

## - Retail Industry News from IRI for Week Ending 2/8/08-

---

*Below is the list of articles you will find for the week ending 2/8/08 edition of Retail Industry News.*

- ▶ Report: Tesco Targeting Windy City For Fresh & Easy
- ▶ Wal-Mart Expands Commitment To In-Store Health Clinics
- ▶ Raley's Launches Private Label Organic Line
- ▶ Carrefour To Stress Store Brand, Private Label
- ▶ Sansolo Speaks: Information Abhors A Vacuum
- ▶ FastNewsBeat
- ▶ The MNB Wal-Mart Watch
- ▶ The Balance Sheet
- ▶ Executive Suite



Thanks to MNB  
for this selection of  
articles.

### **Report: Tesco Targeting Windy City For Fresh & Easy**

The *Chicago Sun Times* reports that British retailer Tesco, which has been opening Fresh & Easy Neighborhood Markets in California, Arizona and Nevada, is looking for locations in Chicago, with Arlington Heights, Illinois, mentioned as a potential location.

"Though the Chicago area grocery market has become increasingly competitive with entries and expansions by Trader Joe's, Whole Foods, Aldi, Costco, Food 4 Less, Roundy's, Target and Wal-Mart, a Fresh & Easy Neighborhood Market would be unique because of its strong offerings of prepared foods, packaged perishables and selections of produce, meat and bakery," the *Sun Times* writes.

Tesco is not commenting on the report, and no timetable is suggested for when the Chicago openings might occur. The *Sun Times* attributes the report to "knowledgeable sources."

### **Wal-Mart Expands Commitment To In-Store Health Clinics**

The *New York Times* this morning reports that Wal-Mart is scheduled to announce later today that it plans to open "several hundred new clinics at its stores, using a standardized format and jointly branded with hospitals and medical groups."

According to the story, "Wal-Mart also says it plans to brand 200 of the new clinics with RediClinics, one of the Revolution Health companies of Steven Case, the AOL co-founder. Those are to be operated in partnership with various local health care providers. RediClinic, which already operates 13 clinics in Wal-Mart stores, plans to open one of the new units in Atlanta in April and another in Dallas next summer ... In all, Wal-Mart plans to have 400 store clinics by 2010, including current units that will be converted to the new brand as their leases come up for renewal. The company currently has 78 in-store clinics around the country, but has had uneven performance in some cases. Wal-Mart does not operate any clinics itself but is seeking local hospitals and medical practices as partners, said Deisha Galberth, a Wal-Mart spokeswoman."

## Raley's Launches Private Label Organic Line

The *Sacramento Bee* reports that Raley's, which already has been investing more in its private label strategy, is launching a new line of Full Circle organic and natural products, a proprietary line of products ranging from beans to laundry detergent.

According to the *Bee*, "Raley's believes it can tie its brand more closely to healthy eating options, fend off old competitors and cut off emerging rivals exploiting the demand for organic goods. It also underscores how organic products have gone from a boutique business that often offered unpalatable high-priced items to a mainstream industry that mass-produces attractive goods for less ... The products marry the strengths of private labeling – higher profits on exclusively branded products that cost less for a store to acquire than national brands – with the health and social appeal of organic goods."

## Carrefour To Stress Store Brand, Private Label

*Inside Retailing* reports that Carrefour is rebranding its various French formats looking to focus more attention on the Carrefour name and make its focus less fragmented.

This is a breakthrough year for Carrefour," says Carrefour CEO José Luis Duran. "The idea is to make the brand work harder, regardless of format. I want more customers in our stores, whether that is a hypermarket, supermarket, hard discounter, convenience store or over the Internet."

## Sansolo Speaks: Information Abhors A Vacuum

*by Michael Sansolo*

In the age of information, is it possible that people know both too much and too little? And, if so, is the role of the industry changing forever?

If not, it should.

This came through to me recently while out supermarket shopping. A woman nearby announced to her husband that she wanted to make certain she avoided any foods with GMOs in them.

I couldn't resist. "What's a GMO?, " I asked politely. She looked at me quizzically and then admitted she didn't know. It didn't make a difference though; she didn't want them in her food.

Had this woman been anyone other than my sister, I might have dropped the conversation. "If you don't know what they are, how do you know they aren't good for you?" I had to ask.

At that point my sister promised to slug me. Yet the exchange bothered me for bigger reasons. My sister is knowledgeable, well educated and articulate. I expected her to respond to my first question with a detailed explanation of why she avoids GMOs. Instead, she avoids GMOs without a clue that they stand for genetically modified organisms. She avoids them because she heard she should.

Later that week, I caught an ever-present "info-mercial" on television. It featured Kevin Trudeau hawking another one of his books that promise to blow the cover off all health, wellness, nutritional and whatever secrets. I suggest you Google "Kevin Trudeau scam" to get a sense of just how completely unqualified he is to write any of those books, but he writes them, sells them and...people buy them and believe them. Nature abhors a vacuum. So, apparently does information.

I'm no scientist, but I can understand a lot of reasons why GMOs could be beneficial, especially in helping us develop crops that are healthier and less damaging to the environment. And I can understand the concerns. I

can see why cloning could help provide better food supplies for our changing world. And I can see why they frighten people and raise a wide range of questions. These are complex issues that deserve, but rarely get, knowledgeable debate.

Without information from trusted sources, reasoned debate loses. When the government pronounces cloned animals fit for the food supply without promising education or labeling, the forces of ignorance get all the ammunition to control the debate. Shoppers can logically ask, if cloning is so good, why wouldn't they tell us? It's a compelling question with no answer.

It's not just about controversial issues. Without balanced information on healthier eating, wellness and the world of choices, the information vacuum can get filled in very strange ways. Whether we like it or not, the world has changed and the consumer expectations of the food industry have changed with it.

Forty years ago, the supermarket could proudly proclaim it was the purchasing agent for the consumer and could make it work. After all, that's what stores did. They winnowed the choices for the shopper, provided ample supplies of those choices and grew to success. It's a role the industry has to this very day.

Next, the store became the extension of the home kitchen moving full force into step saving methods to make mealtime easier than ever for time-pressed shoppers. It's a movement that continues to this day in each and every section of the store.

Today it seems the industry (not just the store) is moving into a new era. Now information is king and the industry has to decide how to become the trusted "purchasing agent of information." That means telling the good and the bad (think of Hannaford's Guiding Stars); it means providing the details on what matters. It means explaining sourcing and science. It means becoming a partner to give nutritional information to today's health-worried shopper.

It won't be an easier than the previous turns of the evolutionary wheel, but the time for this new role is here. And the industry can't seize it quickly enough or we run the risk that other voices will drown out ours.

*Michael Sansolo can be reached via email at [msansolo@morningnewsbeat.com](mailto:msansolo@morningnewsbeat.com).*

## **FastNewsBeat**

- Hannaford Supermarkets announced that its is shifting the sales dates of its weekly flyer. Currently running Sunday through Saturday, beginning April 11, the flyer will advertise sales from Friday through Thursday. The company said that this would allow associates to update the store during the week to reflect upcoming sales, and afford "additional opportunities to serve customers during the busy weekend hours."
- A new study in the UK looking at consumer attitudes toward ethical food priorities suggests that people there are most interested in ethical trading, animal welfare and the environment. However, the study also says that the two least critical issues, at least in the consumer's mind, seem to be packaging and climate change – which is seen as surprising since these are two issues that have gotten an enormous amount of publicity.
- The Penn Traffic Company announced that it has signed a produce procurement contract with C&S Wholesale Grocers, Inc., which will allow Penn Traffic to benefit from purchasing cost efficiencies while expanding access to new and alternative products.

## The MNB Wal-Mart Watch

- The *Financial Times* this morning reports that “low-income customers at Wal-Mart appear to be using Christmas gift cards to buy food and other basics rather than using them on discretionary gifts,” a strategy that *FT* suggests is a “telling sign of the economic pressures facing the least well-off US consumers.”
- The *Wall Street Journal* reports that Wal-Mart’s new agreements with health clinic operators, which will result in hundreds of new installations over the next few years, are calling for Wal-Mart’s name to put on the clinics.

Also, the *Journal* notes that “as part of its effort to influence health-care procedures, Wal-Mart will require new clinic operators to use an electronic medical records and practice-management system from closely held eClinicalWorks LLC, of Westborough, Mass.”

## The Balance Sheet

- Wal-Mart Stores said that its January sales were \$27.3 billion, an increase on 7.9% over January 2007, with same-store sales up 0.5 percent. Sales were up 3.5 percent at domestic Wal-Mart stores, six percent at Sam’s Club, and 20.8 percent internationally.
- BJ’s Wholesale Club reported that its January sales increased by 11.2 percent to \$652.0 million, on same-store sales that were up 7.8 percent.
- Target Corp. released its January sales figures, saying that sales were down 16.1 percent to \$4.106 billion, on same-store sales that were off by 1.1 percent.
- Longs Drug Stores reported that its January sales were \$452 million, up 28.8 percent from the year before; same-store sales were up one percent.

## Executive Suite

- The Food Marketing Institute (FMI) announced yesterday that Deborah White, the organization’s vice president and general counsel for regulatory affairs, have been promoted to be chief legal officer and senior vice president.