

Food Lion's new leaders – and new format – are helping the chain retrieve its roar after a prolonged siesta.

By Meg Major

On the

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ith or without its widely anticipated merger with Ahold — a prospective alliance that has been batted about for the past decade but finally inked as we went to press with this issue — Delhaize's Salisbury, N.C.-based Food Lion banner is on the prowl.

And in the hunt-or-be-hunted terrain that epitomizes food retailing today, it's a prudent — albeit long overdue — strategy for the 1,100-store chain, which has been a fixture in much of its 10-state operating territory for some 50 years — the past 20 of

which have engendered a new breed of ferocity from existing and new competitors that have skulked around, and subsequently infiltrated, Food Lion's native turf.

Meanwhile, the years leading up to the present have also been peppered with ample portions of executive turnover, banner and store closures, reports of disjointed operational decision-making, and territorial retrenchment — all of which kept the regional chain on the run in search of a relevant, resolute path to strengthen its front-line execution and accentuate its indigenous assets.

However, instead of further retreating into a defensive crouch after another round of upheaval in 2014, Food Lion awoke from its prolonged siesta to reassert itself as viable, hungry contender, thanks in no

Prowl



MAKING IT
EASIER

Helping to bring Food Lion's new selling platform to life are (left to right) Burt Hall, center store project lead; John Barnette, VP; and Karen Fernald, SVP of merchandising.

small part to Frans Muller, who's been president and CEO of Food Lion's Brussels-based parent, Delhaize Group, since late 2013.

As the driving force of a mission launched last August to convert its stores to a new format focused squarely on an improved customer experience and heightened associate empowerment, Muller reimagined Food Lion — under the guidance of recently appointed leaders Kevin Holt, CEO of Delhaize America, and Meg Ham, division president — to revolve around a comprehensive “Easy, Fresh and Affordable. You Can Count on Food Lion Every Day!” strategy to bolster the banner's legacy pillars through a cross-functional, collaborative approach.

This past spring, the trio of execs provided an in-depth overview of Food Lion's revamped go-to-market diagram, along with a tour of one of the banner's Wilmington, N.C., stores, at 6932 Market Street, to showcase its key underpinnings, which include:



- Being an **easy** place to shop, with improved checkouts; intuitive merchandising; a relevant assortment; caring, responsive service; and personalized customer loyalty
- Delivering a significantly enhanced **fresh** statement featuring products that meet or exceed customer expectations with consistent quality, a relevant in-stock assortment, a strengthened selling environment with expanded variety and

selection, and appealing meal solutions

- **Affordable**, budget-saving opportunities in every department, built on pricing equity and brought to life with price investments in key categories; enhanced price and value messaging throughout the store; integrated seasonal event planning and execution; maximized promotional selling space; and an emphasis on its strong stable of private brands

- Supporting a **count-on-me** culture with dedicated training in four key areas, followed by an invigorated sales-focused approach.

Talking with *Progressive Grocer* in Wilmington, Ham reflects on the journey that



Food Lion's Meg Ham Named PG/NEW 2015 Trailblazer

Meg Ham, president of Salisbury, N.C.-based Food Lion, has been selected as the 2015 Top Women in Grocery Trailblazer from *Progressive Grocer* and the Chicago-based Network of Executive Women (NEW).

Ham will be feted at the upcoming Top Women in Grocery gala celebration on Nov. 12, 2015, at the Hyatt Regency Grand Cypress, in Orlando, Fla.

"In appreciation and recognition of her talents, tenacity and unflagging efforts to advance women through the ranks at Food Lion, coupled with her commitment to advancing extremely worthwhile causes in the hundreds of local communities that Food Lion proudly serves, we're truly delighted and very proud to honor Meg Ham as our 2015 Top Woman in Grocery Trailblazer," says Meg Major, PG's chief content editor.

Kevin Holt, Delhaize America president and CEO, applauds the selection of Ham as this year's Trailblazer. "Meg has a unique and highly admirable characteristic of being able to bring people together, and develop and coach them into a unified team that works really well together," says Holt. Evidence of this trait, he continues, "is revealed in the outstanding work that Meg and her entire Food Lion team have done in a relatively short amount of time," which, according to Holt, epitomizes "true inspirational leadership."

Adds Joan Toth, NEW president and CEO: "Meg Ham exemplifies servant leadership and inclusion. Throughout her career, she has provided great mentorship and partnership with both internal and external associates. We are honored to have Meg serve on the NEW board of directors, and offer our congratulations and warm wishes on her selection as the 2015 Trailblazer."

As president of Food Lion, Ham oversees all aspects of the regional banner's operations, including financial performance, merchandising, pricing, customer service, marketing and strategy. As a member of the parent company's corporate leadership team, she offers an extensive background in both retail operations and merchandising,



along with an ability to maintain a strong focus on customer service and the associate experience, all of which are essential to Food Lion's strategy, Easy, Fresh & Affordable ... You Can Count on Food Lion Every Day!

For more than 26 years, Ham has built her career as a food retailer, focused on the value of service to customers and associates.

Ham joined the Delhaize America family of supermarkets in 1988. Her wide-ranging leadership roles have included leading brand operations for Bottom Dollar Food, Bloom, Food Lion, Harveys and Reid's, as well as overseeing dry merchandising initiatives, with responsibilities for perishable and nonperishable product procurement and merchandising. She has been active in the banner's pricing strategies, integrating Food Lion's supply chain with other Delhaize America supermarkets, and leading efforts to maximize in-store merchandising. She also held a variety of

leadership roles at Scarborough, Maine-based Hannaford Supermarkets for more than 10 years.

Originally from central New York, Ham, who resides in Concord, N.C., with her husband and two sons, earned a B.S. in business management and marketing from Ithaca, N.Y.-based Cornell University. She currently serves on the national Easter Seals board of directors, the FMI Foundation board of trustees and the NEW national board. In addition, she's a past member of the board of governors for Saint Joseph's University's Food Marketing Educational Foundation.

Established in 2012, the PG/NEW Trailblazer Award recognizes a single executive whose leadership, vision and influence have helped break new ground for women in the retail food industry.

PG's 2015 Top Women in Grocery awards program marks the ninth year the national trade publication has recognized the invaluable contributions of women from all walks of the retail food industry in three categories: Senior-level Executives, Rising Stars and Store Managers.

Additional details about PG's Top Women in Grocery gala event, including registration and program information, hotel accommodations, and a complete list of current and past winners, can be found at Topwomeningrocery.progressivegrocer.com.



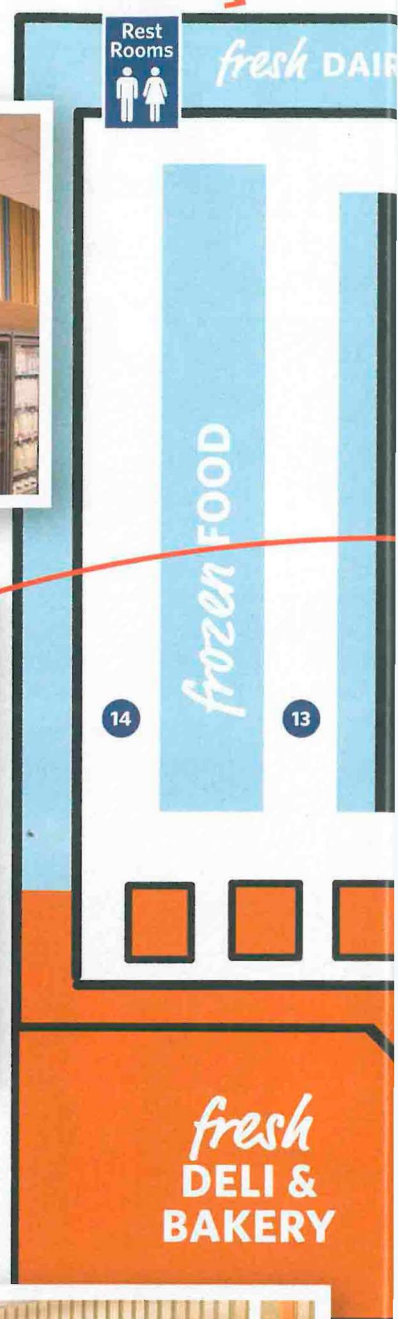
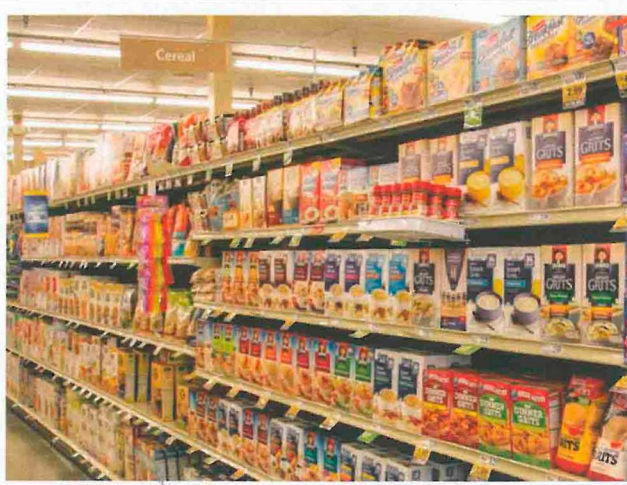
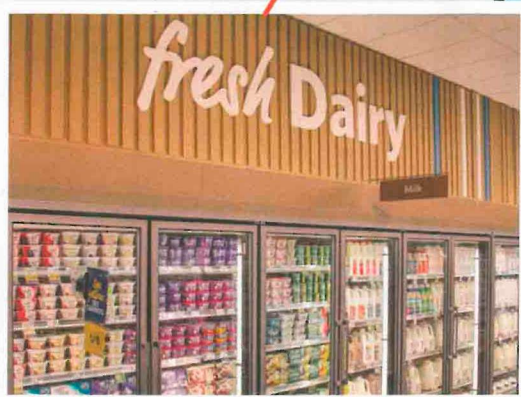
led to the creation of the new branding project, in which phase investments in price and labor were the first steps. Armed with a one-banner/one-strategy game plan, following what Muller describes as “the difficult but necessary decision” to shutter the discount Bottom Dollar division, “we were very focused internally on looking at what our future strategy could be for Food Lion,” she says. “But we also clearly knew that, in order to stabilize our business and differentiate ourselves in the marketplace,” much more was needed.

Accordingly, she notes, “We did a tremendous amount of consumer research and learned what our core strengths were,” which, while not surprising, served to further reinforce the key attributes of “our heritage of low price, convenient locations and easy-to-shop stores.”

Ham goes on to discuss “learning more broadly about where we could take our banner,” with the resulting body of research leading to a logical, powerful strategy with which to commence: Easy, Fresh and Affordable ... You Can Count on Food Lion Every Day! “Every single one of those words makes a huge difference to us,” she affirms. “It’s our ambition, it’s how we think about our business, and it serves as our decision-making filter. We use each of those words to not only galvanize our conversations” about goals and priorities, but also as a sieve “to help us to get better and different and continue to evolve and to grow our position in the marketplace.”

Taming the Lion

Using its 47 Wilmington and 29 Greenville, N.C., stores as the proving ground for the rollout of the fourfold initiative was a natural course of action, according to Ham,



MILK & JUICE

frozen MEAT & SEAFOOD

quality MEAT & SEAFOOD





FRESH THINKING

Left to right: Mack Pulliam, field merchandising specialist; Daniel Shronce, fresh strategy coordinator; and Kevin Holt, CEO, Delhaize America.

since the 76 locations represent “a quintessential market for Food Lion” in terms of market share, size and scale. “It’s a strong market with a fair number of stores, which enabled us to [properly communicate] our message and really reintroduce ourselves to the marketplace.”

Launched in Wilmington last August, followed by Greenville in November, the new format reflects “our current best thinking across the entire store, along with product development and service offerings that we want for our customers,” she says. “A big part of this, obviously, are the capital investments in the physical plant upgrades,” which average \$1.5 million per store across the two markets.

Continues Ham, “We literally went store by store” to determine the specific needs of each site, including careful evaluations of current versus expected store performance, the unique competitive environment, population density and projected population growth. Store clusters were then assembled by groups based on common needs to achieve baseline common standards for each, among them branding, with décor, paint, signage and front end fixtures; merchandising, with shelving, fresh department fixtures and fresh food cases; and storage and aesthetics, with frozen and dairy cases, flooring, and maintenance upgrades.



“We really made good, thoughtful choices on how to best bring our Fresh, Easy and Affordable brand to life” at each location, she observes, “to really bring them up to a new standard” across the extended market.

As revealed in the Market Street store, changes range from wider aisles — perhaps as wide as *PG* has ever seen in a traditional grocery store — which vividly open up the line of sight across the whole store, to deeper shelves that house a medley of related product groupings (think peanut butter and jelly next to the bread). A more uniform, compelling approach is also being deployed through seasonal promotions, which, when well executed, are famously reliable magnets for the all-important incremental expenditure spend.

Meanwhile, fresh innovations are manifest in new walk-in garden coolers, a self-service express deli, and a sealed fresh-beef program that plays up consistency and enables department staff to be sta-

Lion's Share

To help restore its namesake banner's roar, Food Lion's humorous spokes-feline has been offering his “two cents” for the past two years on why shopping at the regional grocery chain is a wise idea. The campaign recently changed its tagline to “Life's Better With The Lion,” which reminds shoppers that they can count on the grocery store chain every day to make their lives better.

Food Lion has unleashed its furry, four-legged pitchman in a variety of creative ways throughout its existence, including as part of its 2014 holiday campaign that invited customers to share holiday greetings via free music e-cards with song downloads, presented in the voice of the big cat.

The retailer made 10 original holiday songs available through New Year's Day, giving customers a choice of fun Yuletide carols “sung” by the lion.



BEEFING UP FRESHNESS

Peter Vail, VP of fresh foods, describes Food Lion's new sealed fresh-beef program, which enhances freshness, variety and consistency.





ADDING VALUE
Director
of Strategy
Implementation
Steve Petty
discusses Food
Lion's prominent
new signage.

tioned at the front of the meat case, where the majority of shoppers can be readily found, as opposed to behind it.

With updated everything — from signage, associate uniforms and new private brand packaging to customer messaging, a newly redesigned website and a reinvigorated MVP customer loyalty system, the most significant — and admittedly most overdue — in-store addition is a new banner-wide POS system featuring larger terminals and display screens and vast back end upgrades, along with additional associates to man the front end forts. All told, checkout

wait times have been dramatically reduced, thereby inspiring allied enhancements through cultural and experiential transformation.

"Improving the checkout process is a huge opportunity for us, because it's very important for our customers," notes Ham. "We have installed new point-of-sale systems in every single one of our stores that make it easier for our associates to do their job, and in turn, easier for our customers to get in and out."

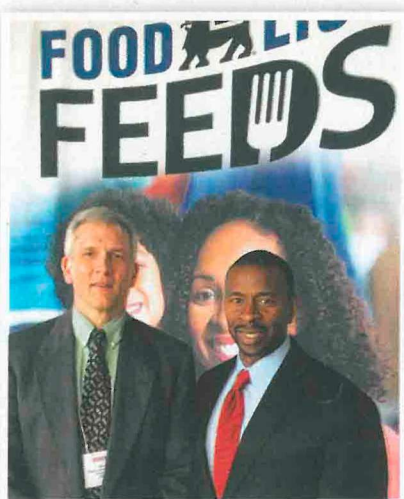
Overall results of the broad-based campaign have found customers responding positively, she says, particularly in regard to the "four most important attributes that we look at, which [are] overall shopping experience, a likelihood to recommend, checkout time and overall variety of products. We are seeing solid improvements from the customers' perspective," as evidenced by a 3.2 percent uptick in U.S. revenues to \$4.4 billion in fiscal Q1, and a 2.5 percent comp-store sales gain. "But we will continue to measure them over time and will continue to do more consumer research" to probe what's working and what's not prior to moving forward with the next and third round of reformat this year in Raleigh, N.C., which at presstime was on track to take place on a rolling schedule between April and October.

"We're finding things that are working here [as we study] what we can take across our entire network.



We'll continue to listen to our customers and learn from their feedback," says Ham, adding that the "the work we have installed behind our one banner/one strategy across the whole organization, as well as the advance of the remodels, is really encouraging and exciting. Customers are giving us credit for the improvements, and refinements are being addressed along the way," which she affirms is not only energizing, but also "actually what we love to do. The foundational initiatives across the entire network are really giving us a solid platform to grow and evolve to get better — and then get different." Above all, notes Ham, "We really have a solid foundation to do that, as a result of our associates, who are the keys to success" in delivering on the company's promise.

"We're moving through a major cultural shift," observes Ham, referring to Food Lion's bygone "command-and-control, top-down organizational structure. We are moving to a much greater culture of empowerment, where our associates know what to do and [take] responsibility for doing it. We've done a great deal of work in this area, but it really starts with me and my fellow leaders, to set the tone for our belief in how each of our individual roles makes a huge difference." PG



HELPING HANDS
Food Lion
communications
teammates Rick
Ramseyer (left)
and Benny Smith
discuss the
grocer's anti-
hunger program,
which recently
celebrated its
first anniversary.

