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

Stater Bros. Focus On Education "Goes Beyond"

In California, the *Press Enterprise* reports on Stater Bros.' expanded training center, "a series of classrooms and offices on the company's massive corporate campus" that "plays host to about 3,500 employees each year, offering a range of classes, from one-day training sessions for general merchandising clerks to two-year programs for meat cutters to college courses that can be counted toward a certificate in retail management."

According to the story, "training goes beyond teaching employees to do the work; it's a philosophy that emphasizes continuing education, goal-setting and discipline. And it's valuable whether or not they stay in the company or the industry ... Employees are encouraged to train not for the jobs they have, but for the ones they want. Courtesy clerks take checker training so they're ready when a position opens. Store managers attend a leadership program to cultivate skills for corporate jobs."

The investment by Stater Bros. in training seems to go beyond that of typical chains, the *Press Enterprise* writes, quoting Cherie Phipps of the Western Association of Food Chains (WAFC) as saying that "grocery retailers tend to invest heavily in training because the industry has such a strong focus on promoting from within. Grocers typically build their teams from the ground up rather than recruiting from colleges and universities, even at the corporate level," she said. "It's a funny, although Stater Bros. is smaller than some of its competitors, it produces twice as many certificate-program graduates," Phipps said. "Stater Bros. has a really special culture. They treat each other like family ... They're tough, the expectations are tough, but they are a family."

Kroger Doubles Private Brand HBC Range

USA Today reports that "Kroger is making a big push into the beauty business, this summer more than doubling its number of store-brand cosmetics, shampoos and other items while preparing to launch more products this fall and next year.

"The move by the nation's largest traditional grocer underscores how supermarkets, buoyed by the recession's lift to store brands, are aggressively expanding beyond food and drinks. Kroger says it's had double-digit percentage increases in sales during the slow, almost-quiet rollout of the Mirra beauty line that began last October.

Walgreens Brings Taste Of Duane Reade Past The Hudson River

Walgreens announced that it will expand its "DR Delish" private label line of snacks and beverages beyond the New York area Duane Reade stores where they originated and into more than 6,000 stores around the country. The roll-out begins this week and will continue through the fall.

Duane Reade was acquired by Walgreens last April.

"Introducing the DR Delish line of products in our stores is one of the first big steps toward bringing the best of Duane Reade to Walgreens," said Bryan Pugh, vice

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president of merchandising for Walgreens. "The DR Delish brand allows us to offer our customers snacks and beverages with premium recipes but at more affordable prices."

Sansolo Speaks: "Both Sides Now...And Quickly"

by Michael Sansolo

A terrible fight broke out on the Washington subway system recently. It happened at 11 p.m., spilling out onto two different stops and involving, according to police, 70 people. When I first heard the story I did the same thing you probably did: felt disgust. Then I felt relief because I live in the Washington area and while my family uses the subway frequently in the area where the fight occurred, none of us were out that night.

So imagine my shock when I read a column in the *Washington Post* about the melee that summarized the event with: "Looks like progress to me." I couldn't believe anyone could say that about such a shocking event, until I read on and learned that there were some who actually saw a silver lining.

The point made by the columnist, Courtland Milloy, was that while the fight was awful, its result wasn't. There were no deaths and only four of the 70 people involved needed medical attention because the weapons of choice in this fracas were only fists and feet. In sharp contrast to the sometimes shocking outbreaks of gun violence in DC, this fight actually wasn't that bad.

Honestly, it's a point of view I would have never considered. I saw the fight as awful, fearful and a black-eye for a city that has more than its share of issues. But while I may not subscribe to Milloy's point of view, it was enlightening to read it and therein, I think, lies a big lesson for us in business.

I've written before about our need to listen to opinions that differ from ours, to understand that all stories have another perspective, even if we hate it. It pains me today that I know so many people who receive all their news and commentary from only one side of the political fence, in essence only reinforcing and not challenging their own views. There was a terrific column about this by Maureen Dowd in the *New York Times* on how college students now can select their freshman roommates by finding like minded people on places like Facebook.

Dowd's point applies in business. She argues that students lose out by not taking the chance to live with someone with different likes, dislikes, backgrounds, values and goals. They might find some new tastes in everything including music, fashion, political leanings and, of course, college eating habits. None of that happens when we pick people who are just like ourselves.

In business, we have to heed those warnings. Our customers come from all different backgrounds, with different needs, values and goals. If we only hire people like ourselves we can miss out on understanding all the differences and diversity in our communities. If we only hire people like ourselves we run the risk of becoming too self-congratulatory and fail to understand where we might be falling short.

Dowd's article is worth reading by anyone in the business of hiring. Make sure you aren't only selecting people who reflect your views and values; sure you want good workers, but you don't want clones. Challenge yourself and challenge your team to think outside the comfort zone. You never know what you'll learn.

As a last point, consider a recent column by John Renesch in the *Christian Science Monitor* about the impact of monolithic thinking. Renesch wrote: "We are building silos of ideologies, isolating ourselves into factions, and preaching to our choirs about the faults and defects of 'the other.' Each silo is suffering from 'groupthink' - reinforcing its own dogma and avoiding any feedback that disagrees with the party line."

Such behavior is damaging our entire political dialog; in business it could be fatal.

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](#).

Marketing To The "Of The Moment" Generation

SymphonyIRI Group

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Marketing Daily reports on new research from The NPD Group into the acquisition habits of twenty-somethings, saying that:

- They are "connected like no generation before them," confident, and "tend to have an 'of the moment' mentality."
- They "are more likely than other age groups to heed cravings -- and to highly value minimal preparation time -- when it comes to food and meal choices."
- They "are more likely than consumers in other age groups to use frozen entrées and other portable, quick-prep items, and this translates to low consumption of leftovers."

NPD Group also says that twenty-somethings have a) been hard-hit by the recession, and b) tend to be heavy users of discount retailers such as Walmart.

NPD analyst Darren Seifer tells *Marketing Daily* that "For food CPGs and restaurant marketers, major opportunities -- and challenges -- lie in learning how to communicate effectively with this 'connected' generation, as well as offering products and meal/snack solutions that fit their spontaneous, budget-conscious lifestyles."

Walmart Looks To Future As It Retools Its Merchandising Approach

In releasing its second quarter financial results yesterday, Walmart laid out the following imperatives as it moves forward:

"Chief Executive Officer Mike Duke has cut prices on cereal, detergent and other items to lure U.S. consumers," *Bloomberg* reports. "The so-called price rollbacks did not generate the sales the company had anticipated," according to U.S. stores chief William Simon.

Simon also said that "the company has restored 'thousands' of products that had been removed amid previous inventory reductions and has also added new products," *Bloomberg* reports. "Low-priced merchandise displays in the front of stores -- so-called Action Alleys -- have also come back over the past six weeks, he said. Simon expects to see improvement in sales by the fiscal fourth quarter."

Bloomberg also writes that "sales of food in the U.S. increased in the quarter, Simon said, particularly fresh produce such as strawberries. Sales of apparel, home furnishings, and entertainment declined."

Here's how *Advertising Age* frames Walmart's current condition:

"Walmart will bring back thousands of items previously cut through Project Impact, scrap the deep 'Rollbacks' it tried in April and May and reduce ad spending to 'historical levels' as new U.S. President William Simon wastes no time reversing much of what his predecessor did.

"New U.S. President William Simon acknowledged that many of the deep 'Rollbacks' on merchandise last quarter were funded out of Walmart's margin, not supplier funds. Moves such as returning merchandise displays to the 'Action Alley' aisles of Walmart stores have already resulted in better customer traffic and sales in July than during the prior two months of the just-completed fiscal second quarter, said Mr. Simon on a pre-recorded Aug. 17 earnings call."

And, *Ad Age* noted that Simon said, ""We plan to win in every category and let customers decide through their purchase decisions what to include in our assortment." And, he said that "he's placing an emphasis on strengthening supplier relationships, and that store and regional managers are getting greater leeway to merchandise and manage assortment."

For the record, Walmart reported a 3.6 percent increase in Q2 profit to \$3.6 billion, compared to the same period a year ago, and sales abroad were up 7.3 percent while U.S. sales were down 1.8 percent - the fifth consecutive quarterly decline.

Executive Suite: More Moves By A&P

The Great Atlantic & Pacific Tea Co. (A&P) said yesterday that it has hired Paul Hertz, most recently the Executive Vice President of Retail Stores for OfficeMax, to be its new Executive Vice President, Operations.

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Hertz succeeds Mark Kramer, who departed "to pursue other interests." Kramer had been in the job for about four months, having come over to A&P from Rite Aid. However, since then A&P has changed CEOs, dismissing Ron Marshall after a seven-month tenure and replacing him with Sam Martin, former COO of Whole Foods.

Before going to OfficeMax, A&P said, Hertz was "Vice President of Wild Oats Stores ... also served as Vice President of Store Operations for ShopKo and held several field and VP-level positions at Fred Meyer, a division of Kroger."

Fresh & Easy Targets Early 2011 Northern California Openings

The *San Francisco Chronicle* reports that Tesco-owned Fresh & Easy Neighborhood Markets plans to open seven Northern California stores in early 2011 - in San Francisco, San Jose, Danville, Pacifica, Vacaville, Walnut Creek and Concord.

Fresh & Easy has opened 160 of the small-format stores since first opening, all of them in Southern California, Arizona and Nevada. The company has been delaying its Northern California offensive because the recessionary economy has proven tough to navigate; Fresh & Easy slowed its opening plans and tweaked the format in response to a certain amount of consumer antipathy.

New Study Has Different Take On Back-To-School Shopping

Count this as yet another example of dueling studies.

It was just a couple of days ago that MNB took note of a report saying that there is a general expectation, based on consumer interviews, that "the back-to-school shopping marathon, the second-largest shopping season in the U.S. after the end-of-year holidays, could be pushed deep into September," as customers wait for the deeper discounts that they feel inevitably will come. The sense seemed to be that the recession has trained shoppers to wait on making planned purchases, since they believe that retailers will engage in price wars, aggressive promotions, and various other machinations as they sacrifice margin for sales and market share.

Except...

The National Retail Federation (NRF) is out with a new study saying that "consumers got a jump start on their back-to-school and college shopping this summer as extreme temperatures drove them into stores and out of the pool ... The average family has completed 43.2 percent of their school shopping, compared to 41.6 percent at this time last year. Similarly, families of college students have completed 43.1 percent of their shopping, versus 41.0 percent the previous year."

Now, more than 26 percent of U.S. families have not even started their back-to-school shopping yet, NRF says...and these families apparently can be deemed "budget wise families." Seventeen percent of families said that all their shopping was influenced by coupons, up from 14.7 percent a year ago.

One other interesting note - 16 percent of families said they would finish their back-to-school shopping online, up from 12.2 percent a year ago.

FastNewsBeat

- The *Phoenix Business Journal* reports that Bashas' grocery chain is set to emerge from Chapter 11 bankruptcy organization more than a year after going into bankruptcy protection. "After a week-long trial, U.S. Bankruptcy Judge James Marlar on Friday approved the reorganization plan," the paper writes. "The decision is expected to be appealed by the company's secured lenders, which oppose the plan."
- The *Charlotte Business Journal* reports that Delhaize-owned Food Lion and its affiliated stores - Bloom, Harvey's and Reid's - have struck a deal to carry 200 OfficeMax products year-round, as well as an expanded selection of back-to-school merchandise.
- In Canada, the *Chronicle Herald* reports that Sobey's has broken ground on a new headquarters in Stellarton, Nova Scotia, that will replace a HQ building that has been serving in that capacity since 1946. According to the story, "The new building is to feature more efficient use of space, improved meeting and teleconferencing facilities, energy efficient natural lighting, solar hot water technology and reflective roofing to reduce the need for air conditioning."

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- *Reuters* reports that Loblaw Cos. "will close its Halifax distribution center in Nova Scotia by October 9, to reduce excess capacity in the Atlantic region ... The company has six distribution centers in the Atlantic region servicing about 123 Loblaw stores."
- The *Troy Record* reports that The Fresh Market is scheduled to open a new store today in Latham, New York, just north of Albany - the first unit opened by the company in the Empire State. The store will not lack for competition - it will be facing off against a Hannaford store, a Sam's Club, and two Price Choppers.

Executive Suite

- The Retail Industry Leaders Association (RILA) announced the addition of Adam Siegel as Vice President of Sustainability and Retail Operations.

An engineer with an MBA from MIT Sloan School of Management, Siegel has consulted for numerous companies including Staples, IBM, and Seventh Generation, as well as for leaders in the transportation and energy sectors. RILA noted that he has experience with the Environmental Defense Fund's Corporate Partnerships Program, where he worked with the private equity firm KKR and their portfolio companies.