



Retail Supply Chain Update

September 3, 2020

Walmart to launch its membership program, Walmart+, in mid-September

- Walmart will launch its membership program nationwide on Sept. 15.
- Walmart+ will cost \$98 a year or \$12.95 a month.
- The subscription service will capitalize on the retailer's strong grocery business and customers' desire for more convenient ways to shop, but members must spend a minimum of \$35.
- Walmart+ members will get unlimited free delivery, discounts of as much as 5 cents a gallon for fuel and access to a Scan & Go app that allows shoppers to skip the checkout line. But they will still have to meet a \$35 minimum for each online order to avoid shipping fees, or to qualify for grocery delivery to their door.

Walmart gets creative, goes virtual as it plans for holiday toy shopping

- Walmart's preparations for toy shopping over the holiday season looks very different during the coronavirus pandemic.
- Among the changes, the retailer has relied on a virtual focus group of kids to pick the hottest toys, developed an online alternative to store demos and shipped more toys to fulfillment centers in anticipation of online orders.
- Before each holiday season, Walmart gathers hundreds of kids at a convention center near its Arkansas headquarters.
- The young testers try out lots of toys and pick those they would like to get from Santa. That shapes the retailer's list of top toys and determines which ones it orders in abundance.
- This year, the company mailed toys to several dozen kids to test at home. It's one example of how the coronavirus pandemic has changed norms for the holiday season — even before it has truly begun.
- Even with the pandemic and recession, Jefferies' Steph Wissink said she expects toys to remain a strong category and sales to look the same as last holiday season.

Whole Foods opens online-only 'dark store' in Brooklyn

- Whole Foods Market has opened its first online-only store, located in the New York City borough of Brooklyn.
- Parent company Amazon said the "dark store," which went into operation yesterday, will fulfill delivery orders only and help Whole Foods better meet rising customer demand for grocery delivery service. The brand-new facility, situated in the borough's Industry City neighborhood, will serve customers in the Brooklyn area exclusively.

Tyson Foods partners with Marathon Health for 7 clinics

- Tyson Foods announced Thursday (Sept. 3) plans to open seven health clinics with Marathon Health to be located near its meat processing plants.
- The clinics will give Tyson Foods employees and their families easier access to high-quality healthcare and, in most cases, at no cost, the company said in a news release.
- Tyson Foods said the targeted date for opening the clinics is in the first half of 2021. The seven clinics will serve nearly 38,000 employees and their families. Spouses and dependents age 2 and older who are covered by the Tyson Foods insurance plan will be eligible. The clinics will be designed to serve a diverse workforce, providing communications in multiple languages.
- The clinics will provide primary and preventive care, including health screenings, lifestyle coaching and health education, as well as behavioral health counseling. They will also collaborate with plant community health providers, including primary care physicians and specialists, to ensure appropriate care is delivered, the company said.
- The pilot clinic project represents the expansion of Tyson Foods' We Care workplace safety program to include overall team member health and wellness. It is an addition to the company's existing health services staff, which includes on-site occupational health nurses at most plant locations.

First toilet paper, then yeast. Now laptops are hard to find

- In March, as the country transitioned to online learning almost overnight because of the pandemic, many schools and families did their best to make do with the tools they had.
- The situation revealed deep disparities in access to at-home technology, and many school districts hoped to rectify the situation when they began hybrid or online schooling come fall.
- But with districts across the country all placing big device orders around the same time — and with many universities and companies also reliant on remote work — the unprecedented demand for laptops has strained supply chains. As a result, schools and families are dealing with shipping delays, limited selections and higher-than-usual technology costs.
- Many device makers say they're working to scale production to meet the need, but there's only so much they can do.
- "The supply chain is not built to satisfy this kind of demand," NPD analyst Stephen Baker said, adding: "I would be surprised if anything is fully caught up before the end of the [calendar] year."