

RETAILING MANAGEMENT

11E

Newsletter for Instructors

September
2025

COMMENTS?
CONTACT US

Seeking an Advantage, Kroger Focuses on E-Commerce	1
Use with Chapter 3, “Digital Retailing,” Chapter 6, “Retail Market Strategy,” and Chapter 10, “Information Systems and Supply Chain Management”	
Using Artificial Intelligence to Transform the Last Mile in E-Commerce	2
Use with Chapter 3, “Digital Retailing” and Chapter 10, “Information Systems and Supply Chain Management”	
Just Deliver the Goods! The Modern Problem of Strange Grocery Store Substitutions	3
Use with Chapter 4, “Multichannel and Omnichannel Retailing,” Chapter 10, “Information Systems and Supply Chain Management,” and Chapter 16, “Human Resources and Managing the Store”	
The Unraveling: Joann Shuttters Its Doors	5
Use with Chapter 5, “Customer Buying Behavior”	
Burger King Employees Go Viral—Which Might Not Be Good News for the Brand.....	6
Use with Chapter 6, “Retail Market Strategy,” Chapter 16, “Human Resources and Managing the Store,” and Chapter 18, “Customer Service”	
Try This One on for Size: Google Adds AI Shopping Tools.....	8
Use with Chapter 10, “Information Systems and Supply Chain Management”	
Built to Last: Endear Helps Retailers and Customers Connect.....	9
Use with Chapter 10, “Information Systems and Supply Chain Management”, and Chapter 11, “Customer Relationship Management”	
Kroger Launches Hundreds of Products, Designed to Reflect Consumer Trends	10
Use with Chapter 12, “Managing the Merchandise Planning Process” and Chapter 13, “Buying Merchandise”	
A Lot on their Plates: Hospitality Workers Have Had Enough	11
Use with Chapter 16, “Human Resources and Managing the Store”	
Painting a Picture: Trader Joe’s Employs Sign Artists	12
Use with Chapter 17, “Store Layout, Design, and Visual Merchandising”	
Tidbits.....	13

If you are interested in the textbook please click [here](#). If you would like to see this newsletter and the previous editions, go to: <http://www.theretailingmanagement.com/newsletters>

11E
RETAILING
MANAGEMENT
LEVIN
GREWAL
Mc
Graw
Hill

Seeking an Advantage, Kroger Focuses on E-Commerce

Use with Chapter 3, “Digital Retailing,” Chapter 6, “Retail Market Strategy,” and Chapter 10, “Information Systems and Supply Chain Management”



istockphoto / jetcityimage

Kroger has made a big bet on e-commerce. Although its digital channels are not yet profitable, it cites steady rises, of about 15 percent annually, in its online sales. Furthermore, digital sales rose more than 10 percent in a single, recent quarter. The company earned \$13 billion from online retailing in 2024. Encouraged by such trends, Kroger is plunging ahead and experimenting with some other options for achieving its e-commerce goals.

That exploration appears inspired by the example set by some of its best known competitors. In particular, it invested heavily in completely overhauling its delivery operations, to make it quicker, easier, and more convenient for consumers to have their groceries delivered or click to shop. Noting that wait times have decreased

across the board, Kroger anticipates that it can attract new shoppers. Furthermore, it created a new e-commerce business unit. The recently announced department, headed by the firm’s former chief digital officer Yael Cosset, will focus on expanding Kroger’s online footprint even further, particularly in relation to its grocery delivery and pickup options. A parallel investment is dedicated to developing more personalized recommendations, tailored to each user’s documented preferences.

Notably, prior to this appointment, Cosset was responsible for the in-house data service that Kroger manages. In this role, he was able to track customer data and exploit advanced analytics to develop more precise shopping suggestions, which in turn powered Kroger’s retail media advertising efforts. It seems likely that such tactics and relevant experiences will be instrumental to the new e-commerce division. The announcement also follows after some recent challenges to Kroger’s technological success. One partnership with a logistics specialist appeared to have stalled, due to unanticipated challenges that made it impossible to design automated warehouses. In turn, Kroger paused its rollout of new fulfillment centers, though it still hopes to have them operational by 2026. In the meantime, Kroger has undertaken a comprehensive review of all its customer fulfillment operations, seeking insights that can inform its future decisions. It has indicated its willingness to make tough choices, such as closing underperforming locations and shrinking its employee base.

Such choices likely need to be made promptly. The grocery sector is not getting any easier; Kroger’s main competitors, including Amazon, Walmart, and Costco, are actively leveraging their own unique competitive advantages to ensure their profitability. Whether Kroger chooses to focus its strategic efforts on opening new facilities, developing its retail media network to earn more advertising revenue, or shifting away from e-commerce to prioritize its in-store operations, it needs to do something. Otherwise, it risks being left behind for good.

Discussion Questions

1. What kinds of technologies might Kroger’s new business unit develop and implement to make grocery deliveries and pick-ups more efficient?
2. What distinguishing characteristics or offerings can and should Kroger point to, to encourage shoppers to prefer it over other grocery retailers?

Sources: Sam Silverstein, “Kroger Is Striving for E-Commerce Profitability. What Will It Take to Get There?” *Grocery Dive*, July 2, 2025; Sam Silverstein, “Kroger Launches E-Commerce Business Unit,” *Grocery Dive*, March 11, 2025; Adam Blair, “Kroger Sharpens Ecommerce Focus with New Business Unit,” *Retail TouchPoints*, March 12, 2025; Thorvardur De Shong, “Kroger Launches E-Commerce Division to Boost Online Growth,” *Mass Market Retailers*, March 11, 2025; Timothy Inklebarger, “Kroger Goes All In on Ecommerce,” *Supermarket News*, March 12, 2025; TipRanks, “Kroger Announces Creation of New eCommerce Business Unit,” *Yahoo! Finance*, March 12, 2025.

Using Artificial Intelligence to Transform the Last Mile in E-Commerce

Use with Chapter 3, “Digital Retailing” and Chapter 10, “Information Systems and Supply Chain Management”



istockphoto / AndreyPopov

Since artificial intelligence (AI) was first introduced, it has revolutionized retail sectors in various ways. From Walmart’s digital surveillance systems to Amazon’s e-commerce platform to restaurant ordering systems to fashion recommendations, headlines about the contributions of AI seem to be everywhere. But another, often overlooked aspect of this conversation is the integration of AI into supply-side operations. Large retailers in particular continue to develop new, AI-enhanced tools to ensure their advantages.

Perhaps unsurprisingly, Walmart is one of the retailers leading the charge. Its Pactum system is widely integrated into its suppliers’ logistics, and reports indicate that the use

of this system has helped all the parties in the supply chain reduce delays. But even companies that are not worldwide conglomerates can pursue such benefits, by contracting with independent AI service providers to apply their advanced software in their own systems and thereby predict and manage shipping interruptions.

When integrated into customer service models and predictive software, AI tools also can enable firms to provide live delivery updates to their customers, streamline inventory operations, anticipate shortages, and adjust purchasing orders accordingly. Even with regard to existing stock, the technology offers efficiency benefits. Amazon’s AI-enabled robot fleets sort and inspect packages before their shipment, for example.

These diverse applications have meaningful financial impacts too. On average, domestic U.S. businesses spend around \$400,000 to optimize or integrate AI into their operations. Of course, that number represents an average. The largest retailers spend many times that amount, whereas small, independent firms might struggle to come up with a fraction of that cost to devote to advanced technologies—assuming their systems are already sophisticated enough to support such integration.

But implementing these technologies can be literally lifechanging. Warehouse staff describe diminished busywork, in favor of more highly skilled roles. Safety measures informed by AI insights can protect workers from various threats. But considering that such implementations are more accessible and common among well-resourced, large-scale businesses, they also might widen existing disparities with smaller sellers, which constitutes a different kind of safety risk.

Discussion Questions

1. Have you experienced AI during customer service interactions? Did the tools help address the problem more efficiently?
2. What might real-time updates based on predictive software be helpful for consumers? Retailers? Logistics service providers?

Sources: Dennis Mitzner, “AI Is Transforming E-Commerce Logistics: Reducing Disruptions and Building Trust,” *Forbes*, March 6, 2025; “How AI Can Transform Intralogistics,” *Logistics Business*, October 31, 2023; Tatiana Walk-Morris, “Online Retailers in the US Spent an Average of \$400k on AI Last Year,” *Retail Dive*, April 29, 2025.

Just Deliver the Goods! The Modern Problem of Strange Grocery Store Substitutions

Use with Chapter 4, “Multichannel and Omnichannel Retailing,” Chapter 10, “Information Systems and Supply Chain Management,” and Chapter 16, “Human Resources and Managing the Store”



istockphoto / ronstik

Digital shopping literally has never been easier or more expansive. Need school supplies or a basic household tool? Easy as can be. Need a car? Appliances? Fashionable clothing? Just add those items—even expensive, hedonic, personalized purchases—to your cart too. But even as the range and type of products available for one-click ordering and delivery have continued to expand, one sector remains a frustrating exception, seemingly unable to achieve the kind of convenience and accuracy that makes digital ordering so appealing.

Even though they represent a regular, daily, common, kind of boring purchase, groceries are incredibly hard to procure through digital channels. Some of the challenge reflects the persistent problem of achieving last-mile delivery services in an efficient way. But a potentially even bigger problem comes well before the last mile: It occurs in

the store, when the shoppers assigned to pick the digital order are making selections among the product available on shelves.

According to one recent survey, almost one-third of shoppers receive their orders to find a substituted item among their other groceries. Another report claims the number is even higher, and half of all orders include at least one substitution. Some substitutions might be frustrating; a person who prefers Breakstone’s sour cream might be annoyed to discover that, faced with an in-store stockout, the shopper replaced it with Fage sour cream. Another buyer might not have the space to store a 24-pack of paper towels, provided instead of the 6-pack they had ordered.

Those changes are relatively minor inconveniences. The substitutions that are really gaining attention, and headlines, are the ones that seem totally absurd. Reports from the United Kingdom recount a Sainsbury’s customer who received a delivery of beef dog treats, rather than the steaks they ordered. A Morrisons buyer fared no better, opening their bags to find feminine hygiene products instead of tortillas. A Tesco shopper received cat food instead of ham; Iceland Groceries dispatched pasta instead of Pepsi. Although the Ocado grocery chain offers better accuracy in general, such that it earned praise for achieving the lowest rate of substitutions (at around 20 percent), it cannot claim to be perfect: A recent order contained mushrooms instead of tampons. (Perhaps this Ocado consumer and the aforementioned Morrisons shopper can get together to work out a trade?)

As funny as some of these situations may seem, they cannot mask the real problem and risks that mistakes can entail for consumers. A careless replacement that fails to account for a shopper’s dietary preferences or food allergies could constitute a real threat to that consumer. People with peanut allergies, for example, cannot just accept any packaged food product and still protect their health and wellness. Furthermore, many grocery items represent daily necessities, including not just food but also diapers and cleaning supplies. For shoppers on tight budgets, replacements of items on sale or less expensive budget versions with more alternatives items could leave them short of money for meeting the rest of their expenses.

As potential solutions to the problem, some shopping and delivery services connect the shoppers with the buyers and allow workers in the store to check with customers before making a substitution. Others give consumers the right to check their orders when they arrive and decline any unwelcome substitutions at the door. But these resolutions mean more work for the consumer, who must be available at the very moment the shopping is taking place or getting delivered. That demand on their time conflicts with the convenience benefits promised by online shopping service providers. If a consumer has a demanding job and cannot leave to get to the grocery store, they also probably cannot take a break to confirm whether substituting chicken thighs for chicken breasts is acceptable.

Discussion Questions

1. Why is the practice of substitutions such an issue specifically in the grocery delivery services market?
2. Given current rates of substitutions, what would a fair return policy be? How should it be designed to balance the needs of both consumers and businesses?

Sources: Mabel Banfield-Nwachi, "Strangest Supermarket Substitutions Include Dog Treats Instead of Steak, Poll Shows," The Guardian, March 1, 2025; Andy Gregory, "Weirdest Supermarket Substitutions Include Mushrooms Swapped for Tampons," The Independent, March 17, 2024; Sean Poulter, "Sausage Rolls for Toilet Rolls and Sponge Scourers for Victoria Sponge Cake: The Worst Online Grocery Shopping Swaps Are Revealed," The Daily Mail, February 18, 2022

The Unraveling: Joann Shuttters Its Doors

Use with Chapter 5, “Customer Buying Behavior”



istockphoto / baileystock

The retail emporium for fabrics branded as Joann (previously Jo-Ann Fabrics) has long been a go-to spot for crafters and quilters, as well as a critical resource for homemakers in need of new drapes, who couldn't find anything they liked and were determined to just sew it themselves. And for harried parents whose children had informed them of a last-minute school assignment, Joann could seem like a life- (or at least grade) saver. For its eight decades in business, Joann was more than just a store; it was an institution.

The closure of the entire chain thus promises to do more than make it more difficult to find brightly colored skeins of wool and rolls of fabric. It threatens some favorite memories, held dear by crafty shoppers. Respondents to a recent survey seemed overwhelmingly upset upon hearing the news. In expressing their deep disappointment, they explained that

Joann was their favored source of materials and support for their crafting projects. Avid sewers made up over half of these respondents, but just as many of them chose Joann as a place to find crafty, creative ideas for their holiday décor.

With so much affection from so many consumers, how did Joann get to this point? When the company filed for bankruptcy in 2024, it represented a strategic move, away from its public listing, as well as an attempt to reduce its debts. But what began as a few store closures, designed to save costs, grew to include the entire chain, such that following an announcement in February, every store had closed by the end of May. During the bankruptcy process, Joann's holdings were liquidated, and a financial services firm called GA Group acquired the rights. It appears that these investors were the ones who chose to close the doors.

Customers seeking patterns, fabric, and knickknacks have some alternative options, including direct competitors like Hobby Lobby or Michaels. General merchandise retailers, including Walmart and Target, also might seek to appeal to Joann's base, and of course, many of them already likely have visited online sources for their craft needs. But for those shoppers for whom the feel of a Joann store is installed in their memories, the alternatives suffer by comparison.

Discussion Questions

1. Did you ever visit a Joann store? If not, what was the go-to crafting store in your area, and why do you think it was the most popular option?
2. How can Joann's competitors work to attract as much of its former customer base as possible? Should local or independent craft stores consider this good news?

Sources: Sara Ruberg, “Joann, 80-Year-Old Crafts and Fabrics Retailer, Will Close All Stores,” *The New York Times*, February 24, 2025; Tatiana Walk-Morris, “Joann Shoppers to Shift Purchases to Michaels, Hobby Lobby,” *Retail Dive*, February 27, 2025; “Last of the Joann Fabrics Stores Set to Close this Weekend,” *NBC 10 News*, May 31, 2025.

Burger King Employees Go Viral—Which Might Not Be Good News for the Brand

Use with Chapter 6, “Retail Market Strategy,” Chapter 16, “Human Resources and Managing the Store,” and Chapter 18, “Customer Service”



istockphoto / Artsanova

Take a pinch of viral social media, add in some ground up human resources management, top it with a few brand reputation concerns, and slide in between two slices of franchising, and the result is the metaphorical burger of challenges that Burger King is facing.

Most of the fast food chain’s restaurants are owned and run by individual franchisees. But it is the corporate brand that is being subjected to increased scrutiny for the ways that it treats its frontline employees, in response to multiple, viral stories of hard-working people dedicating remarkable time and effort to their jobs. Although some of the stories appear heartwarming or inspirational on the surface, they also raise serious questions about fair, safe, and reasonable employment standards and expectations.

Consider the account of a long-time Burger King employee named Kevin Ford. When he announced his retirement, after almost 30 years of dedication to the company, records showed that Ford had never

missed even a single day of work in all that time. In recognition of his lifetime of service and hard work, store management presented him with a gift: a cheap, hastily arranged goodie bag.

A video of Ford sifting through the contents of the bag quickly went viral. Ford seemed in good spirits in the video, grateful for even the small recognition, but viewers reacted with shock and anger on his behalf. The comments rolled in, and soon, participants on the GoFundMe platform initiated a fundraiser on his behalf. Generous donors provided Ford with nearly half a million dollars, which the hard worker used to buy a home, help his child and grandchildren pay off their homes, and pad his retirement fund—all outcomes that a full-time employee arguably should have been able to achieve through his wages.

A few months later, another viral event told a similar story, but this time, the 18-year-old worker in question was just starting out. Videos presented Mykale Baker working in a graduation gown; rather than miss a shift, he had come straight to work following his high school graduation ceremony. As he explained, he was intent on earning enough to afford college.

As with Ford, the video gained rapid attention, and a fundraising campaign soon followed. It raised about \$45,000, enough for Baker to begin attending college and pursuing an engineering degree without further delay.

Many news outlets presented the account positively, as a testament to what strong community support can achieve. Yet the story raised important questions about the work culture created by Burger King, in which employees believe that even something as important as a graduation is not sufficient reason to take a day off. In this case too, the seeming desperation with which Baker sought to work prompted skepticism about the fairness of the wages being paid by the company.

The work culture again became the focus of criticisms when, just a few weeks later, videos circulated of Nykia Hamilton as she ran an entire Burger King location, totally by herself. Depicted working the cash register and the drive-through window, as well as the fry station and grill, while also cleaning up spills, Hamilton’s actions seemed nearly impossible, and yet she kept it up over a 12-hour shift. When interviewed later, Hamilton noted that it was a common occurrence at her Burger King store, where shifts often exceed 12 hours. The single mom also noted how often she was forced to miss out on special events and milestones with her children so that she could fulfill her assigned shifts.

Backlash was swift. The corporate entity responded in this case, noting that it was disappointed its franchisee had allowed any employee to be working a store alone, which is contrary to its labor policies. Yet no punishments or sanctions of the store owner were announced. Instead, news reports soon recognized that Hamilton had been fired by the franchise, which cited her for being late to work too often.

While Burger King's executive leadership makes bold claims about the company's appealing workplace culture, these viral anecdotes tell a much different story. Furthermore, Burger King's workforce retention rates regularly fall among the lowest decile among businesses that operate at a similar scale.

Discussion Questions

1. Can public outcry force a large corporation to change their hiring and compensation practices? At what point does it serve the interests of leadership and shareholders to make a change?
2. To what extent and how can a corporate owner force franchisees to uphold certain employment standards?

Sources: Gerry Cupido, "Burger King Employee Who Went Viral for Not Missing a Day's Work Buys House From GoFundMe Donations," *IOL*, January 4, 2024; Jasmine Browley, "Internet Rallies Around Burger King Worker Who Worked on Graduation Day," *BET*, May 30, 2025; Rudro Chakrabarti, "This South Carolina Mom of 3 Was Left to Run Entire Burger King by Herself for 12+ Hours. Then BK Responded," *Yahoo! News*, July 12, 2025; Caitlin Hornik, "'Burger King Mom,' Who Went Viral for Running Busy Restaurant Solo, Has Been Fired," *The Independent*, August 23, 2025.

Try This One on for Size: Google Adds AI Shopping Tools

Use with Chapter 10, “Information Systems and Supply Chain Management”



istockphoto / JLco – Ana Suanes

Google records more than 1 billion shopping instances every single day. More than half of the users engaged in these shopping expeditions note their trouble finding specific clothing items they want or keeping up with new beauty trends. These are the sorts of purchases that, traditionally, required in-person interactions, to test for their fit, feel, and sizing. To address their concerns, as well as combine the convenience of online retailing with the information gained through in-person shopping, Google has introduced some new artificial intelligence (AI) tools.

In particular, Google Vision Match promises to pair customers’ descriptions of the items they are seeking with matching products, more accurately and quickly. The company is also working to develop a means to offer shoppers a broader selection, including more affordable options, on customized pages that feature deals

available in the moment. Plans to update its product discovery pages indicate that Google will leverage real-time consumer data to help customers prioritize their purchases.

It also has developed virtual digital mirrors to allow buyers to test makeup products from top brands, including Dior, Pat McGrath, and CoverGirl. Once they’ve chosen their cosmetics, shoppers can move on to enter virtual fitting rooms for popular clothing items. The advanced technology depicts an expanded range of size-inclusive models, aiming to represent a variety of body types. Thus, users can see how certain styles of jeans or tops will look on bodies between XXS and XXL.

The usefulness of these tools is undeniable. But it’s always worth remembering that the concerns raised in relation to previous iterations of AI-enabled tools remain applicable here. The product suggestions and deal pages are powered by vast amounts of product information, obtained from sellers and consumers, often without their full knowledge or consent. The virtual try-on options also raise serious privacy concerns, in that people regard information and data about their faces and bodies as deeply personal information.

Google still wants to be at the leading edge of any such technologies though, so as consumers gain more experience with these tools, the information they gather, and the offerings they provide, the tech giant is likely to keep adjusting its approach too.

Discussion Questions

1. Why is Google engaging in these technological developments, instead of a more conventional retailer?
2. What other types of information might technology be developed to provide to shoppers? For example, could it help them assess the feel of a piece of fabric?

Sources: Xanayra Marin-Lopez, “Google Shopping Gets Smarter with a Suite of AI Tools,” Retail Dive, March 13, 2025; Anu Adegbola, “Google Shopping Unveils AI-Powered Fashion and Beauty Features,” Search Engine Land, March 5, 2025; Vidhi Choudhary, “Google Adds New AI Tools to Make It Easier to Shop for that Perfect Look,” Retail Brew, March 5, 2025.

Built to Last: Endear Helps Retailers and Customers Connect

Use with Chapter 10, “Information Systems and Supply Chain Management”, and Chapter 11, “Customer Relationship Management”



istockphoto / Stockphoto and footage

Customer relationship management (CRM) firms exist to help brands build stronger relationships with their customers. The platforms they provide promise to grant those clients key insights into consumer data, track sales, and suggest effective designs for targeted marketing campaigns. For example, the CRM provider Endear specializes in devising shopping experiences that are personalized according to the data its client gather about their consumers' preferences. In turn, those clients can offer more tailored recommendations and targeted messages to their own key consumer segments.

One of Endear's most notable suggestions for its clients involves encouraging retailers to expand their digital presences by hiring commission-based

salespeople and incentivizing them to drive online sales through targeted messaging campaigns. It estimates that 15 percent of its clients have gotten on board with this notion. For example, its client Boll & Branch has embraced these policies to market its luxury bedding offerings. If, for example, one of the company's sales associates identifies a customer searching for out-of-stock items, then places an order to ensure those items get delivered directly to customers' homes, the sales rep earns a commission on the sale. Making sure to acknowledge its in-person sales channels too, Boll & Branch agreed to count online sales made within 20 miles of any given store in bonus structures. Boll & Branch is optimistic about the results this new policy change will bring.

Such effective recommendations in turn enhance the service provider's success. Endear raised an estimated \$6 million in Series A funding from venture capitalists in early 2025. Leveraging these resources, the company quickly announced its latest feature, Endear Appointments, a digital tool that enables in-store personnel to manage client scheduling easily, such as individual shopping appointments and ongoing consultations for high-value clients. The platform also provides a means for retailers to book private events.

Such moves reflect widespread recognition of the criticality of personalized, in-person shopping for increasing sales rates. According to one report, there is a 30 percent chance that any given customer will make a purchase once they have entered a physical store, but that same customer is 90 percent likely to purchase if their visit involves a preset, specific appointment.

Discussion Questions

1. What marketing tactics can and should Endear use to promote the benefits of its services to other clients?
2. How might various retail sectors implement these sorts of CRM tools in their workflows?

Sources: Andrew Adam Newman, “Why Some Retailers Are Paying Commission for Online Sales,” Retail Brew, January 27, 2025; Richard Collings, “Exclusive: CRM Solution Provider Endear Raises \$6M Series A, Axios, January 15, 2025; Sharon Edelson, “Endear to Launch Appointments Tool to Streamline Clienteling,” Forbes, March 13, 2025.

Kroger Launches Hundreds of Products, Designed to Reflect Consumer Trends

Use with Chapter 12, “Managing the Merchandise Planning Process” and Chapter 13, “Buying Merchandise”



istockphoto / DigitalStorm

Tariffs are up, calories are out, and protein is key—if social media are to be believed. Followers might be excused for believing that every other influencer is touting health consciousness, while the other half is addressing rising food costs. For smart retailers, that combination may prove to be a remarkable opportunity.

When Kroger noted increased sales of fresh produce, along with more requests from shoppers to learn about the source of the foods they are buying, it sought to understand what factors were underlying the shifts. In a recent sales call, Kroger’s CEO explained that the company believes the growing, widespread availability of weight-loss medications represents a primary driver for such consumer behaviors.

These medications typically rely on an appetite suppressant mechanism for their effectiveness. They can be helpful or even life-saving for consumers who struggle to control their blood sugar or who suffer from obesity. But depressed appetites also can be risky, in

that consumers who simply are not hungry might not take in enough nutrients, calories, protein, and so forth to ensure a healthy, complete diet.

When it surveyed these consumers, Kroger also recognized their significant interest in enriched products, a key insight that it has leveraged to alter and expand its private-label offerings. Under its Simple Truth banner for example, Kroger has added 80 new products, all of which feature high protein contents. The newly introduced products include nutritional bars and shakes, designed to supplement and provide consumers with a more balanced diet.

As noted though, healthy and protein-rich options are only part of the story. Rising prices in grocery store aisles continue to challenge most consumers, and for them, Kroger presents its value-oriented store brands as a compelling choice. Its three private-label lines—Kroger, Simple Truth, and Private Selection—account for tens of thousands of products, which generate \$30 billion in annual sales. Beyond the 80 protein-packed products, Kroger introduced almost 400 new items last year.

Many of them focus on value, but Kroger is determined to avoid creating a sense among its visitors that shopping in its stores is a chore. Thus, its recent product introductions also feature exciting, innovative flavors, like hatch chili–flavored chips and mushroom teas. These relatively niche offerings reflect current, fun food trends, a positioning that Kroger hopes will attract new customers.

More broadly, it is leaning in to expand the diversity of its food offerings. It is currently testing Asian store concepts in areas with large Asian populations, which will feature both culturally relevant consumable products and refurbished interiors. Such experiments appear similar to its previous initiatives to develop a series of Hispanic Experience stores that feature in-house ceviche and handmade tortillas, along with signage in Spanish. Noting the success of those efforts, it also introduced a corresponding private label, Mercado, that provides consumers with South American–inspired entrees, snacks, and sides.

Discussion Questions

1. Some of these changes seem to require significantly more resources than others. Do you think all of Kroger’s recent investments will be justified by the results?
2. What other concept stores might the grocer think to try next?

Sources: Patricia Battle, “Kroger CEO Sounds Alarm on Unexpected Customer Behavior,” *Yahoo! Finance*, June 23, 2025; “Kroger and Albertsons Boost Private Label Selections with New Product Lines,” *Food and Drink International*, April 3, 2025; Peyton Bigora, “Kroger to Open 2 Asian Grocery Store Concepts in Texas Next Year,” *Grocery Dive*, November 4, 2024.

A Lot on their Plates: Hospitality Workers Have Had Enough

Use with Chapter 16, “Human Resources and Managing the Store”



istockphoto / max-kegfire

Weariness, frustration, and irritability are three common signs of burnout. They also appear to be common characteristics of modern people, trying to deal with increasing demands for their silent labor and growing feelings of disenchantment with their work or the state of the world in general. For many consumers, such negative feelings can be effectively addressed, at least in the short term, by a fun evening out at a restaurant, where they can obtain a delicious meal that they don't have to plan, cook, or clean up after.

Yet they are not the only ones feeling burned out. The detrimental, worrisome trend has reached hospitality workers, from servers to hotel staff, receptionists to bussers. According to a recent survey, more than three-quarters of managers and shift workers describe themselves as

burned out, which might be due at least partly to their long hours: A startling 98 percent explained that they regularly worked overtime.

In turn, hospitality shift workers are quitting in droves. According to another survey, focused on restaurant managers, nearly two-thirds believe that they do not have enough workers to maintain effective operations. They also express worry about the workers currently on staff; turnover rates remain astronomical, with no indications of coming down.

For many workers, the essence of the problem is pay. Most states still allow restaurants to pay servers well under the minimum wage, with the expectation that tips will make up the rest. Therefore, servers can count on less than \$3 in guaranteed pay per hour. The remainder, and thus a living wage, depends on factors that are largely outside their control, including the popularity of the establishment on any given night, the performance of the kitchen, the weather, and which shifts they are assigned.

While citing insufficient pay as a primary driver of their quitting intentions, service workers also highlight the challenges created by inconsistent scheduling and a lack of clear structure within their employing organizations. These trends appear global too, such that approximately two-thirds of shift workers in the United Kingdom report high levels of stressors in their work.

Resolving the problem seemingly demands a multifaceted approach. As one industry leader suggested, the cause for this great resignation goes beyond any individual restaurant and instead is reflective of corporate cultures and larger systems in place. Still, employees might benefit from separating their work from their personal identity. Romanticizing constant hard work is common, especially in the United States, but ultimately unsupportable. Such reminders need to reach managers too, who risk further alienating workers if they fail to recognize their need for downtime and breaks, reasonable schedules and pay, and support. Considering the stress inherent to restaurant and hospitality work, creating a corporate culture that helps employees trust that they can approach leadership with concerns and be heard is critical.

Discussion Questions

1. Should restaurants continue to be allowed to pay servers less than the minimum wage? Why or why not?
2. What tactics should restaurants, hotels, and other operators establish to alleviate burnout trends in the hospitality industry?

Sources: Matt Jennings, “Why Your Favorite Server Quit—the Real Cost of Hospitality Burnout,” *Food & Wine*, May 5, 2025; Nic Paton, “Hospitality and Shift Workers Struggling with Burnout,” *Occupational Health & Wellbeing Plus*, March 28, 2025; Rebecca Freiberg, “Preventing Restaurant Employee Burnout,” *Modern Restaurant Management*, May 19, 2021.

[Back to Top](#)

Painting a Picture: Trader Joe's Employs Sign Artists

Use with Chapter 17, “Store Layout, Design, and Visual Merchandising”



istockphoto / krblokhin

Since Trader Joe's was founded over 50 years ago, unique, eye-catching artwork has always been prominent in its stores. Whether they are adding ornate hand-lettering to product descriptions or constructing elaborate displays, artists work tirelessly to create visually appealing stations across store aisles.

A recent publication, *The Art of Trader Joe's*, promises to delve into the history of this distinctive, yet familiar, artistic medium. Julie Averbach, the author of the text (which began as her thesis to graduate from Yale University), is a longtime fan of the franchise. Her book delves into the history of the artwork in stores, including how they signify and manifest the traditions and themes unique to Trader Joe's. The text promises to share key details for fellow enthusiasts, including discussions of common motifs for the chain (e.g., a frequently reappearing can of corn), as well as the clever historical references that artists display. In one

store for example, an inspired sign artist includes a reference to the style known as cubism to designate employees-only spaces; another depicted a version of the Mona Lisa, dressed in an employee uniform.

But Averbach is not the first member of the public to be fascinated by the grocery chain and its artistry. Popular press articles began analyzing and assessing the details of different displays in local shops and interviewing local sign artists as long as a decade ago—around the same time that Trader Joe's started to pursue more aggressive expansion beyond its Southern California roots to access customers throughout parts of the U.S. East Coast and South.

As a review of these historical publications reveal, from the beginning, the sign artists have been employed by the chain with a clear purpose in mind, namely, to draw attention to specific products that the store would like to highlight and promote. It also leverages their creative products to suggest pairings of its own product offerings, in the hope of driving up sales. Thus an artist might depict golden, gorgeous graham crackers alongside a fluffy rendition of marshmallows and a deep, rich chocolate bar, for example.

In this sense, the function dominates the form. That is, the displays are notable, and frequently praised, for their eye-popping colors and clever designs, but artists' fundamental job is to serve the company's broader goal of achieving sales by meeting customers' needs effectively. The design process is inherently driven by this goal.

Within this singular focus though, most stores operate independently and actively work to cater to local or regional influences. Stores near college campuses might feature depictions of the school's mascot; their displays often coincide with important campus events. The stores also find, collaborate with, and showcase local artists. One popular illustrator even received permission to paint detailed street scenes across the walls of a Trader Joe's in New York, despite not being formally employed as a sign artist.

For consumers then, whether their interests lie in modern art, support for local artists, or Trader Joe's product offerings, there are deep insights to be gained, from Averbach's new book or perhaps just from a visit to their local Trader Joe's.

Discussion Questions

1. How do purposefully artistic, creative displays contribute to Trader Joe's brand identity?
2. Describe a store display that has stuck with you, regardless of the retailer where you saw it. What about it was eye-catching? Did the display motivate you to make any purchases?

Sources: James Barron, “She Goes to Trader Joe's for the Art,” *The New York Times*, March 10, 2025; Rebecca Borrelli, “5 Things I Learned From Being a Trader Joe's Sign Artist,” *Food & Wine*, June 22, 2017; “Revisiting the Art of the Avenue A Trader Joe's,” *EV Grieve*, March 10, 2025.

Tidbits

Ruling the (Grocery) Roost: Putting Popeyes Sauces in Grocery Stores

Use with Chapter 15, “Retail Communication Mix”

In an expansion of its distribution efforts, Popeyes has installed its dipping sauces in grocery stores, citing plans to introduce three signature flavors to store shelves. The first, and perhaps most well-known, is a Blackened Ranch that offers a smokey depth and nice bite, beyond a traditional buttermilk ranch profile. The other two sauces are Sweet Heat, which combines honey with Aleppo peppers, and Mardi Gras Mustard, which layers horseradish and Creole seasoning atop a mustard base. Both the Blackened Ranch and Sweet Heat already have been made available at most big-box retailers, including Walmart and Kroger, as well as on Amazon. Mardi Gras Mustard only has been introduced to select locations so far. In announcing the new offerings, Popeyes highlighted that the expansion represented a direct response to requests from its loyal customers. Even if fulfilling customers’ demands is a primary motive, diversifying its product offerings is a savvy competitive move for the fast-food chain too, especially in light of similar expansion tactics adopted by rival brands. For example, when Chick-fil-A made a selection of its signature sauces available in retail supermarkets, it enjoyed great success. Can Popeyes replicate some of that saucy success, and capture new market share in the process? Until the in-depth analyses of sales and profits are available, the company may just have to *wing it*.

Sources: Aaron Gonsoulin, “Popeyes’ Signature Sauces Hit Stores: Blackened Ranch, Sweet Heat and Mardi Gras Mustard,” Lafayette Daily Advertiser, March 13, 2025; Lucille Barilla, “Popeyes Brings Its Signature Sauces to Supermarket Shelves,” RetailWire, March 13, 2025; Shauna Stuart, “Popular Restaurant’s Sauces Are Coming to Grocery Stores,” Alabama Media Group, March 17, 2025.