

# JULY 2019 SUPERMARKET/RETAIL NEWS

## WHITHER THE CHECKOUT LINE?

The checkout line will fade away within 10 years as U.S. grocery retailers scramble to adapt to shifting consumer preferences  
*(see SobelCo comment on page 2)*

## TESCO COULD DITCH CHECK OUT TILLS AS IT TRIALS USING CAMERAS

London's Tesco is one of several grocers testing cashier-less stores with cameras that track what shoppers pick, so they pay by simply walking out the door



## GROCERY TO GET MORE PLAY ON PRIME DAY

- Grocery represented 17% of total Amazon CPG sales on Prime Day last year, the second-largest category behind HBA, which Nielsen forecasts to have an even stronger performance this year
- Prime members who make an in-store transaction of \$10 or more a Whole Foods between July 3 and July 16 will get a \$10 credit to their Amazon account that can be used to spend on Amazon.com during Prime Day
- More than 250 retailers are planning deals on Prime Day, according to CommerceIQ, a Nielsen Connect Partner. Walmart has unveiled a list of deals across product categories to lure customers on Prime Day, while Target plans its own “Deal Days” on July 15 and 16

## KROGER TO SELL CBD PRODUCTS IN NEARLY 1,000 STORES

- Kroger will sell CBD in nearly 1,000 stores — but it won't sell any CBD-infused groceries just yet
- The grocery chain joins a growing list of national retailers, including Walgreens, CVS, Vitamin Shoppe and GNC, that are beginning to stock shelves with the cannabis compound
- Selling CBD-infused beauty and skin-care products brings far less legal risk, which explains why retailers such as Kroger are starting to stock those types of products first

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*“Like many retailers, we are starting to offer our customers a highly-curated selection of topical products like lotions, balms, oils and creams that are infused with hemp-derived CBD” - Kroger spokeswoman*

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## CANNABIS AND HEMP AND CBD, OH MY! A BREAKDOWN FOR FOOD RETAILERS

- The 2018 Farm Bill, which was signed into law earlier this year, has caused mass confusion within the marketplace regarding hemp and CBD products
- Given the significant consumer interest in this emerging market, more and more companies are taking steps towards entering this space; from ingestible products, including foods, beverages and dietary supplements, to topical products, such as cosmetics, creams and lotions
- Given the prevalence of these products in the marketplace, the FDA is being urged to move swiftly to establish a pathway forward

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*SobelCO says: "Trends that were on 'the fringe' just a few years ago such as meal kits/prepared foods, home delivery of groceries, increased automation, and non-traditional formats must be a part of supermarket owners' strategy in order to stay relevant as competition in these areas continues to expand."*

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## BIG Y MOVES UP PLASTIC BAG PHASEOUT

- The Springfield, Mass.-based grocer said yesterday that its 81 supermarkets and specialty stores in Massachusetts and Connecticut will no longer provide plastic bags as of Aug. 1. The company had announced in January that it would phase out the bags next year
- Big Y said it moved up its timeline given recent changes to laws in various towns across New England as well as to streamline operations and "do its part" to support sustainability

## THE SUPPLY SIDE: SAM'S CLUB TO CONTINUE REDUCING PRODUCTS IN INVENTORY

- Sam's Club executive Clint Gill said the assortment in clubs ballooned as larger pack sizes were added to push revenue higher
- In years past, Sam's Club has catered to several types of members, but that has changed as they are focusing on households of four or larger with incomes between \$75,000 and \$125,000
- Gill said half of the growth potential online is in grocery, and he spends a lot of time looking at how to make it happen

## ALDI MOVES INTO WALMART'S BACKYARD

- Less than a mile from Walmart's massive headquarters in Bentonville, Arkansas, a new neighbor has settled in: German discount grocery store Aldi
- Aldi opened a store in Bentonville in October. It's part of Aldi's \$5 billion plan to expand to 2,500 stores in America by the end of 2022, up from around 1,900 today
- Walmart executives are taking Aldi seriously and have lowered prices in some markets to counter

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