



*-Week Ending 5/29/09-*

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Thanks to MNB  
for this selection of  
articles.

## **Bezos Talks About Amazon Fresh "Experiment"**

The *Seattle Post Intelligencer* reports that at the company's annual meeting yesterday, Amazon.com CEO Jeff Bezos addressed the state of AmazonFresh, the online grocery service that has the company delivering both fresh and packaged products to homes in the Seattle area, and said that a geographic expansion is not in the immediate future.

"For the foreseeable future we're going to keep doing those experiments only in Seattle," Bezos said.

## **Food Lion Launches New Ad Campaign**

Food Lion has debuted a new advertising campaign called "Great Price Hunters," that is designed to reinforce and highlight what it calls a "unique price position and neighborhood convenience in key markets." The campaign includes TV commercials as well as print, radio, online and outdoor advertisements.

"Food Lion has a long history of delivering competitive prices and great convenience to our customers," said Ken Mills, vice president of Marketing. "In the midst of a tough economy and various retailers focusing on price messaging, we want to remind our customers that they do not have to hunt from store to store for great prices. Food Lion delivers excellent prices on items throughout our stores every day."

## **Sansolo Speaks: How Did Kris Allen Win? (And Why It Matters)**

*by Michael Sansolo*

Just prior to the 2000 presidential election, famed author Arthur Miller posed a strange question: "How can the polls be neck and neck when I don't know one Bush supporter?"

I had a strange reminder of that comment this past Thursday morning when I was warming up for my spinning class (stationary biking for lunatics, that is.) A woman just in front of me asked out loud, "How is it possible Kris Allen won *American Idol*?" Without prompting at all, another four or five women quickly echoed her point, questioning how Kris managed to beat Adam Lambert if no one they knew supported him.

Welcome to the Big Sort: an issue that industry had better start taking very, very seriously.





America is one big beautiful country that I have had the good fortune to see state by state. The people are also wonderful and I delight in visiting supermarkets to see how they live and shop through my own strange little lens. But increasingly, there are divides that lie just below the surface, which could increasingly explain vastly divergent behaviors from one community to the next. It's why Manhattanite Miller couldn't find a Bush supporter or why the women in my class all voiced the same feelings about *American Idol*.

"The Big Sort," by Bill Bishop (not the Bill Bishop many of us in the retail industry know), should be must reading for understanding today's environment. Published in 2008, it's finally made it to the top of my reading list and thankfully just in time for the Kris vs. Adam vote.

Bishop's point is that Americans have starting clustering into like-minded groups, neighborhoods and communities, making average behavior across a state or a metropolitan area more meaningless than ever. This sort has been going on for a couple of decades and manifests itself in ways far more important than the *American Idol* vote.

One main basis for this theory is the voting patterns in recent presidential elections go far beyond the Red/Blue state divide. In competitive elections (those decided by a few percentage points) a stunning change has occurred. In the 1948 Truman-Dewey election, only 35.8% of Americans lived in counties that voted overwhelmingly - a 20-percentage point victory margin - for one candidate. In 1976, the Ford-Carter election, only 27.6% of counties recorded those landslide choices.

By 1996 (Clinton-Dole) 42% of counties gave those landslide margins and then the situation got worse. In 2000 and 2004, nearly 50% of counties produced landslides for Bush or either of his opponents. In short, somehow Americans in increasing numbers sorted themselves into groups that think and voted a lot more alike.

For retailers and manufacturers of all types of products, the challenge isn't limited to voting. As Bishop writes, the sort creates enormous divides in all manner of activity, from church attendance to patent applications to even centers of creativity. Overlooking these underlying community trends means the store or product that does so well in one location might fare very differently a few miles away without any major change in more obvious demographics.

It's possible we may increasingly find ways to sort out this mess. Products may get marketed to Fox News vs. MSNBC counties. Store offerings might change based on the number (and attendance) of churches in an area. But the complexities will become too numerous to count.

Marketers might find increased importance on political issues such as carbon footprints in one community, while rejection of the same information one community away. The industry might need whole new indices for products that sell well in Red communities, but flop in Blue ones and vice versa. Support for specific organizations might be applauded in some towns and denounced in others and controversial decisions, like Walmart's ban of Green Day's newest CD, might be completely without controversy in many markets.

In short, "The Big Sort" promises to make a complex environment ever more so.

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

## Print Media Losing Influence As Readers Age

*Crain's Chicago Business* reports on a new report by Mediamark Research noting that while the median age of adults in the US has increased 1.3 years to 45.2 since spring 2004, "adult readers at the nearly 200 publications and publishing groups ... saw their median age rise 1.6 years to 44. About 56% of the titles tracked ... posted age increases higher than the general adult population's."

This suggests is that print media has less influence with the general population – younger people are using digital media instead of print, middle aged people are peeling off and using online sources with greater frequency, and print publications increasingly are being read by a rapidly aging population.



## Target Rebrands Its Private Label

*Reuters* reports that Target plans to relaunch its private label brand under a new name, "Up & Up," and "will even ditch Target's famous bull's-eye logo in favor of a more visible arrow design."

The company says that this move builds on its private brand success, which has seen the Target brand grow by 25 percent over the past five years.

## Brookshire Grocery Co. Adopts New Ad Format

Brookshire Grocery Co. announced last week that it has adopted a new format for its print advertising circular, using a smaller size and slicker paper to differentiate it from other circulars, and on the front page featuring "five high-velocity items compared to 12 in the previous ad."

The ads are used for the company's two primary banners, Brookshire's and Super 1 Foods.

## FastNewsBeat

- Supervalu announced yesterday that its board of directors has approved a \$70 million stock buyback plan, which replaces a similar plan announced a year ago.
- Winn-Dixie is trying to reason with hurricane season, and is out with recommendations to Florida and Gulf Coast shoppers, urging people to "have a 'hurricane kit' with enough bottled water, canned and non-perishable foods, paper products, flashlights and batteries to last at least three days in case a tropical storm knocks out power. Experts suggest keeping on hand one gallon of water per person per day, along with food and first aid supplies."

And, Winn-Dixie announced that it "has equipped its regional distribution centers in Miami, Orlando, Jacksonville and Hammond, La., and 82 stores throughout its operating area with 500-kilowatt, diesel-powered generators in areas that have been affected by power outages associated with hurricanes and tropical storms in recent years. All of the generators have been tested and are ready for use."

- Whole Foods said yesterday that its Local Producer Loan Program has provided producers throughout the United States with \$2.5 million in low-interest loans that are designed "to make it easier for local and independent farmers, producers and food artisans to grow their businesses and bring more local products to market." Some 50 loans have been made, and there are 20 applications still pending.
- Food Lion took note yesterday that its Bloom format is five years old this week...and since its launch, has grown to 64 units in four states in the Mid-Atlantic and Southeast US.



## The MNB Wal-Mart Watch

- *Chicago Public Radio* reports that three years after Walmart opened its first store in Chicago, on the West Side, the retailer continues to work to marshal support for a store on the South Side...and that while there remains significant opposition from labor activists, the company seems like less of a political liability than it used to – especially in a recessionary environment where people have less money to spend and most companies are laying off employees.

“Wal-Mart supporters say the store has brought hundreds of new jobs and shopping options to the Austin community,” the station reports. “They praise the millions in tax revenues. Skeptics say it’s too soon to measure success, and there’s been some discussion about the so-called big box store having a negative effect on smaller local businesses.”

Walmart spokesman John Bisio tells the station, “What we’ve learned in Chicago is that we need to do a better job of telling our story and setting the record straight. Because people had wanted certain special interest groups, competition have wanted to keep Walmart out and protect their turf at the expense of the customer. We’ve been in this position where we’ve had to play defense.”

- The *Wall Street Journal* this morning has a piece about Walmart’s new business in India, noting that the retailer plans to open this Saturday “its deep-discount retailing formula ... targeted at a more than \$350 billion a year retail industry made up almost entirely of small merchants such as Ranjit Singh.” The project is a joint venture with Bharti Enterprises because of Indian laws that preventing from sole ownership and from selling directly to consumers.

## Executive Suite

- The Golub Corporation/Price Chopper supermarkets announced that Steven Duffy has been hired as Vice President of Architectural Design and Purchasing Services, a new position that has him overseeing the design of new and remodeled stores and the purchase of equipment and fixtures for the 117-store chain. Duffy, a former executive at Safeway and Toys R Us, comes to Price Chopper from Talbots, Inc, where he held the position of director of Store Planning and Design.
- Price Chopper also announced that Glen Bradley, the company’s Manager of Business Intelligence, has been promoted to the position of Director of Business Intelligence.
- And, Price Chopper has promoted Benny Smith, its Director of Facilities, to the position of Vice President of Facilities.