

-Week Ending 12/3/10-

Below is the list of articles you will find for the week ending 12/3/10 edition of Retail Industry News.

- Sansolo Speaks: “Divided We Eat”
- Study Says Heart Healthy Habits Should Start When Young
- Cyber Monday Saw Increased Traffic, Higher Sales
- Two Albertsons Stores Achieve “Zero Waste” Classification
- Twin Cities Seeing Heightened Competition At High End
- HEB Opens Second Joe V’s Discount Format
- FastNewsBeat
- The MNB Wal-Mart Watch



Thanks to MNB
for this selection of
articles.

Sansolo Speaks: “Divided We Eat” by Michael Sansolo

More than ever, the average is dwindling in size and importance as the population becomes more polarized. We can see it in so many places beyond politics. It’s in the spread in household incomes, the wildly different choices made in television viewing among different demographic groups and the markedly different uses of technology. And now we find it in what we eat for dinner.

Newsweek’s current issue examines: “The Dinner Divide: How our Foodie Obsession is Driving Americans Apart.” That might be a little overstated, but not by much. The cover story looks into the eating habits of some families in Brooklyn, NY, and the range is startling. Through the article, we visit with fully committed locavores who spend countless hours each day finding local foods - usually organic - to feed their families. And we visit families struggling to make ends meet or even find time to get some quick nutrition into the mouths of a busy family.

Their habits couldn’t be more different or more important. It’s almost shocking that these families live in such close proximity to each other, but that’s probably a usual occurrence and not just in densely populated areas like Brooklyn.

I honestly believe the food industry understands this issue. More than ever retailers target key segments of consumers, understanding the value equation they bring to the aisles differs starkly by neighborhood, family or even mood. Manufacturers are aware also, which explains why so many have expanded their portfolios to include products that range from traditional to new food movements.

But the truth is also that we can’t ever know this well enough because this new reality of polarized behaviors impacts everything.

Far too often we see studies or articles documenting consumer behavior or activity and we have to understand the context that surrounds it. It was startling in just the last few days to see news stories about increased holiday spending on Black Friday juxtaposed with reports on the growing number of homeowners who simply stop paying their mortgages. Both are true at the same time.

The truth is there are shoppers moving ever more upscale or more deeply into food buying habits that require more time, more care, more knowledge and many times more money. And the truth is that there are shoppers moving ever more strongly in the direction of penny pinching, looking for ways to get calories into their family’s bellies as inexpensively as possible.

I got a personal reminder of this last week when a quote of mine appeared in *Everyday with Rachael Ray*. Asked to comment on supermarket trends for 2011, my responses were all about price, price and price. So after talking about price for most of my interview I suggested that flavorful ethnic foods that are lower in calories will be a growing trend. I added that supermarkets will continue to look for new

-Week Ending 12/3/10-

products and services to enhance the shopping experience for busy moms. *Everyday* (which is a terrific magazine, in my opinion) isn't about price, it's about making interesting meals. So I wasn't surprised that the comments about ethnic foods and new services made the article, while the price part didn't. And in the context of *Everyday*, that was the right decision.

There is no typical trend, just as there is no typical shopper, store or product. It's a caution we need to remind ourselves as we read anything these days, whether it's a new consumer study or an article in *Everyday with Rachael Ray*. The average doesn't matter, the context does. The families *Newsweek* profiled in Brooklyn would all provide a starkly different view of the world of food right now and all would be true. You need context to understand what is true for you.

These days you have to ask your questions carefully and consider the answers—and the averages—even more carefully.

Michael Sansolo can be reached via email at msansolo@morningnewsbeat.com. His new book, "THE BIG PICTURE: Essential Business Lessons From The Movies," co-authored with Kevin Coupe, is available [by clicking here](#).

Study Says Heart Healthy Habits Should Start When Young

The *Wall Street Journal* reports on two new studies that "add to a burgeoning body of evidence that developing heart-healthy habits as a youngster or adolescent may have lasting benefits in adulthood.

"One of the reports, based on a pooling of data from four major studies that tracked people from early childhood into their 30s and 40s, suggests that the presence of such risk factors as high blood pressure and abnormal cholesterol by about age 9 strongly predicts a thickening of the walls in the carotid or neck arteries in early adulthood. Experts consider this condition, called carotid intima media thickness, a precursor to heart attacks and strokes.

"The second study found that children who consumed fruits and vegetables once a day had healthier arteries as young adults than those who reported eating fruits and vegetables less than twice a month. Low consumption was associated with stiffening arteries, a warning sign of future heart problems."

The story goes on: "Interest in children's heart health is driven largely by the epidemic of obesity, which has more than tripled in prevalence among children over the past three decades, according to the U.S. Centers for Disease Control and Prevention. Nearly one in five children between 2 and 19 years old is considered obese; nearly one-third are overweight or obese. Obesity is associated with unhealthy cholesterol and blood pressure and also heightens a person's risk of heart attack.

"Such statistics have many heart experts worried that more than four decades of declining death rates due to cardiovascular disease, the Western world's leading killer, may unravel if the problem goes unaddressed."

Cyber Monday Saw Increased Traffic, Higher Sales

The *Wall Street Journal* reports this morning that "early estimates indicated overall sales gains of about 20% from a year earlier for 'Cyber Monday,' the nickname for the Monday after Thanksgiving.

"That comes on top of strong online sales growth on Thanksgiving Day and Black Friday. For those two days combined, comScore Inc. reported that online shoppers spent about \$1.1 billion, up more than 15% from \$913 million a year earlier."

According to the story, "Driving activity were Cyber Monday discounts of as much as 60% on sites such as Toysrus.com, as well as extensive free shipping offers ... Amazon's traffic on Black Friday went up 25%, according to comScore Inc. Target Corp. saw its Black Friday online traffic jump 9%, according to comScore, making it the third-most visited retail website, behind Amazon and Walmart.com.

Two Albertsons Stores Achieve "Zero Waste" Classification

Supervalu-owned Albertsons announced that two of its Santa Barbara, California, stores have reached "zero waste" classification in their daily

-Week Ending 12/3/10-

operations. What this means, according to the company, is that “through a combination of innovative recycling programs, a food donation program and a joint organic composting program with the City of Santa Barbara, the two stores now divert all non-contaminated waste from landfills and incinerators. In total, over 95% of all waste products from both stores are recycled, reused or composted – exceeding the 90% threshold commonly recognized as zero waste.”

The company said that together, the stores divert annually on average 2,074,328 pounds of waste from the landfill, including 808,200 pounds of cardboard, 27,524 pounds of plastic and 2,688 pounds of paper.

“Albertsons, and Supervalu as a whole, is committed to leading the way on environmental sustainability and diverting all possible waste from our Santa Barbara stores is a major accomplishment in this effort,” said Rick Crandall, Director of Sustainability at Albertsons, in a prepared statement. “In addition to keeping waste out of our landfills, we are charting a course for the future of our stores— one that will not only help our environment and the communities we serve, but also the overall success of our business.”

Twin Cities Seeing Heightened Competition At High End

In Minnesota, the *Star Tribune* reports that competition is heating up between Lunds/Byerly's and Whole Foods, which share similar customer demographics; the latter company is planning to expand in the Twin Cities, with a third and fourth store there on the drawing board.

According to the story, Lunds Food Holdings is considering tearing down and replacing an existing Byerly's near a new Whole Foods scheduled to open in 2012. And there are reports that the company could also make changes in another store near a planned Whole Foods.

HEB Opens Second Joe V's Discount Format

The *Houston Chronicle* reports that HEB has opened its second Joe V's Smart Shop, a discount format that carries “about 9,000 items, compared with 37,000 in a traditional grocery store, and offers brand names and private labels. Joe V's sells groceries, meats, produce, personal care products and pet items. The bakery at the new location will feature Mexican-style bolillo bread, tortillas, pastries and cakes.”

FastNewsBeat

- The *Financial Times* reports that PepsiCo is buying Wimm-Bill-Dann, the Russian dairy and fruit juice manufacturer, for \$5.8 billion (US).

The MNB Wal-Mart Watch

- The *Wall Street Journal* this morning reports that Walmart has made a firm \$2.32 billion (US) offer to acquire 51 percent of South Africa's Massmart Holdings Ltd., which is the company's first move into sub-Saharan Africa.

The acquisition requires regulatory approval, and is likely to be opposed by local labor unions concerned about Walmart's anti-union reputation. According to the *Journal*, “Wal-Mart has committed to working with local suppliers and said it will honor all preexisting contracts with organized labor bodies.”

- Walmart has introduced a new holiday shopping application for smart phones, “My Holiday,” which is designed to help shoppers stay within their budgets by listing price-appropriate gift options, as well as store locations and online buying availabilities.

- *Bloomberg* reports that in an interview yesterday, Doug McMillon, Walmart's chief of international operations, said that someday the company could have a CEO born outside the US.

“A future CEO of Wal-Mart could be stocking shelves in India today,” said McMillon. “Wal-Mart is increasingly a global company.”

-Week Ending 12/3/10-

- The *Financial Times* writes that “Walmart, the world's largest retailer by sales, is launching a push to reach lower-income and rural consumers in China with a new ‘compact hypermarket’ format originally developed in its Latin American markets.”

Doug McMillon, CEO of Walmart’s international business, tells *FT* that the compact supermarket “is a smaller store, typically a cheaper physical plant; a cement floor, perhaps brick walls, sometimes we don’t have air conditioning. It is going to help us reach more people ... not only in urban markets but also reaching people in rural areas...”