



Special points of interest:

Winners of the 2009 Chelsea and NARGON Supplier Awards

Hellers Advertorial

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Hellers – Number one for sausages, bacon and ham (Advertorial)

Todd Heller hails from a long line of butchers. His family have been involved in the industry since the 1880s and Todd opened his first small store in 1985. By offering a greater variety of products and a range of new flavours, he quickly expanded from being a local butcher to the founder of New Zealand's market-leading producer of sausages, bacon and ham – Hellers Smallgoods.

Today, the company is a household name with their sausages in every supermarket. Each week, the 300 staff produce over 3 million sausages and more than half a million slices of bacon from state-of-the-art plants in Kaiapoi and Auckland. Both plants have recently been upgraded and can turn out 80 different types of sausage as well as saveloys, bacon, ham and deli goods. Modern technology has been introduced without comprising the traditional values of the company.



Hellers products have won numerous awards including twice winning the supreme champion sausage of New Zealand. This success and popularity is based on a commitment to quality ingredients, listening to the customer and, above all, great flavour.

Supplier Awards Update

Congratulations to the following winners of the 2009 NARGON and Chelsea Supplier Awards.

Most Efficient Distribution

Bronze	Bluebird Foods Ltd
Silver	Cookie Time Ltd
Gold	Coca Cola Amitil Ltd



Best Small Supplier Sponsored by Foodstuffs (Wellington) Co-op Society Ltd

Bronze	L'Oreal
Silver	Prolife Foods Ltd
Gold	Cookie Time Ltd



Best Invoicing and Paper Trail

Bronze	Griffins Foods Ltd
Silver	Cadbury Confectionery Ltd
Gold	Coca Cola Amitil Ltd

Best In store Support

Bronze	Bluebird Foods Ltd
Silver	Coca Cola Amitil Ltd
Gold	Cadbury Confectionery Ltd

Best New Product

Silver:	Griffins Foods Ltd for ETA SKOFS Range
Silver:	Bluebird Foods Ltd for "KIWI AS" potato chips
Gold	Frucor for V500ml

Overall Grand Prize - Best Trading Partner

Sponsored by Redbow Media and Supermarket News



Bronze	Cadbury Confectionery Ltd
Silver	Coca Cola Amitil Ltd
Gold	Cookie Time Ltd - Winner of \$5000.00 advertising with Redbow Media

Thank you once again to all of our sponsors and congratulations to all of our winners.



food labeling is useless without supporting education

Retailers across New Zealand could save up to \$80m over the next three years



44% of kids admitted they are now not asking their parents for things that 'they don't really need'

Sales head south in August

For most of the recession, supermarket and grocery sales have often been the one shining light in steadily falling retail sale figures. That situation was reversed in August 2009 when Statistics New Zealand figures showed core retail and total retail sales overall were up just over 1 percent. The largest

decrease however was in supermarket and grocery sales which fell 0.2 percent (\$3 million).

During the same month, food prices dropped 0.9 percent, the largest monthly fall in three and a half years. Lower prices for grocery food, fruit and vegetables accounted for nearly

all of the overall decrease. For the year to August 2009, food prices rose 4.6 percent, the smallest annual increase since January 2008. In the June 2009 quarter, the overall consumers' price index (CPI) rose 0.6 percent.

Food labelling 'useless' without education and support

A visiting expert says food labeling is useless without supporting education and advertising campaigns. Josephine Wills, European Food Information Council director general, told the Nutrition

Foundation annual meeting that consumers can identify healthy foods but are not acting on it. She cited research which showed that "taste and price are still the strongest drivers when it comes to food choice.

Nutrition is a little bit lower down." She stressed that food labelling had to be supported by awareness and education campaigns to help New Zealanders make healthy choices.

Credit card savings look to be on the way

Retailers across New Zealand could save up to \$80m over the next three years after seven financial institutions agreed to a new deal which will lower the current interchange fees on credit card transactions. Interchange fees have been an issue for retailers over many years and the new deal should exert downward pressure on costs. This should reduce significantly the cost of accepting credit

Reminder about written employment agreements

The Department of Labour reminds all employers that they are legally required to provide a written employment agreement in plain language before an employee commences work. Further information can be found on the NARGON website (www.nargon.co.nz), the Department of Labour website (<http://www.ers.dol.govt.nz/relationships/>) or their Service Free Phone Line 0800 20 90 20.

Recession may stop kids pestering their parents

A recent survey surprisingly showed that children were not only more aware of the credit crunch than their parents thought but were also changing their behaviour in the tight new financial environment.

The survey, by British supermarket chain Asda, showed that only 18% of parents thought their children were concerned about the credit crunch while more than half (55%) of kids said they were worried about the impact the recession was having on their mum and dad.

The research also revealed that the next generation has developed a more frugal outlook on life, potentially signalling the demise of 'pester power' at the counter. 44% of kids admitted they are now not asking their parents for things that 'they don't really need' because of the recession. This could have a potential impact on New Zealand sales of the goods traditionally displayed near check-outs.

Retail Quiz (5)

All NARGON members should know the answer to these three questions: *(answers on page 4)*

1. How much can retailers expect to save after a decision on credit card interchange fees?
2. What is a BOGOF?
3. How many sausages do Heller's make every week?

Political comment – Hon Bill English

This issue, Hon Bill English, Deputy Prime Minister and Minister of Finance, sets out the shape of the recovery:

After 18 months of local recession and almost a year of global economic turmoil, many commentators and analysts are now suggesting we are on the road to recovery.

Share markets have rallied, dairy prices have lifted, local house prices have stabilised and our economy stopped contracting in the June quarter. These signs are encouraging and are in line with what the Government has been saying for quite some time - that we will see the early signs of a recovery in the latter part of this year.

Regardless of exactly when the recovery begins, it won't be cause for immediate celebration. For ordinary New Zealanders, the most important measure of a recession is not GDP growth but whether they have a job. Unfortunately unemployment, which tends to lag behind other economic indicators, will continue rising, probably well into next year.

The Government is concerned about the loss of any job - it has a profound effect on workers and their families. That is why we have put in place a rolling haul of initiatives to support

jobs. Retailers are indirectly benefiting from many of these initiatives, which have helped support the economy, ensuring consumers don't completely close their wallets during the recession.

Another reason to exercise caution about recent positive news - one that will have a huge impact on the future living standards of New Zealanders - is the shape of the recovery.

From the Government's point of view we are clear about the kind of recovery we want: one driven by increased productivity, business investment and exports; that creates sustainable jobs and starts narrowing the income gap with our trading partners. We don't want a repeat of the unbalanced growth we saw in recent years - built on borrowing and spending - that left us with a mountain of debt and large numbers of unsustainable jobs.

These two issues - jobs and growth - are at the heart of the Government's economic programme. We have identified six policy drivers that will form the core of our economic programme for the next three to five years:

- *Reviewing regulation and red tape*

- *Investing in productive infrastructure*

- *Delivering better, smarter public services*

- *Lifting education and skills*

- *Innovation and business assistance*

- *Reviewing the tax system*

This programme will help all businesses by creating conditions where they can thrive. We recognise that lifting business confidence is essential to supporting jobs.

Rebalancing the economy will not be easy. Already we are seeing some worrying signs. There have been some reports predicting strong housing price increases over the next three years. From the Government's point of view we welcome a stabilisation of the housing market, but a premature housing boom would be unsustainable and would not be good for the economy or for jobs.

We need a balanced recovery. That means lifting investment and lifting our exports and growth in those parts of the economy that are internationally competitive. The Government is aware of these challenges and has a balanced, targeted and effective plan to achieve that.



"Jobs and growth - are at the heart of the Government's economic programme".

Consumer behaviour in an economic downturn, they concluded, could be heavily influenced by promotions

UK: Most consumers would switch brands for a special

The latest research from Granby Marketing Services shows that most British consumers (87%) would switch from their usual brand in favour of a BOGOF (Buy One, Get One Free) or price discount promotion. Consumer behaviour in an economic downturn, they concluded, could be heavily influenced by promotions. Of the 1,000 consumers surveyed, nearly half (48%) said they would be tempted by a BOGOF, 39% said a price discount, 3% said a free gift, 1% said a prize draw and just 1% nominated a charity endorsement. The research also found 60% of consumers think that an immediate reward is the most important aspect of a promotion.

On a lighter note!

The 2009 Decanter World Wine Awards have demonstrated once and for all that the most expensive wines are not necessarily the best. A panel of industry experts gave a medal to a bottle of a supermarket's own-label wine which retails for £2.98 (NZ\$6.80). The success of Asda Portuguese Rose was the first time a bottle under £3 has ever received such an accolade.



Visit the NARGON Website for the latest news and information

www.nargon.co.nz

NARGON

P.O. Box 1925
Wellington
6140

Ph: 04 471-1338
Fax: 04 496 6550
Email: director@nargon.co.nz
Web: www.nargon.co.nz

**National Association of Retail
Grocers and Supermarkets of
New Zealand**



Board Members

Victoria Boyes (VChair) Greymouth New World	victoria.boyes@newworld-si.co.nz	03 768 4441
Michael Kennedy (Chair) Pak 'n Save Mangere	michael.kennedy@foodstuffs.co.nz	09 256 7530
Ross Jordan Inglewood Shoprite	ross.jordan@foodstuffs-wgtn.co.nz	06 756 7404
Mark Kennedy Otaki New World	mark.kennedy@foodstuffs-wgtn.co.nz	06 364 8640
Robert Scott Molesworth Four Square	molesworth@xtra.co.nz	09 431 4656
Melissa Hodd Foodstuffs (NZ) Ltd		04 472 6435

We have three positions available on the board. If you are interested, please contact the Executive Director below for more information.

Executive Director

Trina Snow director@nargon.co.nz 021 730 185

Store Spotlight

The NARGON News talked this month to Greg Jaques from Jaques Four Square in Kaiwaka:

How long have you been in the supermarket and grocery industry?

We bought the business on 1 November 1998 though my family have been involved here since 12 August 1924.

How many staff at your store?

With casuals and part-timers, about 16.

Which product surprised you most with its success?

We sell a lot from our organics range.

What part of the industry do you love the most?

The people – interacting with customers.

What's your least favourite aspect?

Cleaning out the freezer. It is not the most pleasant job.

Tell us one thing your customers may not know about you?

I'm not going to answer that one!

What is your favourite drink?

Coffee or a beer.

What three things would you take to a desert island?

An action film, a book with plenty happening and my i-Pod (though I'm not quite sure how I would charge it...)

If you were banished to only one section of your store, which one would it be?

Probably out the back dealing with the incoming goods.

Contributions welcome

NARGON members are welcome to contribute articles, opinion pieces and letters to the NARGON News. We are also always looking for volunteers for our Profile section.



NEW NARGON WEBSITE

If you are a member of NARGON and do not know your login details, please contact director@nargon.co.nz or phone Trina on 04 496 6557

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Answers from page 2

1. Up to \$80 over three years.
2. Buy One, Get One Free.
3. Over 3 million.