



GLOBAL WARMING: THE GOOD NEWS

Forget about the weather, the latest warming trend is melting private label's "glaciers."

I have written and spoken many times about the growth of private label in North America as being "glacial." And just as global warming appears to be having a detrimental effect on actual glaciers, the glaciers of private label growth also are melting.

This trend became evident to me as I recently toured several of the world's private label markets.

Traveling in North America found us first at Sobeys. What a transformation they have gone through! The retailer fits the definition of brilliant execution, with a formidable team of merchants, buyers, marketers, developers and designers, as well as a new global sourcing team. Of course, it's sometimes

easier to challenge from second place, but there's no better example in our business than this retailer.

Heading south to Washington, D.C., we saw that the long-time desert of the supermarket world is a diverse shopping territory today — with Giant, Safeway, Super Target, Save-A-Lot, Aldi, Whole Foods Market, Wegmans, Trader Joe's and Harris Teeter. This is a market in which private label is really beginning to reverberate. No longer just the nation's capital, it might be the private label capital as well!

Heading west to Los Angeles, we found that the city hosts some great private label experiences. In addition to many of the stores already mentioned

in the East, one also has to consider Ralph's (Kroger), Pavilions (Vons/Safeway) and, of course, the latest jewel in our crown, Tesco's Fresh & Easy. I've visited the store in the flesh, and I believe the format will do well. It also will raise the collective bar on private label innovation and product development in North America.

Casting our eyes around the world for additional evidence of glacial meltdown in private label, we looked to Korea, where Emart, Tesco and Lotte are all making great strides. This three-way fight already is resulting in major improvements in private label offerings in that country.

Australia also has shown major growth with Woolworths

and Coles. And in South America, we saw evidence of major private label investment by Chile's two leading chains, Cencosud and D&S.

It isn't easy welcoming the notion of global warming as a good thing. But if it speeds up our "glacial growth" in private label, I'm all for it. Watch those charts! **PLB**

Tom Stephens is the founder of Brand Strategy Consultants, North York, Ontario. He can be reached at 416-391-1635 or VOIP him at: Vonage 416-907-9848 or Skype at stephenscrimson, or e-mail at tomstephens@brandstrategyconsultants.ca. Stephens says thinking "inside the box" is often appropriate, since answers to 90 percent of retail problems can be found inside the four walls of the store.

ADVERTORIAL

A Case Study of Vendor Partnership

Clean Ones Corp. has been supplying high-quality, high-value household and home healthcare gloves to the top U.S. retailers for more than 20 years.

Located in Portland, Ore., with three U.S. distribution facilities, Clean Ones produces gloves that can be found nationwide under the trade name Clean Ones — *For Clean Hands On Dirty Jobs*. Products by Clean Ones also are available in private label brands.

Clean Ones Corp. is not just another vendor — they are a true business partner. In addition to supplying comprehensive glove lines that are built on high-quality foundations, the company strives to bring added value to the retailers they work with.

The glove programs Clean Ones offers all include consistent, high-quality gloves. Some glove suppliers source a product from multiple sources; Clean Ones utilizes only single-source manufacturing for each of its products.

"It's crucial that our products and their quality are consistent to meet the expectations of consumers, ultimately resulting in repeat



purchases and increased sales," notes Jennifer Fritz, director of marketing for Clean Ones.

Companies that have ongoing relationships with suppliers gain many advantages: They tend to have increased efficiencies with streamlined processes and product development opportunities. A great advantage to Clean Ones is that they source from single suppliers. This enables the company to keep detailed specifications on each product — making sure products are not deviating from the specs. The specifications include detailed style, measurement, performance and packaging information.

Additionally, Clean Ones performs third-party testing on its products to compare results against the specifications. Gloves produced by Clean Ones are intended to be national-brand-equivalent or better. Therefore, the company also tests Playtex products and evaluates the results.

Clean Ones has made great efforts to conduct extensive testing that goes far beyond the expectations of the industry. The company has found that most consumer product testing laboratories do not have the capabilities to perform many of the ASTM and EN tests relevant to household gloves. Clean Ones has sourced Intertek Testing Laboratory to perform household

glove product testing for Clean Ones products.

Social responsibility is an important issue in the retail industry, and Clean Ones feels it's important to ensure that their manufacturers meet all labor and safety standards consistently. Therefore, in addition to conducting third-party testing on its own products, Clean Ones also performs third-party factory audits of its suppliers.

"We do not tolerate any violations from our suppliers," Fritz comments.

Beyond product and manufacturing consistency through strong relationships with manufacturers, Clean Ones also works closely with its retail partners to optimize efficiencies to keep costs down, which also helps to keep product costs down. This includes working together to create accurate forecasts for inventory management. The company monitors account POS/information systems thoroughly to gain any information available to help manage the business.

Clean Ones Corp.
122 SW Third Ave.
Portland, OR 97204
800-FOR-GLVS
www.cleanones.com

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