought you were joking if you suggested putting fresh meat behind glass doors. They were convinced that the only way to make those packages sell was by displaying the product in open cases, where shoppers could easily grab the cuts of meat they wanted. That all too typical merchandising scenario, however, was accompanied by some undesirable side effects:

Product temperature varied dramatically throughout open cases

Packages were always in disarray due to shoppers "digging" for a colder package

Product shrink rates were high and product needed to be rotated often, resulting in lost profit

Slightly old product looked discolored and was unappealing to shoppers

Shoppers complained of cold aisles near the open cases and would not linger near them

That was then. This is now. When the Crystal Merchandiser hit the scene in late 2009, merchandising approaches gradually began to change. Dairy products, soft drinks, juice, beer and wine were the first to be placed in the new glass door cases. Packaged deli meats and salad mixes followed. Shortly after, the previously unthinkable happened — retailers began displaying fresh meat in Crystal Merchandiser cases. What follows is how this transition occurred, focusing on several retailers who have made the leap — and are glad they did.

SENDIK'S FOOD MARKET



Crystal Display of Fresh Red Meat

With stores located throughout Milwaukee and the surrounding areas, Sendik's began its long history over 80 years ago, starting with horse-drawn produce wagons and evolving to full-service grocery stores with a well-earned reputation for courteous service, honesty and integrity. Sendik's first used the Crystal Merchandiser several years ago for dairy, deli, beverages and packaged produce. Soon, however, they became interested in the concept of displaying fresh meat behind the elegant glass doors of the Crystal Merchandiser. Without any case modification, they undertook their experiment, and haven't looked back.

Mark Kahl, their New Berlin, Wisconsin store manager, commented that shoppers' reaction the first week or two seemed to be: "Why is the meat behind a door?" But he went on to explain that customers quickly embraced the idea and, as he put it: "I expected, frankly, to hear some negative feedback, but there's been absolutely none."

Mark's meat department manager added that not only did shoppers not mind opening doors to purchase their meat, the sales became so brisk that he was challenged with keeping the meat stocked.

He went on to say that he particularly liked the adjustable tilt of the Zero Zone shelves and that he didn't see any need for product dividers, since the doors themselves provided visible separation between different product types. He noted that shoppers were pulling product from the front and not sorting through as much as usually happens in an open case. He said that the meat is holding its color longer — for instance, pork products he put out the day before were still looking good the next day, where normally they would be discolored by then. He was also grateful for the extra facings and packout that the Crystal Merchandiser provides and that it helped him keep up with the increased demand. Sendik's meat cutter/stocker commented: "Our product lasts longer. When people see it from one day to another they will not notice that much of a difference, which is actually better for us. We can stock more. We don't have to get rid of it right away. The refrigeration [in the Crystal Merchandiser] actually makes it last longer." When asked if the products were holding up better, Mark replied, "Absolutely... there's no question it has enhanced the shelf-life of the products." And the meat cutter summarized the benefits by stating, "It's actually better for us, too, as a company — we save more money. We sell more, too. Honestly, I would encourage other companies to accept the idea of having a closed meat case."

LOWE'S MARKETS

Lowe's Markets had their modest start in Littlefield, Texas in the late 1940s, using a small truck to sell candy and sundries throughout the town. Today, Lowe's is 146 stores strong, with locations in West Texas, Arizona, Colorado and New Mexico. The growing chain is known for its friendly service and for providing the freshest meats and produce in a fun, neighborhood market format.

Lowe's has been using the Crystal Merchandiser and the Zero Zone tall low-temp cases for a number of years. One recent store collaboration added a unique twist — their store in Albuquerque, New Mexico was the first in the USA designed to run entirely on only one refrigerant, R410A. Running all the cases, walk-ins and AC for the store on R410A did pose some challenges, but those were overcome with the assistance of our partners, Emerson Climate Technologies and Sporlan. The end result was a 25% reduction in refrigerant, 25% reduced severity of leak potential, 47% reduction in GWP (Global Warming Potential) and a 7-8% increase in refrigeration system efficiency. All of this was accomplished using Crystal Merchandiser case lineups for dairy, deli, packaged produce and fresh meats along with Zero Zone RVZC30T2 freezer cases for frozen food and ice cream. On the systems side, two lightweight, compact Zero Zone OPS units (outdoor parallel systems), located on the roof, were all that were required to cool the entire store.

LOWE'S MARKET (CONT.)



Crystal Display of Fresh Meats

According to Gary Cooper, Director of Refrigeration for Lowe's Markets: "We have had a long-term relationship with Zero Zone. We have been buying their low-temp merchandisers for about 12 years now, and when they made the Crystal doors available, it was a real easy choice to pick them as a partner in our stores. They have an excellent reputation. They always performed as advertised and it's been a great experience." Gary is particularly impressed by shoppers' reaction to seeing the Crystal Merchandiser: "The first thing they notice is that you don't really see the case — pretty much all you see is the product. With the LED lighting, it really pops. You don't have all that metal that you used to see — you know, the base. So, what you see is what you are there to buy."

Lowe's stores average about 17,000 square feet, and according to Gary: "Every cubic inch is at a premium." Comparing the Crystal to typical cases, Gary continues, "We can put a 24-foot standard red meat lineup in 5 doors [of the Crystal Merchandiser]. When you have a small footprint store, this is huge because it frees up much more space on your sales floor for more product, more variety." Lowe's fresh meat Crystal doors are adjacent to 10 doors of Crystal which hold a wide variety of smoked meats, making for a very appealing self-service product display area.

The Crystal Merchandiser is capable of providing as much as 35% more facings and 25% more packout than open cases — facts that did not escape Gary's attention, especially when it comes to the effect that the Crystal cases have had on sales. According to Gary: "Sales have definitely gone up. It's not just because of the doors — it's the way they are put together — you get more variety." And when it comes to stocking the Crystal Merchandiser, Gary added, "It has been well-received on the stocking and store personnel side also. They have less work to do. The pulls are less. They are actually selling the product instead of having to rework it. We have had no adverse impact at all."

Energy is on everyone's mind these days, and Gary was drawn to the Crystal Merchandiser for its energy-saving features. He shared that the power it takes to refrigerate merely 3 feet of his previous open cases is the same that is required to run a whole 5-door Crystal Merchandiser case. That energy usage difference is not just big, Gary notes: "When you start looking at your BTU load and your kilowatt usage, it's huge."

Overall, Gary is pleased with the way his Albuquerque store has turned out, from the Crystal Merchandiser cases and the Zero Zone tall frozen food cases to the Zero Zone outdoor parallel systems. He is impressed with how all of those elements work together to maximize energy efficiency, minimize environmental impact and provide the most enticing product display possible for his shoppers. Of the Crystal cases, Gary concludes that they have "been well received — from the customer to the store personnel. They are effective. They are efficient. Of course the vendors are happy, too, because they are moving more product. And of course, we are happy of that also. It's been well-received all around."

DON'S QUALITY MARKET

Founded in 1960 in Seymour, Wisconsin, Don's Quality Market has been an early adopter of the Crystal Merchandiser and the new additions that have been made to the product line. Don's first application for the original Crystal Merchandiser with 30-inch-wide doors was for the store's dairy products. After the successful implementation of those lineups, co-owner Randy Reed, added other Crystal cases for beverages, bakery and single-serve grab-and-go items. When his long-time refrigeration contractor, John's Refrigeration, told Randy about the new 8 and 12 foot Crystal Merchandiser with 24-inch-wide French doors, he became the first to adopt it.

His initial application was for the display of beer products. Randy needed a case that would occupy the same space as his original open beer cases, and had this to say: "I needed something that would be [available] in 8 and 12 foot increments. The second thing I needed was a wider opening, because I wanted to put something larger inside these cases. With beer, the packs are bigger. Something that people could get in and out of relatively easily, and with the double doors — that seemed like the perfect way to go." According to Randy, 80% of the beer he sells is cold, and the Crystal has provided the perfect way to merchandise it and make it easily accessible to shoppers.



Crystal Display of Fresh Red Meat

When asked how shoppers had taken to the appearance of the new Crystal French door beer cases, Randy noted: "We have already gotten compliments from the customers on that part of it. The look is great on the case. I think it is going to work well. It just makes it more convenient for the customer. The doors open so easily and they stay open for the customer, and then they close. Not much effort to get the door to stay open."

Now that Randy has incorporated the Crystal Merchandiser in dairy, bakery, beer and grab-and-go applications, we asked him what his next use of the Crystal would be. Randy replied, "My meat department is a priority. That product is affected so much by any temperature or moisture change. It is hard to control that inside this big of a store and we have already talked about it with my meat manager. During the summer, he actually loses shelf-life and he can see it, so we are trying to get some of that back." Shortly after Randy made that comment, he placed an order for 16 doors (32 feet) of the new Crystal Merchandiser French door case. The cases are located on the far end of the store and provide a panoramic view of his entire fresh meat selection.

DON'S QUALITY MARKET (CONT.)

We asked Joe Schill, the store's meat manager, what he thought about displaying fresh meat behind the 24-inch French doors of the newest addition to the Crystal Merchandiser Line. Joe first discussed their past experience with open cases for fresh meat: "One of the biggest issues we've had with open face meat cases was during the summer months when the cases would go through a defrost cycle; the meat would experience a lot more stress due to the

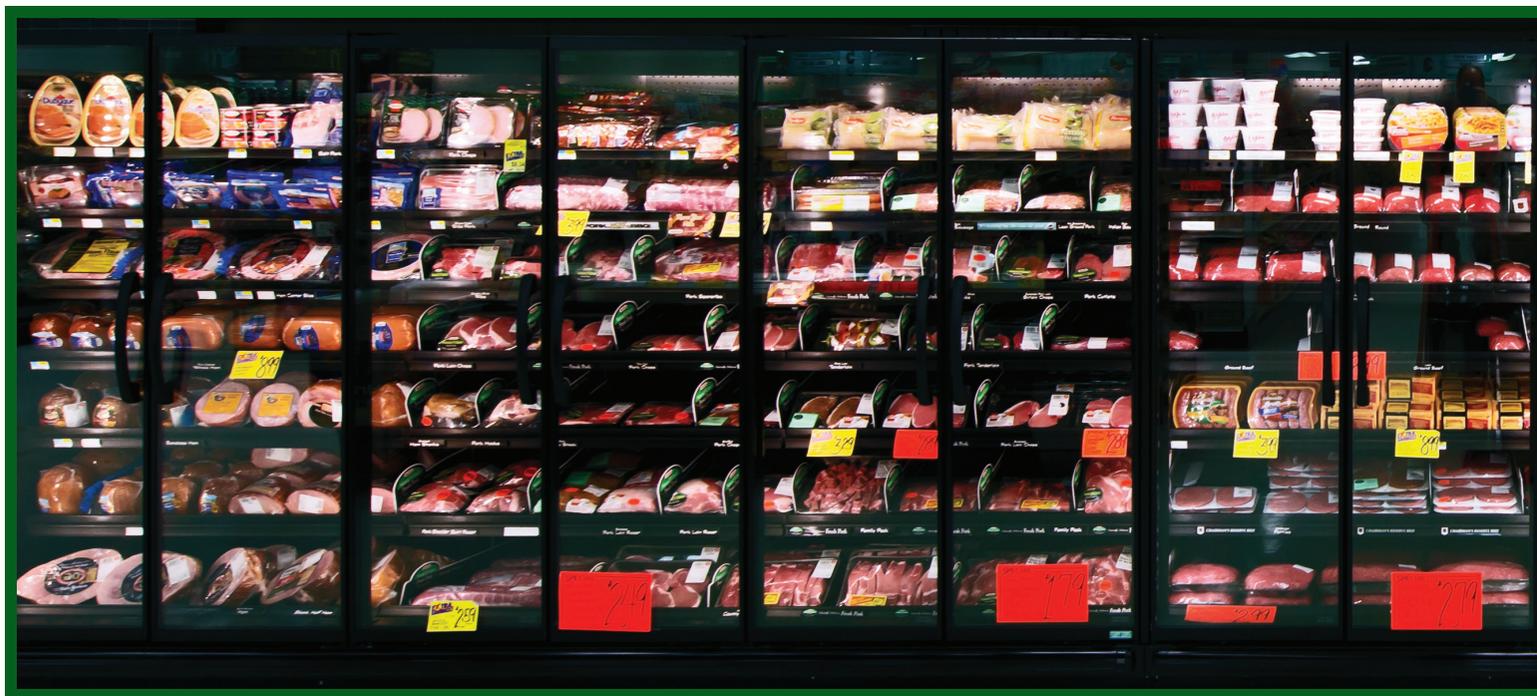
humidity in the store and it affected the shelf life of the meat.” He further explained how that has changed since the open cases were replaced with the Crystal Merchandiser.

Joe then added, “Another benefit that I noticed was that it helps inhibit little ones, little kids from poking holes into the meat. It doesn’t happen a lot, but it does happen. It is not a good thing. You don’t want to see finger holes in your ground beef. I have not had any issues since the doors went on. They basically have eliminated it.”

Joe then made some remarks about some of the most important improvements that the Crystal Merchandiser brings to his meat department: “The first thing I noticed with the Crystal cases was that you keep a much more even temperature with the meat. The ambient running temperature is very steady. I haven’t noticed a dip at all during any sort of a defrost cycle. I monitor that pretty closely and haven’t noticed any effect.” As far as shrink he experienced with open cases in the humid summer months, Joe says that effect has changed with the Crystal: “Now we don’t see that. Now we see a nice constant shelf-life on everything. I would say that everything holds up well — as best as I could expect out of the meat.”

Joe also shared his thoughts about replacing his older open cases with the new Crystal French door cases with pairs of 24-inch-wide CoolView™ doors: “It is nice that these are 24-inch doors because they fit right into where the old cases were previously. It is pretty much the same set, but with a little more space.” He is using the Zero Zone four-position tilt shelf brackets and prefers the 15 degree setting because he feels it “seems to give the best profiling of the meat.”

The Crystal Merchandiser has the exterior height of a standard-height case, with the interior height of a tall case. Joe explains how he uses that to his advantage: “These cases are taller by about 10 inches, so we gained one shelf on the top and one shelf on the bottom. What I like to use on the top shelf is the same as before, I haven’t changed anything. We put hams and various types of beef and beef sauce [on the top shelf]. We also put some of the value-added items and some of the items that are ready-to-cook that come in a cardboard sleeve or plastic tray for the microwave oven there. We chose to go with a flat top shelf because the packages are less prone to tipping over. The old cases had a slight tilt on the top shelf and product would fall down on the hamburger on the bottom of the case. The flat shelf seems to work well. I have not had any customers complain about the height, maybe one or two, but the



Crystal Lineup at Don’s Quality Market Featuring 24" French CoolView™ Doors

shelves are not any higher than any of the other grocery shelves in the rest of the store.”

During our conversation, Joe offered a very useful tip about using case liners on shelves: “It is very necessary to have case liners on the shelves when you’re dealing with fresh meat. Any meat cutter will tell you that packages will eventually leak or bleed. Sometimes there are sweating issues just because packages are going to get damp in transit from the cutting room to the case. You need some place for that to go. I definitely recommend going with a plastic ribbed case liner because it helps with cleanup and with air flow underneath the packages. These doors accommodate that by having two 24-inch doors — 48-inch case liners slide in and out very easily.” Joe uses case liners sourced from the Marco Company.

The fresh meat Crystal Merchandiser lineup at Don’s Quality Market offers about 32 linear feet of merchandising space, the same linear space that the old open cases occupied. We asked Joe how he adapted to the change from open cases: “Utilizing the same amount of feet between both the old and the new, we actually gained two shelves all the way down the entire case, which converts to about 64 feet of linear shelf space. I had to really tap into some new tricks to think of items we could put in there because of the extra space, but you don’t have to use the space if you don’t want to. These cases are customizable in the sense that you can take shelves out and move them around so you are not held to a preset mode. You can adjust the shelves to any way you want. Each door can be different so they do not have to be the same way all the way down.”

DON’S QUALITY MARKET (CONT.)

Joe also said shoppers have been impressed with the Crystal Merchandiser: “The biggest thing I’ve noticed is the reaction of people who haven’t seen the cases before. Overwhelmingly, most of the people are excited about it. Customers will say that they can trust the meat more because it is kept cooler. Obviously the air isn’t coming out of the case so they feel more comfortable in the meat they’re buying.”

“To summarize,” Joe added, “overall, I feel not only are we benefiting from the energy savings, but we are also benefiting from the extended shelf-life on the meat and the overall display value of the cases. I think these cases are really worth investing in.” What is the bottom line on all this? Joe echoed comments we have heard consistently from other retailers: “Sales have improved since we’ve had these cases. The numbers don’t lie, our sales are up.”



Used for the Display of Fresh Pork, Ground Meats, Sausage, Fresh Red Meat, Packaged Meats & Poultry

As far as what other retailers might think of displaying fresh meat behind doors, store co-owner, Randy, noted, "I really don't know why people wouldn't go with doors for fresh meat. I think the customers are used to doors. I think they think it is a better quality. It holds the product. They understand what the concept is — saving energy — but keeping that product as fresh as you can. I think they are ready for it." Joe couldn't agree more: "I would definitely recommend going to the doors. The old cases just don't make a lot of sense when it comes down to it — energy wise and the overall ambient temperature of the meat. As far as the culture — are customers ready for the doors? You walk into any convenience store and they all have doors on almost all of their cases. Customers are aware of that and I've seen it with my own customers, where they are accepting of it and they realize that this is what stores need to do to gain cost savings and all the benefits that are realized from that."

Now that we've heard from three of the retailers using the Crystal Merchandiser for the display of fresh meat, it becomes apparent that they are very pleased with the results. Whether they are using the original Crystal with 30-inch doors or the new 8 and 12 foot Crystal with pairs of 24-inch doors, they report great energy savings, excellent customer acceptance, merchandising flexibility and the ability to more accurately control product temperature and reduce shrink. More information is available from Zero Zone sales representatives at <http://www.zero-zone.com/sales-rep-locator.php> or from the Zero Zone website at www.zero-zone.com. Zero Zone welcomes the opportunity to partner with you as you consider any of the many application possibilities that the Crystal Merchandiser line can provide for your stores.

CASE CLOSED.



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