Retail Association of Nevada

JULY 2014

LOOKING OUT FOR BUSINESS

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NEVADA NEWS

Primary Election Establishment Hangs-On

By Bryan Wachter

TUESDAY, JUNE 10, 2014, MARKED THE DAY OF NEVADA'S primary election. With popularly seated Republican Governor Brian Sandoval up for re-election at the top of the ticket, in an off-presidential year, political pundits didn't have high hopes for this year's voter turnout.

Among the 1,153,522 active registered voters in Nevada, 222,135 (19.25%) turned out, compared with the 18.87% voter turnout in the 2012 primary election. Washoe County had a slightly higher turnout than Clark County, 23.38% to 15.78%.

Overall, there were some easily predictable victories, like Governor Sandoval's 89.87% of the vote. However, there were also some surprises that make for exciting politics, like the eight Democratic candidates running for governor losing to "None of These Candidates" with 29.26% of the votes. Sandoval will face Democrat Robert Goodman in the general election, who won second place in the primary, with 24.76%.

The election last month was considered a win for moderate Republican candidates with both Senate Minority Floor Leader Michael Roberson and Assembly Minority Whip Lynn Stewart easily winning their primary races. Both were challenged by Tea Party supported constituencies that were expected to make the races more competitive, which turned out not to be the case.

In almost all of the Republican primary races, the candidates who ran on a much more "conservative" platform lost. Former State Senator Sue Lowden was defeated in her bid against current State Senator Mark Hutchison for the chance to run in the General Election for Nevada's Lieutenant Governorship. A central tenant to Mrs. Lowden's campaign message was that Senator Hutchison was not Republican enough for primary voters; a message that seemed to backfire not just for Mrs. Lowden, but for Senator Roberson's and Assemblyman Stewart's opponents as well.

In the May volume of *Nevada News*, RAN hoped that Nevada voters would resist the urge to focus on the political white noise and instead explore their motivations for voting in the primary election. Last month's election results give us some hope that Nevadans knew what they were doing when they voted. More often than not, the candidates that moved on to the general election were the candidates that offered voters more than a promise to say "no"— they were the candidates who shared a desire to actively make Nevada better.

As the general election comes closer, RAN will be doing our part to help separate the "white noise" from the election chatter so that you, your employees and your family can concentrate on what's at stake. ■

INSIDE

RAN Honors Woman of Achievement

By Lea Tauchen

EACH YEAR, THE NEVADA WOMEN'S FUND HOSTS A *Salute to Women of Achievement* luncheon to publicly recognize women who make a difference in the workplace, home, and community.

Stephanie Tyler, the President of AT&T Nevada, chaired this memorable event that honored 62 outstanding women and inducted Bertha Miranda into the Nevada Women's Fund Hall of Fame. The keynote speaker was Lucille O'Neal, author and mother of Shaquille O'Neal. The celebration took place at John Ascuaga's Nugget in the Rose Ballroom in Sparks.

Laurie Squartsoff

RAN had the distinct pleasure of honoring **Laurie Squartsoff**, Administrator from the Division of Health Care Financing and Policy. She began her healthcare career as a pharmacist in retail pharmacy and in a state hospital, before transitioning to work within Nevada Medicaid. She has served on the Washoe County Board of Health, City of Sparks Charter Committee, and Continuing Education Committee for the Board of Pharmacy. With her training as a healthcare professional and work experiences, Laurie brings with her a focus on developing collaborative efforts to improve the health of Nevadans.

Mary Lau

Several RAN members also participated in this occasion. Walmart presented two honorees: **Mary Lau**, President and CEO of the Retail Association of Nevada, and **Kathy Morse**, Assistant Manager of their Carson City store. CVS Caremark honored **Kathy Pierson**, Store Manager at their Carson City store.

Walgreens and the Reno-Sparks Indian Colony also sponsored tables in support of the women of achievement.

Proceeds from the luncheon are used to provide educational scholarships and community grants.

To learn more about the Nevada Women's Fund's mission to inspire achievement in women and families in northern Nevada, please visit their website at **www.nevadawomensfund.org.** ■

Reno Liquor License Fee Increase July 1

By Lea Tauchen

THE CITY OF RENO BUSINESS LICENSE Division would like to remind privileged license holders that the alcohol license fees increased by 5% on July 1, 2014.

Affected customers should have received a notice with their third quarter privilege license renewal form, which was mailed the week of May 27, 2014. This fee increase is the result of the Reno City Council decision in 2012 to raise the alcohol license fee by 5% a year. It took effect on January 1, 2013 with subsequent 5% increases occurring July 1 each year through 2016. The FY2014/15 fee schedule is available at **www.reno.gov/businesslicense.** ■

MIKE WILLDEN; GOVERNOR'S NEW CHIEF OF STAFF

THE LINCOLN COUNTY RECORD HAD THE most original headline announcing Mike Willden, 58, as Governor Sandoval's new chief of staff: "Caliente native named as Sandoval's Chief of Staff." The article proudly noted Willden was a Lincoln County High School graduate. Forty one years after leaving Caliente for college, Mike Willden takes a role he never imagined when he entered Southern Utah University.

Willden worked hard to pay his way through college. He worked at whatever jobs he could get from harvesting hay to working construction. One summer was spent working at Skaggs Drug Store, stocking shelves and cashiering when needed.

Upon graduation, Willden went to work for the State of Nevada as a welfare case worker - starting his long career at the Department of Health and Human Services (HHS).

As Willden climbed the ranks at HHS, he developed a reputation of problem solving and working well with elected officials of all ranks.

"I do a lot of reading," he emphasized, " and I talk to people on all sides of a problem, plus I like to do my own research on the Internet. I also go back and look at the history of a situation; we have policy analysts and many sources of information. Sometimes that helps you to better understand the present challenge.

"Like the Governor, I work with Republicans and Democrats. I don't worry about their political affiliations. We need people who want to sit down at the table and work towards a solution because they care about solving problems," he said.

Gov. Brian Sandoval's new Chief of Staff Mike Willden in his Carson City office. Wednesday, July 2, 2014.
Photo by Cathleen Allison/Nevada Photo Source

As the head of HHS, since Governor Guinn appointed him in 2001, he was responsible for an agency of 5000+ state employees and a budget that is 29% of the state budget. Some would say it was good training to be the chief of staff.

His relationship with Governor Sandoval goes back many years. His admiration for Sandoval is evident and he references him often in the course of conversation.

"I knew him when he was an assemblyman and even saw him in court when he was on the Federal Bench. We kept in touch."

For the last six weeks, Willden has been working 12–13 hour days, seven days a week. His family knows they won't be seeing as much of him, especially when the Legislature is in session, which will be one of his prime responsibilities. Governor Sandoval, Willden and other staff members are already working their way through various agency budgets.

Gov. Brian Sandoval's new Chief of Staff Mike Willden.
Photo by Cathleen Allison/Nevada Photo Source

"I'll miss our family hunting trips. All my daughters are excellent shots and we've always hunted as a family."

Mike Willden likes working for Nevada. As a cabinet member, he enjoyed the Cabinet Business visit days and looks forward to more of them when time permits. And despite a long career in state government, he grasps the challenges facing the business community.

"My degree is in

Continued on page 5

Millennial Shopper Sentiment Up 20 Percent from a Year Ago

By RAN Staff

SPENDING HABITS OF CONSUMERS CURRENTLY AGED 18 TO 34, KNOWN more commonly as "millennials," are looking bright. According to IRI's MarketPulse Survey for the first quarter of 2014, millennials are much more positive than they were a year ago regarding the state of the economy, and are becoming more willing to spend their hard-earned money. The latest trends should provide some relief to retailers who have long worried that this age group's frugality would be bad news for the future of the retail sector. According to a recent report released by UBS Wealth Management Americas, millennials are the most conservative generation since the Great Depression when it comes to personal finances. However, IRI's results for the first quarter suggest that millennials may be the segment to watch.

According to IRI's latest survey results, millennials reported a 20.2-percent increase in shopper sentiment compared to last year (Q1 2014 vs. Q1 2013), reaching an index value of 101. IRI's Shopper Sentiment Index measures the spending attitudes of shoppers, with scores over 100 indicating consumers are "less price-driven, more loyal to favorite brands and better equipped to maintain their desired lifestyle without changes." During the quarter, consumers aged 35 to 54 reported a 29.6 percent year-over-year increase to an index value of 127, while those aged 55 and over reported a much smaller increase of 9.1 percent, rising to an index value of 120. While growth in millennial shopper sentiment falls in the middle of the pack—and the group's overall score remains on the low end—the improvement is significant for retailers who have seen this group tread particularly cautiously since the beginning of the recession.

Recent data from The Conference Board, which regularly reports on consumer confidence, supports this improved outlook among millennials. According to preliminary data for May, those under 35 reported the highest year-over-year gain among all age groups in terms of consumer confidence, with an increase of 18.3 percent. For the first quarter of 2014, consumer confidence among millennials grew 19.4 percent quarter-over-quarter, higher than both the 35 to 54 and the 55 and over groups, which reported growth of 2.8 percent and 10.7 percent, respectively.

Bryan Wachter of the Retail Association of Nevada noted, "Though this may come as a surprise to some, millennials are estimated to number 75 million, nearly as many as the Baby Boomer segment at 80 million (Source: Deloitte Consulting). With anecdotal reports continuing to suggest that our youngest consumer segment has a tendency to disavow owning big ticket items that older generations may consider necessities, such as a car, the evolving habits of the millennial segment will become increasingly important going forward."

● MILLENNIALS ARE BARGAIN SHOPPERS. Millennials reported higher confidence in their financial situation over the next year, with 57 percent expecting it to improve, compared to just 29 percent of all consumers (IRI). Still, millennials remain cost-conscious, looking for deals on the items they purchase. In fact, 70 percent of millennials said they compare shelf prices on everyday items, compared to just 62 percent of all shoppers. In addition, 66 percent of millennials compare prices across area retailers, compared to 59 percent of all shoppers. Finally, half of millennials use prices on retailers' websites to compare prices, which is almost double the total market average. Millennials are especially fond of using technology to find good deals, with 41 percent using their smartphones and 54 percent using online resources to find coupons, compared to 13 percent and 29 percent of all shoppers, respectively.

● MILLENNIALS ARE BRAND-CONSCIOUS. When it comes to brand selection, 54 percent of millennials like to use shopper loyalty card discounts, compared to 44 percent of all shoppers (IRI). In-store signs and displays are important for 37 percent of millennials, compared to 28 percent of the overall market. Also, 15 percent of millennials report that online advertising influences their brand selection, which is nearly twice that of all shoppers.

● MILLENNIALS ARE MONEY-SMART. The IRI notes that millennial shoppers, many of whom started earning wages when the recession began, have grown up to be generally money-smart. This has allowed them to have some disposable income as the economy continues to improve. ■

ATTITUDE

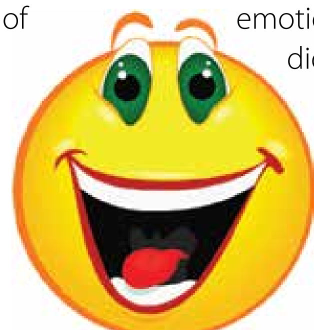
RESEARCHER DISCOVERS ONE EMOTION RETAIL CLERKS CAN'T CONCEAL

By James Larsen

WHEN OUR CUSTOMERS ENCOUNTER OUR employees, we want our people to display emotions that help customers feel comfortable. Happy, cheerful, welcoming, understanding, interested, and patient comes to mind. Trouble is, our employees often don't feel this way. Not to worry, we say. We just tell our people to fake it. "Fake it or else" sums it up correctly. It's that important.

Emotions communicate more effectively than words, and if asked to recall an encounter with a new person, most people will describe the emotions they recognized and the way those emotions made them feel. They will only remember spoken words that support the emotions they recall. When our customers have satisfying emotional experiences with our people, they buy our products, recommend our stores to friends, and return to buy again.

Researchers have a name for the work we expect our people to carry out to display helpful emotions: "emotional labor," and Karyn Wang from the University of New South Wales in Australia recently published an examination of the efficacy of two specific emotional labors: faking happy and suppressing negative emotions, like anger. Wang wanted to know if employees could successfully fake these emotions.



Wang examined 243 customer/employee contacts, and she measured both the degree of faking and the reactions of customers to the service encounter. She also noted the setting and the strength of the relationship. Settings varied from intensely personal (doctor's visit) to standardized (fast food restaurant). The strength of relationship varied from established friendship to complete strangers.

Faking happy worked. Suppressing negative emotions like anger did not work. Employees who faked happy had customers who left the encounter feeling satisfied, and neither the setting nor the strength of the relationship mattered. It was a different story with suppressing negative emotions.

Employees who suppressed negative emotions during the service encounter had customers who sensed both the deception and the underlying negative emotions, brooding just beneath the surface like a smoldering volcano. They noticed, and they reacted negatively, rating the service encounter as troubling. The setting did matter. The more intensely personal the encounter, the more likely customers noticed the underlying negative emotions.

Strength of relationship also mattered. The weaker this relationship, the worse the reaction. Apparently, strong relationships enable customers to look beyond suppressed negative emotions. Perhaps the strength of relationship allows customers to excuse the negative vibes from people they know. The worst combination would be an unfamiliar nurse in a doctor's office suppressing negative emotions as he/she cared for a patient. ■

MIKE WILLDEN *Continued from page 3*

Business Administration. I understand business. I watch the money. I'm a numbers guy. I believe you have to balance policy and finance. You can't have policy and then say find the money, and you don't just spend the money and look for a policy to spend it on. It's a balance of both, and you look at the impact on the state, businesses, taxpayers, and if the state needs to make some changes then you look at the balance… I'm a math guy, I grind through spreadsheets and numbers and I've always asked my staff—what's the fiscal impact," he emphasized.

Willden replaced Gerald Gardner, the former chief of staff, who has taken a position in the private sector. ■

Information about the

Margin Tax Initiative

NEVADA
2014
STATEWIDE
BALLOT INITIATIVE

The Margin Tax Initiative is a complex tax increase proposal that will appear on Nevada's 2014 statewide general election ballot.

The proposed initiative would impose a huge new tax on both Nevada's major employers and on thousands of small businesses throughout Nevada.

It's so poorly written that it would force many small businesses that are losing money to pay higher taxes, and it does nothing to guarantee that the Margin Tax revenues would actually be used to improve Nevada's educational system.

As a result, the Margin Tax Initiative would cause our state to lose many existing businesses and jobs, and make it harder to attract new ones – without ensuring better schools for our children.

"This tax is not based on the ability to pay. As a result many small businesses will find their profits wiped out. For any businesses hurt by this economy that have been struggling to keep their doors open, this tax may prove to be the proverbial straw that breaks the camel's back."

— Nevada Taxpayers Association

The Margin Tax Initiative is a giant tax increase that would hurt Nevada's large employers and thousands of small businesses

Would apply to both major employers and small businesses.
Under the Margin Tax Initiative, every business with total GROSS revenues exceeding $1 million per year would be subject to a new 2% Margin Tax – regardless of whether any of that revenue is actual profit.

Overall, it would dump a massive $750 million increase on the costs of doing business for Nevada employers. That would severely damage our state's already struggling economy and job market.

Deeply flawed and unfair tax system.
Proponents claim that the $1 million gross revenues threshold protects small businesses. But in reality, the Margin Tax Initiative would hurt thousands of small businesses in Nevada that have total annual gross revenues of over $1 million but also have high overhead and very small profit margins – such as family-owned restaurants, medical clinics, daycare centers, repair shops, veterinarians, janitorial services, ranches, and farms.

It would only allow businesses to deduct *some* of their actual costs from the revenues subject to the tax. For example, they could deduct their costs of goods or their payroll costs, but not both.

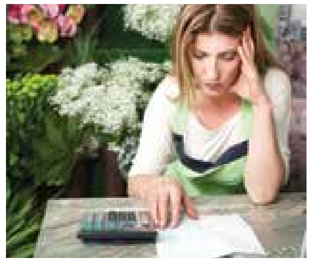
Another flaw in the measure is that it would create a "fiscal cliff." A business making one penny less than $1 million in gross revenues would pay no tax. A business that grossed one penny more than $1 million would pay the 2% Margin Tax based on the entire million. These small businesses would even have to pay the tax in years they make NO profit. The extra burden of the proposed Margin Tax would force these companies to cut jobs, and could even put many of them out of business.

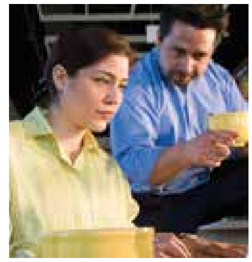
Costly state bureaucracy and lawsuits.
The Margin Tax Initiative contains 84 sections of complicated legal and technical language that would create a logistical and legal nightmare for businesses to navigate.

The initiative language doesn't even match federal tax compliance definitions, so businesses would now be required to maintain two sets of books, one for federal law and one for the new Margin Tax.

It would cost millions of taxpayer dollars for the state government to interpret and implement the Margin Tax Initiative, and it would tie the state up in lawsuits for years due to the legal complexities and drafting ambiguities.

The Margin Tax Initiative: Deeply flawed and very costly

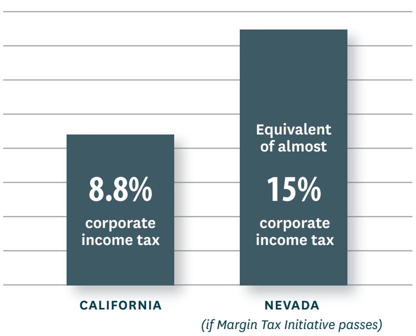




The Margin Tax Initiative would make Nevada's business taxes among the highest in the US

Imposing the initiative's tax on top of the state's existing Modified Business Tax would create the equivalent of an almost 15% state corporate income tax – nearly twice as high as the corporate income tax rate in California.

In fact, for businesses, the Margin Tax Initiative would make Nevada one of the highest taxed states in which to operate. This would severely damage our state's struggling economy, cause the loss of thousands of existing jobs and make it nearly impossible to attract new businesses and jobs to Nevada.



If the Initiative passes, Nevada would have the equivalent of an almost 15% corporate income tax.

(Source: Study by Jeremy Aguero, Applied Analysis, Jan. 2014)

The Margin Tax Initiative has NO accountability or oversight provisions to make sure money goes to the classroom

No guarantee of more money for education.
We all want to help our schools, but the Margin Tax Initiative does nothing to guarantee more money for education.

Technically, the dollars generated from the measure would be put into the "Distributive School Account," which is used to fund K-12 education. However, under the initiative, the state legislature could simultaneously take money from the regular budget away from education to fund other things.
The District Court held in October 2012 that "the initiative does not prevent the Legislature from supplanting existing educational funds with the margin tax."

No plan of action or accountability.
Even if the legislature decides that education should get more money through the Margin Tax, the initiative provides no plans or requirements to ensure that its revenues go to the classroom instead of into the hands of bureaucrats. How and where the new tax money is spent would be left up to elected officials and school administrators, without any oversight, reviews, or accountability.

> *"The [Margin Tax] would wipe out the profits of some companies, and even struggling, money-losing businesses would have to pay the tax. To inflict such punishment on companies after five years of economic weakness and nation-leading unemployment would be unconscionable."*
>
> *— Las Vegas Review - Journal Editorial,* June 2013

State government could increase the tax rate – without a vote of the people.
There are no checks and balances in the Margin Tax Initiative. Although the initiative sets the initial tax rate at 2% and sets the threshold for liability at $1 million in gross revenue per year, the legislature would have unlimited authority, after three years, to: increase the tax rate, lower the revenue threshold at which it must be paid, or broaden the tax to apply to even more businesses – without any further vote of the people.

The Margin Tax Initiative would hurt all Nevadans by damaging our economy and increasing consumer costs

Would threaten jobs.
Nevada's unemployment rate is still one of the highest in the nation and the Margin Tax Initiative would only make it worse. Large employers like gaming companies, banks, hospitals, and manufacturing companies would be forced to lay off workers, and many small businesses would be forced to downsize or close altogether. This would damage Nevada's economy and drive unemployment even higher, hurting every business, employer and family in the state.

Higher consumer costs.
The Margin Tax Initiative would impose a new 2% tax on revenues generated by almost all types of goods and services sold in Nevada, including: food, clothing and other retail store products; gas, electricity and telephone services; prescription medicines sold by pharmacies; and, medical care provided by doctors and hospitals. Ultimately, the providers of these goods and services would pass on some or all of their tax increase to Nevada consumers.

About the Coalition to Defeat the Margin Tax Initiative

A statewide coalition representing thousands of small and large employers, farmers, ranchers and other concerned Nevadans has been formed to mount a campaign urging a **NO** vote on the Margin Tax Initiative.

To join our coalition, make a donation or to get more information about the Margin Tax Initiative, please visit **StoptheMarginTax.com**, call us at **(877) 359-5099** or email us at **info@StoptheMarginTax.com.**

Nevada Notes

ONE STOP SHOP PERMIT PROCESS

On June 17th, Washoe County Commissioners voted to approve the Interlocal Cooperative Agreement establishing the Regional Business License and Permit Program between the County of Washoe, the City of Reno, the City of Sparks, and the Washoe County Health District, concerning the governance and implementation of the program.

Commissioners unanimously approved resolutions creating the Regional Permits System Fund as a special revenue fund to account for the operations of the Regional License and Permit Program interlocal agreement, and the Regional Permits Capital Fund as a capital projects fund to account for the system customization and implementation; and to adjust budget appropriations and transfers to establish both funds.

Commissioners also approved a resolution announcing Washoe County's intent and approval to offer a medium-term loan to the City of Reno for the purpose of implementation of the Regional Permits System ($475,222 at an annual interest rate of 1.99 percent to finance the start-up of the Regional Permits System). Washoe County has been leading the joint effort for a one stop shop permit process for businesses, issuing the Request for Proposal, facilitating the meetings, being first drafters of staff reports that others then copied from when it came to contract negotiations, professional services negotiations, etc.

"It did take some time to come to this point, but I think this will be a great service for all the permit pullers in our region. This is what we've been working so hard to do. We'll no longer be sending people to five different places to get their permits," said Commissioner Kitty Jung.

Washoe County Minutes

SUPREME COURT: MINIMUM WAGE

In a split decision, the Nevada Supreme Court ruled cab and limousine drivers aren't exempt from the minimum wage requirement.

Cab companies argued the voter-approved minimum wage was intended only to increase the minimum wage and did not eliminate the exemptions contained in NRS 608.

But a majority of the justice's disagreed saying state law is subservient to the state constitution and, therefore, the Minimum Wage Amendment approved in 2006 effectively repeals those exemptions.

The amendment exempts from the minimum wage only persons under age 18, those employed by a nonprofit group for after school or summer employment or trainees for periods of less than 90 days.

The opinion would also seem to repeal the other exemptions in NRS 608. Those are casual babysitters, domestic employees living in the house where they work, outside sales people who earn commissions, agricultural workers and the severely handicapped specified by the state's rehabilitation division.

Nevada's minimum wage is $7.25 an hour for companies who offer health insurance, $8.25 an hour for those who don't.

Nevada Appeal

LAS VEGAS MAY REQUIRE RECEIPTS

Stores that sell liquor downtown, particularly in the Fremont Street Experience, could be required to seal the booze in a bag with an affixed receipt.

That recommendation made by Las Vegas Mayor Carolyn Goodman will now go to the city's Recommending Committee. The committee will consider adding it to changes being proposed to the city's alcohol ordinances before sending the measure back to the council for final approval.

Goodman proposed the receipt provision to help police identify those breaking city codes, which bans the outdoor consumption of alcohol purchased from liquor stores within 1,000 feet of those establishments. The rule doesn't apply to alcoholic beverages purchased at casinos.

LV Sun

FOOD FIGHT: WHY WE HAVE SO MANY MARKETS

For Southern Nevadans, groceries are big business. Consider this: In a 6-mile swath of Henderson, there are more than 15 supermarkets and grocery stores. Southern Nevada shoppers have more than 150 grocery stores from which to choose. That's about one for every 13,000 people.

Six years after the recession put Nevada's economy in a headlock, Las Vegas' grocery store market is growing.

To best understand the supermarket business, imagine a pie. The circle represents the valley's grocery market—the slices, different sets of customers. One slice might include people looking for low prices; another, customers who crave specialty and organic foods.

The goal for storeowners is making it clear what they offer customers—cheap prices, bulk sales or gourmet offerings, for example. A customer likely wouldn't go to Wal-Mart for fancy cheeses.

So what's a store's key to survival? Offering customers something unique.

Continued on page 11

National Notes

RESTAURANTS, GROCERS RESPOND TO RISING BEEF COSTS

Faced with soaring beef prices, many restaurants and food retailers are shifting strategies to woo consumers and protect profit margins.

The record costs are forcing beef purveyors to choose between asking customers to pay more for steaks and burgers and eating the costs themselves. Many are passing along the higher prices while embellishing their menus with new items, smaller-portion cuts and more sauces, toppings and side dishes. Others are seeking to control costs by locking in beef purchases at current prices as they envision further inflation to come.

The scramble shows how a prolonged drought in the southern U.S. Great Plains that has shrunk the nation's cattle supply to six-decade lows is rippling from slaughterhouses to drive-ins and high-end steakhouses.

Wholesale prices for choice-grade beef—the main variety consumed in the U.S.—surged 11% over the 12 months through May as cattle prices reached all-time highs, according to the U.S. Department of Agriculture.

The government forecasts that consumer beef prices will increase as much as 6.5% for all of 2014, compared with gains of up to 4% for both pork and chicken.

Some consumers are balking at the higher beef prices in favor of lower-priced chicken, creating challenges for restaurants and retailers that emphasize red meat.

In the first four months of this year, U.S. beef sales volume fell 0.6% from a year earlier after rising in the last two quarters of 2013 at 18,000 grocery stores, supermarkets and other retail outlets tracked by market-research firm Nielsen Co.

WSJ

BILL TO COMBAT PRESCRIPTION DRUG ABUSE

The House Energy and Commerce Committee advanced bipartisan legislation to help prevent prescription drug diversion and abuse.

The Ensuring Patient Access to Effective Drug Enforcement Act would improve communication between drug makers, wholesalers, retail pharmacies and governmental agencies.

The measure would ensure that law enforcement action is taken against prescription drug abuse and diversion so industry stakeholders are shielded from disruptions in the prescription drug supply chain that could endanger patients. The bill would also take steps to provide the prescription drug supply chain with more guidance and tools to respond to diversion and abuse.

The National Community Pharmacists Association, the Healthcare Distribution Management Association and the National Association of Chain Drug Stores all support the legislation.

Bloomberg

FROZEN FOODS GROW COLD AS TASTES SHIFT TO FRESHER FARE

Americans' ardor for frozen food is going cold. Long at the center of the supermarket and the heart of kitchen convenience, freezer-aisle items are struggling today as Americans shift their tastes to fresh food that they see as healthier.

Frozen-food sales, by dollars, have lagged behind the rate of inflation the past four years, and sales by number of units have fallen. Dollar sales of frozen juice, chicken and pizza all are down since 2009, according to market-research company Nielsen. And sales of frozen meals fell 3% to $8.92 billion from 2009 through 2013, according to Euromonitor International.

The struggles of a category that for decades drove innovation show how fast consumer perceptions of health and convenience can turn—forcing companies to catch up. Consumers in their 20s and 30s, in particular, are driving the changes in frozen food, executives say, as they grew up in an era of heightened awareness about nutrition, intense scrutiny of the food industry and the advent of the Internet and social media to fuel that fire.

Frozen-food executives say the shift is based largely on misperception. While the transparent packaging of prepared foods in the refrigerated aisles can make them appear fresher than the cartons of frozen foods, the frozen items often have fewer preservatives because temperature prevents rotting, they say.

And sometimes, food that is prepared "fresh" at the grocery-store deli or bakery actually came in frozen from a warehouse.

A few frozen categories have done well, such as fruit, which has become popular for making smoothies. But over roughly the past four years, sales of frozen, unprepared poultry fell 9.3%, frozen juice dropped 26% and frozen pizza slid 5.6%, not accounting for inflation, according to Nielsen.

In addition, more than half of the people buying frozen food are 45 years old or older, and fewer shoppers are wandering down that aisle than in previous years. It's a huge problem for retailers. They have these expensive freezer cases that they need to fill.

WSJ

Continued on page 11

Important Information for SIG Members

NRS requires all existing members of a self-insured group to be notified of all new members. NRNSIG new members are listed below.

Atlanta Computer Group dba Nevada ATM Service LLC
Eebee's Vapor
F&R Paredes LLC dba Mi Casa Too
Good Blends LLC
Griffis Group Residential LLC
Giffis Group Residential Wellington LLC
Harry Dixon dba Comstock Protective
Jason Vestal dba 5 Star Window Washing
LMAXENTERPRISES LLC dba Snip-Its
R&M Mobile Home Park LLC
RC Appliance Inc
TAYZO dba Gus' Open Pit Barbecue
The Mirror Mirror Salon LLC
Western Nevada Veterinary Services

NRNSIG members who wish to register a negative vote on a new group member, please write NRNSIG at 575 S. Saliman Road, Carson City, NV 89701, indicating which member and the reason(s) for the negative vote.

NOTE FOR MEMBERS

If you would like us to profile your business in our newsletter, or have any questions about RAN or the NRF Partnership, please contact Piper at Piper@rannv.org or call the business office at 775-882-1700.

MEMBERSHIP INFORMATION: Find out more about RAN's self insured group. Call Mike Olson, **800-859-3177**, or the RAN office at **775-882-1700** (toll free in Nevada 800-690-5959). Don't forget to check out our website, **www.RANNV.org.**

NEVADA NOTES *Continued from page 8*

Most everyone in the valley comes from somewhere else, and as in any transient city, new residents bring preferences from home. That's one reason Southern Nevada's grocery scene is so diverse.

What drives customers to shop at a specific store? A combination of factors, experts say.

Some shoppers are loyalists and stick to one supermarket only. Others mix and match, visiting numerous stores to fill their grocery needs.

A couple of factors typically dictate their choices:

- **Price:** For some, low price is paramount. But industry experts say stores can't base their entire philosophy on pricing.
- **Convenience:** Most customers don't like to travel very far to shop. And when they get to the grocery store, they don't want a big hassle. That can include proximity, short lines and ease of access to specific items.
- **Product selection and quality:** Shoppers might seek out a specific store because of the unique selection it offers or the high quality of its products. Some swear by the quality of produce at one store, the selection of prepared foods at another.
- **Vibe:** A store's feel and layout can go a long way in drawing customers.

LV Sun

NATIONAL NOTES *Continued from page 9*

HOW GROCERY RETAILERS CAN DELIVER PERSONALIZED MARKETING

Think the key to delivering a personalized marketing experience for your shoppers is only about relevant offers? Think again. According to new consumer insights gathered by emnos, shoppers aren't just looking for useful grocery coupons, they want relevant solutions —tips and advice that will simplify their lives, save on time, and provide them with pertinent information around food and wellness.

In fact, 64% of customers would like to receive more content from their grocers, and 83% feel that their retailers are not providing sufficient information and resources to help them meet their lifestyle goals.

With a few strategic adjustments based on consumer data and insights, grocers can address these lifestyle trends and reconnect with customers in a meaningful way once again. Here's how:

- **Make the transition from offers to solutions**. For example, 46% of shoppers are interested in receiving snack ideas from their grocery retailer, and 61% voice eating healthy on a budget as a major concern.
- **Always prioritize relevancy and value.** The most successful grocery retailers will be those who carefully analyze their customers' preferences and behavior and truly provide personalized solutions and offers.
- **Keep it short and sweet.** Keep materials concise to save shoppers time — they'll value you for it.

Supermarket News

CERTAIN STATES DOLE OUT MORE PAINKILLERS

U.S. health care providers wrote 259 million prescriptions for opioid painkillers in 2012, enough to give a bottle of the pills to every adult in the country. But your chances of ending up with those pills depend a lot on where you live, says a new report from the federal Centers for Disease Control and Prevention.

The report shows that prescribing rates vary widely by state for drugs best known by brand names such as Vicodin, Percocet and OxyContin. The highest rates are in the Southeast, led by Alabama.

Rates of painful illness and injuries do not vary enough from place to place to explain the differences, the CDC says. Instead, high prescribing rates often reflect inappropriate uses of the drugs—which contribute to high rates of opioid painkiller overdoses, officials say.

When states take action, overdose deaths can fall, according to an accompanying report from Florida. That state experienced skyrocketing drug overdose rates, linked to largely unregulated painkiller "pill mills" between 2003 and 2009, the report says. After a series of actions —including new laws to regulate pain clinics and a new prescription-monitoring program—opioid overdose deaths fell 27% between 2010 and 2012.

Deaths from oxycodone alone fell 52.1%.

USA Today

TARGET ASKS CUSTOMERS TO LEAVE THEIR FIREARMS AT HOME

Target is asking its customers to not bring firearms into its stores, even where the law allows it.

In a statement on the retailer's corporate blog, interim CEO John Mulligan said that Target wants a "safe and inviting" atmosphere for its shoppers and employees.

"Bringing firearms to Target creates an environment that is at odds with the family-friendly shopping and work experience we strive to create," he said.

Target Corp. made the announcement after questions arose in recent weeks about its policy on the "open carry" of firearms in its stores. *AP*

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WASHINGTON RETAIL INSIGHT

Retailers Hail Supreme Court Decision On NLRB Appointments

EXECUTIVE POWER TO PUSH PRO-UNION AGENDA HALTED BY COURT

THE NATIONAL RETAIL FEDERATION RELEASED the following statement from Senior Vice President for Government Relations David French on the U.S. Supreme Court decision in National Labor Relations Board v. Noel Canning, which questioned President Obama's use of recess appointments to fill vacancies on the NLRB during a "pro forma" session of the Senate:

"The Supreme Court decision demonstrates that President Obama seriously erred in his attempt to circumvent Congress when he packed the NLRB with pro-union advocates. The court rightfully defended and protected the constitutional role of the U.S. Senate to provide advice and consent on executive appointments.

"While the decision does not affect the current composition of the NLRB since new board members have been seated with Senate consent, it does invalidate several important board decisions that will now have to be considered again by the new board.

"Most importantly, the decision is a reminder that there are appropriate limits to the unilateral exercise of executive authority. Rather than continuing the use of executive power to expand the regulatory reach of Washington, retailers and other job creators would encourage the White House to work with all stakeholders to fashion compromise solutions that address our shared economic challenges."

As a member of the Coalition for a Democratic Workplace, NRF submitted a friend-of-the-court brief in the Canning case arguing that Obama's use of recess appointments to fill vacancies on the NLRB was unconstitutional, and that actions taken while questionable appointees were in office should be vacated. ■