

Costcutter[®]

CO-OP OWN BRAND

THATCHAM & TILEHURST, READING

Harmeet and Guljeet Bajaj, store managers



Brothers team up on winning Co-op Own Brand formula

For Harmeet and Guljeet Bajaj, two brothers with their own Costcutter stores near Reading, Co-op Own Brand products have been key to their success.

“We’ve been growing over the past three years and had a refurb of the Tilehurst store in 2018,” says Harmeet. “That attracted a lot of new people, but it was when the Costcutter and Co-op deal happened and we could have the Co-op products in stock that really helped us.”

The brothers took over Harmeet’s store in 2009 and then Guljeet’s in Thatcham in 2013. Being able to see what did and didn’t work at the first one guided them with what to do at the second.

“We saw how well a refurb worked at Harmeet’s store,” says Guljeet, “so we did that here in February 2019. The refurb was good – it’s really made the store a lot more spacious and bright – but the Co-op products that made the biggest difference. What we learned from the first store is that people are really into fresh produce these days but I didn’t have any fresh lines before. So, we’ve been concentrating on the fresh lines, whatever we can get, and they’re doing really well.”

Guljeet says his chilled orders before the refurb were only about £200, which included bread and milk, but now it’s around £900 with a couple of orders early in the lockdown of over £2,000.



£900

**REGULARLY SPENT ON
CHILLED ORDERS**



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“That first summer I saw an easy 20% increase in sales. Now I have Co-op fresh fruit, veg and meat, and a large, expanded freezer: 6m in total while the local Tesco’s only has a 1m. Pretty much everything sells really well but the crisp lines – the cheese puffs and bacon rashers – they fly out the door, so do the sandwiches. They all sell well, but I’m also happy because the margins are so good with the Co-op Own Brand products.”

At Harmeet’s Tilehurst store, he says the proportion of sales for branded products versus Co-op Own Brand is currently running at about 60:40. However, he says that’s changing and expects it to be 50:50 or better within the next year or two.

“It’s because of the quality of the products. Apart from the price, there’s no difference between, say, Heinz baked beans and Co-op’s, unlike the other brands, such as Happy Shopper or Heritage. Currently, we’ve just switched from the main brand ice creams to the Co-op ones and they’ve been popular as well, especially on a hot day, but even on a cold one they sell well because of their price and quality.”



60:40

**BRANDED PRODUCTS
VERSUS CO-OP OWN BRANDS**

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People know the quality of Co-op Own Brand products and so because it has products in every category – alcohol, medication, groceries – they can trust whatever they buy.

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Harmeet says that variety of products is also important, especially for a smaller store where people might not expect much choice between lines. “That’s why I was very happy about Costcutter’s deal with the Co-op. People know the quality of Co-op Own Brand products and so because it has products in every category – alcohol, medication, groceries – they can trust whatever they buy.”

Neither of the brothers are taking things for granted though. They know that it’s important to try new things and to adapt.

“We always try new things,” says Harmeet. “We started with pick and mix and that was popular, but because of the coronavirus and the risk [from contamination] we’ve stopped doing that for the time being. Now we’re starting a new range of pre-packaged packs, which are selling well, and our new lines of American sweets and cereals are really popular too.

“It’s my belief that if you’re not changing and trying new things, everything just sits on the shelf. As long as you’re moving things around and mixing in the new, then people will try them and everything sells faster.”

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