



Wolfeboro Food Co-op

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February 28, 2022

Dear Co-op Member Owner's and Customers,

Thank you for your inquiry regarding the decision to end the Co-op's long standing loyalty card program. The board hopes that the following will help you to understand our decision.

The Wolfeboro Food Co-op was created as a Co-op, not simply a corporation. By definition, Co-ops are to be run to allow for profit sharing by its members. The dictionary defines a co-op as:

noun: **co-operative**

a farm, business, or other organization which is owned and run jointly by its members, **who share the profits or benefits.**

The loyalty card program was created to encourage repeat shopping and build the initial customer base for our store. The good news, it worked! We have a solid customer base. We now are shifting our focus to the profitability of the business and our ability to reward the member owners who have invested in the Co-op as a business and who support the store with their regular purchases.

Some details:

- Since its inception, the loyalty card has generated almost \$38,000 in customer discounts.
- In 2021 alone, the loyalty card program accounted for over \$15,000 of the total \$24,000 discounts given to all customers.
- Loyalty cards were not limited to owner members – they were offered to ALL customers to help build up the Co-op's sales volume and initial customer base.
- Any profits that might have been realized in 2021 and distributed to member owners were instead given away in discounts.
- We have found that many regular customers have opted out of becoming a member owner because loyalty cards provided them the discount they desired – we hope these shoppers will realize the value in membership and become member owners to take advantage of our new, more flexible Member Discount Day Program (*see below for details*). This 10% is a greater discount than the 7% offered by the loyalty card.
- Member owners of the Co-op are investors and needs to be treated as such and financially rewarded for their investment as well as their shopping.
- Discounts are now and will continue to be designed to provide distinct and clear benefits that links to membership.
- Lifetime memberships are still available for \$150. Imagine how quickly you can earn that back with your 10% discount each month.

Don't worry if you have uncashed discount cards. You have until March 31, 2022 to complete your cards and any outstanding completed cards will be honored through December 31, 2022.

In addition to focusing discount programs for our member owners, we also anticipate the following programs to be initiated in 2022 which will benefit all of our customers, especially our member owners:

- **5th Anniversary Year Member Discount Days Special.** Starting in March '22, member-discount days will be member selected days rather than store designated. This means members will be able to utilize their 10% discount once a month, on a day of their choosing. This provides members the flexibility to shop when it works best for them. *Discount days cannot be accumulated and must be used in the month it is issued and have some product restrictions, see store for details.
- **Introducing SNAP.** We have applied to participate in the SNAP program, which enables low-income households to shop at our store. Stay tuned for the announcement of our acceptance into this program.
- **Updated Purchasing Strategy.** Given our current levels of working capital and consistent customer base, we are initiating larger quantity purchase programs to support lower prices for all customers on select products.
- **Annual Patronage Dividend.** Our goal to is to have this next year of Co-op operation be the first year we can provide member owners with a modest but important reward, profit sharing pro-rated per shopping history.
- **Classes and In-Store Activities.** Subject to COVID-19 we intend to introduce classes, educational seminars, and in-store activities. These workshops will be available to member owners at free or discounted pricing.

It is important to remember that, when you shop at the Co-op, you are investing in an establishment that has a mission beyond good quality food, but also community-building and supporting local farmers and producers. By becoming a member owner, engaging with staff about products you like, and attending the Annual Member Meeting, you can help us fine-tune the Co-op to your needs and lifestyle goals.

Thank you for your support of the Wolfeboro Food Co-op and our 2022 program updates.

Sincerely,

Corinne Ferguson
Board President
Wolfeboro Community Food Cooperative