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

A&P Hopes Newest Exec Brings Friendly Skies With Him

Continuing the overhaul of its executive suite, the Great Atlantic & Pacific Tea Co. (A&P) announced that it has hired Frederic F. ("Jake") Brace to the new position of Chief Administrative Officer (CAO), effective immediately. In this role, Mr. Brace will oversee A&P's Finance and Accounting, Real Estate and Information Systems departments, reporting to President and Chief Executive Officer Sam Martin.

Brace's background is in the airline industry - during a 20-year career at United Airlines, A&P said, he held a variety of executive management positions, most recently as United's Executive Vice President and Chief Financial Officer from 2002 until his retirement in 2008. Before that he held a number of financial management positions with American Airlines.

In a prepared statement, CEO Sam Martin said, "Over the last year, Jake Brace has provided critical insight to the Company on a range of important issues as a member of our Board of Directors. I am pleased that he has agreed to join A&P's executive management team and am confident that his strategic and financial expertise and successful turnaround experience will be extremely valuable as we take the steps necessary to position the Company for a strong future."

Sale Sign Comes Down For Marsh Supermarkets

The *Indianapolis Business Journal* reports that Sun Capital Partners has decided to pull Marsh Supermarkets off the sales block after months of being unable to find a buyer at a reported asking price of between \$130 million and \$150 million.

According to the story, "Sun has cleaned up the chain's balance sheet, spruced up dozens of stores, and tweaked the product mix since it paid \$88 million in cash and assumed \$237 million in debt to acquire Marsh in September 2006. But none of the moves has boosted Marsh's market share in Indianapolis, where it still lags both Walmart and Kroger ... Since the private equity firm took over Marsh, it has slashed \$70 million in overhead, sold \$80 million in real estate, and spun off non-grocery businesses ... Marsh used the proceeds to pay down most of its debt and plow \$60 million into the renovation of the majority of its stores."

In an email to the *Journal*, the company said that "Sun Capital Partners is not currently pursuing a sale of Marsh Supermarkets, nor do they expect to do so in the near future ... We are committed to growing the company by actively pursuing new store sites and add-on acquisitions while continuing with our remodel schedule for existing locations."

Trader Joe's: Less Is Much, Much More

Fortune has a long piece about Trader Joe's, in which it tries to quantify and qualify the things that made the notably secretive retailer so special and successful - especially since there is a gap between some perceptions about the company and actual reality. Some excerpts:

- "Trader Joe's is no ordinary grocery chain. It's an offbeat, fun discovery zone that

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elevates food shopping from a chore to a cultural experience. It stocks its shelves with a winning combination of low-cost, yuppie-friendly staples (cage-free eggs and organic blue agave sweetener) and exotic, affordable luxuries -- Belgian butter waffle cookies or Thai lime-and-chili cashews -- that you simply can't find anyplace else. Employees dress in goofy trademark Hawaiian shirts, hand stickers out to your squirming kids, and cheerfully refund your money if you're unhappy with a purchase -- no questions asked. At the Chelsea store opening, workers greeted customers with high-fives and free cookies. Try getting that kind of love at the Piggly Wiggly."

- "Trader Joe's has a deliberately scaled-down strategy: It is opening just five more locations this year. The company selects relatively small stores with a carefully curated selection of items. (Typical grocery stores can carry 50,000 stock-keeping units, or SKUs; Trader Joe's sells about 4,000 SKUs, and about 80% of the stock bears the Trader Joe's brand). The result: Its stores sell an estimated \$1,750 in merchandise per square foot; more than double Whole Foods'. The company has no debt and funds all growth from its own coffers."
- "Trader Joe's business tactics are often very much at odds with its image as the funky shop around the corner that sources its wares from local farms and food artisans. Sometimes it does, but big, well-known companies also make many of Trader Joe's products. Those Trader Joe's pita chips? Made by Stacy's, a division of PepsiCo's Frito-Lay. On the East Coast much of its yogurt is supplied by Danone's Stonyfield Farm. And finicky foodies probably don't like to think about how Trader Joe's scale enables the chain to sell a pound of organic lemons for \$2 ... Take Tasty Bite, which makes much of Trader Joe's Indian food. The Tasty Bite Punjab Eggplant ran \$3.39 at a Whole Foods in Manhattan. The seemingly identical Punjab Eggplant that the Stamford, Conn., company makes for Trader Joe's is more than \$1 cheaper."
- "Trader Joe's is a supplier's dream account: It pays on time and doesn't mess with extra charges for advertising, couponing, or slotting fees that traditional supermarkets charge suppliers to get their products onto the shelves ... In exchange, suppliers have to agree to operate under Trader Joe's cloak of secrecy. *Fortune* obtained a copy of a standard vendor agreement, which states, 'Vendor shall not publicize its business relationship with TJ's in any manner'."
- *Re: Trader Joe's limited assortment approach...* "Take peanut butter. Trader Joe's sells 10 varieties. That might sound like a lot, but most supermarkets sell about 40 SKUs. For simplicity's sake, say both a typical supermarket and a Trader Joe's sell 40 jars a week. Trader Joe's would sell an average of four of each type, while the supermarket might sell only one. With the greater turnover on a smaller number of items, Trader Joe's can buy large quantities and secure deep discounts. And it makes the whole business -- from stocking shelves to checking out customers -- much simpler. 'It takes them out of the purchasing process and puts them into a decision-making process,' explains Stew Leonard Jr., CEO of grocer Stew Leonard's, which also subscribes to the 'less is more' mantra."

One of the story's themes is the issue of whether Trader Joe's, in getting so big - 344 stores in 25 states and an estimated \$8 billion in sales - is forcing it to become so corporate that it could lose some of its entrepreneurial zeal. There seems to be divided opinion on this, with some folks believing that this has already happened, but others saying that good systems are not necessarily a bad thing, and that the company seems to have managed its growth well to this point.

Sansolo Speaks: "Unseen Competitors"

by Michael Sansolo

There are things we all know that we know, except sometimes we don't.

Here's a simple question: what's the number one source for news in the US? Chances are you said NBC or maybe Fox News. And you'd be right if the question was limited to broadcast or cable news. But unless you answered Yahoo! News you missed a huge market and, arguably, America's top source for news.

According to collected number of sources, Yahoo! News is by far the most frequently visited website for news, boasting some 70 million unique visitors in the course of a month. CNN, whose cable ratings are taking a well-publicized beating, came in second. MSNBC, Google news and Digg rounded out the top five. (Television ratings and newspaper sales don't approach anything near 70 million.)

But read those stats again and think of this: Digg gets more internet traffic for news than NBC, the *New York Times*, and Fox News. And Digg doesn't compare to Yahoo! (That's their exclamation point, not mine. And take a visit to Digg, a news website where content flows entirely from the readers. I have a feeling we'll hear more about that for years to come.)

It reminds us of two key lessons.

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First, when we think about competition, we all have a tendency to think of the competitors we know. Yet many times the market place has hidden surprises lurking. That's how unexpected category killers have had such an impact across retail through the years or even - if you can remember it - how a mass merchant from Arkansas became the biggest seller of food (among other things) in just about a decade.

And that means we have to keep our eyes open for all forms of competition, though it may be the last thing we want to do. Everyone's time is always so pressed, yet we have to find a few spare moments to visit the other stores in the strip mall or downtown or wherever. If we don't do that, we miss the line outside the cupcake shop selling a dozen for nearly \$30, which makes no sense in the midst of a recession, but keeps happening.

The second lesson is equally important and it takes us back to the beginning of this column. Do we really know what we think we really know? Too often, I'm afraid, the answer is no.

While I really like Yahoo! News, I never thought of it could possibly be the leading supplier of internet news. Yet a recent *Newsweek* article about the Huffington Post (a top 10 news website itself) featured that shocking news. (The *Newsweek* article actually listed CNN as the most popular web news site, with Yahoo! coming in second. Most other internet information sources I found reversed the ranking.) That means when Yahoo! reports, as it customarily does, about a host of shopping, cooking and eating trends, a huge number of people are reading along. It means that, like it or not, Yahoo! is an influencer.

Now, I like to pride myself on keeping up with trends and knowing stuff like this. Yet I never saw this coming, even though my homepage includes Yahoo! News and I find myself checking it frequently.

The bottom line is the change was right in front of my face, but I was missing it because I wasn't looking. I'm willing to bet I'm not the only person in business to ever have that happen.

And now I have to worry about Digg. Great.

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](#).

Costco Goes To The Mall

The *Wall Street Journal* this morning reports that Costco "is taking on the role of mall anchor, moving into spaces once occupied by department stores that for decades reigned as the retail centers' big draws."

According to the story, Costco wants the mall stores to be roughly the same size and carry the same merchandise as its non-mall stores, though it will reconfigure somewhat to fit into existing real estate. Three mall stores have recently been announced, and the company is actively looking for new opportunities.

"Our preference is to never be in a mall or by a mall," says co-founder and chairman Jeff Brotman said. "But in metro areas there just is not that much land, and we still want to expand. We will continue to penetrate areas" using the mall approach.

Carrefour Begins Rolling Out New Hypermarket Format

The *Wall Street Journal* reports this morning that Carrefour has begun unveiling new and renovated hypermarkets that reflect its new thinking about the super-sized format - with expanded fashion and HBC departments, reduced home improvement sections and eliminated bike departments, all of which it feels will make the format more palatable to modern customers.

The changes are seen as necessary, the *Journal* writes, because "giant hypermarkets aren't adapted to Europe's changing demographics. An aging population and rising female employment have led consumers to favor the convenience of nearby supermarkets over out-of-town hypermarkets. Families are having fewer children, later in life than they used to, making households less dependent on the major weekly shopping trips that hypermarkets cater to."

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For Carrefour, the imperative also is economic, as the company looks to improve financial performance that has been lackluster.

The Role Of Authenticity In Defining Wellness

AdWeek reports on a new study by The Hartman Group about how people define "wellness."

- Sixty-seven percent of people surveyed said they defined it as "not being ill."
- An identical number of people said that to them, wellness means "being able to deal with stress."
- Seventy-three percent of those surveyed said wellness translates to "being physically fit."
- Seventy-four percent said that it meant "feeling good about myself."

The real point, *AdAge* notes, is that wellness is not perceived in exotic terms, but in a concrete, easy to understand and "authentic" context.

"While the notion of quality of life is very broad, consumers are still looking to markers of quality on a category-by-category basis, as they determine whether or not the product or service is authentic and can play a role in their wellness toolkit," Shelley Balanko, VP ethnographic research at The Hartman Group, tells *AdAge*. "Consumers are becoming more attuned to authenticity cues to discern the 'real' from the 'fake.' Authenticity is communicated through compelling product/company narratives with products containing whole, real and clean ingredients created by knowledgeable people who genuinely care."

In addition, Balanko says, "More than ever, consumers view fresh, real and clean food as the foundation for [health and wellness], and perceive food as a way to proactively prevent disease states and achieve a measure of wellness."

The Hartman study also suggests that marketers have to be careful in how they communicate a wellness message to shoppers. "Consumers have been marinating in health-and-wellness information for the past decade," Balanko tells *AdAge*. "Unfortunately, a lot of this information has been contradictory. Consumers are confused by all the information available and are resorting to intuition and pragmatism to determine what products will serve their needs. Marketers need not cut through ignorance, but rather emphasize their products' differentiators and authenticity."

FastNewsBeat

- The *Pittsburgh Tribune-Review* reports that a new, 4,300 square foot IGA supermarket is planned for the downtown area in a space formerly operated as a McDonald's; it would be the only downtown supermarket, the paper says, since a Rosebud Market closed last March. The store will focus on fresh and prepared foods.

"Our business model is that bigger is not always better," says Wayne Hancock. "It's not going to be big, it's not going to be fancy; but it's going to be fast, and it's going to be friendly."

- Weis Markets announced the introduction of its new Market Street deli line, which it says is "a high quality sliced deli meat program offering customers artisanal quality at an affordable price. All Market Street products are trans fat, gluten and MSG free. The initial roll includes nine main-stay items and is expected to nearly double over the next twelve months to include cheeses, dips and spreads."

- The *Boston Globe* reports that State Street Corp., a financial services group, and Ahold-owned Stop & Shop "announced a 'Healthy Packs' initiative that will provide 2,000 pre-packed reusable bags of healthy snack options to children in need in the Boston neighborhoods of Dorchester and South Boston and in Brockton ... The snack packages will...be delivered to children in the Greater Boston area with the goal of teaching these children about the importance of making healthful food choices, State Street and Stop & Shop said."

- *Reuters* reports that "U.S. food prices are forecast to rise at their lowest rate since 1992, the Agriculture Department said Wednesday, showing the recent surge in agriculture prices for everything from hogs to wheat so far has not been felt at the dinner table."

The USDA revised its food price prediction to an increase of 0.5% to 1.5% in 2010 from its forecast in late July that called for a rise of 1.5% to 2.5%. The increase could be the lowest since food prices rose 1.2% in 1992.

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- The *Jacksonville Business Journal* reports that Publix is launching a flu immunization program in all of its stores with pharmacies, offering shots for \$25 apiece and accepting medicare Part B and other insurance plans.

Executive Suite

- The Kroger Co. announced that Joe Grieshaber, the company's Group Vice President of Perishables Merchandising and Procurement, has been named President of Kroger's Dillon Food Stores Division, replacing John Bays, who is retiring after 42 years with the company.
- The Food Marketing Institute (FMI) announced that Patrick J. Walsh has been promoted to Senior Vice President, Industry Relations, Education and Research. Walsh has been with FMI for 11 years and previously was vice president of industry collaboration and education.