

Retailers Put Premium on Store Brands

With a recession on, premium store brands face their greatest challenge ever. Yet major programs are managing not only to survive but to thrive.

By Peter Berlinski and John J. Pierce

What's German roasted coffee? Most of the people who shop at Aldi, Batavia, IL, wouldn't know. They might not even know that "their" Aldi is a subsidiary of a German retailer. But under the Grandessa Signature brand, that coffee sure looks impressive!

People who shop at Aldi are mostly strapped for cash, even if the limited assortment retailer also appeals to a constituency of chic consumers with more money to spend. But even people living on the edge like to have a touch of luxury in their lives with premium private label.

Grandessa Signature used to be just Grandessa; maybe the "Signature" was added to reference Kirkland Signature at Costco, Issaquah, WA. There aren't very many items under Aldi's brand, besides coffee, cookies and artichoke hearts are the most prominent. But they're *there*. So are other upscale lines like Moser Roth chocolates.

If premium private label is a small

but vital part of the mix at Aldi, it is huge and even more vital part of the mix at Loblaws, Toronto, ON, which launched President's Choice—first of the premium store



Above: Grandessa Signature German-roasted coffee gives box store chain Aldi a touch of class.

brands—some 24 years ago. By now, it must embrace close to 3,000 products, including spin-off Organic and healthy eating (Blue Menu) lines,

G.R.E.E.N. household products, and even lawn and garden items (among them *flowers!*). But Loblaws is always trying to do something different with even standard stuff, as witness a Burger Heaven promo recently on the home page of the President's Choice website

Our new PC Gigantico Thick & Juicy 1/2 LB Burger is our most over-the-top burger ever. A mouthwatering half-pound of beef that will have tongs and tongues wagging. It's the ultimate in burger indulgence and the only thing bigger than the size is the taste. We've perfected it with our own Thick & Juicy Burger seasoning so it's exploding with flavour. Plus, these burgers are so big we could only squeeze six in a box and they take longer to cook than our other burgers. Be sure to read the instructions for details.

Other new products listed at the site in August included Bacon & Roasted Onion salad dressing, Candy Cane Egg Nog, Blueberry Cheesecake Chunk ice cream, Black

Below: Central Market Classics line at Price Chopper offers fare as varied as Wild Garlic & Herb basting oil, Wild Blueberry syrup, peanut brittle and Mocha Cappuccino mix.



Right: Stop & Shop wants people to Simply Enjoy its tiramisu wafer rolls.



Ciabatta, Garlic, Kalamata Olive, Multigrain, Potato Rosemary, Pugliese, Rustic Honey Wheat, Sourdough and Tuscan Boule). There are even Indian-inspired garlic and hearty wheat Naan breads.

Culinary Circle items also include a broad range of pastas and marinades and sauces like Italian Sausage and Carolina Mustard. At Price Chopper, there are mild and hot garlic basting oils, Old World Marinated Mushrooms, Wild Blueberry syrup and peanut brittle.

At **Giant Eagle**, Pittsburgh, PA, the Market District brand now offer in-store produced finishing butters—a category pioneered by Supervalu. Varieties include Balsamic Cippolini Peppercorn, Basil Walnut, Grill, House Italian, Cinnamon,

Pepper & Sea Salt Olive Oil potato chips, New England Clam Chowder, New Wave cola, New York Sicilian Pepperoni & Ricotta pizza, Tzatziki yogurt dip, Green Kitchen Cleaner, Lawn Repair Mixture and Concentrated Ultra Mountain Clean detergent Everyday products found by **Private Label** at one Maxi & Cie outlet in Montreal included Swedish Crisp Toasts, Blue Menu plum sauce, organic corn meal and Fair Trade African ground coffee.

Back in the United States, one of the furthest ranging premium brands is World Classic Trading Co. from **Topco Associates**, Skokie, IL. It's all over the map with items ranging from Thick & Hearty Chicken Corn Chowder to basting oil with garlic and herbs, Bourbon Peppercorn steak slather, Parmesan Garlic & Herb pita chips Pan Asian Wasabi Citrus glaze for grilling and baking, Baby Normandy Blend steamable frozen vegetables, 55% Cacao Majestic Mint Swiss dark chocolate lean pastrami beef and even spicy Bloody Mary mix.

Fresh Ideas

Premium brands are a lot more prominent at U.S. mainstream retail-

ers, of course, and even in tough times, those retailers are thinking outside the box in terms of product innovation. There is, for example, a new emphasis on perishables, **Price Chopper**, Schenectady, NY, for example, has put its Central Market Classics brand on fresh chicken breasts.

Under the Culinary Circle brand, **Supervalu**, Eden Prairie, MN, has launched a line of fresh meal solutions that includes Beef Lasagna, General Tso Chicken, Spaghetti with Meatballs, Chicken Marsala, Chicken Pad Thai, Chicken Parmesan, Grilled Chicken Breast with Rib Meat, Shrimp Scampi and... Macaroni & Cheese in both adult and



Above: Balsamic onions are among the specialty foods under Italian Classics banner at Wegmans.

kids sizes, plus side dishes like Creamed Corn.

Also part of the Culinary Circle line are fresh soups (Beef Chili with Beans, Broccoli & White Cheddar, Chicken Noodle, Creamy Tomato Basil, New England Clam Chowder, Southwestern Style Chicken Tortilla, and Tuscan Tomato & Vegetable), Salads (Asian-Thai, California Spring Mix with Feta and Craisins, Chicken Caesar, Family-size Caesar, French, Mediterranean Tomato & Mozzarella and Southwestern), and artisan breads (Asiago Cheese,



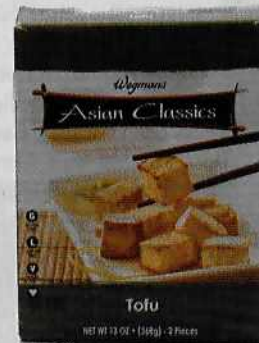
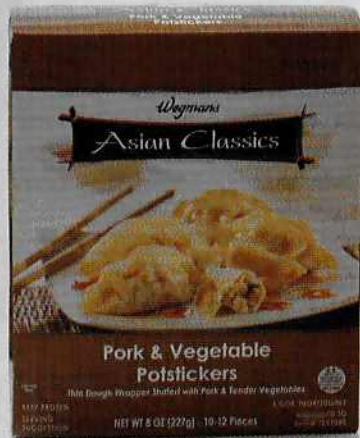
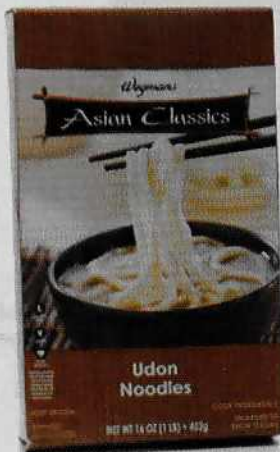
Left: Loblaw's Choice line embraces obvious yet not so obvious items like corn bread crackers.



Left: Whole Foods Market serves up indulgent cookies under its Whole Treat brand that includes Chocolate Caramel Dulce de Leche Cookies and Mandarin Orange Thumbprint Cookies in 6-oz. gable-top boxes.

Mediterranean, Orange Honey, Chocolate, Chardonnay Shallot and Tuscan Herb. Giant Eagle has also launched a line of Market District cream cheese blends (Sun-Dried Tomato, Goat Cheese & Rosemary, ▶

Premium/Specialty Brands



Below: Wegmans new Asian Classics line offers things like udon noodles, tofu, potsickers and seasoned rice vinegar.

Blueberry Lemon, Smoked Salmon, Pancetta Leek, Strawberry Orange, Garden Vegetable and Roasted Pineapple) at \$4 a tub.

Both in-house premium lines were featured recently in displays near the entrance of Giant Eagle's Market District outlet in Bethel Park, one of two prototype stores under that banner in the Pittsburgh area. Market District stores don't necessarily carry any more Market District private label than other Giant Eagle stores, but they do appeal to trendy consumers who favor Foodie recipes and locally-grown produce. Speaking of produce, the August Market District newsletter tied in those finishing butters with fresh corn.

"If you haven't tried our Market District finishing butters yet, you've no excuse now. With fresh corn season upon us, it's practically a sin not to slather an ear in one of these richly flavored butters - made in-house with creamy butter and fresh herbs and seasonings," the newsletter boasted, while also recommending them for grilled meats, vegetables,

potatoes and popcorn. As for flavors that wouldn't work for those-Cinnamon, Chocolate and Orange Honey-they'd be "yummy on croissants, bagels, waffles, pancakes and so very much more."

The same newsletter also featured Market District hand-made fresh mozzarella at \$6.99 a pound, \$2 off the usual \$8.99. "It's so fresh, it's almost hard to describe. Delicate, mild and milky with a hint of salt, our fresh hand-stretched Market District Mozzarella is at its peak when 'fresh born'-the fresher the better-and we make it right here in store for you." One of the suggested uses: with "a classic Italian Caprese salad of fresh, local tomatoes and leafy green basil drizzled with Market District olive oil and two-leaf vinegar."

Yet another line promoted in the August newsletter was Market District freshly ground homemade nut butters-Peanut, Cashew, Almond, Hazelnut, Chocolate Hazelnut, Honey-Roasted Peanut and Maple Walnut. They retail at \$3.99 a pound for the peanut varieties and \$5.99 for the others. But Market District stores also carry shelf-stable packaged goods under the Market District brand, from specialty teas to pasta, pita chips and chocolate-covered pretzels (Those seemed to be all over the Bethel Park out-

let when *Private Label* stopped by.)

Safeway, Pleasanton, CA, is making a big thing of specialty processed meats under its Primo Taglio brand, formerly a sub-brand



Left: Black Pepper & Sea Salt potato chips in trial size are typical of Target's Archer Farms brand.

under Safeway Select. Honey Mesquite BBQ Turkey Breast is perhaps the most ordinary item in the line, which also includes Peppered Salami, Capicola, Pancetta, Soppresata, Mortadella (pork) with sliced almonds and black pepper, Prosciutto, Pastrami and Canadian Bacon. The brand is also used for a range of specialty cheeses.

Fresh entrees and side dishes under the On the Go Bistro brand from Delhaize Group U.S., Salisbury, NC, are still marketed at Bloom, Hannaford and other outlets, but there hasn't been any significant



Left: Kroger's Private Selection brand offers everything from New Mexico Green Chile salsa to Gorgonzola cheese.

Below: Delhaize Group U.S. Taste of Inspirations line embraces frozen treats like Decadent Chocolate Cakes as well as dry grocery specialties like Pomegranate & Blood Orange vinaigrette and Wild Maine Blueberry barbeque sauce.



growth in the line lately. But Taste of Inspirations, the Delhaize premium brand for shelf-stable and frozen foods, is still striking out in new directions.

The brand originated at Hannaford as plain Inspirations, but was later adopted and redesigned by the parent company. In the freezer case, the new Taste of Inspirations has replaced a previous version of On the Go Bistro; new items there include Pineapple Upside Down Cake, Coconut Shrimp and Cranberry-Walnut Tartlets. On the dry grocery shelves, cutting-edge Taste of Inspirations items include Wild Maine Blueberry barbecue sauce, Pomegranate & Blood Orange vinaigrette and Sesame Ginger stir-fry sauce.

Kroger, Cincinnati, OH, largest food retailer in North America, is also doing new things on frozen food. One example is Private Selection Pecan Encrusted Tilapia with sweet potato and chipotle sauce—"a tender white fish fillet coated with a crispy pecan topping. Hints of Dijon, lemon and pepper nicely complement this nutty flavor." Back-panel copy states that the tilapia is farm-raised and offers 160 mg of Omega 3 fatty acid per

serving (two servings to a 12 oz box).

Parmesan encrusted sole and tilapia are among other frozen items under the Private Selection brand, but more typical are shelf-stable items like sauces and salsas—one relatively novel entry in the latter category is New Mexico Green Chile, with three varieties of peppers (jalapeño, green and chipotle). Just which of these makes it distinctly New Mexican isn't clear.

Safeway is covering a lot of bases with its Safeway Select line. One especially novel item, positioned with rice mixes, is Whole Grain Medley with Vegetables. It combines brown rice with lentils and barley, plus bits of carrots and red bell peppers, canola oil, salt, dried onion, garlic powder, oregano, cumin, red pepper, turmeric and saffron. It comes in microwaveable pouches good for two servings that can be cooked up in 90 seconds.

Other things shoppers can find in Safeway's premium brand include Fire Roasted Red Peppers, imported from Mexico, Buffalo Wing marinade, Four Cheese Flatbread Crisps (cheddar, parmesan, romano, asiago),

a whole line of trail mixes in plastic boxes (Deluxe Trail Mix with Caramel Bits also includes raisins, chocolate-covered peanuts, dried pineapple and roasted and salted almonds), Roasted Garlic Alfredo pasta sauce, and Sweet & Sour dip & grill sauce.



Above: Diced peaches from Safeway help parents keep their kids Eating Right.

Ethnic and Specialty

Italian Classics is one of several premium specialty brands at **Wegmans**, Rochester, NY. It began with the most popular traditional Italian fare: pasta, pasta sauces and related items. But it now includes oddities like goat cheese tortellini and gnocchi, plus leading-edge products like Balsamic Onions, Grilled Onions and Marinated Quartered Artichokes. Recent introductions are Basil Pesto Sauce and San Marzano Tomatoes.

As a complement to Italian Classics, Wegmans launched a line of Asian Classics this year. Thus far it offers udon and lo mein noodles, tofu, and chicken & vegetable and plain vegetable potstickers, pork & shrimp wontons plain and seasoned rice vinegars. As with Italian Classics, Wegmans stresses premium quality.

"This authentic Asian tofu is ▶



Above: Safeway keeps its Safeway Select line up to date with products like Buffalo Wing marinade, Whole Grain Medley with Vegetables side dish, Deluxe Trail Mix with caramel bits and White Chocolate Hot Cocoa mix.

Premium/Specialty Brands

actually kneaded to create its firmer texture and will pick up the flavors of foods it is cooked with," the Wegmans family assures customers on the back of the package. Once thawed, it can be used in soups, stir fries and other recipes; "We're proud of this tofu, and we hope you'll agree." The package also includes directions for refrigerator, cold water and microwave thawing.

"Need a quick side dish for your stir fry tonight? Well look no further than our Asian Classics all-natural frozen potstickers," Wegmans advises on the package of its Pork & Vegetable variety." As a bonus, the chain offers nutrition facts for both a single piece and all six. Directions for pan fry as well as steam and microwave are given. Of one of the rice vinegars, Wegmans says, "This seasoned vinegar has a bit of sugar and salt to give just the right Asian flare to your dressings. Perfect for



Below: Market District range at Giant Eagle cuts across shelf-stable and fresh segments with pasta, candy, finishing butters and cream cheese blends.



splashing on meat, shrimp, pasta or almost anything else."

Wegmans has had a sub-brand called WKids for years, but Safeway has eclipsed it lately with a line called Eating Right Kids. A spin-off of the chain's Eating Right brand, which is being licensed to other retailers – thus far only in areas where Safeway doesn't operate – it has the advantage of itself being licensed to use Warner Brothers cartoon characters—Bugs Bunny, Daffy Duck and the rest—on

packaging.

"Eating Right Kids™ and the entire cast of Looney Tunes characters have teamed up to help you and your kids make choosing better-for-you meals and snacks fast, easy... and fun!" Lucerne Foods (the division of Safeway charged with licensed brands) tells parents on back-package copy.

Of course, the "fun" part includes chocolate coating on raisin and mixed berry bars (apricot bars come with a

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3638 West Division • SPRINGFIELD, MO 65803

