

Private Label

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THE PUBLICATION FOR STORE BRAND LEADERS

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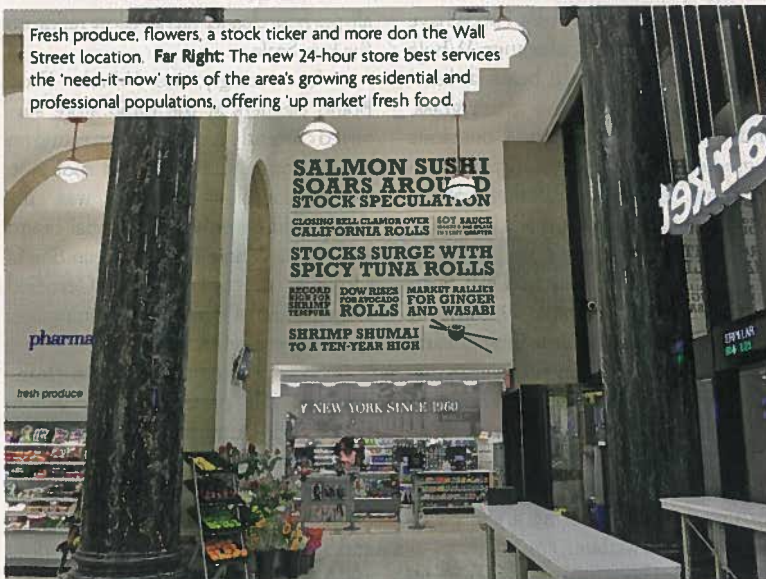
2011 Green Report

Societal concern for Healthy People and Healthy Planet continues to drive store brand growth of organic, natural, healthy, and eco-friendly consumer products.

- Duane Reade New Store Format
- Pet Care • Condiments & Spices • Oral Care
- Frozen Food • Men's Care • Sauces & Salsa
- Organic/Natural • Lite/Healthy Food
- Eco-Friendly Household Cleaners • PLMA Show Preview



Fresh produce, flowers, a stock ticker and more don the Wall Street location. **Far Right:** The new 24-hour store best services the 'need-it-now' trips of the area's growing residential and professional populations, offering 'up market' fresh food.



Duane Reade Shines on Wall Street

It's wall-to-wall innovation at Duane Reade's new Wall Street store.

By Jamie Grill-Goodman

Duane Reade's colossal new store is one bright spot on Wall Street these days. The 22,000-square-foot, 24-hour flagship store in the Trump Building at 40 Wall Street opened on July 6th and has already proven to be a launch pad of innovation for other Duane Reades.

"This store represents a milestone, with the best ideas of Duane Reade and Walgreens setting a new benchmark for health and daily living," said Walgreens president and CEO Greg Wasson in a press release. "As part of the Walgreens family of companies, Duane Reade is taking an important step in its highly visible re-branding initiatives with the opening of this store."

The store's new sushi station, juice market and coffee counter are all performing well. In fact, according to Paul Tiberio, SVP of Merchandising & CMO for Duane Reade, these new departments are already in the top five for sales and shoppers can expect to see them in other Duane Reades as well as Walgreens stores in the future, specifically in the Times Square location.

Private Label magazine Publisher Phillip Russo and this reporter were graciously hosted by Tiberio through this store pumped full of innovation amidst historic arches. The shop's vaulted ceilings used to be that of a bank, but the space remained empty for 15 years prior to Duane Reade moving in. Now, the massive store that might have seemed like a risk in a non-residential area has been "nothing but a success from day one," says Tiberio.

The store offers groceries and features an expansive Look Boutique, Duane's Reade's beauty center, with a nail bar, hair salon, automatic fragrance bar and two virtual makeover kiosks. The pharmacy, which retains the trusted Walgreens logo on the entry and uniforms of workers, has a "Doctor On Premises" service available under major healthcare plans to provide urgent, quality health care. And of course, since it's on Wall Street, the store even offers a stock ticker and shoe shine (with its \$3 charges going to various organizations through the Duane Reade Charitable Foundation).

The chef-manned sushi station is one of the first things consumers entering from the Pine Street side will see, which features the retailer's Up Market sushi, made fresh daily. Shoppers can also find store brand sandwiches, wraps, salads, heat and eat meals and more around the sushi bar, all under the Good & Delish line or the DR Delish line (the brand will eventually be converted to Good & Delish, but in the meantime shoppers will find a mix of old and new branded items) and made daily.

According to Tiberio, while it was Walgreens idea to change the DR Delish brand name slightly, the newer Good & Delish logo will be seen on fresh food in both Walgreens and Duane Reade from now on. The difference in the logo is small; shoppers will only notice it in the small red circle that reads "good &" as opposed to the old "DR" circle amongst the more prominent "de Lish" font which remains the same.

In addition to their own brand fresh food, the store also offers local name brands, such as deserts from Zabars and Fat Witch. Shoppers can also ▶

find groceries like Good & Delish cream cheese and produce. Center aisles of the Up Market feature ethnic foods, snacks, juices, coffee, and more. The retailer's New York-themed packaged coffee is on hand, such as its DR Delish Morning Rush and Fire Fighter's Joe. Shelves are lined with candy and snacks, all in their signature resealable bags, made for busy New Yorkers to toss into purses. Tiberio let us know that the crunch products, such as DR Delish All Natural Blueberry Pomegranate Crunch, all do very well, with the Blueberry Pomegranate a best seller. There are even some newer products on shelf, such as Good & Delish Shortbread Fingers or Cookie Ensemble. Apt. 5 Bamboo utensils hang in one aisle, offering utensils and chopping boards made from the renewable resource.

Low profile freezer units in the middle of the store allow shoppers to look down at products and don't fog up. Tiberio says that every category is represented with something here. Check outs on both the Wall Street and Pine Street side allow shoppers in and out quickly and if the weather changes in an instant, Apt. 5 brand umbrellas occupy a stand by the door.

And to get all those goods to the stores in an eco-friendly way, Duane Reade has partnered with Smith Electric Vehicles to add Newton zero-emission, all-electric commercial trucks to its delivery fleet. With the addition of these medium-duty trucks, Duane Reade is the first retail pharmacy in the United States to choose fleet electrification through a pilot program with the global leader in zero-emission, all-electric commercial vehicles.

Beauty Care

As previously mentioned, the store's Look Boutique is massive, with a nail bar where anyone can pop in for a ten dollar manicure or get a hair analysis in the on-site salon by Phyto Universe. The retailer has plans to put Look Boutiques in stores across the country. Currently there are 50, according to Tiberio, and there are half a dozen in the works for Walgreens stores.

In this Look Boutique shoppers will find the store's Prevail line of beauty care products with everything from a spritzing hand sanitizer to nail polish, the more premium Look NY line, and Duane Reade's exclusive Gosh line of cosmetics. The Gosh line from Denmark isn't avail-



The location's Look Boutique is massive and includes a nail bar and salon.

able at any other retailer in the U.S. and offers innovative makeup solutions, like the Gosh Light n' Shine Lip Glaze that opens up to shine a light from the cap and offers a mirror on the tube, so shoppers can apply lip gloss even in a NY cab at night. Duane Reade offers 240 SKUs for Gosh. If shoppers are looking for makeup mirrors for the home, they can test those out at another floating display.

While many stores are big on physical testers in their make up department, Duane Reade continues to innovate by offering up not one, but two virtual makeover stations. One, developed by Moda Face technology of Canada, applies virtual make-up from national brands Maybelline and L'Oréal to a photo shoppers snap of themselves in-store. The completed look can be printed; it can even be uploaded to make them a new Facebook profile picture. The other machine, which uses technology from EZ Face in Israel, allows shoppers to scan any cosmetic item in the store and see how it would look on them in the photo. The application is accurate and even allows shoppers to adjust the application of a scanned lipstick from more natural to more dramatic.

Household Essentials

In another part of the store shoppers can still find household essentials. Nice!, the new store brand at Walgreens will start to show up in Duane Reade stores soon, featuring clean, white packaging and mostly grocery and paper products. Nice! Is the retailer's new national brand equivalent line; the Good & Delish line

will remain its premium upscale tier. Apt 5, Apt. 5 Goes Green and Duane Reade's no name brand with skyline barcodes on the package are all still available.

Over in the blue colored pharmacy department shoppers can find the trusted Walgreens brand on OTC products. Even with the new launch of Nice! the Walgreens label will continue to be used for health and wellness products, which include items such as over-the-counter medicines, vitamins and supplements, first aid supplies and sun care. The mega store also adds fresh daily floral bouquets and a single dispenser soda machine with 130 flavors.

The new Duane Reade is a shining example of the retailer's NY Living Made Easy slogan. Each department is color coded with the How I Look Now department featured in lavender, the How I feel Now pharmacy section in blue, and the What I Need Now grocery section in green. The simple to navigate layout of the store lends itself to fast paced New Yorkers, but slows it down with hands on activities like virtual makeovers and visible sushi chefs. All this store needs now is a Brew York City, Duane Reade's fill your own growler bar and beer department at the Williamsburg, Union Square, and 72nd and Broadway locations. According to Tiberio, beer sales have done so well in the Wall Street store that there's already even been talk of that, via adding a growler bar to the front of the store. "We don't mind being the guinea pig," says Tiberio, explaining that they have room and the ability to tweak quickly. ■