



-Week Ending 12/4/09-

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

Black Friday Has Hints Of Gray

According to the National Retail Federation (NRF), on the Black Friday weekend - the days after Thanksgiving, which marks the traditional start of the end-of-year holiday shopping season - 195 million shoppers visited stores and websites, up from 172 million last year. However, the average spending over the weekend dropped to \$343.31 per person from \$372.57 a year ago. Total spending reached an estimated \$41.2 billion.

"Shoppers proved this weekend that they were willing to open their wallets for a bargain, heading out to take advantage of great deals on less expensive items like toys, small appliances and winter clothes," says Tracy Mullin, NRF's president/CEO. "While retailers are encouraged by the number of Americans who shopped over Black Friday weekend, they know they have their work cut out for them to keep people coming back through Christmas. Shoppers can continue to expect retailers to focus on low prices and bargains through the end of December."

According to the report, "Shoppers' destination of choice over the past weekend seemed to be department stores, with nearly half (49.4%) of holiday shoppers visiting at least one, a 12.9 percent increase from last year. Discount retailers took an uncharacteristic back seat, with 43.2 percent of holiday shoppers heading to discount stores over the weekend and another 7.8 percent heading to outlet stores. Shoppers also visited electronics stores (29.0%), clothing stores (22.9%), and grocery stores (19.6%). As millions of shoppers gear up for Cyber Monday, one-fourth of Americans shopping over the weekend (28.5%) were shopping online."

Sansolo Speaks: "Ignoring the Status Quo"

by Michael Sansolo

*Content Guy's Note: This column is the first of two to be featured on MNB this week that are taken from the new book, **The Big Picture: Essential Business Lessons From The Movies**, by Kevin coupe & Michael Sansolo. To learn more about the book - which is exclusively available to MNB readers in time for the holidays - [click here](#)*

There is a phrase that should never be uttered in business. It consists of the seven forbidden words:

"That's the way we've always done it!"





You know you have heard the phrase and it is possible that you have even said it. The cumulative impact of the phrase is a non-stop assault on creativity, innovation, and rule breaking – the very activities virtually every company should encourage.

There is a cure for this unbridled corporate conservatism in the form of the delightful movie *Babe*. Every time the phrase "That's the way we've always done it!" is uttered, force that person to watch *Babe*. In fact, watch it yourself. It's worth it.

On the surface, *Babe* appears to be a child's movie. It isn't, although it is great for children, too. It's the story of a pig, Babe, who is the runt of the litter destined for the slaughterhouse. Babe is saved from this fate when he is given to a local fair to be handed out as a prize, which is won by taciturn farmer Arthur Hoggett, wonderfully played by James Cromwell.

Once at Hoggett's farm, Babe does something unusual: he stops behaving like a pig, for the simple reason that he doesn't know he's a pig. He consorts with all manner of animals like Ma the old sheep, Ferdinand the duck, and the litter of sheepdogs living in the barn. With his polite manners and naïve ways, Babe becomes a friend to all the animals, many of whom do not get along and clearly do not respect each other. (Hmmm, sounds more like an office with each passing moment.)

Farmer Hoggett begins to notice Babe's social abilities when Babe divides all the chickens in the yard into groups of similar colors. Soon, Farmer Hoggett gives Babe a chance to show his stuff at the most important animal job on the farm, herding the sheep.

That's where Babe the pig and *Babe* the movie shine. By breaking all the rules – "the way things are," as the animals remind him – Babe becomes an outstanding herder. Although the dogs consider the sheep too dumb to understand anything other than a nasty approach and the sheep consider the dogs too stupid to talk with, Babe bridges the divide with friendship and manners. Slowly but surely, even the most reluctant animals begin to understand the wisdom of Babe.

Babe is a simple story, but it contains an important lesson. Think of how many businesses have stuck to the way things always are and completely missed the opportunity to become something entirely new, bigger, and better. Some have taken those opportunities:

- MTV didn't invent video or records, but pulled them together into an entirely new cable channel. CBS, in contrast, owned a television network and a record company, but missed the chance.
- Google wasn't the first company to offer a search engine for the Internet, but its speed and efficiency helped create a cyberspace dynamo that dwarfs AltaVista, Yahoo, or even Microsoft.

MTV and Google all had their *Babe* moments. They ignored "the way things are always done" and built astounding success by identifying possibilities and filling them with a value proposition that viewers, listeners, and shoppers learned to love.

Babe connects on many levels. The parallel of animal and human behavior has been shown often in the movies, from *Charlotte's Web* to *Animal Farm*. But *Babe* delivered a winning story told in a creative style and with a lesson that could stand the test of time. In fact, the movie was nominated for the Academy Award for Best Picture, an uncommon honor for a "children's" movie.

Be on the lookout for those seven deadly words of business, those seven words that limit your horizons and suck the creativity and spirit out of your people. When someone says, "That's the way we've always done it!" launch a counter-attack with the story of a pig that refused to accept things the way they were.

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Retailers Getting More Aggressive in Treatment Of Brands

Fascinating piece in *Advertising Age* this morning about how some retailers are facing off with some brand marketers and re-evaluating the importance of certain brand names.



"Costco's recent decision to strip Coca-Cola products from its shelves in a pricing dispute," *Ad Age* writes, "is the highest-profile sign yet that the age-old battle between marketer and retailer is escalating, due to the growing power of private label, looming package-goods deflation in the face of falling commodity prices, rising pressure on retailer margins, and softening volumes. Facing those factors and armed with data from loyalty cards, retailers are getting savvier about which brands to keep and which to lose."

At the same time, "CVS/Caremark plans to remove most Energizer alkaline batteries from its stores by early next year ... leaving just Duracell and private label. And Walmart, which stepped up efforts to pare brands from its shelves this year, will reduce assortments even more aggressively next year, according to manufacturers and analysts ... Exacerbated by the recession, the stepped-up U.S. environment is starting to more closely resemble the contentious retailer manufacturer relations of Europe, where Delhaize pulled all Unilever products from stores in Belgium earlier this year in a pricing dispute, though Delhaize ultimately relented."

HEB Targets Dallas For Expansion

The *San Antonio Business Journal* reports that HE Butt is considering opening a number of stores in the Dallas/Fort Worth marketplace, in addition to the Central Market units that it already operates there.

A spokesperson for the company tells the *Journal* that it is too soon to know what format it might open there, but that the company is looking for potential sites. A timeline has not been established.

According to the story, "The first step in the expansion is already under way. In August, H-E-B began construction on a 450,000-square-foot distribution center in Temple, Texas. The facility will house stock for stores in Austin and Dallas."

Safeway Announces Price Reduction Program In Colorado

Safeway announced yesterday a broad price reduction program in its 119-store Colorado division.

"By offering thousands of new everyday low prices throughout the store, Safeway furthers its commitment to providing customers with a more affordable and convenient one-stop shopping experience," the announcement says, adding, "Shoppers can easily find items in store with the new everyday low prices through Safeway's redesigned yellow shelf 'Tags' which show customers the old price crossed out and the new everyday low price. The new yellow tags also display the Club Card price.

"To promote Safeway's in-store price reduction program, the company is launching an integrated advertising campaign that features television, radio, online, outdoor and print throughout the area."

The announcement also says that "Safeway will continue to offer customers the added values they've come to trust such as great weekly Club Card savings and the finest quality perishables. Safeway is so confident in the quality of their fresh produce and tender Rancher's Reserve beef that it will refund a customer's money and replace the item for free if the customer is not completely satisfied."

Wegmans Wins Corporate Stewardship Award

Wegmans Food Markets this week took home the 2009 Corporate Stewardship Award from the US Chamber of Commerce Business Civic Leadership Center (BCLC), a presentation made at the 10th annual Corporate Citizenship Awards Dinner at the US Chamber of Commerce building in Washington, D.C.

According to the announcement, "The annual Corporate Stewardship Award recognizes a company for strong financial success, a sustained contribution to community, and social programs." Wegmans was nominated for the award by the Food Bank of the Southern Tier, which lauded Wegmans for its ongoing efforts to assist food banks in all of their market areas.



In accepting the award, CEO Danny Wegman said, "Leading with your heart can make a successful business. That's how free enterprise works."

Delhaize Lays Out Cost Cutting, Value-Oriented Plan For Next Three Years

Reuters reports this morning that Belgium-based Delhaize plans to eliminate the equivalent of \$453 million (US) in costs by 2012, saying that it plans to cut prices and expand the number of budget stores it operates in markets such as Greece, Romania and Indonesia.

Our top line growth numbers have not been as buoyant, as high as some of our best-in-class competitors and we believe that is something we need and should address," says Delhaize CEO Pierre-Olivier Beckers, also saying that "now is the right time to capitalize on our strengths and further accelerate. The goal of our 'New Game Plan' is to deliver value leadership in all our markets leading to superior revenue and profit growth and to make of Delhaize Group a more effective acquisition platform through additional synergies, shared knowledge and shared services."

Colorado Save-A-Lot Store To Give Out 10,000 Free Dinners

The *Aurora Sentinel* reports that a new Save-A-Lot store in that Colorado community plans to distribute 10,000 free spaghetti dinners - consisting of one jar of sauce, a package of pasta, two cans of vegetables and a package of garlic bread sticks - to needy local residents.

According to the story, the store "mailed out 5,000 vouchers for free spaghetti dinners that can be redeemed at the store when it opens at 8 a.m. Wednesday. Also, store officials plan to give about 5,000 spaghetti dinners to the Food Bank of the Rockies, the Salvation Army, the Arapahoe County Social Services and other organizations near the Aurora store."

FastNewsBeat

- The *Boston Globe* has a piece about a newly remodeled Star Market in Chestnut Hill, Massachusetts, which is serving as "parent company Supervalu's test lab for energy-efficient technologies it hopes to use next in California. A few stores in the Supervalu chain, which includes Shaw's supermarkets, already use some but not all of the technologies.

"Energy efficiency could mean huge savings for the company, which estimates its annual electric bill for more than 200 Shaw's and Star Market stores at nearly \$35 million."

Among the technologies being used in the store are LED lighting and "a fuel cell that strips hydrogen out of natural gas, causing a chemical reaction and producing energy to power lights, keep the store toasty warm, and run the refrigerators."

The MNB Wal-Mart Watch

- Walmart said yesterday that it donate \$1.1 million in order to give free toys, books, Walmart gift cards and gift packages to more than 10,000 military children and families. The company also said that it will lay 16,000 wreaths at national cemeteries across the United States to honor fallen veterans.

- *Reuters* reports that Walmart is "cutting prices on popular video games by \$10 each and offering a \$50 gift card with the purchase of a Nintendo Wii video game console as the retailer tries to lure shoppers to its U.S. stores ahead of the Christmas holiday."

The story notes that Amazon.com and Target have responded with equivalent price cuts.



The Balance Sheet

- Walgreen said that its November sales were up 8.7 percent to \$5.36 billion, on same-store sales that were up 3.9 percent.
- Costco said that its November sales were up nine percent to \$6.04 billion, on same-store sales that were up six percent.
- Target Corp. says that its November sales were up 1.5 percent over the year-ago period to \$5.69 billion, on same-store sales that were down 1.5 percent.