



-Week Ending 4/3/09-

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Thanks to MNB
for this selection of
articles.

Bashas' Launches Recession-Themed Promotion

In Arizona, Bashas' announced a promotion that will respond to recessionary times by reducing prices on 10,000 everyday items, plus a contest that will result in the grand prize winner getting enough Bashas' gift cards to give him or her \$100 worth of free groceries per week for an entire year.

"In the 77 years that Bashas' has been in business, we've weathered countless economic downturns," said Mike Proulx, the chain's president/CEO. "Not only was our company formed during the height of the Great Depression, but we've survived the ups and downs of the supermarket industry, increased competition and national economic fluctuations. As Arizona's hometown grocer, we knew we needed to do something more for families looking to stretch their dollars during these tough economic times."

The Green Maze: Eco-Labels Confuse Consumers, Companies

Interesting piece in the *Wall Street Journal* this morning about the proliferation of services professing to provide environmental ratings – and the confusion they are creating.

According to the story, "As green marketing has proliferated, so has the number of 'eco-labels' competing to be the environmental equivalent of a Good Housekeeping seal of approval. According to the Web site ecolabelling.org, there are more than 300 such labels putting a green stamp on everything from cosmetics and seafood to bird-friendly coffee."

In addition to creating confusion by dint of the sheer volume, there is the additional problem that not all of the labeling services are reliable; some do not provide independent verification, and others will give a label for money with no questions asked.

And some people say that what is needed is a federal standard that will regulate what people can say about being environmentally friendly and how they can say it – along the lines of the federal organic standards now in effect.

"A growing number of consumers are interested in making informed choices about the environmental impacts of their purchases -- and I believe the federal government can help," Sen. Diane Feinstein (D-California) tells the *Journal*. "So, I am working with consumer advocates, manufacturers, distributors, and existing labeling and certification project leaders ... to create an accredited national eco-label program."





Walgreens To Offer Health Services To Unemployed & Uninsured

The *Kansas City Business Journal* reports that Walgreens has instituted a new program that will provide basic health care services to "current and future patients who lose their jobs after Tuesday and have no health insurance." The plan provides for the treatment of "respiratory illnesses, such as colds, sinus infections, bronchitis and strep throat ... common conditions, such as seasonal allergies and pink eye ... (and) skin conditions, such as dry skin, poison ivy, minor skin infections and burns."

The plan, which will be administered by Walgreens' Take Care Health Systems clinics Monday through Friday between 11 am and 3 pm, does not include vaccinations, health evaluations, and physicals.

"Walgreens and Take Care Health Systems strongly believe that a family's health care needs should not take a backseat to the economy," Hal Rosenbluth, president of Walgreens' health and wellness division and chairman of Take Care Health Systems, said in a written statement. "Take Care Clinics were founded on the principle of providing patient-focused care and doing all that they can to help every patient in the communities they serve."

Sansolo Speaks: What They Don't Know

by Michael Sansolo

In the universe dominated by talking heads, there is a very strange question rearing its head: Is it possible that today's economic crisis is actually good for us?

Don't laugh too quickly. The point has some merit if we see this as the moment that Americans (and presumably others on this planet) start relearning some very important things, such as living within our means and stop believing that easy wealth is a birthright. There might be some gain from all this pain.

Anna Quindlen's column in the March 30th issue of *Newsweek* is must reading along these lines, reminding us about a lot of things that we've all forgotten. In the column, Quindlen admits that she really doesn't understand things like swaps, derivatives, hedge funds and more and offers a bet that most Americans don't either. Worse yet, she points out that many of us have over the years lost touch with the most basic skills in life, such as how to shut off the water in our homes when a pipe bursts.

So while the column touches on our anger and bewilderment over the friendly folks at AIG and the Madoff clan, it also reminds us how we fooled ourselves and got into this pickle. (By the way, Quindlen is also a sensational author. Pick up a copy of *Black and Blue* and get insights into spousal abuse like you have never read before. It's just one of her many fine books.)

The message resonates with this industry. In the middle of this economic storm there are all kinds of strange messages out there. You hear how Americans are permanently changed financially and gastronomically. You hear how eating habits are shifting back to meals at home, which would suggest that supermarkets need do nothing more than open their doors and wait for the money to flow in.

Except, of course, in the middle of a storm it isn't always apparent where we are really headed once things calm down.

Regular readers of this column know I see opportunity in this period. I do think shoppers are looking for ways to rebalance their spending; eating at home has a *chance*, but is not a guarantee of growth. But it won't just happen.

If Quindlen's point is correct, and I think it is, Americans have forgotten. They have forgotten how to select food, how to assemble menus and certainly how to cook. So simply building displays of low-priced goods isn't going to solve any problems right now.





More than ever, we need creative merchandising that helps the shopper figure out how to make a meal. Remember, it's about solutions, not ingredients. They want solutions to busted budgets and bulging waistlines. We have answers, but we need to guide them to it. They may be returning to home cooking out of necessity right now, but it won't last if they don't learn something about how to assemble great tasting, healthy meals. We have to grab them while we can.

I ran into a stunning example of how this could happen this past weekend, while doing a stock up shopping trip at Wegmans, the poster child for doing things right. In the produce aisle, I ran into the strangest sampling ever—steamed broccoli, brushed with garlic butter. Needless to say, it wasn't the most popular sample ever.

The woman handing out the samples (I was one of the few takers) said the demonstration was aimed at teaching people about making good foods taste great. Nearby was a cooking station where a tasty dish of sesame noodles, chicken and asparagus was being prepared. As the woman there explained, the dish is easy to make and everything I needed was right at hand. In short, she was showing me—a bad cook how to make a great meal.

Remember the old Chinese proverb: Give a man a fish, feed him for a day. Teach a man to fish, feed him for a lifetime.

Teach him or her to cook it tastefully, and you may win over a customer too.

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Walmart Gets Aggressive In Online Space

Fascinating piece in *Advertising Age* this morning about Walmart's online efforts as it "ramps up a host of programs to vault the chain -- which has already distanced itself from value retailers in the offline world -- further ahead in the online one."

Walmart's online programs are many and varied, *Ad Age* reports. It offers free classified ads on its site. The company has its own in-house social network for employees. It has sites that are used for giving hints about saving money, that bring together the musings and recommendations of "blogger moms," and is selling digital music. And, Walmart even has a forum for customer reviews.

"Digital has such an amazing role in how to help people on an emotional, logical and rational level. We want to use it to our full potential to help our customers," Wanda Young, senior director-digital marketing at Walmart, tells *Ad Age*, adding, "We are really just getting started in digital in helping build up our brand."

FastNewsBeat

- Safeway announced that it has launched a month-long fundraising and awareness campaign to support what it calls "two of the most respected organizations providing services and hope for people with disabilities: Easter Seals and Special Olympics."

The company said that the April campaign "is designed to fund regional rehabilitation services and autism programs, job training grants, and athletes participating in Special Olympics games. For the second year running, Safeway is celebrating with its nearly 10,000 special needs employees and urging other businesses to provide job opportunities for this important part of the workforce."

- Sprouts Farmers Markets announced that it is celebrating Earth Day this year with a "Stand Up for State Parks!" campaign that will have the company hosting educational events and raising money to benefit the state park systems of Arizona, California, Colorado and Texas, which it says are being threatened by budget and staffing cuts.

Sprouts has pledged to match donations in each of its stores up to \$31,000 chain-wide.





- Costco announced that it will close its two home furnishings stores, called CostcoHome, this July, saying that the recession made their operation untenable and that they did not play into its long-term expansion plans. The stores are located in Kirkland, Washington, and Tempe, Arizona.

The MNB Wal-Mart Watch

- In Arkansas, the *Morning News* reports that Bill Simon, Walmart US executive vice president/COO, recently told an analysts meeting that the company is reducing its inventory and changing layouts to emphasize a “fast, friendly, clean” message.

The inventory reductions – while not said to be part of a broader effort to reduce national brands in favor of its revised Great Value private label – is part of the company's broader goal to make it easier to stock shelves and maintain the flow of product through the supply chain. The layout changes are aimed at reducing clutter in the stores and make it easier for customers to find the items they want.

- The *Columbus Dispatch* reports that Walmart has decided to close down an optical lab it has operated in Lockbourne, Ohio, a move that the paper calls the largest mass layoff in Ohio during the current recession. The company said that the move would allow it to be more efficient and cut costs about serving Vision Centers in Walmart stores; employees said that the closure came as a surprise since there were people being hired as recently as six weeks ago and raises being handed out last month.

The Balance Sheet

- Walgreen Co. announced that its March sales were \$5.458 billion, up 6.8 percent from March 2008, on same-store sales that were up 1.5 percent.