



*-Week Ending 5/1/09-*

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Thanks to MNB  
for this selection of  
articles.

## Green Shopping, & The Gap Between Intentions And Practice

*Marketing Daily* has a story that points to the difference between intentions and practice when it comes to buying green in a recession.

Noting that a recent Grocery Manufacturers Association (GMA) study said that 54 percent of grocery shoppers say they "actively consider" sustainability issues when making buying decisions, *Marketing Daily* also points out that "only 22% of the more than 6,400 shoppers interviewed as they left the store that day actually bought a green product on this particular shopping trip."

One of the conclusions from this disparity – it seems possible that many shoppers may be missing the "green" messages being delivered by manufacturers.

"One key finding that was an initial surprise was the broad scope of the green shopper demographic," Brian Lynch, GMA's director of sales and sales promotion, tells *Marketing Daily*. "We found it particularly interesting that the Baby Boomer demographic achieved the highest concentration of green shoppers in our survey, while younger green shoppers appeared hesitant -- at least for now -- to act on their green ideology when it comes to purchasing decisions."

## New Product Introductions Down In Recessionary Environment

*Advertising Age* reports that a new survey from Mintel says that "new food and beverage product launches fell 51% to 2,660 during the first quarter of 2009 compared with the same period a year ago, taking a bite out of potential ad spending." The drop "comes on the heels of a 32% decrease in all product launches during the first quarter of 2008."

The first quarter of 2008, or course, is when economists now say tat the recession was beginning...even though they didn't acknowledge that fact until almost a year later.





"Faced with low consumer confidence and reduced spending, many food and beverage manufacturers cut back on product development and new-product launches," said Lynn Dornblaser, director-consumer package goods insight at Mintel. "Many companies face internal budget cuts that affect everything from new-product ideation to development and marketing."

Dornblaser suggests that things may be turning around, as manufacturers see that the dearth of new product introductions has created an environment in which they can have a real impact with something that can grab shoppers' attention.

## Foodzie Connects Dots For Consumers, Small Manufacturers

*Business Week* features a story about Foodzie.com, which is described as an entrepreneurial website that essentially serves as a central storefront selling products manufactured by small producers from some 25 states.

Foodzie is backed by \$1 million in venture capital that is betting that the consumer appetite for online food shopping only is going to grow, and that it can tap into increased shopper interest in local products.

According to the story, "The company is trying to give artisan food producers a bridge from local farmers' markets to crowded virtual grocery-store shelves, where it's hard for newcomers to elbow in. Foodzie handles credit-card processing and tax calculations for producers, and supplies prepaid shipping labels to the makers of such items as grass fed beef, sea salt caramels, and Sumatra coffee. In return, Foodzie takes 20% of sales."

## *Sansolo Speaks: "Mistaken Assumptions"*

*by Michael Sansolo*

Living in a glass house, I should never be surprised when a stone comes through the window. But this time I got hit with one that provides too many wonderful examples to ignore.

Last week I wrote a column critical of Walmart's new Marketside format for, in part, failing to communicate clearly what it actually sells. The column got me the strangest response e-mail ever.

It came from an industry insider who told me he loved that particular column, but on the whole wasn't a fan of mine. It wasn't because of anything I wrote; rather it is the name of this column that puts him off. He found *Sansolo Speaks* pretentious, especially in how it played on the old commercials for E.F. Hutton.

At that moment, I realized two important things: first, I made the same mistake that I criticized in Walmart, and second, I'm older than I like to admit. Luckily, I think I can share the lessons with all of you.

The first lesson is simple: don't assume. If you don't know this saying, write it down: When you *assume* you make an *ass* out of *u* and *me*.

Jokes, like facts, don't work without context. The play on words in *Sansolo Speaks* is simple. For years I delivered a speech for FMI called *Speaks* and I was honored to speak for FMI in that manner. When I left FMI and started speaking for myself, Kevin Coupe and I thought this column's name would explain that perfectly.



Only there are far more people reading this column than were in any audience who ever heard the speech, so the joke was probably lost on most of you. Better yet, here I often write (and complain) about the industry not fully explaining things. I opine for greater information on produce items or menus to help our shoppers try new items and buy more product. I still think that's a great idea because we shouldn't assume that anyone knows exactly what we know. This time, I have to absorb my own point.

The second lesson is more painful. I totally remember E.F. Hutton, a powerhouse Wall Street firm. Hutton had a great series of ads in which two investors would be discussing financial advice in a shopping mall, a park, a stadium or a restaurant. After hearing advice from the first investor, the second would always explain that his broker was E.F. Hutton and as he would start to speak he'd notice that all movement nearby had ceased and everyone was listening to what his broker had told him.

In short, when Hutton spoke, everyone listened. (Sadly, the same does not happen to my columns. Then again, when I call my dog he doesn't come either.)

Here's the pain point though: many of you reading this column have no recollection of that ad because Hutton disappeared in 1988, merging into Shearson Lehman Hutton. So the great ad that the *MNB* user referenced and that triggered this column actually disappeared more than 20 years ago (and let's not discuss what happened to that combined investment house.)

It was a stark reminder to me that the cultural references I think of so easily are completely foreign to a staggering number of people who I hope are reading this column. It's probably an issue we all have with associates, customers, business partners and certainly our children.

So the lesson is simple: Explain, don't assume. Assuming only leads to trouble. And in glass houses it leads to broken windows.

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### "Simplicity Is The New Sophistication"

*Marketing Daily* makes the point that the ongoing recession is giving momentum to the notion that people should simplify their lives...a concept that certainly applies to food preparation and consumption.

The story quotes Margaret Kime, director of innovation with brand-building consultancy Fletcher Knight, as saying that "simplicity is the new sophistication."

Kime says that successful brands in 2009 stress "quality, purity, authenticity, superior taste and optimum nutrition and health," and require ease of preparation. "Our research suggests that brands that celebrate the aesthetic beauty in real ingredients, simple preparation and artful presentation will be aligned with the driving philosophy that good food is eaten fresh and prepared unpretentiously."



## Jewel-Osco Unveils New Recession-Themed Price Cuts

Supervalu-owned Jewel-Osco plans a "Big Relief Price Cut" promotion that will cut prices by up to 20 percent on thousands of everyday items, according to a story in the *Chicago Sun Times*.

"Consumers have become increasingly budget conscious, and their spending and savings habits have shifted dramatically due to concerns about the economy," the grocer said in a press release announcing the promotion.

## FastNewsBeat

- *Reuters* reports that bidders looking to acquire all or part of bankrupt Bruno's Supermarkets include Gordon Brothers Group, Hilco Merchant Resources LLC, and a joint venture made up of liquidators Great American Group, Tiger Capital, SB Capital and Hudson Capital Partners.
- There is a report that unionized employees at a Safeway meat warehouse in Denver have authorized a strike. The current contract expires on May 9, and the chain is looking for benefits concessions and a freeze on some wages.

## The MNB Wal-Mart Watch

- There are published reports that Walmart is looking to get into the banking business in Chile, and is looking to have its D&S grocery subsidiary there either purchase an existing bank or start up a new operation.

Walmart operates a bank in Mexico, but has been prevented from doing so in the US.

- The *Boston Globe* that former Walmart CEO Lee Scott was in Boston this week, speaking at the National Venture Capital Association convention, and he used the occasion to lobby against any increase in the state sales tax.

"Increasing taxes is a great way to discourage consumption," he said. "When you discourage consumption, then ultimately employment is reduced. It is the inevitable and unintended consequence."

The Massachusetts House has approved raising the sales tax to 6.25 percent from 5 percent, but Governor Deval Patrick has promised to veto the tax hike if it passes the Senate.

- Walmart US CEO Eduardo Castro-Wright told a Barclays conference this week that shoppers seem to be spending more money on discretionary items such as sporting goods and housewares such as towels and sheets – the result, he said, of people having more cash in their pockets because of tax cuts and lower gasoline prices.

Casto-Wright also said that Walmart is seeing an influx of new shoppers who make more than \$50,000 a year, and that 17 percent of its traffic came from that demographic group. People making more than \$50,000 a year, he said, tend to have an average transaction 40 percent higher than less affluent shoppers.



- The *Columbus Dispatch* reports that Walmart has to write a check for \$1.7 million to the state of Ohio, as it repays a tax credit that it received in 2001 for creating and maintaining jobs at an optical lab near Columbus. However, when it closed the lab last month, it violated the terms of the tax credit and the retailer had to repay the money.

## The Balance Sheet

- Safeway announced yesterday that its first quarter net income was down 25 percent to \$144.2 million, from \$193.4 million during the same period a year ago. Q1 revenue decreased 7.6 percent to \$9.2 billion, on same-store sales that were off 0.7 percent.
- Ruddick Corp. said that its Harris Teeter division had second quarter sales that were up 6.3 percent to \$949.4 million, with operating profit that was down to \$45 million, compared to \$46.4 million a year ago.

## Executive Suite

- The National Association of Convenience Stores (NACS) announced that Derek Gaskins, most recently the director of marketing for Giant Eagle, has joined the organization as vice president of marketing.