



-Week Ending 3/26/10-

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

Safeway To Take Greater Control Of Its Private Brand Strategy

Safeway announced late last week that it will take a more hands-on position in dealing with its private brands portfolio, saying that it will create a new program called Safeway Direct Connect that is designed to enhance the ability of private brand suppliers to work with the retailer.

In a confidential letter to suppliers, Joe Ennen, senior vice president of consumer brands for Safeway, said that the company is focused on "improved execution" that will "come from a significantly expanded retail support organization for suppliers"; improved access to Safeway decision makers and Safeway sales data; and a support system that will be made up of executives better positioned to deliver resources to suppliers.

As part of the decision, Safeway said it would be ending its relationship with Daymon Worldwide , effective May 28, and will no longer outsource any of its private brand building responsibilities to outside companies.

Sansolo Speaks: "Simply Complex"

by Michael Sansolo

Last week Kevin wrote about the incredibly grotesque story of the New Jersey woman trying to eat her way into the book of records by raising her weight to 1,000 pounds from her currently svelte 600 pounds. Ordinarily, I try to tread lightly on issues of obesity because for many people it's a matter of genetics, not choices.

Not this time. This woman is doing it for a reason. Egged on by her boyfriend and strangers on the Internet, she has a mission to get even fatter. How wonderful. Instead of common sense dictating that people around her stop her, she gets encouraged and 15 minutes of fame on television.

Later in the week I was at a Red Cross blood donation center where the staff informed us donors that diet soft drinks are no longer being offered for health reasons. Then, without a moment's hesitation, for irony to sink in, the same volunteer offered us the special treats on hand that morning. Not one of those treats contained less than 450 calories. It makes me think that New York City legislators can ban sugar, spice and everything nice and people are still going to find a way to eat the wrong thing. (Those New Yorkers can merely look across the Hudson River to the 600-pound New Jersey resident trying to gain my body weight many times over. What legislation will stop that?)



The problem is that healthy eating isn't a simple issue of laws and rules. It requires informed choices, restraint and - dare I say it - common sense. The latter isn't in big supply these days.

Living as I do near Washington DC, I see the world of silliness play out all the time. For many of you reading this, political discussions seem simple because you see (depending on your opinion) the Republicans or Democrats as consistently taking the wrong side of every question. Sadly, it's not that simple.

Alan Webber, the founder of *Fast Company* magazine and a wonderful writer, addressed the complexity of our current situation in a fabulous column for *USA Today* called "The Future of Capitalism." As Webber put it, it's the economic debate our nation needs to have. (You can easily find the article through Google.)

Webber's thoughtful piece lays out something incredibly sensible: that the current economic climate is so different and so new from anything that has happened before that it defies resolution by using the same old answers. Webber then skewers both political parties for retreating to past positions to address the issue instead of daring to deal with the new realities.

Can the same be said of us in business?

The current economic climate is new and different, leaving companies the challenge of crafting responses that must also be both new and different. Quite honestly, that's a situation that is both uncomfortable and challenging.

We see the growth of complexity in everything these days. We see shopper emphasis on price promotion growing at the same time they still opt for excess on other items. We see it in the very public decisions at Walmart on how much inventory is too much or too little and on where to strike the balance between national and store brands. (And we see it in the ongoing debate about how to offer healthier foods to a population that doesn't seem to know how to make good choices.)

These are the debates we cannot avoid. To follow up on Webber's suggestion, the current climate demands a level of discussion that rises above what we have done in the past. Within companies and between trading partners, new discussions are necessary to craft new solutions that fit the times. Ignoring the issues or using the old arguments won't work.

It's all so simple and so complex.

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](#).

Report: Former Acme CEO To Take Top Job At Kings

Sources tell MNB that Judy Spires, who resigned as president of Supervalu-owned Acme Supermarkets two weeks ago, has agreed to take the top job at New Jersey's Kings Super Markets.

While details are sketchy at this time, we're told that Bruce Weitz, who has been president/CEO at Kings since July 2006, has resigned from the company.

Spires, who began her supermarket career as a teenaged bagger at Acme, became CEO of that chain in February 2006 after having served as president of Albertsons' Dallas-Forth Worth division before it was acquired by Supervalu.

Walgreen Rolling Out New Look Stores

The *Chicago Tribune* reports that "Walgreen Co. is about to get a new look as the drugstore chain expands a test to make the stores more open, more colorful and easier to shop ... adding more food and wine, expanding its beauty aisles and preparing this summer to bolster electronics. The retailer is also lowering the heights of shelves and installing bigger and more colorful signs to help shoppers navigate the aisles."

According to the story, there are about 700 Walgreen stores featuring the new look, but that number should grow to as many as 3,000 by this fall.



"This is an ongoing process with many checkpoints along the way to allow us the opportunity to tweak and refine as needed," says CEO Gregory Wasson. "As we move into the next phase, we'll continue to build sales, take work out of stores, lower inventory and, most importantly, improve our customers' overall shopping experience."

Kroger CEO Confident In His Chain's Competitive Prospects

Kroger CEO David Dillon told an investors meeting yesterday that while Walmart may be about to roll back its grocery prices to respond to traffic decreases, he remains confident that his chain will continue to be competitive because 1) it is competitive on price, and 2) offers a better store experience than discounters like Walmart.

Dollar General To Sell Rexall Brand Products

Dollar General announced yesterday that it has become the exclusive retailer for Rexall brand HBC products, saying that it "is a union of two brands that represent time-tested quality and commitment to caring for its customers and their families."

Todd Vasos, Dollar General's chief merchandising officer, released a prepared statement: "Rexall spent decades caring for generations of families in communities across the country through its drugstores, pharmacies and by developing high-quality, reputable products. Dollar General is excited and proud to offer our customers that same heritage of dependable care and quality as we welcome Rexall products to our stores."

BJ's Moving HQ

The *Boston Globe* reports that after a quarter-century being based in Natick, Massachusetts, BJ's Wholesale Club will move its headquarters 15 miles to the west, to Westborough, Massachusetts in 2011.

The company said it has outgrown the Natick facility, which currently houses about 1,000 employees in five buildings.

FastNewsBeat

- The *Cincinnati Enquirer* reports that "Kroger has launched its first private label line of beauty, bath and hair care products made of natural ingredients. Called mirra, the line includes shampoos and conditioners; hair styling products; body washes and mists; facial and skin care lotions, cleansers and cleansing cloths; eye firming and age defying creams; and cosmetic brushes."
- Star Market at Chestnut Hill, a new supermarket in Newton, MA designed by SUPERVALU Store Design Services, has received two A.R.E. Sustainability Awards for its cutting-edge use of environmentally responsible technology. It is the first supermarket in the nation to use all LED fixtures for its interior and exterior lighting, which reduce energy consumption by 50 to 65%, are recyclable and can last 10 times longer than conventional light sources.

The A.R.E. (Association for Retail Environments) Design Awards were presented at the annual GlobalShop conference in Las Vegas, where 47 store projects were recognized for the innovation and quality of their designs. Star Market at Chestnut Hill was presented with the Outstanding Merit award and the Innovation in Energy award in the Sustainability category, which was a new category in this year's competition.

- *Advertising Age* has what in the journalism biz is called a "second day story" about Walmart's decision to bring back some of the secondary and tertiary brands that it had previously eliminated as part of its SKU rationalization effort, which was aimed at emphasizing top national brands and its private label.

"Realizing the culling actually "aggravated" consumers," *Ad Age* writes, "it's now restocking hundreds of brands and products eliminated or curtailed months ago and taking a new look at other categories where it has streamlined assortment."

According to the story, company management seems to be minimizing its moves as relatively minor, while outside observers say



that it is a broader effort than the retailer is admitting.

"They were arrogant and ignorant, which is a dangerous combination," a person described as "close to the retailer" tells *Ad Age*.

- *Reuters* reports that Walmart has confirmed that it will launch a new advertising campaign focusing on low grocer prices within the next six weeks.
- *BusinessInsurance.com* confirms that Safeway plans "to capitalize on the success of its incentive-based health plan by offering to set up similar programs at other employers for a share of the cost savings it generates ... Safeway gained recognition for its health plan success in 2008 when CEO Stephen A. Burd published an article in the Wall Street Journal describing how it had basically held its health care costs flat since 2005."
- Supervalu has named Dan Sanders, the former CEO of Texas-based United Supermarkets, to be the new president of Acme Markets, succeeding Judith Spires, who resigned earlier this month.

Spires has since joined Kings Super Markets in New Jersey as its new president/CEO.

Executive Suite

- Unilever announced that Jostein Solheim, who has been working for the manufacturer for 14 years in five countries, has been named the new CEO of its Ben & Jerry's Homemade Ice Cream division. He also has been named Unilever's vice president of Global Brand Development.
- The *Atlanta Journal-Constitution* reports that Coca-Cola has named Katie Bayne, chief marketing officer for Coca-Cola North America, to be the president and general manager of "sparkling beverages" in North America, succeeding Hendrik Steckhan, who is returning to his native Germany to assume leadership of Coca-Cola's operations there.

Replacing Bayne in the chief marketing slot, the paper writes, will be Beatriz Perez, a 14-year veteran of Coca-Cola who is currently senior vice president of integrated marketing for Coca-Cola North America.

- Tops Friendly Markets said yesterday that it has named its chief financial officer, Kevin Darrington, to be its new chief operating officer.