



***-Week Ending 1/22/10-***

*Below is the list of articles you will find for the week ending 1/22/10 edition of Retail Industry News.*

- ▶ **Walgreen Ready To Move Into Expanded Fresh Foods Business**
- ▶ **Haiti Earthquake Brings Out Best In US Retailers, Customers**
- ▶ **Sansolo Speaks: "Not So-Funny Pages"**
- ▶ **Sansolo Speaks (Bonus Edition): "Lost in the Digital Age"**
- ▶ **Food Lion Links Private Brands To Low Prices In New Promotion**
- ▶ **Retailers Prominent On New Fortune "Best Places To Work" List**
- ▶ **Target Lays Out Plans For Next 5-10 Years**
- ▶ **Linking Card Data To Food Safety Alerts**
- ▶ **FastNewsBeat**
- ▶ **The Balance Sheet**
- ▶ **Executive Suite**



**Thanks to MNB  
for this selection of  
articles.**

## **Walgreen Ready To Move Into Expanded Fresh Foods Business**

*Bloomberg* reports that drugstore chain Walgreen Co. is talking to a range of food manufacturers - including Unilever, Nestle and Sara Lee - that could help it develop fresh foods and prepared meals that it could sell to its shoppers both as national and private brands.

"Everyone is time-starved and we have the most convenient 7,000 locations in the US," Bryan Pugh, the company's vice president of merchandising, tells *Bloomberg*. "They're on-the-way-home destinations that are easy to get in and out of and will provide a good value."

According to the story, Walgreen has not set a time or cost for an expanded food program, but is anxious to engage competitively with supermarkets, supercenters and even convenience stores.

*Bloomberg* notes that Pugh is about to hire someone to run the company's fresh food program; it also suggests that some clues to Walgreen's likely approach may be found in Pugh's previous employer - Tesco.

## **Haiti Earthquake Brings Out Best In US Retailers, Customers**

A number of retailers continue to line up to support relief efforts aimed at helping the citizens of Haiti devastated by last week's earthquake. Among the programs:

- Safeway launched a companywide initiative to provide humanitarian relief for people impacted by the Haiti earthquake. The Safeway Foundation will make an initial contribution of \$100,000 to the American Red Cross and UNICEF, two organizations at the forefront of the earthquake disaster relief mission. The company's stores throughout the U.S. and Canada have begun collecting donations for Haiti Disaster Relief through a checkstand program. In addition, Safeway's corporate offices and other non-store facilities will conduct employee fundraisers so the company's entire workforce can contribute to this important effort.
- Winn-Dixie Stores is implementing its "Neighbors Helping Neighbors" program in all of its 514 stores to help support the American Red Cross disaster relief efforts in Haiti. "Neighbors Helping Neighbors" allows Winn-Dixie customers to donate to the Red Cross by simply indicating the amount of their choosing (between 50 cents and \$500) at the cash register. The cashier will automatically add that amount to the total bill.



- Weis Markets has begun collecting donations on behalf of the American Red Cross's Haiti Relief and Development Fund in all of its stores, allowing customers to donate the amount they wish by adding to their grocery bill at check out or at the courtesy desk. This option is available to customers paying with cash, check, and credit or debit cards.
- Rite Aid announced that The Rite Aid Foundation is making a \$50,000 donation to the American Red Cross International Response Fund to help the victims, families and communities affected by the recent earthquake in Haiti. In addition, shoppers will be able to donate funds by purchasing \$1 disaster relief certificates at any Rite Aid store across the country in a program similar to ones Rite Aid conducted to support tsunami relief efforts in 2005 and aid the victims of the attacks on 9/11. Rite Aid associates in the corporate and field offices as well as the company's distribution centers will also participate in the program. All funds raised will be donated to the American Red Cross International Response Fund for earthquake relief.

## ***Sansolo Speaks: "Not So-Funny Pages"***

***by Michael Sansolo***

Although the United States grows increasingly diverse almost daily, many of us may find that reality easy to ignore. I spend very little time watching BET or Univision on cable and the music choices on my I-Pod mostly reflect the world in which I grew up, which means rock, not rap.

I even manage to avoid an incredibly easy visit to the diverse world every morning in my daily newspaper. Simply looking at the comics page these days gives you a sense of America in 2010. There are comics geared to young kids, pre-teens and teen-agers; parents of those different aged kids; grandparents, working people and even those of us with strange sense of humor who love *Pearls Before Swine*. There's something else too: comics geared at racial and ethnic groups including African-Americans and Hispanics.

Now it's possible that Hispanics love the strip *Baldo*, but try as I might, I never get it. The problem isn't language, as I know enough Spanish to understand when it switches out of English. Rather, I simply don't get the references or jokes, so I pass it by.

That is until this past week. Both my daughter and I noticed a strange tone in the drawings that compelled us to follow the story arc. In reading it, we became aware of how different communities confront different problems.

The story line itself was simple. The elderly family aunt was approached by a woman outside a supermarket who had a problem. The stranger had a winning lottery ticket, but couldn't cash it because she was an illegal immigrant. So she offered the aunt a deal to split the money if the aunt would give her a check first in good faith.

Stunned by this turn of good fortune, the aunt offers up \$5,000 and is prepared to take the woman and a friend to her bank. Just then, her nephew shows up and rescues her from the scam. The comic strip finished with anything but a joke, instead offering a reminder for readers to visit the website of the National Council of La Raza (the nation's leading Hispanic organization) for help on financial issues.

Now here's hoping that most of us already know it's a bad idea to respond to Emails from Nigerian princes with large, yet untouchable, bank accounts or to ever consider a deal like the one proposed in *Baldo*. Yet somehow those scams go on and somehow they keep snagging the unsuspecting among us.

While I may not "get" *Baldo*, I have to believe there are many struggling Americans who would see a proposal like the one in the strip as stunning windfall, especially in tough economic times. It's possible that the problem is worse than we can believe among non-aculturated immigrants.

That makes you wonder what else people don't know and in the process, what opportunities exist for companies to build loyalty by building knowledge among customers. For instance, how many shoppers look at the new self-scanners and live in fear of the day they might have to use those things? How many have no clue that meats need cooking to a specific temperature to kill bacteria? How many have no knowledge about a trans fat, an anti-oxidant or a pro-biotic?



Or how many have no idea that giving money to someone promising free access to a lottery ticket or a bank account is a really bad idea?

And that has to make you wonder how can we help make them smarter, make them more aware and in the process, make them better customers.

Michael Sansolo can be reached via email at [msansolo@morningnewsbeat.com](mailto:msansolo@morningnewsbeat.com). His new book, "THE BIG PICTURE: Essential Business Lessons From The Movies," co-authored with Kevin Coupe, is available [by clicking here](#).

## **Sansolo Speaks (Bonus Edition): "Lost in the Digital Age"**

**by Michael Sansolo**

Walking through our neighborhood shopping center the other day, my wife noticed something that in years past was completely unremarkable, but today seems completely irrelevant. It was a delivery man leaving new phone directories at the door of each retail establishment.

Janice (my wife) was stunned. "Why do they even bother? Do you even remember the last time you used the Yellow Pages?"

I had to admit she was right. I have nothing against the companies that produce the Yellow Pages or all its competitors, but why exactly do they still produce it in the day and age of Google? It reminded me immediately of a scene from *Ocean's 13*, and I promise this isn't a gratuitous way to reference the new book Kevin and I have co-authored: *The Big Picture: Essential Business Lessons from the Movies*.

In the scene, master thieves Danny and Rusty (played so wonderfully by George Clooney and Brad Pitt, respectively) admit they are stumped. They have countless ideas to beat the new security device at the hotel they hope to rob, but their British consultant Roman Nagel (Eddie Izzard) keeps explaining why none of their ideas will work. In short, they just don't get it because, as Nagel says, their thinking is antiquated.

"Basically, you are analog thieves in a digital age." (Of course, this being the movies, the gang figures out a way to beat the amazing digital security device named the Greco by its inventor of the same name.)

*Analog in a digital age.* I can freely admit that there are times I am an analog guy in a digital age. For instance, while I own and frequently wear a digital watch, I know I'm much quicker at picking up the time by simply looking at a watch face. And I still find it off-putting somehow that my car tells me my speed in a digital read out, which allows my wife or kids to tell me with specificity just how much I am over the speed limit. Somehow, the old dial seemed friendlier.

But in business, we can't afford to be analog people in a digital age. Again, I know nothing about phone books, but I have to believe that if Yellow Pages wants to defend its franchise they had better figure out a way to deliver the information to my computer in a format that somehow blows Google away. Use geography, use creative search terms or use something, but don't drop a seven pound book on my doorstep. (And, as my wife pointed out, the only people who might actually use the book can hardly read it anyhow because the type is always too small!)

Retail must do the same. I find it fascinating that people who look up my book on Amazon are also visiting *What Would Keith Richards Do?: Daily Affirmations from a Rock and Roll Survivor*. But that's how Amazon creates creative sales and positive linking of shoppers to information. How can brick and mortar retailers do the same?

More importantly, how can brick and mortar retailers afford not to?

Michael Sansolo can be reached via email at [msansolo@morningnewsbeat.com](mailto:msansolo@morningnewsbeat.com). His new book, "THE BIG PICTURE: Essential Business Lessons From The Movies," co-authored with Kevin Coupe, is available [by clicking here](#).



## Food Lion Links Private Brands To Low Prices In New Promotion

Food Lion and Bloom shoppers are able to earn up to \$10 in free groceries every time they buy private brand products in a new promotion running through February 2.

According to the announcement, each time customers shop at Food Lion or Bloom during the Private Brand Super Sale and purchase at least four Food Lion, Bloom or Home 360 products using their Food Lion MVP or Bloom Breeze card, they earn a money-saving coupon. Customers get \$1 in coupons for the first four private brand products they purchase and 25 cents back for each additional private brand product they buy – up to \$10 – during the promotion. During the first week of the program, the company says, customers earned more than \$180,000 in free groceries.

## Retailers Prominent On New *Fortune* “Best Places To Work” List

*Fortune* is out with its annual “100 Best Places To Work” list this morning, and included on the list are a number of retailers and CPG companies. Some of the honorees are:

- #3 - Wegmans
- #5 - Nugget Market
- #15 - Zappos
- #18 - Whole Foods Market
- #36 - The Container Store
- #47 - JM Smucker
- #53 - Nordstrom
- #59 - Monsanto
- #64 - Stew Leonard’s
- #72 - McCormick & Co.
- #83 - SC Johnson & Co.
- #84 - Accenture
- #86 - Publix Super Markets
- #90 - General Mills
- #93 - Starbucks
- #100 - Colgate-Palmolive

The number one company on the list this year is software manufacturer SAS, and here is what *Fortune* has to say about its culture:

“One of the Best Companies for all 13 years, SAS boasts a laundry list of benefits -- high-quality child care at \$410 a month, 90% coverage of the health insurance premium, unlimited sick days, a medical center staffed by four physicians and 10 nurse practitioners (at no cost to employees), a free 66,000-square-foot fitness center and natatorium, a lending library, and a summer camp for children.

“The architect of this culture -- based on ‘trust between our employees and the company’ -- is Jim Goodnight, its co-founder, and the only CEO that SAS has had in its 34-year history.

“Some might think that with all those perks, Goodnight was giving away the store. Not so. SAS is highly profitable and ranks as the world’s largest privately owned software company. Turnover is the industry’s lowest at 2%.”

## Target Lays Out Plans For Next 5-10 Years

Target “plans to remodel 340 stores, develop a smaller format for urban markets and expand overseas as the retailer pursues growth in the next five to 10 years,” according to a *Reuters* story.

The *Wall Street Journal* reports that Target will “pour \$1 billion this year into remodeling its existing shops to accelerate a push



into groceries. The discount-store chain on Thursday said it will open fewer than 10 new stores in 2010, down from about 60 last year and an average of a 100 a year for the past several years."

In addition, Target executives told an analyst meeting that "it could have a 'home run' with its 'PFresh' concept, where it is offering an expanded selection of food. It has already seen a lift in sales and traffic at the 108 stores that have been outfitted with the new concept as shoppers snap up the food."

Target execs also say they are considering an international expansion that would take the company into Canada and/or Latin America, but not for at least three years.

## Linking Card Data To Food Safety Alerts

The *Pittsburgh Post-Gazette* has a story about how Giant Eagle is linking its frequent shopper card program with an automated notification system that will alert shoppers who have purchased products with food safety issues.

"Late Monday afternoon, employees at O'Hara grocer Giant Eagle Inc. got test results showing some hash brown products sold by the retailer contained a bacterium that can cause a potentially serious infection." And, the *Post-Gazette* reports, "Within hours, an automated system was busy calling more than 300,000 Giant Eagle Advantage Card holders who records showed had purchased the affected product ... It was the first large-scale use of the grocer's automated notification system. So far, so good. Officials said many customers have thanked the company for the calls.

"Loyalty cards issued by grocers and other retailers have had their critics over the years, as some people worry about how much data the companies gather and others complain they shouldn't have to give up personal information in exchange for supermarket discounts."

## FastNewsBeat

- There are reports out of the Pacific Northwest saying that the United Food and Commercial Workers (UFCW) has come to an agreement with Albertsons on a new contract, eliminating the possibility of a strike. Details of the agreement were not disclosed.
- The *Columbus Dispatch* reports that Giant Eagle has begun selling an expanded selection of Kosher fresh foods at three of its Ohio stores. According to the story, "the Pittsburgh-based grocery chain has joined Kroger in expanding kosher offerings, sought not only for religious reasons but also by those who believe kosher food is safer because of rules governing its preparation."

## The Balance Sheet

- Royal Ahold this morning said that its fourth quarter net sales climbed 3.4 percent to the equivalent of \$9.6 billion (US). At its US chains, same-store sales were up one percent at Stop & Shop, 2.4 percent at Giant of Landover and 2.8 percent at Giant of Carlisle.
- Starbucks said yesterday that its first fiscal quarter income was \$241.5 million, up from \$64.3 million during the same period a year ago. Q1 revenue was up four percent, to \$2.7 billion, on same-store sales that also were up four percent.

## Executive Suite

- Walgreen Co. announced that Kermit R. Crawford has been promoted from senior vice president to executive vice president of pharmacy services.

In addition, Dana I. Green also has been promoted from senior vice president to executive vice president and general counsel.

## Retail Industry News from IRI



And, Colin F. Watts, divisional vice president of innovation and new product development, has been promoted to a corporate vice president.

- CVS Caremark has hired David Casey to be its Vice President and Diversity Officer, a new role at the company. Casey most recently was chief diversity officer at WellPoint.
- Rite Aid Corporation announced that Bryan Shirliff, currently the company's Senior Vice President of Category Management, has been named to the new position of Senior Vice President, Business Development.

In addition, Tony Montini, currently Executive Vice President and COO of the national advertising agency Marc USA, which has been Rite Aid's agency of record since 1997, will join Rite Aid as Senior Vice President, Category Management.

- Rite Aid announced that Bryan Shirliff, currently the company's Senior Vice President of Category Management, has been named to the new position of Senior Vice President, Business Development.
- The National Association of Convenience Stores (NACS) announced that Corey Fitze, a former political fundraiser for both the National Republican Congressional Committee and 3 Dog Consulting, has joined the association as director of government relations.

