



-Week Ending 9/19/08-

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Thanks to MNB
for this selection of
articles.

Sam's Club To Sell Industrial-Strength Reusable Bags

Walmart announced this week that its Sam's Club membership warehouse stores will begin offering its shoppers polypropylene reusable shopping totes that are capable of holding \$50 worth of product; selling them for two-for-\$2.74.

According to the company, "the reusable tote bags come in black and white and both display the water and leaf icon and tag line 'simple steps to saving green.' This symbol also appears on eco-friendly products and displays in Sam's Club to designate items that take steps to be more environmentally sustainable." Sam's Club estimates it will be able to remove 1.9 million pounds of cardboard and package waste or more than 3,200 pounds per club, per year, by offering the totes.

"These new reusable bags will give our members an alternative to using the boxes we provide, and help us reach our goal of zero waste," said Greg Johnston, executive vice president, Operations, Sam's Club. "We will continue to offer boxes, but believe we can increase the amount of material we recycle and further ensure we are closing that loop."

Save Mart Offers Guarantee Of Fast Rx Service

California-based Save Mart announced yesterday that it is raising the bar for pharmacy services by guaranteeing customers that they can get up to three prescriptions filled in 19 minutes – and if the chain does not deliver on that promise, shoppers will get a \$10 gift certificate and a free one-night movie rental.

"Every pharmacy needs to fill every prescription accurately. Our pharmacies already provide excellent customer service, and now our 19-Minute Promise will ensure that we also deliver prescriptions quickly," said Michele Snider, Senior Director of Pharmacy at Save Mart Supermarkets, owner and operator of Save Mart and Lucky stores and pharmacies. "We understand that our customers are busy and, at times, under the weather. We aim to make their visits to our pharmacies as quick and convenient as possible."





FMI Points To Strong Early Registrations For 2009 Future Connect Conference

The Food Marketing Institute (FMI) announced yesterday that more than 1,300 executives from a wide range but unspecified number of companies already have registered to attend the 2009 Future Connect conference, the educational event that replace the annual FMI convention this year and in alternate years.

Future Connect is scheduled for May 4-6, 2009, in Dallas, Texas.

According to the statement released by FMI, "Future Connect will educate high potential associates from all levels of retailer, wholesaler and supplier companies to direct teams, focus skills and talents and achieve high-profit sales. Interactive education sessions and group roundtables will help associates understand the landscape of issues facing the industry, including current business and consumer trends, developments in global food sourcing and managing an increasingly diverse workforce."

For Some Health-Conscious Consumers, The Plate Is Half-Full

The *New York Times* reports this morning that there seems to be a cultural shift toward what is being called "positive eating," which is defined as "shunning deprivation diets and instead focusing on adding seasonal vegetables, nuts, berries and other healthful foods to their plates."

According to the story, "The market research firm NPD Group gets a glimpse of national eating habits through the food diaries it has collected from 5,000 consumers since 1980. The percentage of those consumers who are on a diet is lower than at any time since information on dieting was first collected in 1985. At the peak in 1990, 39 percent of the women and 29 percent of the men were dieting. Today, that number has dropped to 26 percent of women and 16 percent of men.

"The diarists also report eating more organic foods and whole grains, said Harry Balzer, an NPD vice president."

Other indicators: "In May, the market research firm Information Resources reported that 53 percent of consumers say they are cooking from scratch more than they did just six months ago, in part, no doubt, because of the rising cost of prepared foods. Sales of organic foods have surged, and the number of farmers' markets has more than doubled since the mid-1990s."

And, "nutrition experts and consumers say positive eating trends are being fueled in part by the failures of the past. A national epidemic of obesity suggests that the spread of diet foods, sugar-free soft drinks and low-fat snacks hasn't helped people manage their weight."

There are, of course, some naysayers. The *Times* writes that "some nutritionists aren't convinced that the positive eating trend will catch on with time-strapped families. Others worry that people will wrongly interpret positive eating as over-indulging, rather than adding moderate amounts of healthful foods into the diet."



In UK, Tesco And Asda Expand Low Price Tactics

In the UK, the *Telegraph* reports that Tesco has announced the launch of a new line of 350 discounted products, while Walmart-owned Asda Group said that it has cut prices on more than 5,000 SKUs, including on its Smart Price line of products.

Reuters reports that "Tesco said the new range of 350 goods, called Discount Brands at Tesco, would span tea bags, biscuits, shampoos and washing up liquid, and was its biggest package of money-saving measures since the launch of its Value range 15 years ago." The story also notes that Tesco said it plans price cuts on "hundreds" of SKUs.

The moves by these two companies seem prompted by a pair of circumstances. One, polls show that British consumers are extremely concerned about food prices. Two – and perhaps even more importantly – both chains are concerned about shoppers defecting to Aldi and Lidl, the German discount chains that are expanding their presence in the UK.

The *Financial Times* writes this morning that "Tesco is moving to claw back lost ground" from the competition, and Richard Brasher, Tesco's commercial director said that "price was now more important to consumers than it had been for 20 years."

Sansolo Speaks: Hello, Columbus

by Michael Sansolo

This week's column is dedicated to the Ohio State University football team, not that they care. It's a strange subject for me because I really don't follow Ohio State and I'm not much of a fan of college football. Now, while there's always danger in writing what you don't know, I figure I crossed that line for good a few months back when I wrote about pantyhose.

The thing is, I do however love writing about competition and a great example should never be left alone.

So I was fascinated this past week with the hoopla surrounding the game between Ohio State and the University of Southern California. It was a voluntary game, in that neither team had to schedule the other. Usually they don't play unless they are paired in a post-season game. But at times, the top schools meet voluntarily, such as happened this weekend when OSU traveled from Columbus to get manhandled in Los Angeles.

And I'm thinking it was a good thing.

The reasoning is this. OSU is a dominant team in its conference, the Big 10, but football there is frequently criticized as less creative than in other parts of the country. From what I hear on sports talk radio (the source of all relevant knowledgeable), Florida teams have the speed and western teams have the creativity. The Midwest has great players, but more conservative plans that fail when those teams travel south and west.

Now, OSU had no need to schedule USC. It could have found many other respectable teams to play last week. The Buckeyes could have scored a ton of points and probably watched their rank rise a little. Instead, they got beaten and they are better for it.

Competition, difficult as it may be, is a good thing. Competition makes us stronger, sharper and more creative. Competition focuses us and helps us push to new levels. Yes, it's a headache, but it's also a motivator.





Think of your market, whatever your market is. Without competition or with weak competition, you would probably be a lot happier and more profitable. I know many companies that chuckle when they think they have the perfect competitor - a weak number two company in their market that fills up space while not causing major problems. It is a great scenario, but only for a while.

And that's where we have to think about OSU. Like them, we should be benchmarking against the best competition, even if it means traveling across the country to get our head knocked off or turned by a great example. By benchmarking the best, we learn and we grow.

In the retail industry, it's not even hard. We should all be out there, checking out the newest and latest stores. We should be visiting Wegmans or Dorothy Lane; the Apple Store or Whole Foods, Costco, Winco or Tesco; or even Cabellas and Bass Pro Shops. We should also be looking at successful products and services in all parts of the economy.

We should all be talking with our business partners and asking them to honestly rate us against the best, so we can find out how to grow and improve. Wherever there's a good lesson, we should be studying even if the lesson doesn't represent the business you are pursuing.

Benchmarking the best might be intimidating and even frightening. But it guarantees to be instructive and that makes us better tomorrow than we are today.

Sure, Ohio State got clobbered this past weekend. But in truth, the Buckeyes were big winners because their future might have just been changed. Sometimes losing can be a good thing.

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FastNewsBeat

- *Convenience Store News* reports that Ahold-owned Giant Foods plans to open its first convenience store, called Giant To Go, early next year. According to the story, "the 4,422-square-foot store will sell produce, meat, deli and bakery items, as well as host eight fuel pumps."
- *Reuters* reports that Supervalu-owned Jewel-Osco is opening a small store format, Urban Fresh by Jewel, in Chicago this week, "clearly targeted toward shoppers who want to get in and out of the store quickly with pre-made meals and items that don't take much time to prepare."
- Walgreen said yesterday that it will continue to pursue a possible acquisition of Longs Drug Stores – despite the fact that Longs has spurned its proposal in favor of an earlier bid made by CVS Caremark.
- Tesco said yesterday that it has received conditional approval for a \$1.74 billion (US) acquisition of South Korea's Homever discount chain. The company said that the takeover will double the company's presence in South Korea.



The MNB Wal-Mart Watch

- *Reuters* reports that a monthly associates meeting at Walmart headquarters in Bentonville, Arkansas, recently featured an appearance by T. Boone Pickens, the Texas oil tycoon who currently is engaged in an enormous public relations effort to get Americans to consider various forms of alternative energy sources.

During that meeting, Pickens reportedly urged Walmart CEO Lee Scott, who was in attendance, to switch the company's fleet of trucks to compressed natural gas ... and according to Pickens, Scott has ordered a study of what it would take to make such a conversion.

Walmart spokesman Greg Rossiter tells *Reuters* that a possible conversion to natural gas is one of many options being actively studied by the company.

The Balance Sheet

- Kroger Co. said that its second quarter net income was up 3.4 percent to \$276.5 million, from \$267.3 million during the same period a year ago. Q2 revenue was \$18.1 billion, up nearly 12 percent, with same-store sales up 4.7 percent excluding fuel, and 9.7 percent including fuel sales.

Executive Suite

- Steven Spinner, the former CEO of Performance Food Group, has been named the new CEO of United Natural Foods. He succeeds Michael Funk, who will remain with the company as chairman.

- NACS announced that Robert Block, most recently the vice president of business development for Ink2.com and the former associate publisher for Post/Newsweek Tech Media, has joined the organization as associate publisher of *NACS Magazine*.