

APRIL 2019 SUPERMARKET/RETAIL NEWS

SODA TAX BATTLE

Despite creating 2,250 pre-K slots and opening 12 community schools, Councilwoman Maria Quinones-Sanchez argues the tax is regressive

AMAZON EYEING SEARS STORES

BMO Capital Markets estimates old Sears and Kmart stores may soon be converted into Amazon's new "value" grocery chain



GROCERY STORE OPENINGS UP 30% IN 2018

- U.S. grocery store openings increased 30% in 2018, which amounted to 17 million square feet of new space
- 2019 is expected to bring even more grocery stores, primarily with smaller formats in prime locations
- The small-format grocer Aldi, which opened 82 stores last year, accounted for 16% of total new stores by square footage

“The grocery sector has seen shopper habits shift to more frequent, shorter trips, versus large weekly hauls. As a result, grocers are focusing on developing smaller-format stores with more local offerings to appeal to the surrounding community.”

–James Cook, JLL Director of Retail Research

AMAZON DOUBLING DOWN ON GROCERY BUSINESS

- A recent WSJ report claims that Amazon will soon launch a new grocery store chain carrying a broader range of products than Whole Foods
- The move would allow Amazon to collect consumer data and learn how to sell grocery products more efficiently than they currently do
- The stores would also give the company a platform to sell their own label of products, including Amazon's Happy Belly label which launched on AmazonFresh several weeks ago



Contact Us

SobelCo

293 Eisenhower Parkway
Livingston, NJ 07039
973-994-9494
SobelCoLLC.com

AMAZON CUTS PRICES AT WHOLE FOODS

- Amazon cut prices at Whole Foods by an average of 20% in April across more than 500 different product offerings
- The move comes after the company raised prices in February on consumer products as suppliers increased prices due to higher transport and ingredient costs
- Amazon continues to face problems with Whole Foods including problems with delivery service to prime customers, and failure to attract prime members with the 10% discount they offer

WALMART SPENDING \$11 BILLION ON STORE RENOVATIONS

- The updates are focused around technology, including the addition of 1,500 autonomous floor cleaners, 300 autonomous shelf scanners, 1,200 unloaders that scan and sort items unloaded from trucks, and 900 pickup towers
- The move is consistent with Target, CVS, Kroger, and other large retailers' commitment to physical stores as a defense against Amazon

STEW LEONARD'S TO BREAK GROUND ON FIRST N.J. SUPERMARKET

- This Norwalk, CT based chain, known for its farm-fresh perishables and entertaining shopping experience is scheduled to open a 80,000 square foot store in Paramus, NJ this fall
- Some features of the new Stew Leonard's include a made from scratch bakery, cut to order butcher shop, full-service fresh seafood department, and a 50-person culinary team in the kitchen preparing hot foods for the buffet bar as well as refrigerated to-go meals
- Stew Leonard's states that 80% of the products sold in its stores are fresh – either brought in daily or made in the store

SALADWORKS FINDS GROWTH IN GROCERY

- Casual salad restaurant chain Saladworks is set to grow its presence at ShopRite in the Philadelphia area
- Salad bars are typical in supermarkets, however many consumers consider them to be unsanitary and poorly maintained
- The first Saladworks ShopRite location opened in February 2018 and has exceeded expectations

STOP & SHOP WORKERS GO ON STRIKE; CUSTOMERS TOLD TO LEAVE STORES

- The Massachusetts AFL-CIO tweeted that 31,000 Stop & Shop workers were on strike as of 1pm on April 11th
- There are disputes between management and workers with regards to health insurance, pensions, and vacation time and the union has accused Stop & Shop of trying to “degrade the quality of life” of workers
- Most of the stores in Massachusetts were re-opened this past Thursday night with corporate and temporary workers filling in

Note: Articles are linked to their source in each respective underlined title above