Gas station beer and wine license issue returns

On Wednesday, March 13, 1997 the House Commerce Committee held a hearing to consider HB 4396 that would allow potentially 6000 state gas stations to receive beer and wine licenses. The Commerce Committee narrowly passed it and now the bill will go to the full House for a vote.

AFD argued that the economic impact of such legislation would have a devastating impact to existing food and beverage retailers. AFD pointed out that there are already enough outlets to purchase alcohol beverages, that it would only serve to redistribute existing business, that it would lead to more drinking and driving and lead to greater access to alcohol for minors.

AFD urges all food and beverage retailers to contact their representatives to vote NO on H.B. 4396.

Ready, Set— Bag it!
The 1997 Michigan Best Bagger Contest, is coming in June. Get your baggers ready now! Watch for more details or call AFD (810)557-9600.

Source: The Food Institute Report

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Source: The Food Institute Report
You can create a scholarship program for your employees by piggybacking with AFD

by Joseph D. Sarafa
Executive Director

As you know, AFD has established a very successful scholarship program for all member employees and/or their children. We have posters and application forms that we send yearly to each member location and we encourage all eligible employees to apply. But as an employer, you can go a step farther and offer an additional scholarship of your own, to benefit your employees only.

Your company can "piggyback" on our AFD application process. This is an alternative to establishing your own scholarship program and avoids the expense of producing brochures and applications.

AFD sends scholarship announcement posters to all association members in January. The posters are meant to be placed in prominent places so they can be seen by all employees. The posters describe eligibility criteria and the process of applying. If you award "piggyback" scholarships, it means your employees and/or their children can apply for two scholarships by submitting only one application. You would encourage eligible employees to apply, because someone from your company is sure to win. Those applicants from your company who do not win an award from the AFD would compete for your scholarship.

A scholarship program promotes good public relations within your company. It shows that you are taking an active interest in your employees and their children's education. This encourages loyalty and improves employee morale. You can maximize the publicity in your company's newsletter or by posting information where your employees will read it. This program works because:

- You establish the selection criteria
- You determine the number of awards
- You determine the amount of the awards

Your opinions are important to us! Call AFD at (810) 557-9600 or (800) 666-6AFD. Or write to us at 18470 West Ten Mile Road, Southfield, MI 48075.

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- Midwest Wholesale

-Heartland Dist.
- Farmer Jack
- L&L / Jirich
- A.C. Courville
- Motor City
- United Wholesale Grocers

Come visit us at the AFD Trade Show at Booth B-7
Guest Editorial

“I can’t cut your hair, the computer is down.”

By Robert W. Wendover

I walked into the salon of a national hair franchise. The person at the front counter said, “I’m sorry. I can’t cut your hair right now. The computer is down.” I said, “You don’t need a computer to cut my hair, just a pair of scissors.” He said, “You don’t understand. When the computer is down, I can’t log you in and take your money.”

“Just stick it in the drawer and fix it later,” I said. He smiled and asked me to come back later. How are glitches handled at your establishment? How well is the staff trained to cope with little crises that occur in every business?

Every policy and practice has two audiences: the employees who implement them and the customers that endure them. The quality of these relationships make or break the success of most businesses. Consider the following when evaluating your organization on the way it responds to common crises.

First, consider your instructions to those on the front line. When the computer goes down or the lights go out, what are they supposed to do? How much latitude do they have in using their common sense? We, as owners and managers, assume that they will use their “common sense” but with the lack of trust that pervades many organizations these days, it is reasonable to assume that many front liners will take the safest path to avoid running afoul of the rules.

To make money without logging it may be considered a mortal sin by the franchisee. On the other hand, the employee may be afraid to do it because of the risk of appearing dishonest. In either case, two things are lost, the customer’s business and the trust of the employee.

Has everybody heard the same message? Will everybody react the same, basic way to particular situations? Is it okay if different approaches are used? Managers are forever complaining about the number of rules and regulations to be followed. It’s no wonder they wing it when a crisis hits? Part of the solution to this is to reinforce the same simple instructions periodically. In this way, those serving the customer have more consistent recollection of what they are supposed to do.

Do you test the system occasionally for response? It’s one thing to issue a policy. It’s another to see it in practice. I am forever posing challenging questions and problems to retail clerks just to see how they respond. The results can be scary. But the only way to remedy these situations is to “test and address.” Better you than your next customer.

Has everyone heard the “why” and not just the “what”? Why does “it” have to be done that way? Why does it cost that much? Why is that stupid policy so awfully important? Employee investment is built on understanding. Take the time to explain why problems and crises need to be handled in a particular way. Clear explanations breed clearer reasoning.

How are deviations handled? How much latitude do your people have to provide creative solutions to difficult situations? Are they encouraged to work for the customer or simply follow the rules? Giving them a sense of clear reasoning.

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The FNB mini series ATM is the intelligent choice for merchants. The Series 7000 designs are unique, functional and include features not available in other ATMs in its class. The powerful machine utilizes 3 OFM components — proven industry leader components that are reliable, performance oriented and easily serviceable. Because they are driven by the industry's most innovative software, FNB products have the cutting edge technology and flexibility to protect your investment well into the next century.

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maturity along with good judgment. What a wonderful way to build loyalty!

Do employees know that they are welcome to make suggestions for improving operational response? The people who work for me are forever coming up with better solutions to the proverbial mousetrap. Your staff will do it for you too, but only if they know it is encouraged. Who better than the front line people to provide the suggestions necessary to improve the system? Praise them. Reward them. Do everything in your power to encourage them. After all, they are the customer’s window into your organization.

Is heroic action recognized and praised? There are managers who perform heroically on a regular basis due to system snafus. When was the last time you appreciated them? Blessing their actions sends a message to others that it’s okay to use their judgment and common sense.

Have you “faced the music” yourself recently? The trenches provide a marvelous opportunity for learning, even when you own the company. It’s one thing to have your people tell you about a faulty policy. Its another to explain it to a customer. The best leaders I know spend more time on the floor than they do in their offices. Because that’s where the action, and the customers are.

No one can be in the right place to respond to all difficult situations. But by placing more trust in your people coupled with clear explanations, you will sleep better at night. What more can you ask?

There is a new breed of ultra-premium tequila for a new breed of tequila drinker. It is meant to be sipped, savored and enjoyed like a fine spirit. In this exclusive world, Patrón sets the standard; redefines the tequila experience with its smooth, exceptional flavor. Handcrafted from 100% blue agave carefully cultivated in the highlands of Jalisco, Patrón contains no added sugar, coloring or anything else that would compromise its superior quality and flavor.

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Patrón Silver is the finest of the “young” tequilas. Crystal clear in appearance, Patrón Silver has a floral aroma and fruitier flavor than aged tequilas, with an elegant smoothness that is perfect for sipping or in mixed drinks.

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Regular case cost—$8.95
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SAVE $4.47/CASE
Limit 2 of each flavor

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Legislative Update

Continued from page 1

Tribal lands and state tax payments

Rep. Ernest Istook (R-OK) plans to introduce legislation which requires state and local governments to reach a binding agreement regarding state and local sales and excise taxes on sales to non-Indians on that new tribal trust land before any new land is transferred into tribal trust.

Repeal of beer excise tax

Rep. Phil English (R-PA) introduced H.R. 158 which would roll back federal excise taxes on beer to the pre-1991 level. The bill was referred to the Committee on Ways and Means for consideration and currently has 23 co-sponsors.

Estate tax relief

The Estate Tax Coalition sent a letter in early January 1997 to all Members of Congress outlining the need for relief. Since the initial letter was sent by the Coalition, bills have been introduced by Sen. William Roth (R-DE) to amend the Internal Revenue Code of 1986 to provide tax relief for American families and by Sen. Richard Lugar (R-IN) to repeal the Federal estate and gift taxes and the tax on generation-skipping transfers.

The Estate Tax Coalition has sent letters to these members and co-sponsors of these bills thanking them for their support and urging them to seek action on the bills this session.

Business meal deduction

Rep. Neil Abercrombie (D-HI) has introduced H.R. 628, a bill which would restore the 100 percent deduction of business meals and entertainment expenses and reinstate the tax deduction for the travel expenses of spouses and others accompanying a taxpayer on a business trip.

The bill was referred to the Committee on Ways and Means and is similar to the one introduced by Abercrombie in the 104th Congress.

In the Senate, S. 114 was introduced which would restore the tax deduction for business meals and entertainment to 80 percent. The proposal has been referred to the Senate Finance Committee.

Bottle bill

Sen. James Jeffords (R-VT) has introduced S. 125, a national forced deposit bill to require a 10-cent deposit on soft drink, water and beer containers. S. 125 provides an exemption for states with a 70 percent or greater beverage container recycling rate, and provides retailers a two-cent per container handling fee. There were no original co-sponsors.

IRS announces revised standard mileage rate for 1997

The Internal Revenue Service has announced the revised standard mileage rates, which are applicable to expenses paid or incurred for travel while away from home on or after January 1, 1997. The optional mileage rate has increased from 31 cents to 31.5 cents per mile for business travel. The mileage rate for the use of an automobile to obtain medical care or as part of a move remains the same at 10 cents per mile.—FMI
Fatality and catastrophe reporting requirements explained

On December 18, 1996, P.A. 437 of 1996 was filed with the Secretary of State with immediate effect. This Act amends the reporting requirements for reporting fatalities and catastrophes (fat/cats) to MIOSHA. Fat/cats must be reported within eight hours and catastrophe applies when three or more people are hospitalized. The prior Michigan law had required those reports to be filed within 48 hours, and only if the accident resulted in hospitalization of five or more employees.

Although the requirements took effect immediately and have been in place for about two years in all prior OSHA jurisdictions, MIOSHA will provide a phase-in period with respect to the application of monetary penalties. This will provide Michigan employers time to learn about the new updating of our communication equipment and procedures for responding to these reports. This policy, effective until April 16, 1997, is as follows:

- All fat/cats reports received more than eight hours but within 48 hours from the occurrence or employer knowledge of the occurrence will be considered a violation but without a proposed penalty.
- All program-related fat/cats reports received more than 48 hours after their occurrence or employer knowledge of the occurrence will be considered violations subject to a proposed penalty. We must adhere to the 48 hour time frame.
- All catastrophe reports of three or more but less than five employees will be considered violations without a proposed penalty.

Failure to report can result in a penalty of up to $5,000.00. The phone number to report to is (517) 322-1817 or (517) 322-0333 after hours.

FDA changes milk standards

The FDA published a final rule eliminating the standards of identity for low fat and nonfat milk and certain other low fat milk products. This final rule is the result of a 1995 joint petition filed by the Milk Industry Foundation and the Center for Science for the Public Interest, which sought this revocation in order to establish consistency in nutrient content claims labeling with all other foods. This rule does not apply to low fat and nonfat yogurt at this time. A major change as a result of this final rule involves the renaming of “2 percent milk—low fat milk” to “2 percent milk-reduced fat.” This final rule will also allow skim milk to be called “skim,” “nonfat,” and “fat free.” While the final rule may go into effect immediately, allowing dairy processors to begin making appropriate label changes, compliance will not officially take effect until January 1, 1998. This will allow processors time to exhaust current labels and or make appropriate label changes. - JMI

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What is your requirement? 5 minutes! Stop by and see us at Booth #24 or call MBS at 1-800-848-3213, it will be the most profitable 5 minutes you will spend!

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Michigan Bankard™ Services
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*Rate may be higher depending upon annual credit card sales volume. The 1.14% rate applies only to certified supermarket stores, all other requirements
GMA president highlights innovative partnerships to meet new consumer demands

Innovative industry partnerships "from farm to table" are the key to delivering quality, variety and value to today's consumer who is "eating at non-traditional times, in non-traditional places." That was the message GMA President and CEO C. Manly Molpus delivered in a speech before the annual convention of the California League of Food Processors last week. "Today's consumers want healthy food but have less time to shop for it, much less time to cook it and barely time to eat it... It's not our job to judge this trend or try to change it, but to see it as an opportunity to respond with new packaging, new shelf-life technology, new displays, new ingredient combinations and co-branding."

He emphasized the industry also must continue to invest the same "energy and vision" in the political arena as well. "We are faced with several challenges and opportunities: advocating science-based FDA reforms that encourage innovation; opposing FDA and USDA user fees and choosing a new FDA Commissioner who is a proven, effective leader... Working together, we can influence the crucial public policy that impacts our business."

New Family Fare supermarket opens in Grand Haven

Family Fare Supermarkets opened a new supermarket in Grand Haven in March.

The new Family Fare, located at U.S.-31 and Taylor Avenue, will operate as a full-service supermarket, and will specialize in fresh products such as fresh meats, seafood, deli, produce, bakery, floral and dairy selections.

The new store features unique amenities such as a sit-down cafe, a coffee shop, an in-store chef preparing foods to enjoy in the cafe or at home, and its very own greenhouse and floral center with fresh cut flowers, plants and flower arrangements.

It will also offer a complete selection of grocery, health and beauty care, general merchandise, frozen foods, and Spartan brand products, as well as a walk-in beverage cooler.

Special services available at the store will include a full-service pharmacy, grocery carryout, dry cleaning, and a Stay 'n Play area which will provide supervised activities and fun for children while their parents shop.

"We've created a very special place for our new neighbors in Grand Haven," according to Jim Nader, vice president of marketing and operations for Family Fare. "The store was designed to offer the ultimate in freshness, convenience, and quality in an atmosphere reminiscent of a Victorian village. We've got streetlamps, storefronts, our own greenhouse and all kinds of design touches that are truly special."

Family Fare Supermarkets services customers in West Michigan with store locations in Allendale, Byron Center, Cutlerville, Holland, Grand Haven, Lowell, Kentwood, Wyoming and Grand Rapids.
It's a party and your taste buds are invited.

Simply put, Apple Market™ is designed to help you profit by bringing the freshest foods to your neighborhood. For more details on the licensing agreement, contact Ellis Luchies at (616) 530-4563.

Apple Market™ More fresh-thinking from Spartan Stores, Inc.
Many people ask me: "How did you come up with the graphic design idea for the Miller Time logo?" My answer is always the same: "I did it like this," I say. Then I show them:

**Step 1.** I figured the can ought to be somewhere in the middle of the logo.

**Step 2.** Then I realized the words ought to be somewhere in the middle, too.

**Step 3.** Background color was the hardest part. First I wanted the background to be red. Then kind of yellow. But later I found that a mix of red and yellow would be O.K. Why? Because that looks like the color of a good-tasting beer!

"When I make my ads it's Miller Time for me."

"When you see my ads it's Miller Time for you."

This is what three "close" friends say about my Miller Time logo:

Tommy: "It looks great."

Jeff: "It's very good."

Mike: "I like it very much."

**Watch out for Dick and his Miller Lite campaign.**

**Detroit Area Retailers:**

When you display and sell Miller Lite and Miller Genuine Draft in May, you will also be supporting the AFD Scholarship Fund and the Alternating Hemiplegia Foundation. Miller Brewing Company, Action Distributing, Powers Distributing, Eastown Distributors and O & W will make a donation to these worthy charities for every Lite and MGD 12-pack or 24-pack cans sold in May.
Food Industry Information at your fingertips

The Food Institute’s web page (http://www.foodinstitute.com) continues to grow, providing members a comprehensive food industry library right on their computer screen.

Since the launch of the site early in 1996, the Fair Lawn, New Jersey-based food trade association has added a downloadable full text/graphic version of the Food Institute Report, monthly updates of the Consumer Price Index and Retail Sales data for grocery stores and eating and drinking places. All CPI and PPI data is tailored for food industry users, no need to scan through pages of data from other industries.

The Food Institute’s site is the only on-line source for monthly processor price trend data for a variety of items, including frozen and canned fruits & vegetables, canned and frozen fish & shellfish, dried fruits & vegetables, juices, frozen & bulk juice concentrates, as well as edible nuts. Links on the site, which are tailored to the needs of Food Institute members, direct users to searchable sites for USDA’s foreign trade leads and Federal Register, or they can find any federal agency’s web site using the Federal Web locator. Other links will help companies find potential customers or suppliers in the food industry or search for the latest daily food related news headlines.

Pledge To Reduce Solid Waste

Food and consumer product manufacturers are dramatically reducing packaging waste, according to a new GMA report that documents the substantial progress the industry has made to reduce, reuse and recycle. “GMA members promised to deliver important packaging innovations to advance our nation’s ability to manage municipal solid waste, and we continue to deliver on that promise,” said GMA President and CEO C. Manly Molpus. “The impressive gains outlined in this report were, in large part, made possible through creative packaging solutions that reduce waste while protecting safety and consumer value.”

The research, conducted by Franklin and Associates, Ltd., the country’s foremost solid-waste research company, found that grocery packaging discards dropped more than 14% between 1980 and 1993 even though the U.S. population grew by more than 13%. The report also found that the recovery of grocery packaging has risen six-fold from only 5.4% in 1970 to 33.1% by 1993. An anecdotal section of the report documents specific packaging initiatives by individual manufacturers to enable communities to better manage solid waste. For more information contact John Bradbury at (202) 337-9400.

More credit choices available

American Express is expanding its credit card services to include supermarkets. A recent agreement to have its cards accepted at Grand Union stores adds that chain to a list that includes Shoprite, Shaw’s, Bruno’s, Hughes Family Markets and Giant Foods. It is thought that by offering a choice of cards, retailers will attract new customers and increase credit transactions at the store.

—B&M Processing Co., Inc.
The Garden Party marks 10th anniversary in grand style

The Garden Party, la fête au jardin, celebrates its 10th anniversary with the best entertainment, finest wines from around the world and culinary delights prepared by 60 of the area's renowned chefs. This elegant summer tradition, sponsored and presented by Ford Motor Company, will be held in the gardens of the St. Vincent and Sarah Fisher Center (27400 W. 12 Mile, Farmington Hills) on Sunday, June 1, 1997 from 1-6 p.m. to benefit the Center's programs for children and families in crisis.

The 10th anniversary attractions will include a fine wine bar equipped with quality spirits. Twelve hundred guests will stroll through the Center's gardens and food tents complete with appetizers, entrees, desserts and wine tasting tables and enjoy the music of renowned jazz musicians, Alexander Zonjic and Friends. An impressive collection of Ford Motor Company's classic and modern vehicles will also be on display. Dick Purtan, Oldies 104.3 WOMC, and event chair Ed Jonna, owner of The Merchant of Vino, will auction rare and collectible bottles of wine during a live auction.

Sponsors of The Garden Party '97 also include MNP Corporation. Tickets to The Garden Party are $100.00 per person. Patron tickets are $400.00 (include two tickets, complimentary valet parking and fine wine bar tickets). Benefactor tickets are $600.00 (include four tickets, complimentary valet parking and fine wine bar tickets). For more information, please call the Center's Agency Relations Department at (810) 626-7527, ext. 280.

Brokers rename their associations

The National Food Brokers Association and the International Foodservice Brokers Association (NFBA/IFBA) reorganized into one umbrella organization, the Association of Sales & Marketing Companies (ASMC). IFBA will retain its Board of Governors and staff. The NFBA Education & Training Foundation will also retain its Board of Trustees and staff, although its name will change to the Association of Sales & Marketing Companies Foundation.

ASMC President Robert Schwarze said, "Our members are in more than just the food business... (they) are the most cost-effective way to sell, merchandise and market consumer packaged products, bar none."

Family Fare wins national advertising awards

Family Fare Supermarkets recently earned national recognition for its advertising efforts in the Creative Choice Awards competition sponsored by the National Grocers Association and Food Distributors International in Houston, Texas. Family Fare earned the Creative Choice Award for the Best Private Label Ad for a direct mail piece promoting Spartan brand products, and the Creative Choice Award for Bakery for materials promoting Family Fare Paczki Days.

Entries in the annual competition were gathered from supermarket and food distribution companies from across the U.S. Family Fare Supermarkets serve customers in West Michigan with store locations in Allendale, Byron Center, Cutlerville, Holland, Grand Haven, Lowell, Kentwood, Wyoming and Grand Rapids.
A World of Savings
AFD Buying Trade Show
features new products and special discounts

Here is a rundown of many of the special deals and new products you’ll find at the AFD Buying Trade Show, on Monday, April 28 from 5 p.m. to 9 p.m. and Tuesday, April 29 from 1:00 p.m. to 9:00 p.m. at Burton Manor in Livonia. For more information call AFD at (810) 557-9600.

All Star Foods introduces premium tortilla chips with its own bowl of salsa right in the bag. ‘Harry’s Just Enough’ brand chips and dip is available in two varieties, regular and baked—both include salsa.

Arizona Beverages is offering a discount: buy seven cases and get one free in 24 oz. sports cans and 16 oz. bottles. The following flavors are available: Lemon Tea, Raspberry Tea, Peach Tea, Diet Tea, Kiwi Strawberry, Mucho Mango and Pink Lemonade.

The Boston Beer Company is proud to announce their 1997 summer seasonal—Samuel Adams Summer Ale.

DCI Food Equipment and Chester Fried Chicken will present the new Chester Express service counter and menu system. Receive a $6.00 per case rebate on all Chester Fried breaded ordered at the show. Choose from Special Spicy, Western Style, or Hot ‘N Spicy.

E & J Gallo Winery introduces the all new and ‘very exotic’ B & J Coolers. Come and sample Brazilian Mist Berry, Polynesian Citrano and Oriental Dragon Fruit Sample three new products from Frito-Lay: Spicy Nacho Doritos, Rold Gold Crispy’s Butter Pretzels and Nacho Cheese Cheetos. Pepsi-Cola is introducing new packaging. Called “The Claw,” it will be available as a show special with a retailer incentive.

The best dental plan in Michigan is still available to you for as low as $8.99 a month. For the highest dental benefits and lowest out-of-pocket costs. Golden Dental Plans 29377 Hoover Road Warren, Michigan 48093 1-800-451-5918

See Show Specials Page 18

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to Install OUR
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Your profits are the only thing that will go through the roof when you purchase the Chester Fried Total System Program for your food service operation. You'll have no installation costs, no costly roof modifications, no multiple vendors. And the ventless fryer's revolutionary air filtration system eliminates irritating smoke and grease laden vapors.
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- Removable Hood Parts
- UL Listed and NSF Approved
Team up with Chester Fried and the only thing that will be going through the roof are profits. Call DCI Food Equipment or Kenworth Food Equipment today for more information.
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Two great Michigan traditions join together to make new delicious flavors:

- Sanders Milk Chocolate Hot Fudge Sundae
- Sanders Butterscotch Caramel Sundae
- Sanders Old Fashioned Butter Pecan
  - Sanders Bumpy Cake ‘N Cream
  - Sanders Old Fashioned Vanilla

Join us at the AFD Trade Show to sample these delectable combinations.

Homemade Traditions Never tasted So Good!
Show Specials
Continued from page 16

Garden Foods is introducing their new "Home Juice Original" 16 oz. bottles. Show special: buy one case get one free.

They said it couldn’t be done, but tasting is believing! Golden Valley Dairy is sampling their new Haagen-Dazs Low Fat Ice Cream.

The High Falls Brewing Co. will be sampling the newest addition to their line-up—J.W. Dundee’s Honey Brown Light.

Intrastate Distributors, Inc. & Snapple Beverages are proud to introduce new Diet Cranberry Raspberry. Show special is buy any five cases, from over 20 Snapple flavors, and get one free case of new Diet Variety Pack.

J. Lewis Cooper is introducing a new addition to the Korbel family: Korbel Chardonnay Champagne.

Kowalski Company is offering a show special on their Natural Casing Frank: buy six cases and get one case free.

Midwest Butcher & Deli Supply is showing their new line of cigar accessories—ash trays, counter top merchandisers, and neon signs. They are also showing Berkel’s new line of food processors and cheese graders.

Monitor Sugar is offering a show allowance of $1.00 per case on Big Chief Powdered and Brown Sugar—2 pounds.

Nabisco Biscuit Company is featuring all new Air Crisps Snack Packs, and Big Soft Cookies, as well as colorful, and impactful Perimeter Profit Display units.

Nantucket Nectars introduces their Big Juice line featuring "Not From Concentrate" pressed Apple Juice, Premium Orange Juice, and unique 100 percent juice flavors like Pineapple Orange Banana and Apple Raspberry. Buy five cases of Big Juice and get one case free.

North American Interstate is offering the following deals on coin operated equipment orders placed at the show: no deposit, parts and labor free, and free delivery and installation.

Old World Coffee Beverages will be introducing Glacial Mist Coffee Beverages in three exciting flavors: Toasted Almond Cream, Hazel Nut and Colombian Roast. Buy ten cases and receive one case free.

PC Pro Shop is offering a 10 percent discount on the latest point-of-sale equipment and software.

Buy 12 cases of Popa Joe’s pizza and get one case free.

Michigan Sugar Company & its Growers

BUILD YOUR BUSINESS WITH A SEASONAL ADVERTISING PROGRAM FROM PROMOTIONS UNLIMITED

Our top-of-the-line sugar products are proof of our commitment to quality, service and most importantly...to you.

- Over 24 years of experience in seasonal merchandise and advertising
- Serving over 6,000 independent stores nationwide
- 2 circulars and 1 coupon books produced each month, all in full-color photography
- Seasonal Savings Center fixture on wheels available in a variety of sizes
- All expense paid advertising and merchandising workshops

Call 1-800-992-9307 For More Information or FAX 414-681-7001
http://www.promot.com
Promotions Unlimited will pay the print cost for 1,000 coupon books for any retailer that starts with “back to school.”

Riviera Food Corp. introduces Amato Pasta, Fallone Imported San Marzano Tomato’s, San Danielle and Mastro Products.

Blue Cross Blue Shield Blue Care Network of Michigan introduces the new Blue Cross Blue Shield of Michigan Community Blue PPO, with over 13,000 participating doctors and 153 participating hospitals. This product is available to new and existing BC/BS businesses. No PPO Network claim forms and no preexisting conditions for groups of two or more.

Rocky Peanut introduces a new line of Brazilian Chocolates.

Riviera Food Corp. introduces I Amato Pasta, Fallone Imported San Marzano Tomato’s, San Danielle and Mastro Products.

Taylor Freezer will be sampling Frozen Coke products. Purchase or lease a frozen carbonated beverage machine to qualify for two free five gallon syrup boxes—a $600 net profit deal.

Riviera Food Corp. introduces I Amato Pasta, Fallone Imported San Marzano Tomato’s, San Danielle and Mastro Products.

Wonder Bread is introducing a line of fat free breads. The variety line will include potato, multigrain, and honey white 20 oz. loaves.

Wonder Bread is introducing a line of fat free breads. The variety line will include potato, multigrain, and honey white 20 oz. loaves.

Anheuser Busch is sampling a new addition to the Michelob family: Michelob Pale Ale, Golden Michelob Pilsner, Michelob Honey Lager, and Michelob Heineken.

Barton Beer Ltd. will be sampling beers from around the world: Mexico, China, England and Germany.

Brown Foreman is sampling Finlandia Vodka.

Central Alarm Signal will premier its new line of ATM machines with a $1,000 (show only) discount off its already low price of $8,995. Show special $7,995–installed.


ALSO NEW from TONY’S!! DELI, PASTRY AND PIZZA POUCHES!!

Tony’s Pizza Service The Driving Force In Frozen Profits

For Sales & Service Call 1-800-247-1533
A fully loaded citrus soda called SURGE will be unleashed by Coca-Cola.

General Wine & Liquor Company samples a new addition to Jack Daniel's Country Cocktails, Hurricane Punch.

Pointe Dairy introduces Wild Orchard Juices and blends–great show specials.

R.M. Gilligan, Inc. is sampling TGIF Frozen Cocktails from Heublein, Chantelle Liqueur from Hiram Walker, and Belvedere Vodka from Millennium Imports.

Seagram Americas and Captain Morgan invite you to unlock their latest treasure... Private Stock!

Hobart introduces home meal replacement solutions–celebrating their 100th anniversary too.

Melody Farms introduces new and innovative packaging.

The Stroh Brewery introduces new flavors of Champale which is an alcoholic beverage between a cooler and champagne.

Can you spare 100 square feet? Stop by the Tom Davis & Sons Dairy booth for information on turning 100 square feet in your location, into the hottest co-branding concept in the U.S.–a complete package without a franchise fee.

Seagram Americas and Captain Morgan invite you to unlock their latest treasure... Private Stock!

TOMRA is offering free installation and delivery for orders on reverse vending machines placed at the show.

Tony’s Pizza will be sampling two new products: Tony’s Super Rise Pizza and Red Baron Pouches.

Tony’s Pizza will be sampling two new products: Tony’s Super Rise Pizza and Red Baron Pouches.

Give your customers added value and add to your bottom line with the Buscemi’s Co-Branding Concept. Buscemi’s International has 40 years of experience offering the highest quality in Italian submarine sandwiches, square Sicilian pizza and a variety of deli sandwiches. They are offering two types of co-branding concepts for the fast food market: the franchise agreement and the license agreement.

TOMRA is offering free installation and delivery for orders on reverse vending machines placed at the show.

Can you spare 100 square feet? Stop by the Tom Davis & Sons Dairy booth for information on turning 100 square feet in your location, into the hottest co-branding concept in the U.S.–a complete package without a franchise fee.

Tony’s Pizza will be sampling two new products: Tony’s Super Rise Pizza and Red Baron Pouches.

Monitor Sugar Company will continue to provide Sweet Inspiration to tomorrow’s business.

Stop by and visit us at Section C, Booth 2.

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Stop by and visit us at Section C, Booth 2.

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Stop by and visit us at Section C, Booth 2.

Monitor Sugar Company will continue to provide Sweet Inspiration to tomorrow’s business.
ATTENTION ALL MANUFACTURERS, RETAILERS & EMPLOYEES

FREE MOTOROLA TELETAC PHONE

★ FREE 1000 MINUTES IF YOU OWN THE CELLULAR PHONE (1000 minutes, must use within the first 6 months)
★ FREE Detailed Billing
★ FREE 3-Way Calling
★ FREE Voice Mail
★ FREE Call Waiting

Local Airtime Rates Per Minute: (Varies)

<table>
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<tr>
<th>MINUTES OF USE</th>
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<td>450-500</td>
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OR

$120.00 OFF any Motorola Phone
Cellular Service for $17.95 per month
FREE first 20 minutes
Peak and off peak prices vary
See Store for details

Come to the AIRPAGE booth (Sect. J 1-36, #13-14) at the upcoming WORLD OF SAVINGS, Associated Food Dealers of Michigan Annual Selling Trade Show, April 28 & 29, 1997 at the Burton Manor in Livonia, Michigan

Ameritech
Authorized Cellular & Paging Dealer

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(810) 547-7777
Sherwood Pavilion

Sherwood Food Distributors is featuring a pavilion with over thirty exciting lines which can fit most retailers’ needs at store level. Each company will have personal representation at the show to answer questions as well as to show new trends and new products for the food industry.

Visit with the representative of Amish Valley and taste the new one pound all white ground turkey chubs. Ask the Excel Corporation representative about new trends of the meat industry. Get great pricing form Thorn Apple Valley fresh and processed pork. Townsend will be there with new poultry serving ideas. Cumberland Gap will let you taste their great hams. Beatrice Cheese will let you learn about the benefits of cheese. Hygrade will be promoting many of their popular products. Bilmar will be there with their full turkey line. Deutsch Kase Haus will be slicing many of their cheeses for tasting. Gusto Packing, Oscar Meyer, John Morrell, Beef International, Amity Pork, Excel Pork, Midwest Sausage, Mariah, Plumrose, Market Motivators, Ohse, Perdue Poultry, Goldkist, Conagra, Hudson, Seaboard Farms, Tyson, Oncor, Goldkist Ellijay, Smith smoked meats and Tyson Foods will all be there to offer show specials. Bearcreek Farms will introduce a new standard in fresh salads for the deli counter as well as packaged salad for the retail counter.

A World of Savings
AFD Buying Trade Show
Hours:
Monday, April 28, 1997 • 5:00 p.m. to 9:00 p.m.
Tuesday, April 29, 1997 • 1:00 p.m. to 9:00 p.m

FREE SEMINARS

1:30 p.m.  Food Stamps: Training, Compliance & Electronic Benefits Transfer
2:30 p.m.  Electronic Benefits Transfer: How Will It Affect Your Business?
3:30 p.m.  Meet Lottery Commissioner Bill Martin
4:30 p.m.  Department of Agriculture: Food Sanitation Program
5:30 p.m.  Electric Deregulation: Implications For Your Business

There's Something Wild Coming To Michigan!
Pointe Dairy Services, Inc. is Proud to Introduce

Visit us at Booth A-1 at the AFD Trade Show!

To Our Family of Quality Products
Eleven wild fruit flavors brought to you by Pointe Dairy Services, Inc. and Quality Juice & Beverage Corp.

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Fax-810-589-0554

22......FOOD & BEVERAGE REPORT, APRIL 1997
Attention Retailers:

YOU’LL NEED PLENTY OF FAYGO® ON HAND FOR OUR YEAR-LONG 90TH BIRTHDAY PARTY!

OUTDOOR BILLBOARDS, RADIO, FSI’S, NEWSPAPERS AND PUBLIC RELATIONS WILL ANNOUNCE FAYGO’S BIG 90TH BIRTHDAY CELEBRATION. COMBINED WITH NEW PRODUCTS, CONSUMER CONTESTS, RECIPE BOOKS, DISPLAY CONTESTS AND MYSTERY SHOPPERS, YOUR CUSTOMERS WILL BE BUYING FAYGO LIKE NEVER BEFORE.
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Crystal Pure.

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Canadian Natural Spring Water

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Look for your Coca-Cola Representative at AFD’s Annual Trade Show.

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Madison Heights, MI 48071
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Van Buren Sales Center
100 Coca-Cola Drive
Belleville, MI 48111
(313) 397-6541
Shoppers carry more than cash at night

According to a recent survey by America’s Research Group (ARG), a consumer research firm in Charleston, South Carolina, adult shoppers are increasingly wary of shopping at night. A survey of 1,001 adult shoppers revealed that one in five totes a canister of mace or other spray, a handgun or some other protective device when shopping at night. Shoppers are frequenting stores less often at night than they used to because of crime concerns. Half of the survey respondents stated that walking alone in a large parking area is a bigger source of fear than any other factor. What do they want to see done? Shoppers say that they want better lit parking lots with more guards and more security cameras.—FMI

Slip, trip and falls

Slips and falls can cause some of your most serious injuries. This is the classic case where an ounce of prevention is worth a pound of cure. Here are some quick tips to help you keep these claims under control:

- Wipe up spills!
- Keep your work area neat.
- Repair, replace worn carpeting, loose flooring and stair treads.
- Make certain walkways and work areas have adequate lighting.
- Use proper equipment—stand on a ladder or footstool to reach upper shelves, not a chair on casters.
- Don’t carry unbalanced loads or more weight than you can safely handle. Get help with a load if you need it.
- Wear proper shoes for the job.
- Post signs at wet areas—floors that have just been mopped or slick entryways on rainy days.
- Use non-skid surfaces on coating on floorings.
- Put rubber mats in areas that are continuously wet, such as kitchens.
- Inspect your premises! Do this as often as needed for your type of business every hour if necessary.

Top security cost-savers

The Food Marketing Institute’s 1996 Security & Loss Prevention Issues Survey asked respondents to list their top cost-saving security recommendations. Here are the results.

<table>
<thead>
<tr>
<th>Top cost-saving security recommendations and percent responding:</th>
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<tbody>
<tr>
<td>EAS/CCTV Systems                                             53%</td>
</tr>
<tr>
<td>Training/Awareness of associates                              34%</td>
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<tr>
<td>Enforcing company policy                                      17%</td>
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<tr>
<td>Cashier performance monitoring                                15%</td>
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<tr>
<td>Loss prevention education                                     11%</td>
</tr>
<tr>
<td>Security officers/Store detectives                            8%</td>
</tr>
<tr>
<td>Training &amp; inspection of security procedures                 6%</td>
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<tr>
<td>Check verification                                            6%</td>
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Coming Soon...

To your Bakery Section
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“Seasoned” for Success

by Danielle MacDonald

Marking its 15th anniversary in May, Midwest Butcher and Supply offers just about everything needed to spice up deli sales.

In the early 1980’s, Ed Mepham was learning the butcher and deli equipment business from Michigan Butcher in the Eastern Market. An entrepreneur at heart, he spent his evenings going through recipe books and working with spice companies to develop his own unique sausage seasoning and gourmet marinade for resale. In 1982, Mepham ventured out on his own with partners Jay and Bill Welch from Hollywood Super Markets, and started Midwest Butcher and Deli Supply. They worked out of Hollywood’s warehouse selling a full line of butcher and deli equipment and Mepham’s original sausage seasoning and his full line of gourmet marinades. Nino Salvaggio was their first customer.

“The first few years were hell but the sausage seasoning was an immediate hit,” explained Mepham. “It was difficult to sell the butcher and deli supplies because we were the new kids on the block.” They did not give up, and in 1984 Mepham invented and patented the Double Deli Shelf. “The deli cases on the market at the time did not have shelving units which made it very difficult to merchandise product,” said Mepham. The Double Deli Shelf proved to be a retail success.

There was also a lot going on behind the scenes at Midwest Butcher and Deli Supply. Mepham was grooming his successor. In 1989, Pete Wuestenberg was hired as a driver for Midwest Butcher. By 1990, Wuestenberg was a salesman, and soon after he was promoted to sales manager. The extensive demands of being a small business owner had taken their toll on Mepham and he was ready to hand over the reins. “I was very tired and my wife, Gwen, and I started thinking about retirement.”

Wuestenberg was the natural choice. Mepham sold Midwest Butcher and Deli Supply to Wuestenberg in 1995. “We had over 10,000 products. Our two biggest sellers are the sausage seasoning and the Berkel line of scales and slicers,” said Wuestenberg.

According to Wuestenberg, the biggest change in the equipment industry has been the computerization of store operations. “Both the Merchant of Vino and Market Square of Birmingham have computerized all of their scales to increase accuracy and efficiency.”

With an affinity to know what retailers’ want, Midwest Butcher and Deli Supply’s customer list reads like a “Who’s Who in Michigan.” They service: Merchant of Vino, Marketplace, Vic’s World Class Market, Market Square of Birmingham, Nino Salvaggio’s and Oakridge Super Markets, to name a few.

Wuestenberg personally visits his customers. “I am in the stores at least once a week to find problems before they surface.” According to Wuestenberg, customer service is what drives Midwest Butcher and Deli Supply. In January of 1997, Wuestenberg added an equipment service department, Berkel Service Equipment, to deepen his commitment to excellence.

Midwest founder, Ed Mepham, is now with MMI Distributing; he is again talking about retirement. Mepham is very pleased with the course charted by the new leadership at Midwest Butcher. Wuestenberg has been “seasoned” for success.
Selling to the ‘average customer’ is out

"Retailers will achieve a substantial competitive advantage by moving away from traditional mass marketing (the concept of the ‘average’ customer) toward a more focused approach," according to Knowing Your Customer. How Customer Information Will Revolutionize Food Retailing, a report on loyalty marketing programs conducted by the Coca-Cola Retailing Research Council of Europe. "Retailers claim margin gains (1-2 percent, according to various sources), increased retention rates (up to 11 percent), reduced advertising costs, more visits (plus 10-20 percent), and market share gains" due to marketing loyalty programs.

"Food retailers who choose simply to follow the leaders and launch a basic loyalty program without exploiting the customer data are bound to achieve a mediocre financial return at best," notes the report.

The three stages

"For those prepared to go the distance, the ultimate stage of a loyalty marketing program is the transformation from a product-based organization to a truly customer-based organization," notes Knowing Your Customer. The report suggests breaking the establishment of a program into three stages.

1. Advanced mass marketing. Retailers should begin to build a customer information database and can do this most effectively through a loyalty marketing card program. The objective should be to capture at least 60 to 70 percent of sales with the cards. Incentives for customers to use the cards and rewards for loyalty should be provided.

Simultaneously, the company should begin to improve its day-to-day operations to increase the overall customer value. As the report points out, “Building an innovative loyalty program and using customer information efficiently will not compensate for poor operational performance, such as out-of-stock products.”

2. Targeted marketing. Customer segmentation— the process of dividing a customer base into shopping groups— should occur as companies start to explore and use their customer database.

Retailers can begin with analyzing a customer’s market basket at the product category level. For example, in 1994 Ukrop’s Super Markets, Inc., offered its best customers two to six customized coupons per mailing in addition to the monthly booklet of 60–80 vouchers. Ukrop’s had analyzed its...
Michigan Lottery halfway through a record year!

By Commissioner Bill Martin

As the Michigan Lottery approaches the mid-way mark of fiscal 1997, there is certainly some exciting ground left to cover. Looking at the surge of new games and promotions that have made the Lottery a winning proposition for us all, I can’t help but be eager to embrace the coming six months.

The Number 1 reason for our success? You—the retailers—and your winning attitude. Just look at what we’ve accomplished as a team:

Instant games are on a pace unheard of in recent years; the Daily Game “double draws” are boosting sales daily; and swelling jackpots led to increased sales for both The Big Game and Michigan Lotto.

With our retailers’ help, the Michigan Lottery has introduced an impressive number of exciting new instant games to Lottery customers. Your friendly customer suggestions to try the new games have led to phenomenal sales—a trend that we expect to continue in coming months!

For the first time in our 25-year history, the Lottery posted back-to-back weekly sales records for our instant games for the week ending March 3 ($14,017 million) and the week ended March 10 ($14,455 million). Those numbers don’t just happen by accident. Record weeks like these are the result of your consistent effort to educate our players on the great Lottery products that are available. Games like “25th Anniversary Cash” and “Wild Bingo” have become the instant game front-runners because the word is getting out and players are winning. That means higher sales and higher commissions.

April marks the debut of “Double Doubler” and “Red Hot Cash”—two new Lottery instant games that are sure to continue the “instant excitement!”

But instant games are just one key to our Lottery success. Since introducing “double draws” for the Daily 3 and Daily 4 games, the Lottery has enjoyed a steady increase in Daily Game sales.

Player demand for the “double draws” led to the December 16 launch of the midday drawing at 12:59 p.m., supplementing the 7:28 p.m. evening drawing Monday through Saturday. Through 12 weeks, combined sales for the Daily 3 and Daily 4 games have shown an increase of as much as 16.8 percent over 1996 levels.

A three-week advertising campaign designed to support your in-store efforts ran February 9 through March 1. The campaign proved very successful in reaching the Daily Game audience, as combined Daily Game sales showed increases over 1996 sales.

With results like that, we have every reason to be confident about the remainder of fiscal 1997. It’s going to be an exciting year to finish out together!

Grandma Shearer's Award Winning Potato Chips

Featured at the 1997 (AFD)
Associated Food Dealers of Michigan Show
Burton Manor - Livonia, Mi (Show Dates April 28-29)
To order:
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Billy Bones B.B.Q. Sauce is carving out a name among rib lovers as the Best B.B.Q. Sauce in America.

Winner Of Over 50 National Awards

THE CRITICS ARE RAVING!

"Billy Bones, a spicy sauce with a deep hickory flavor born in the North Woods of Michigan..."
—Consumer’s Digest, Aug. 1995 America’s Best B.B.Q. Sauce

"After 13 years, Rib King at last! William E. "Billy Bones" Wall yesterday cried tears of joy in his spicy BBQ sauce...winner of 1996 Greatest Ribs in America."
—Plain Dealer, Cleveland 1996

"A little known company worthy of your attention..."
—Playboy, June 1996

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BILLY KNOWS HIS BONES.
In-Store Systems Applications show growth

Improving customer service is the focus of most supermarket operators in-store systems applications, according to a new report from Food Marketing Institute (FMI). Most of the survey respondents accept credit and debit cards, use price verification systems to ensure pricing accuracy and offer ATMs. At least half are also using applications to improve operating efficiencies, such as coupon scanning, scale interface, in-store sign and label production, and programs to schedule labor and track time and attendance.

Those are the highlights from FMI's In-Store Systems Study, 1996, which was released at FMI's MARKETECHNICS® '97. Supermarket companies are depending more on electronic communications, according to the study. Approximately three-quarters of the survey respondents expect to have electronic mail capability by the end of 1997, and they use e-mail primarily to facilitate communications between headquarters and stores. In addition, a growing number take advantage of the Internet to perform research and communicate with vendors. Almost one-fifth of the respondents have a home page on the World Wide Web, while an additional one-third of companies plan to construct a Web site in 1997.

The FMI study has tracked the supermarket industry's use of in-store systems since 1991. The 1996 report examines point-of-sale (POS) scanning systems, in-store systems applications and electronic communications. The report is based on responses from 194 supermarket companies operating over 12,000 stores throughout the United States and Canada. More than half of the companies operate fewer than 10 stores.

- The three most prevalent applications in 1996 were credit card payments (93 percent of respondents), debit card payments (87 percent) and price verification systems (77 percent). All three will increase in usage by the end of 1997, according to the study.
- A growing number of retailers are embracing electronic benefits transfer (EBT) programs developed by state governments to replace traditional paper-based food stamp programs. Usage increased considerably in the past year—from 19 percent in 1995 to 41 percent in 1996. Among companies accepting EBT, eight in 10 (81 percent) of their stores' checkout lanes are EBT compatible. Among those accepting or planning to accept EBT, 47 percent are able to use existing POS equipment with slight modifications.
- More than half (59 percent) of the respondents reported they have access to the Internet at work. The most common use is research (56 percent). Of the 17 percent with a home page, the most popular uses include promotional information, frequent shopper program incentives, research, customer feedback, coupons, e-mail, company history and philosophies, home shopping, store location directories, special orders and presentation of SEC financial reports.

To purchase a copy of FMI's study, contact FMI's Publication and Video Sales Department at (202) 429-8298 or visit FMI's website at http://www.fmi.org.

For AFD members:

BLUE CROSS RATES REDUCED!

Now you can have the best for less.

AFD members want the best for themselves and their families. In health coverage, the best has been Blue Cross and Blue Shield of Michigan for more than a half-century.

Now, through an industry rating change, AFD members can enjoy the benefits of being Blue for much less than before. You'll have the advantage of the most widely recognized and most widely accepted health card of all.

Even with the new, lower rates, you can choose from several benefit options with various levels of co-pays and deductibles. Select what best meets your needs and your budget.

With Blue, you can also buy dental, vision, hearing and prescription drug coverage at a nominal extra charge.

If you've wanted Blue Cross coverage but hesitated because of the cost, ask now about the new, dramatically reduced rates.

For information on AFD's Blue health coverage options, call Judy Mansur at 1-800-66-66-AFD.
WHY ARE WE #1?

Because for over 22 years, NORTH AMERICAN INTERSTATE, INC. has been making more money . . . for more business owners . . . than anyone else!

Want to make more money, too?

Visit us at booths K12-K14 at the AFD Trade Show!

Quality equipment . . . Quality Programs for the astute entrepreneur

• ATM Machines • Pay Phones • Ice Machines
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Supermarket net profit is just over one cent on the dollar

The intense competition among supermarkets for the consumer dollar is demonstrated by profit margins that continue to be about one cent on each $1 of sales. For fiscal year 1995-1996, the industry’s after-tax profit was 1.20 percent. Over the past five years—except for 1992-93—industry profits have ranged from 0.77 percent to 1.20 percent profit on each dollar of sales.

The after-tax profit of 0.49 percent for fiscal year 1992-1993 resulted from charges not related to normal supermarket operations. These included accounting rule changes, debt retirement and sales of major subsidiaries.

Improved operating efficiencies helped raise profits. For example, supermarkets are carrying less inventory, thereby reducing storage costs. Inventory as a percentage of assets (22.93 percent) declined for the fifth consecutive year and is well below the rate of a decade ago, when inventories were 31.92 percent of assets.

The industry is also reducing its long-term debt and the associated interest payments. Nevertheless, competition continues to affect industry profits. Over the last 20 years, five companies have fallen from the top 10.

Supermarkets rely on high volume. The answer is volume. To earn a dollar, supermarkets would rather sell a $1 item 100 items, making a penny on each sale, than 10 times with a dime markup. Low markup to stimulate high volume is the fundamental principle of mass merchandising, which the supermarket industry first brought to the marketplace in the 1930’s.

Measures of profitability

In measuring profitability, three ratios provide an overall picture of the financial health of supermarket companies:

- Profit margin
- Return on total assets (ROA)
- Return on equity (ROE)

The profit margin is net income as a percentage of sales that remains after paying all expenses, including the cost of the products and the realization of any extraordinary gains or losses. ROA is net income divided by total assets, which measures the ability of a company’s combined equity and debt capital to generate profits. This reflects the profit generated from the firm’s assets base, regardless of how it is financed. In 1995-96 the industry’s ROA was 3.63 percent—down from 4.24 in 1995-96.

The third measure, ROE, is net income as a percentage of the owner’s equity. This relates the company’s earnings specifically to the resources provided by its owners. It reflects, among other things, how well the firm employs leverage, i.e., funds acquired from outsiders by issuing debt securities.

In the most recent fiscal year, the industry’s ROE was 13.58 percent. This measure lies generally in the middle of the five-year trend in which the ROE ranged from 8.72 percent to 16.24 percent.

The Meat Margin

The public frequently asks why a large spread exists between the per-pound price of a live animal and the retail price of meat. Day-to-day practical experience tells supermarket operators that government beef “spread” data—the difference between farm prices and the retail price of meat—often is not reflecting declines in farm prices for live animals and supermarket prices for beef—are based on questionable assumptions.

USDA measurements assume beef is sold in the supermarket in a whole carcass form on the same day it is purchased from the farmer. Actually, several weeks may elapse from the time the animal is processed to the day the meat is delivered to the supermarket and placed in the meat case as retail cuts. The same day that the farmer’s selling price is beginning to decline may be the very day the retailer receives the shipment of beef bought several weeks ago at a higher price.

This time lag in the processing/delivery cycle of various food items sometimes creates the erroneous assumption that retailers are not reflecting declines in farm prices.—FMI

The Meat Margin

1,110 pounds live weight x $ .66 = $733
650 pounds carcass x $ 1.13 = $733
450 pounds retail cuts x $1.63 = $733

FMI Annual Financial Review, 1995-96
New Products

‘Miller Brews and BBQ’ for Memorial Day

Miller Brewing Company invites adult beer drinkers to include Miller brands in their Memorial Day barbecues and celebrations, in a nationwide promotion called ‘Miller Brews and BBQ.’

The promotion, which will be conducted in supermarkets, convenience stores, liquor stores and other off-premise retail outlets, features Miller Lite, Miller Genuine Draft, Genuine Draft Light, Lite Ice and Miller Beer.

Display materials include a Mylar balloon dangler, banners, display cards, case cards and inflatable Memorial Day-themed items.

Once again, consumers can purchase Miller Lite or Miller Genuine Draft-identified “Chill and Grill” grills and coolers, as well as patio torches, via tear-off coupons appearing on in-store displays, where legal.

The promotion runs throughout May. Miller is a wholly owned subsidiary of Philip Morris Companies Inc.

Pillsbury Fresh Bread rises in Detroit

The Pillsbury line of Fresh Bread products will be offered in the Detroit market beginning June 12th. Produced and distributed by the Metz Baking Company, the line includes four 20 ounce varieties: White, Buttermilk, Honey White and Wheat. The launch will be supported by advertising and consumer promotion activity that communicates the products’ fresh homemade taste.

Tato Skins® and Pizzarias® have new home

Former Keebler products, Tato Skins® and Pizzarias®, will now be made by The O’Boisie Corporation. All O’Boisie branded salty snacks are unlike anything on the market, according to John Udstuen, regional account manager. Tato Skins come in baked, cheese and bacon, and sour cream and onion flavors. They are like eating the outsides of the potato, made especially good with melted cheese on them. Pizzarias bring that pizza parlor taste to your customers in cheese, pepperoni and supreme flavors. It’s like eating a pizza, only in a bag. Also, other O’Boisie products including O’Boisies®, Butter Pretzel Braids® and Chachos® are available from Kramer Food Company at (800) 227-1493.

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Stop by and see us at the AFD Annual Trade Show, April 28-29. Booth =J8

LONDON'S
Farm Dairy
“An apple a day,” as the saying goes is good for one’s health and “keeps the doctor away.” For Spartan, opening an Apple Market a day may be a bit more than they can chew, but Apples look to be good for the company’s fiscal fitness.

Apple Market is a new store format that Spartan Store, Inc. has introduced to Michigan. The concept was designed to help conventional retail grocers compete effectively with supercenters, warehouse clubs and limited assortment stores by focusing on quality perishables, superior customer service and Spartan brand products.

The first Michigan Apple Market opened last December in Allegan, near Grand Rapids. The second store opened its grand opening on Tuesday, February 18. It is located on Wyoming Avenue, between Six and Seven Mile Road in Detroit.

David and Marvin Najor are the owner/operators of the Detroit Apple Market. Although the store is new and it’s a little early for concise financial data, they are encouraged by its start and the response by its customers. “The people are real pleased,” said David Najor. “They remark about how clean and bright our store is and they come back.”

The site of their new Apple Market was formerly a defunct grocery store. The building had been vacant for a couple years. Now the gleaming Apple Market is a dramatic contrast to the boarded up building the Najors began with.

The brothers are proud of the fresh, clean new store and the difference it has made in the community they service. But they are quick to note that the store is a team effort. “Spartan really helped us with this project,” said David. He added that the store’s milk supplier, Tom Davis & Sons Dairy, has been instrumental in getting the store stocked and open. Although an “Apple a day” is too aggressive, the Najor brothers are joined by the opening of a second Apple this year. Along with partners Jerry, Mark and Sam Garmo, they are converting a store on Wyoming Avenue north of Schoolcraft Road to the Apple format. Formerly called Big Valley, the conversion should be complete within the next few weeks. Adding more Apple Markets to Detroit will increase consumer awareness of the format and its emphasis on fresh perishables and friendly service.

The Allegan Apple Market was formerly a store called Town and Country. Village Market Food Center, Inc. bought Town and Country on September 29, 1996, immediately closed it and converted it to an Apple Market. This conversion took only one month, including installation of signage and renovations. As a result of the remodel, aisles were widened to enhance the deli and produce presentation as well as the meat and bakery sales area. In addition, a floral department was added to the store. The plan was to make Apple Market different from Town and Country.

Sieve Murk, vice president of Village Market Food Center, Inc., a southwestern Michigan food chain, says “We’re going to offer more of the Spartan and Save Rite products and a more value meat program.”

Murk said that the store was converted to an Apple Market instead of another Village Market store in order to give the Allegan community a choice.

“The community appreciates that we’ve invested into offering an Apple Market format because of the competition it provides,” says Murk.

According to Ellis Luchies, Spartan’s format operations coordinator, the Apple format is ideal for the conventional neighborhood store with about 12,000 to 25,000 square feet. For these Spartan retailers, he says, making a change like converting to the Apple format is a matter of survival for independent grocers.

“In 1994, about 6 percent of the supermarkets in the United States closed,” says Luchies, “and remaining conventional supermarkets continue to lose market share to supercenters, warehouse clubs and limited assortment stores. We think that to compete effectively, smaller conventional grocery stores need a specific focus and image which the Apple Market format provides.”

Stores adopting the Apple format operate as a group and reap the benefits of a multi-store operator, yet maintain the flexibility of independents operating under a licensing agreement. The Apple stores have a consistent decor package, similar sales promotion, store hours, operating standards, Apple signature items, a bakery/deli/seafood area, an emphasis on perishables and Spartan brands, and scanners at the checkout lanes. Purchasing the decor package, associate training and uniforms in larger quantities results in savings for each store in the Apple Market group compared to purchasing these start-up items one store at time, according to Luchies.

Spartan has planted seeds for the Apple Market concept to grow statewide and is encouraging several other retailers to convert to the format. It looks like Apple Markets will be cropping up wherever independent retailers need a new competitive edge.
Tony’s Super Rise™ Pizza raises sales

Rising crust pizza is a hot-seller in the frozen pizza subcategory. Tony’s nationally recognized brand name and new value-priced fresh-tasting, pizzeria-style pizza will help increase sales from current frozen pizza customers, while also tapping into the billions of dollars currently spent on carryout/delivery. Tony’s Super Rise™ pizza crust is not precooked or par-baked, so it bakes up hot and fresh in the consumer’s oven.

Tony’s is also offering Red Baron Pizza Pouches™, Pastry Pouches™ and Deli Pouches™. The Pizza Pouches have meat, cheese and sauce inside a sealed, hand-held pizza crust. The Pastry Pouches’ croissant crust surrounds chunks of vegetables and meat in cheesy sauces. The Deli Pouches have a homemade-style bread crust stuffed with meat, cheese and sauce. All three Red Baron pouches come two in a package, with a choice of five varieties.

FIZZIES™
“Splash from the Past”

FIZZIES™ are back! The fizzing drink tablets and candy that foams in your mouth were reformulated recently after being taken off the grocery shelves in 1968 for containing cyclamates. Now the product is sweetened with Nutrasweet. In 1989, an entrepreneurial group of “Baby Boomers” who fondly remembered the FIZZIES experience began the six year quest to find FIZZIES reformulate it and bring it back to the marketplace.

The national relaunch of FIZZIES was a labor of love in bringing back an institution with “Splash from the Past”. FIZZIES™ are today’s answer to the urge to foam a whole FIZZIES in your mouth at once. Thirty something and “plus” adults will fondly remember the product and kids of today will “chill” over the newest drink and candy sensation! When added to water or just about any beverage, FIZZIES drink tablets turn it into a flavored carbonated beverage. Available flavors include: Groov’n Grape, Pop’n Punch, Ooz’n Orange, Buzz’n Berry, Chug’n Cherry and Rock’n Rootbeer. The tablets are sugar free, fat free and Vitamin C enriched.

MINI-FIZZIES are available in the same flavors excluding Rock’n Rootbeer. FIZZIES and MINI-FIZZIES are now available to retailers and distributors in a variety of high visibility and high profit display packages. For more information contact Gary Mexicott at STARK & CO. at (810) 851-5700 or visit their booth at the AFD Buying Trade Show, April 28-29.

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Detroit Edison
Three ales and three lagers join new Michelob family:
1/6-barrel packaging available to retailers

Anheuser-Busch is introducing a new generation of specialty beers—the Michelob Specialty Ales & Lagers.

Four new brands—Michelob Golden Pilsner, Michelob Honey Lager, Michelob Pale Ale and Michelob Porter—join existing beers Michelob Amber Bock and Michelob Hefeweizen in the Michelob Specialty Ales & Lagers family. All will be distributed nationally, except Porter which will be available in select Northwestern markets.

With its heritage from traditional English pubs, Michelob Pale Ale is a golden pale ale brewed with a variety of malts—including two-row pale malt, caramel barley malt and a touch of wheat malt—and a blend of fresh Pacific Northwest Saaz, Hallertau and Tettnang hops. Pale Ale is also dry-hopped with Pacific Northwest Saaz and Cascade hops, adding a pronounced hop character to its malty aroma. The alcohol content for the brand is 5.2 percent by volume, and it has 166 calories per 12-ounce serving.

Hefeweizen is five percent alcohol by volume and has 167 calories per 12-ounce serving. Michelob Porter, will be available in several select Northwestern markets. Consistent with the porter style, Michelob Porter is brewed with a distinct blend of chocolate, black, caramel and pale malts and roasted barley, producing a hearty, full-bodied and robust dark ale. Porter is five percent alcohol by volume and has 167 calories per 12-ounce serving.

Golden Pilsner is a classic European-style pilsner, made with 2-row and caramel malts and the choicest, all-natural European and Northwest Cascade hops. Full-bodied and deep golden in color, Golden Pilsner has a rich malty flavor and a spicy aroma. It is 4.85 percent alcohol by volume and has 167 calories per 12-ounce serving.

Michelob Honey Lager is brewed with natural wild-flower honey to enhance the naturally sweet, creamy flavor of the beer. Brewmasters also use 2-row and caramel malts and a variety of imported and domestic hops to brew Honey Lager, and the result is a very drinkable specialty beer, with a balanced taste and a uniquely soft, slightly sweet finish. Honey Lager is 4.9 percent alcohol by volume and has 175 calories per 12-ounce serving.

The Michelob Specialty Ales & Lagers will be available in 6-packs of 12-ounce, slope-shoulder bottles. In addition, all of the brands will be available to restaurants and bars in Anheuser-Busch’s new 1/6 barrel canister.

To help consumers match these new brands with appropriate foods, the Michelob Specialty Ales & Lagers have partnered with Bon Appétit magazine to create “The Beer & Food Guide,” a 23-page booklet featuring beer and food pairings and recipes. The brands also will be supported with select regional advertising.

The Michelob Specialty Ales & Lagers are brewed by the Anheuser-Busch Specialty Brewing Group.

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Average Customer
Continued from page 29

customers’ market baskets and developed initiatives to increase customer spending.
Also, the report does not recommend eliminating all mass marketing promotions at this stage-less-frequent shoppers should not be penalized.

3. Organization around customer segments.
Reorganizing the entire company around customer segments is recommended by the report. It will enable the retailer to design new products and services that meet the customer’s specific needs.

When customer segmentation has reached a sufficient level of sophistication, companies will need to establish customer segment managers who will consider the whole shopping experience of each customer segment and by tracking customers at each stage of their life cycle.

Throughout each stage of implementation, the report offers words of caution regarding the commercial risks with respect to customer privacy. The report emphasizes that it is important not to be intrusive and to also avoid discrimination.

To receive a copy of Knowing Your Customer, How Customer Information Will Revolutionize Food Retailing, fax a request to the Coca-Cola Retailing Research Council at: (Oil) (44) (181) 237-3709.
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Home Shopping provides surprising opportunities

by Dick Bragaw, Ad Hoc editor

An excellent study on home shopping conducted by Gene German and his associates at Cornell University’s Food Industry Management Program identifies major challenges and a surprising opportunity for this burgeoning form of non-store food retailing.

Here are some of the major challenges, according to the Cornell researchers:

- Retailers who participated in the study do not believe home shopping will ever be profitable as long as orders are picked from the supermarket. "The added expense of picking orders out of a store after the items have been shipped from the distribution center, and manually placed on the shelves, could be eliminated if a system were in place to pick directly from a central distribution center," the study suggests.

- Out-of-stocks pose a major problem for consumers and retailers. Retailers working with Peapod®, an Evanston, Illinois-based computer grocery shopping and delivery service, are learning about out-of-stocks they had not known they had. In addition, selecting substitutes for a shopper who’s not there can be difficult. Peapod’s order pickers will sometimes try to telephone home shoppers when they encounter out-of-stocks, adding inefficiency to a process that already adds significant costs. Some way of maintaining stocks will have to be found, according to Cornell.

- Delivery is critical • "Customers want their delivery at convenient times and expect prompt, accurate service," Cornell says. Consumer concern about security has prompted many home shopping services to dress delivery people in uniforms. Delivery people need to be trained to handle customer complaints and answer questions. Some are authorized to make “on the spot” refunds. Should home shoppers tip the delivery person? How much? Peapod started with a no tipping policy, but well over half its customers still tipped. Now the biggest problem is how to tell customers that $1 or $2 is plenty, not 15 percent on orders averaging $110.

- Retailers have to remember that “The ordering method essentially replaces the entire information discovery process in the store,” Cornell cautions. Many shoppers have no idea what size of their favorite brands of many products to order. Telephone ordering can be inefficient. Ordering by fax may be a bit more efficient. Computer ordering is probably best of all for the retailer, but it requires a home shopper with the patience to master a program and use a modem. Less than 40 percent of American

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households now have a home computer, only slightly more than half of them equipped with a modem, according to Cornell. Costs and margins may require new strategies. From a shopper's perspective, avoiding the temptation of making an impulse purchase could be one of the benefits of home shopping. For the retailer, many impulse items have higher margins. "It is not clear that the margin structure(s) for the market basket that constitutes the home shopping product mix will be as profitable as the current in-store basket," Cornell concludes.

These are significant challenges. On the other side of the equation, home shopping may be a much larger opportunity than many market strategists had thought. Earlier studies suggested that consumers would be unlikely to shop from home for perishables or "meal solutions." The expectation had been that home shopping would be used mostly to replenish staples.

On the contrary, the Cornell researchers found that 56 percent of the 20 most frequently purchased items are fresh produce, "and only an astonishingly low" 6 of the top 20 items were from the grocery aisles and not perishables of some type." Peapod says produce accounts for 13 percent of its sales.

This generation of food shoppers, we may conclude, does not consider meal planning, careful ingredient selection, and meal preparation to be among its core competencies. These home shoppers are glad to trust a professional's judgment when it comes to selecting perishables. They are looking for ideas and solutions, not just staple replenishment. In short, home shopping could become a much bigger market than we thought.

Home shoppers glad to delegate chore

The enthusiasm of today's generation of home shoppers and their willingness to delegate this chore to someone else may have surprised Cornell's researchers. It didn't surprise me one bit. My mother's favorite grocery store in suburban Detroit, Peabody's, provided home delivery. The Cornell researchers are quick to point out that home delivery services have been offered since the beginning of the grocery store.

The reasons for the almost inevitable growth of home shopping are quite clear: demographics and technology. Most food shoppers are still women. They are working "outside the home" and don't have time to shop a crowded supermarket. Computer technology makes it possible to offer a supermarket's selection of products 24 hours a day.

As computer programs improve, home shoppers will be able to see
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Home Shopping
Continued from page 43
products on the screen, analyze their nutritional value, compare unit prices, and make selections with many times more information than my mother had, in much less time. To some extent, they are already doing this. Peapod's new software is pretty slick.

Competition intensifying
Competition for the home shopping dollar is intensifying. Look at the Boston market. Peapod entered it with Stop & Shop in September. Hannaford Bros. C., Scarborough, Maine, is testing a new home shopping pilot in the Boston market called Hannaford's Home Runs, marking the chain's first entry into a market not previously served by stores, according to Susan Pierier, a company spokesperson. Other home shopping operations in Boston include Streamline, a startup computer home delivery service company ready to expand, and Groceries To Go, which takes orders on the Internet for pickup at a drive-through warehouse, sources confirmed.

Both Hannaford and Streamline are picking orders from a distribution (or fulfillment) center instead of a supermarket. At Hannaford, delivery is free for orders over $60; home shoppers pay straight supermarket prices. Hannaford is taking orders by phone or fax. Streamline is offering its customers a refrigerated delivery unit that can receive orders any time, whether or not the home shopper is home.

Peapod's strategy is to start with its store-based fulfillment model, take a preemptive market share, build critical mass, and later develop a "pick and pack" fulfillment center that will replace the store, according to Furton. The company has enlisted EDS and A.T. Kearney to help develop the pick and pack model and plans to open its first one next year with one of its retail partners.

Peapod's success has inspired competitors, as might be expected. Independent Delivery Systems (IDS), East Granby, CT, now offers a package of systems (including a patented "1-Touch®" order fulfillment and driver routing system) and marketing training created to enable a food retailer to provide its own computer home shopping and delivery service.

"When a retailer uses a third party provider like Peapod, that customer belongs to Peapod," says Mitch Cain, IDS's vice president, marketing & operations. "When home delivery reaches 5 -10 percent of total food store sales, no retailer is going to want to pay what a third party provider charges for the service," he adds. IDS customers now include Dorothy Lane Market, Dayton, Ohio, G & R Felpausch Co., Hastings, Michigan, and Ukrop's Super Markets, Richmond, Virginia, Mitch told us.

Miller
Continued from page 1
and convenience stores in southeast Michigan will participate this year.

"We're really pleased that Miller is involved again this year in these worthwhile causes," says AFD Executive Director Joseph Sarafa.

AHF funds research to find a cure for Alternating Hemiplegia of Childhood, a disorder found in infants at birth. The disorder causes developmental delays in varying degrees which produce abnormalities of motor movements. AHF was founded in Michigan in 1994 by its president, Richard George, who is also an AFD director.

"Miller and AFD are helping raise awareness of the AHF and the need to find a cure for Alternating Hemiplegia. This is the kind of support we need," said George. "God bless Miller Brewing for everything they've done."

The AFD Scholarship Program provides academic scholarships for deserving youths in the food industry. This one-year renewable scholarship is awarded to Michigan High School seniors, college freshmen, sophomores and juniors who excel in academics and are either employed in the food industry or have parents who are.

Miller is a wholly owned subsidiary of Philip Morris Companies Inc. Principle beer brands include Miller Beer, Miller Lite, Lite Ice, Miller Genuine Draft, Miller Genuine Draft Light, Miller High Life, Miller Reserve, Lowenbrau, Meister Brau, Milwaukee's Best and ICEHOUSE and Red Dog from the Plank Road Brewery. Miller also produces Sharp's, a non-alcohol brew.

Food for thought
It's what you do
– Not when you do it
Ted Williams, at age 42, hit a home run in his last official time at bat. Mickey Mantle, age 20, hit 23 home runs in his first year in the majors. Golda Meir was 71 when she became Prime Minister of Israel. William Pitt II was 24 when he became Prime Minister of Great Britain. George Bernard Shaw was 94 when one of his plays was first produced. Mozart was just seven when his first composition was published. Benjamin Franklin was a newspaper columnist at 16 and a framer of the United States Constitution when he was 81.

You're never too young or too old if you've got talent. Let's recognize that age has little to do with ability.
FMI appoints three

The Food Marketing Institute board of directors recently announced the appointments of three men: Brian E. Tully, Lawrence G. Olsen, and Craig S. Sadick to key positions.

Brian E. Tully was named senior vice president. He is responsible for implementing the sales and marketing plan for FMI's Supermarket Industry Convention and Educational Exposition and the Institute's MealSolutions and MARKETECHNICS® conventions. He is also responsible for all production requirements for major meetings. In addition, he supervises the membership and administration divisions of FMI. He reports to FMI President and CEO Tim Hammonds.

Tully joined FMI in 1982 as exhibit sales manager. He was named director, convention operations, in 1985, and was promoted to vice president, convention services, in 1989.

Lawrence G. Olsen, CPA, has been named senior vice president of finance. He is responsible for FMI's accounting, finance, management information systems, and human resource functions. He also reports to Hammonds.

Olsen came to FMI from Price Chopper Supermarkets of Schenectady, New York, where he spent six years as vice president of finance, treasurer and CFO.

Craig S. Sadick was appointed vice president of state government relations with responsibility for developing, implementing and administering programs to support FMI member companies' positions on legislative and regulatory issues in all 50 states. He also coordinates FMI's grassroots efforts with state and local retail grocery associations.

Prior to joining FMI, Sadick was senior director of government relations for the National Association of Convenience Stores.

Spartan names purchasing manager

David Daniel has been promoted to the position of Grocery Purchasing Manager. Daniel began working for Spartan Stores, Inc., in 1991 as a grocery buyer merchandiser. He has more than 20 years experience in the grocery industry.

Spartan Stores, Inc., is a full-service grocery distribution center headquartered in Grand Rapids, Michigan. It serves 500 independently owned Spartan stores throughout Michigan, Indiana and Ohio.

On December 19, 1996, representatives of every major retail organization in America announced the largest effort ever to reduce youth smoking. More than 150,000 retailers nationwide have joined forces through the Coalition for Responsible Tobacco Retailing to prevent the sale of tobacco products to kids.

R.J. Reynolds Tobacco Company is proud to support this unprecedented effort. Youth should not smoke. That is our position. And since 1992, we have provided more than 70,000 retailers a training program we developed called "Support the Law" to teach sales personnel how to avoid underage sales of tobacco products.

Providing a wide range of retail signage and teaching tools, "We Card" does even more. That's why R.JR is discontinuing "Support the Law" and endorsing these outstanding materials.

America's retailers have taken a leadership position on the issue of youth access. R.J. Reynolds is proud to help them make it happen.

R.J Reynolds Tobacco Company

COALITION FOR RESPONSIBLE TOBACCO RETAILING

National Association of Convenience Stores • National Grocers Association • American Wholesale Marketers Association • International Mass Retail Association • National American Wholesale Grocers Association • Food Marketing Institute • National Retail Federation • National Association of Chain Drug Stores • National Association of Beverage Retailers • National Association of Truckstop Operators • Tobacco Institute • Smokeless Tobacco Council

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- (3) $ .30 on 1 any
- $ .40 on 1 any
- $ .30 on 1 any
- $ .40 on 1 any
- $ .60 on 2 any
- BIG1F - any
- $ .10 on 1 any
- $ .50 on 2 any
- BIG1F - any
- $ .55 on 1 any
- $ .55 on 2 any
- $ .55 on 3 any
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- Hungry Jack Syrup (Direct)
- Morningstar Farms Products

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- SmartBeat Non-Fat Cheese L/F IWC
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- Egg Beaters Refrigerated
- Simply Potatoes
- Wm Schuler's Bar Cheese

**MEAT:**
- Turkey Store Fresh Turkey Products
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**PRODUCE:**
- Marzetti Refrigerated Dressings

**COUPON AMOUNTS**
- $1.00 ON 3 any
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- $ .35 on 1 any
- $ .55 on 2 any
- $ .55 on 1 any
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- $ .60 on 2 any
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- $ .40 on 1 any
- $ .25 on 1 any
- $ .40 on 1 any Fresh TS
- $ .50 on 1 any
- (No Coupon)

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