



-Week Ending 11/13/09-

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**Thanks to MNB
for this selection of
articles.**

Sedano's Buys Three Albertsons Locations, Expands Into Central Florida

Sedano's Supermarkets, the number one Hispanic retailer in the United States, announced today that it will acquire three Albertsons supermarket locations in Central Florida. This acquisition marks Sedano's Supermarkets' first expansion beyond its South Florida headquarters and brings the total number of stores to 33 in Florida."

"We're very excited about expanding into Orlando," said Javier Herrán, director of marketing for Sedano's. "The expansion into Central Florida helps us meet customer demand, while allowing us to quickly establish a presence and significant footprint in the Orlando market, as we pursue opportunities for continued strategic and conservative growth."

According to the announcement, the stores, which vary in size from 58,000 square feet to 65,000, will feature Sedano's staple Latin products as well as mainstream everyday items. Sedano's will officially take control of the three locations in the first quarter 2010.

Sansolo Speaks: "In Friends We Trust?"

by Michael Sansolo

It appears my troubles are over. In just the past few weeks, I've been the lucky person to whom countless people in varied countries wish to give scads of money. I'm so lucky. I may buy a baseball team.

What's more, I have found all kinds of easy avenues of supply for drugs and pharmaceuticals. And somehow my personal charisma has made me the object of desire of countless women. Oh, if only e-mail spam was anything but junk.

Sadly, not all the junk has come from anonymous sites that my server gamely strives to filter out before it gets to me. I have also received countless e-mails from friends and family offering up anecdotes, news stories and important tips that sadly turn out to be completely wrong more than 75 percent of the time.

The problem is these miscommunications actually matter and at times make a difference. A few weeks back my wife got a strange message from an old high school chum via Facebook. The friend's doctor had recommended she start taking Vitamin D tablets and my wife's friend wanted to know if this was a good idea. So she asked it of her network on Facebook.





This story could end badly, except this woman was lucky to have many responsible and level-headed friends like my wife - who explained that she, too, received a similar recommendation and started taking the vitamins without any negative impact. Other friends gave similar experiences. Most interestingly, the friends together hit on the idea that their childhood under the near permanently overcast skies of upstate New York may have left them all deficient in Vitamin D. (An observation that would have been wonderful had it come from a doctor.)

The woman who asked the question thanked the friends and complied with her doctor's recommendation.

But think about that for a second. What if this woman's friends weren't like my wife, a person of common sense and intelligence? What kind of advice might she have gotten? Could it have been more influential than her primary care giver? And would her doctor have known or been able to debate such advice?

It's a question business needs to start contemplating with great seriousness. In the new age of networking and communication, the sources of information and misinformation might be questionable at best and dangerous at the worst. Yet people are going to believe what they hear and read from their networks of trusted friends, even if they haven't seen some of those friends in 25 years.

It's one of the critical reasons why I despair when I hear of companies downplaying the potential importance of social networking. To begin with, I think social networking is loaded with potential. It's a place where companies can create a new relationship with shoppers, offering ideas, specials and connection. Imagine the power that could be unleashed by having key staff from produce, meat, dairy, pharmacy and more offer up information and enthusiasm about products and services.

But more importantly, imagine what havoc could be unleashed if poor or incorrect information is distributed about you or your products without any answer. Think back to my wife's friend and her vitamin deficiency. Certainly there are many worthwhile alternative ideas on how to get additional Vitamin D, but I'm betting there are some really awful ones too.

The reality is today's trusted networks might be fabulously responsible and informed...or they might not. Find a way to get involved and make it better yourself.

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Walmart To Relieve Black Friday Stress By Extending It Into Previous Day

The *Los Angeles Times* reports that Walmart plans to keep most of its US stores open overnight on Thanksgiving as part of a strategy to reduce the "Black Friday" crowding that led to the trampling of a temporary employee in a New York store last year.

"Black Friday," the day after Thanksgiving, is the traditional beginning of the end-of-year holiday shopping season in the US. In the past, store doors have opened as early as 5 am, with long lines forming to take advantage of hot - and short-lived - specials on a variety of products.

ShopRite Supermarkets is Launching a New iPhone Application

ShopRite supermarkets is launching a new iPhone application that will allow shoppers to download specials.

According to the announcement, "It functions as a portable circular and invites consumers to 'start saving' before they even arrive at the store by browsing hundreds of items instantly. Among its features, ShopRite Weekly Specials enables consumers to see what's on sale in real time at their regular ShopRite store. Once they select an item, it literally tumbles into their shopping list, which is neatly organized by category with pictures, descriptions and real time prices. The App syncs and downloads store specials directly to an iPhone or iPod Touch and can even sync with customers' shopping lists at ShopRite.com."

The ShopRite application was developed by MyWebGrocer.



FastNewsBeat

- The Food Marketing Institute (FMI) has recognized Tom Zaucha, president/CEO of the National Grocers Association (NGA) with a lifetime achievement award for "more than 40 years of stellar service to the food industry, including 27 years at the helm of NGA." FMI president/CEO Leslie G. Sarasin presented the award to Zaucha at an FMI board of directors meeting in Toronto, Canada.

Zaucha is scheduled to retire from NGA early next year.

- The *Grand Rapids Press* reports that Meijer "has dropped prices up to 30 percent on more than 400 popular toys from Barbie to Star Wars Legos" in an effort "to hold its own against the country's biggest retailers, Walmart and Target, in a holiday price war."

- Kroger and Nestlé Purina announced that they have teamed up to launch the second annual "Tales for the Pet Lover's Heart" campaign, designed to celebrate "the unique bond between people and their pets, while raising funds for animal welfare organizations nationwide. Together Purina and the Kroger family of stores will donate \$150,000 to animal welfare organizations in 2009 and will recognize six exceptional pet lovers' tales via a national television special this fall.

"The campaign invites pet lovers to share their favorite pet tales with Purina and Kroger online at www.TalesForThePetLoversHeart.com. For each story shared, Purina and Kroger will make an additional donation to animal welfare organizations."

- *Dow Jones* reports that Tesco's UK market share grew from 30.6 percent to 30.7 percent during the most recent quarter, compared to the same period a year earlier, while Walmart-owned Asda's share was up from 16.9 percent to 17.3 percent. J. Sainsbury's market share went up from 15.7 percent to 15.9 percent, while William Morrison Supermarkets saw a market share jump from 11.3 percent to 11.7 percent.

According to the story, "the combined market share of the discount retailers - Aldi, Netto and Lidl - was 6.1 percent, the same as a year earlier."

- *Marketing Daily* reports that Kroger is offering pet insurance in its stores, selling accident-only policies for \$9.95 per month. According to the story, the offering is "intended to appeal to the 62% of U.S. households with pets, especially the 70% of those with more than one animal. The company estimates the pet insurance market to be \$328 million this year, while Americans shelled out \$11 billion in vet bills."

- California-based Save Mart Supermarkets said this week that chairman/CEO Bob Piccinini "will reward 10 employees with cash prizes of \$10,000 each during his annual six-week tour of all 252 of the company's stores, distribution centers, warehouses, and offices. The 10 employees are being recognized through the company's Customer Connection program for delivering excellent customer service and fostering a friendly shopping experience for their customers."

"There's no better time than the holidays to thank all of our employees for the hard work they've done all year and to reward the service superstars that bring our customers back to our stores," Piccinini says. "By visiting every single store and support facility in our chain, I have the opportunity to personally reconnect with our employees. And I always get a big charge out of delivering the prizes to our top winners."

- The *Wall Street Journal* reports that Japanese c-store operator Family Mart is in negotiations to acquire am/pm Japan, a privately held and small rival. The goal of the deal would be "to better compete in an environment of diminished consumer spending and intense competition," according to the paper.

The MNB Wal-Mart Watch

- *Bloomberg* reports that Walmart plans to open 40 more Cash-and-Carry stores in India as part of its partnership there with the Bharti Group. They opened their first unit there last May.



- *Advertising Age* reports on a speech given by Walmart CMO Stephen Quinn to the Association of National Advertisers (ANA) annual conference in Phoenix, in which he attempted to redefine the notion of marketing.

Noting that Walmart founder Sam Walton was not a big fan of traditional advertising, Quinn said, "I would argue that Sam Walton was one of the most brilliant marketers who ever lived." Marketing, he said, is "making sure everything your company does is customer-focused. [Mr. Walton] was naturally focused on the customer, which really is marketing."

- In the UK, the *Daily Mail* reports that Walmart has sold its Asda chain to its own subsidiary, Corinth, for the equivalent of about \$11.5 billion (US). The move amounts to a structural change that the company describes as "good financial management."
- Walmart said this morning that it had a third quarter profit of \$3.25 billion, up from \$3.14 billion during the same period a year earlier. Q3 net sales increased 1.1% to \$98.67 billion and would have risen 3.8% excluding currency changes, according to the company.

Excluding fuel sales, U.S. same-store sales fell 0.4%, down 0.5% at namesake stores and rising 0.1% at the Sam's Club warehouse chain.

- *Reuters* reports that Walmart-owned Asda Group in the UK believes that "price competition between retailers this Christmas will be the most intense for a decade."

This competition will be reflected in continued price-cutting, especially in nonfood categories, being pursued by the UK's top three supermarket chains.

The Balance Sheet

- PriceSmart, which operates membership warehouse clubs in Latin America and the Caribbean, reports that its fourth quarter sales were \$298.0 million compared to \$286.1 million in the fourth quarter of fiscal year 2008. Total revenue for the fourth quarter was \$305.1 million compared to \$292.0 million in the prior year. Operating income in the fourth quarter of fiscal year 2009 was \$11.9 million compared to operating income of \$12.9 million in the fourth quarter of fiscal year 2008.

For the just-completed fiscal year, PriceSmart reports that net warehouse sales increased 11.6 percent to \$1.2 billion, compared to \$1.1 billion in the prior year, and total revenue for fiscal year 2009 increased 11.8 percent to \$1.3 billion from \$1.1 billion in fiscal year 2008. Annual net income was \$42.3 million, compared to \$38.1 million during the previous year.

- Wal-Mart de Mexico said that its October sales rose 12.8 percent to the equivalent of \$1.62 billion (US), on same-store sales that were up 5.1 percent.
- Nash Finch said that its third quarter sales were \$1.633 billion compared to \$1.416 billion in the prior-year quarter, an increase of 15.3%. Q3 earnings were \$21.9 million, as compared to net earnings of \$7.7 million in the prior year quarter.
- J. Sainsbury reports that its first half net profit was up 48 percent to the equivalent of \$417.6 million (US), on sales that were up 3.7 percent to \$18.61 billion (US). Same-store sales - excluding fuel but including VAT, were up 5.7 percent.