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SafeSourcing e-Newsletter

Have comments, questions, or suggestions about the SafeSourcing e-Newsletter? Let us know what you think by emailing us at the following address. We look forward to hearing from you!

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Trivia!

What is Hi-Cone Packing?

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Industry News

International Grocers Impact on the US Market Chinese Convenience Store Test Lab Market

American retail stores are closing at record rates! Amazon.com is now experimenting with brick and mortar stores with their \$13.7 billion purchase of Whole Foods Market. However, maybe the US should take a look at what China is doing as a Test Lab. Chinese companies have opened up convenience stores with no cashiers or sales associates. E-commerce company Albania Group Holding and its rival JD.com are investing in department stores and grocery store chains.

Through Alibaba's own payment app, Alipay, customers can order in, take out, and arrange for groceries to be delivered, all by phone. "China is an ideal market for experimenting because its traditional banking and retail industries are weak. Credit cards are still not common, while smartphones are everywhere." China's e-commerce market is larger than the US, UK, Japan, Germany, France, and South Korea combined. The Chinese use their smartphones to make payments, scan QR codes (waffle-patterned bar codes on goods). "Roughly 67% of China's 731 million internet users used mobile-payment technology in 2016, according to government data, and half did so in physical stores."

The hottest retail experiment is the cashier less convenience store, according to venture capitalists. Alibaba unveiled a cashier less convenience store last week tweaking problems as they arise, whereas Amazon's version of Amazon Go has been delayed due to glitches. ■

Li Yuan, WSJ, 7/13/2017

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2 Trivia! answer

COMING NEXT ISSUE

Sept. Answer to our Trivia!

Recent Savings

Candy Tubs

Savings were over 15% of total spend. ■

Refrigeration Services

Savings were over 13% of total spend. ■

*Please [contact SafeSourcing](#) to schedule your RISK FREE event today.

Cheap German Supermarkets Coming to the US

Lidl, a discount grocer from Europe, is planning to open 20 stores in the US this year in Virginia, North Carolina, and South Carolina, with an additional 80 locations in 2018. Aldi will increase their 1300 store presence to approximately 2,000. Lidl and Aldi pioneered a winning model for discount supermarkets in the 1900's. Back then these chains offered private-label products (seen as slightly lesser quality than major food brands) and their stores were packed. The US is seen as a blank slate when it comes to discount groceries. The Lidl grocery will be slightly larger in the US and will carry cold beer and free bakery samples.

Whole Foods has built their brand around quality product, but at high price points. They will have to get serious in order to compete in the marketplace. Other big grocers already carry organic produce at better prices than Whole Foods. Jana Partners, an activist investor firm has an 8.8% stake in Whole Foods and is anxious to work with the company on brand development and corporate structure. ■

Chase Purdy, Quartz, 5/4/2017

Amazon Penetrates the Online Grocery Business in India

Amazon.com Inc. has a multimillion-dollar plan to penetrate the online grocery business in India. Looser restrictions in India have finally allowed online grocers to sell some products directly to consumers.

New Delhi is set to give Amazon.com the "go" to invest around \$500 million over the next five years to build a nationwide network to stock and deliver

QUESTIONS AND ANSWERS

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Q: I have run events in the past, is there any chance I could be saving more?

A: Yes. No matter when your past event ran, the team at SafeSourcing can find ways for your company to save.

Q: I want to know more about what SafeSourcing does. Who can I talk to about this?

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groceries, a Trade Ministry official said.

India typically bars foreign companies from selling products directly to consumers in an effort to protect the mom-and-pop shops. Last year, India allowed foreign companies to sell groceries directly to consumers as long as the produce and processed foods are sourced locally. This opened the way for Amazon to use groceries as a launchpad to start selling directly to India's more than 1.2 billion consumers. "There is no problem with Amazon's proposal" to start selling groceries online, said the official, who asked not to be named. "We will approve it this month."

Amazon believes its investments could help modernize India's retail scene. "We are excited by the government's continued efforts to encourage FDI in India for a stronger food-supply chain," said an Amazon spokeswoman. "We have sought an approval to invest and partner with the government in achieving this vision. Amazon has gained little traction in developing countries. The company is investing \$5 billion in its logistics network and advertisements in the world's second-most-populous country. Selling food directly to consumers in India could resemble the firm's AmazonFresh in the U.S. and the U.K. that provides quick food delivery for online orders. After Prime Minister Narendra Modi's government recently approved the dismantling of a Finance Ministry wing, the approval process for foreign investment in India has become much easier. ■

Rajesh Roy, WSJ, 6/9/2017

Trivia! From June 2017 Issue

What does Greenstar Certified mean?

The Greenstar Product certification and Labeling Program is a program that promotes the production and use of products that maximize sustainability, protect the environment, and protect human health.

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