



Marilyn Fitchett editor/591-2300

Thursday, November 27, 1986 O&E

Supermarket Sweeps

Your wish is their command

Pork 'n' beans to haute cuisine

By Pat Walsh
special writer

Which shopping list sounds like yours?

Starfruit, prickly pears, French endive, lemon grass, ginger root, chutney canapes, calamari ring, psari marinata, prawns and easter sugar.

Or...

Twinkies, white bread, whole milk, bologna, Tide, oranges, Lee Press-On Nails, and bathtub caulk.

Not that it matters anymore, not when there are 25,000 items on the shelves of the Farmer Jacks in Southfield and Farmington Hills. Ditto for the new A&P Save-A-Center in Belleville.

We used to be lured to supermarkets with encyclopedias, dishes and flatware. Then the pied piper was in the form of coupon wars and child identification programs. This summer 32,000 customers weighed in at Great Scott's Dr. Katsah's rotation diet promotion. Singles' night has been a great bait.

YOU MAY argue that soup, salad and juice bars, even lobster tanks, will one day go the way of no-brand items. But 25,000 choices isn't just a trend. It's a fundamental change in the industry.

According to Gilbert Borman, director of public relations for Farmer Jack, the supermarket industry has changed more "in the last two or three years than it ever changed before. Gourmet choices and discount pricing are growing at the same time."

"Incredible diversification is what is being offered," Borman said. "One long price war" has become one great choice war.

We are choosing fresh bakery, imported cheeses, all manner of deli foods and even hot foods. But while hot foods are hot, frozen foods are even hotter.

"Frozen food is the single fastest growing area," Borman says. "Cold storage," in industry vernacular, has been replaced with rows of stand-up frozen food fixtures.

Paul Coleman, Great Scott spokesman says, "Frozen food is growing by leaps and bounds: microwave french fries, frozen entrees and ice cream novelties such as Life Savers, Dove Bars and Klondikes."

But we are also choosing service. "Time is a commodity. One-stop shopping is our best product," Meijer public and consumer affairs coordinator Dave Lukens says. "The food market is thriving, and we offer service and choice."

At Farmer Jacks you can mail a package, pay your utility bills and rent a film. Scanners get you out of the store more quickly than before.

IT USED TO BE they told us what to buy. Now they want us to tell them what to sell. Great Scott recently completed a "We listen better..." campaign. It included a consumer advisory board whose suggestions, such as bottle returns at the front of the store and more fruit in the salad bar, were incorporated into its new stores.

Meijer surveys customers of each store it operates every other year. Market surveys, demographic studies and "segmentation" have

Please turn to Page 3

'Davids' take on Goliaths

By Pat Walsh
special writer

How does the independent grocer compete?

James Hiller's family has been in the Detroit area food business for 50 years. His family owns and operates four The Shopping Centers and one Food Emporium. His answer is responsiveness and quality.

Hiller's family has stores in Livonia, Southfield, West Bloomfield, Berkley and one that just opened in Northville.

Traditionally they have catered to an ethnic audience, responding to the subtleties of the neighborhood in much the same way the chains are doing today based on their marketing surveys.

Hiller isn't intimidated by the activity recently generated by the chains. He believes he can respond instantly to a change in the market. Store managers have the authority to respond to community preferences faster than a big chain can, he said.

In addition to responsiveness, The Shopping Centers and Food Emporium claim to offer specialty items not found in chain markets.

"We do not offer the same product in meat, produce or fish. My produce buyer is at the produce terminal at 2:30 in the morning. We called Holland to find a certain kind of broccoli."

"We offer a striped fish in the snapper family that is sold only on one of the Hawaiian Islands and arrange to have it flown non-stop back here. We go to Italy to get pasta."

Hiller says the greatest areas of change in the food business have been in fish, produce and fruit.

Fish has expanded "geometrically not linearly. It is the protein source of the future."

Of his niche in the business, he says: "We have our own sandwich."

Divide & conquer

Since 1983, A&P in Michigan has doubled its sales volume even though the number of its stores has fallen from more than 100 to 55.

A&P is responding to varying economic strata and social segmentation with "multiple formats" and "varying product mix," which has produced an economic turnaround for the chain that the Wall Street Journal has called a "stellar success."

It all has to do with "being more responsive to the customers' needs," said Tom Montgomery, vice president of merchandising for A&P.

To achieve the responsiveness, A&P has four different kinds of stores:

- Save-a-centers: 40,000 to 60,000 square feet with 25,000 items. Warehouse prices without warehouse environment. Middle class shoppers. Example: Oak Park, Belleville. Coming to Southfield in 1987.

- Conventional store: 20,000 square feet. Renovated building. Demographics in a state of flux. Example: Walled Lake.

- Future stores: 35,000 square feet with an excess of 25,000 items. Gourmet foods. Sophisticated, upscale customer. Three planned to open in 1987 in Canton, Sterling Heights and West Bloomfield.

- Gourmet store: 15,000 square feet in areas where there is no real estate. Super affluent customer. Example: Manhattan.

Understand your pension plan

Many people don't fully understand what their retirement plan offers other than money for the "golden years." Now is a good time to review your company's retirement provisions to understand what kind of coverage you have, when you can expect payments and what you can do now to help ensure your financial security during your retirement years.

Here is an outline of the four major retirement plans: defined benefit, defined contribution, profit sharing and deferred compensation.

DEFINED BENEFIT pension plans provide a promise to pay participants benefits over a period of years after retirement. The benefits are determined by such factors as the individual's age, years of service and total wages earned. As a participant in this plan, you accrue benefits payable at a predetermined time in the future. Your benefits are funded by employer contributions which can fluctuate depending on statistics of the life expectancy of the participants and investment computations.

DEFINED CONTRIBUTION plans require individual accounts for each plan participant. The amount you will receive from the plan depends upon your employer and employee contributions, the income, expenses, gains and losses credited to your account.

Under a defined contribution plan, the contribution rate is generally determined by the participant's salary, profits of the employer or both.

When a participant retires or withdraws from the plan, the amount allocated to the participant's account represents his or her accumulated benefit and it may be paid to the participant or used to purchase an annuity. In contrast to defined benefit plans, the amount of benefits a participant will ultimately receive is not determined until the time of distribution.

As a participant, you benefit from successful investments by the trustees but also bear the risk of investment loss.

practically speaking

One example of a defined contribution is a money purchase plan. Here, your employer's contributions are based on a definite formula, irrespective of profits. Usually the employer's annual contribution is a fixed percentage of your compensation. For example, the plan might provide that each year your employer will contribute on your behalf 10 percent of your compensation for that year.

A **PROFIT SHARING** plan is when a company agrees to make a contribution, at its discretion, out of profits. Amounts contributed to the plan are invested and accumulate tax free for eventual distribution to participants or their beneficiaries either at retirement, after a fixed number of years or upon the occurrence of some specified event such as disability, death or termination of employment.

Unlike a defined benefit plan or a money purchase pension plan, contributions are based on a percentage of profits. If the employer has no profit in a given year, no contribution could be made for that year unless the plan provides for contributions from prior retained earnings.

A stock bonus plan is an example. As a participant you are given the option of receiving your benefit payments in the form of company stock. Just as in profit sharing plans, it's up to the employer to decide each year how much, if anything, he or she wants to contribute.

— Michigan Association of CPAs

HAS A CELLULAR CAR PHONE
BEEN IN THE BACK OF YOUR MIND LATELY?
WELL THIS SHOULD HELP FOCUS YOUR ATTENTION!

FREE 625**

CELLULAR AIRTIME MINUTES*

TRANSPORTABLE

BROUGHT TO YOU BY



Mobitronics, Inc.



Authorized
CELLNET
Agents



SEE THE NEW PANASONIC 300 SERIES
THE LATEST TECHNOLOGY AT WHOLESALE PRICES

CALL
585-4520

*W/PHONE PURCHASE. INSTALLATION & 12 MO. ACTIVATION WHILE SUPPLIES LAST

celltone
America's largest cellular phone dealer. Use
in a one day 600 call free trial.
• More information on cellular
• The more you know
in more cities