



stor.ai Case Study

How stor.ai Helped a Food Retailer Grow Its Business With eCommerce

NetCost Market's physical locations on the East Coast have flourished since 1997, but bringing the specialty supermarket to a wider audience required a flexible and responsive partner that could address today's complex omnichannel landscape.



Goal

“stor.ai looks at your specific needs and will work with you to get you up and running at soon as possible.”

MIKE KARASIK

*EVP and Chief Information Officer
NetCost Market*

Bring on eCommerce Capabilities Quickly

NetCost Market has a well established reputation on the East Coast, serving customers at eight different New York City locations, two Philadelphia, PA locations, and one in Manalapan, NJ. Founded with the goal of bringing a little bit of home to immigrants in the U.S., the supermarket specializes in Russian and Eastern European goods, though it has expanded to bring foods from around the world to shoppers in their local communities.

Despite success and major expansion in a little over two decades, NetCost Market had never attempted to sell its products online. The retailer’s primary aim in launching eCommerce was to bring its products to a wider audience—a prescient decision in light of the coming pandemic. NetCost Market sought a partner that could scale with its business and that could support the challenges that come with NetCost Market’s industry.

“We were looking for a true partner,” Mike Karasik, NetCost Market’s EVP and Chief Information Officer, said of his search for an end-to-end platform to support the company’s expansion into eCommerce. “They had to be flexible and the time-to-market had to be quick.”

Strategy

“ They really see the future, and they helped us see the potential too. ”

MIKE KARASIK

*EVP and Chief Information Officer
NetCost Market*

Utilize stor.ai’s End-to-end eCommerce Solution

NetCost Market chose to work with stor.ai due to its “extremely flexible and customizable onboarding process,” Karasik said, which allowed the business to launch its eCommerce offerings quickly and scale them over time. “They look at your specific needs and will work with you to get you up and running at soon as possible.”

An unprecedented level of customer support also proved to be a key driver of success in the collaboration. “What we do is unusual,” Karasik explained. “We need layers of explanation for labeling, since these are foreign products labeled in different languages.” The stor.ai team was instrumental in that and other aspects of display—enabling translation into multiple languages. The stor.ai team even sourced and sent its own photographer to ensure NetCost Market would have high-quality product imagery for its website.

stor.ai’s flexibility and its team’s willingness to work with NetCost Market’s unique challenges and goals meant that even difficult technological challenges were resolved seamlessly through the right tools and training. For example, since many of NetCost Market’s products are food, their pricing is weight-based, which is tricky to handle in an eCommerce environment. stor.ai enabled pre-authorization for shoppers’ credit cards so that the right amount could be billed for each item when it was weighed and packaged for fulfillment.

The stor.ai team was also able to offer guidance on best practices in integrating the technology with logistics, merchant services, and even resource allocation as NetCost Market navigated the logistics of distributing food to a wider market, allowing the retailer to take advantage of a dramatic upswing in demand for specialty food products—a market that hit \$170 billion by the end of 2020, and is predicted to continue growing.

Results

“ We now see endless possibilities with eCommerce. ”

MIKE KARASIK

*EVP and Chief Information Officer
NetCost Market*

Greater Expansion and National Distribution

Since integrating stor.ai into daily operations and launching its eCommerce efforts, NetCost Market has been able to realize “a whole new reality.” eCommerce is now not only a major source of income for the company, but has also inspired further expansion. In fact, the company has its sights aimed at going national—distributing its products to customers throughout the U.S.

In a landscape where—after a boom during the pandemic—the grocery market is expecting a slight downturn in brick-and-mortar sales as people return to dining out with more frequency, NetCost Market is now poised to take advantage of another change incurred during the pandemic: a shift to online shopping. Despite an eventual return to normalcy, online shopping habits adopted during the last several years are likely to remain, with research and advisory firm Coresight anticipating digital sales for grocers to grow by 32.4% in 2022, up sharply from 17.9% in the previous year.

As NetCost Market widens its distribution with the partnership of stor.ai, they have appreciated the platform’s extendability. “It’s never a fixed solution,” Karasik observed. “stor.ai is always innovating and expanding its features.”

As NetCost Market itself is fixed on expansion, Stor.ai’s design, adaptability, and commitment to evolving with their partners has proven invaluable. Specifically, NetCost is working with stor.ai to test new capabilities that can help it deepen market penetration, including enabling micro-fulfillment. “We have shown them our needs for the backend and they are always right there, paying attention and listening to us, which helps us grow and helps them deliver an even better product. “They are not a vendor. They are partners,” Karasik. “It’s a win-win.”



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