

Coy competitors compete for Kroger customers

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"I'm sure sales are down, but more and more people are shopping (at Kroger) as this goes on," RYAN MATHEWS, editor of Grocery Marketing, isn't surprised at efforts of competitors to target Kroger regulars. He also had speculated that Kroger eventually would participate in promotions to hold its base.

"If I was running Farmer Jack, I'd put cashiers on every checkout lane, stores would be spit-shined and pricing would be as hot (low) as I could have it," Mathews said.

Major independents like Hollywood Market and Danny's also have an opportunity to lasso new business, he added.

"They have to finally decide whether they really want to play ball with the big kids," Mathews said. "They will have to get their profit margins a little lower, provide good service."

William Welch, an owner of the five Hollywood markets in Oakland County, said he doesn't see a big coupon war materializing.

"Everyone's giving away everything they can," he said. "What's left to give away? It's very tough now."

While Welch doesn't intend to run promotions, he has emphasized to employees the importance of making a positive impression on new customers.

"THEY ARE totally aware how much we need customers and how we have to give them the best service possible," he said. "If they try us and like us, maybe they'll stay with us."

Howard L. Green, a retail consultant based in Troy, also sees opportunities for independents. Well-stocked shelves, service at the front end and a promotion to bring new customers in the door are keys, he said.

Joseph O'Connor, president of Consumer Market Analysts in Birmingham, anticipates much internal debate

among food retailers about escalating coupon offerings. The risk is short-term losses for uncertain long-term gain.

"I think you'll see advertising aimed at Kroger customers," he said. "I suspect they're eyeing special sales without getting into deep discounting. If one does it, the others will respond."

Mathews sees more losers than winners emerging from this labor dispute.

"THE COMPANY can't win," he said. "If they get the union to agree (on Kroger's current terms) for the entire length of the contract, you're looking at angry, alienated workers. Angry workers can cost a company a small fortune in a million different ways."

"Kroger is an immediate loser due to reduced sales. Union members are long-term losers. They never recoup lost wages," Mathews said.

Mathews also wondered whether the unions have staying power and leverage to prevail during a lengthy walkout even in a union town like Detroit.

Another wild card, according to Mathews and O'Connor, is that a significant number of shoppers are loyal only to price.

"The biggest recipient is going to be Meijer and secondly Farmer Jack," Welch said. "They have the size to absorb customers without inconveniencing anybody."

No bargaining sessions were scheduled between Kroger and the strikers as of Wednesday morning.

"We're having a very good impact on the community as far as shutting down Kroger's business," said Gerry Omstead, a officer for United Food and Commercial Workers Local 876. "Their business is down, based on reports of our people who (used to) work in the stores, 90-95 percent."

Deductions alone don't justify larger interest payments

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weaknesses that we would like to discuss. First of all, neither of the Danes have disability insurance coverage, which is a major oversight and should be corrected. Buying personal policies should be a high priority item.

A SECOND CONCERN is their life insurance coverage. There is a \$250,000 term life insurance policy on Tom and a \$30,000 term life insur-

ance policy on Grace. They understand that if either were to die prematurely the income produced through the investment of these life insurance proceeds would not allow them to maintain their current standard of living, especially with heavy education expenses upcoming. They should each purchase at least \$150,000 of additional term coverage to be maintained for at least the next 10 years.

Our final concern is the lack of any will or estate plan. As we have

discussed in the past, estate planning is important to protect against death, taxes and probate costs and to provide a smooth transition between family members. In the Danes' case, both of their children are under age 18, and if the Danes were to die, a guardian would have to be appointed. With a will, a guardian can be appointed and the Danes would determine who those guardians would be rather than the probate court making that decision.

Any assets held jointly by the

Danes would automatically go to the survivor without going through probate, but if both of the Danes were to die in a common accident or in rapid succession, there would be significant probate. In addition, as each child attains the age of 18, that child would be entitled to his share of the estate. That could be a significant amount of money, and it is questionable whether an 18-year-old could handle such a sum.

The Danes would be well advised to meet with an attorney to discuss

the estate planning concerns raised. Many attorneys are willing to meet on a no-fee basis for the initial conference. The cost of estate planning will vary depending upon the needs and assets of the individual client, so the cost should be a significant part of the discussion with any attorney.

The Danes have managed to satisfy many of their needs and by carefully choosing their goals and investment objectives will continue to be able to satisfy themselves well into retirement.

Dan Boyce, a certified financial planner at the Center for Financial Planning in Southfield, has been recognized by Money magazine as one of the top financial planners in the nation. Alan Ferrara is a partner in the Farmington Hills law firm of Couzens, Lansky, Fealk, Ellis, Roeder & Lazar. Both have served in leadership roles in financial planning professional organizations.

datebook

- PAYROLL ASSOC**
 Wednesday April 22 — The Southeast Michigan chapter of the American Payroll Association will hold its next meeting at 7 p.m. at teh EDS Towers, 26533 Evergreen. Topic: The Michigan Garnishment System. Call 262-2950.
- ECONOMIC SURVIVAL**
 Thursday, April 23 — Southworth & McFawn Advisory Corp., a registered Investment Advisor is presenting the popular seminar "How to Survive in Today's Economy at 6:30 p.m. at the Great Oaks Country Club in Rochester. Call 299-4080.
- PRIVATE PROPERTY**
 Wednesday, April 29 — "Privacy and Property: Are They Constitutionally Protected?" will be the issue of an analytical presentation on Wednesday, April 29, by noted law professor Richard A. Epstein at the Southfield Sheraton on J.L. Hudson Drive.
- 5-STAR CHAMBERS**
 Tuesday, May 5 — the chambers of commerce from Canton, Garden City, Dearborn Heights, Wayne and Westland is offering a one day seminar on topics including credit card fraud, consumer protection and small claims court procedures at the

William D. Ford Voc/Tech Center in Westland. Call 326-7222.

TRADE ADVANTAGE
 Thursday, May 7 — The Greater Detroit Chamber of Commerce is sponsoring a one-day mixed industry trade expo and seminar designed specifically to provide companies with the opportunity to meet hundreds of viable new prospects in the space of one workday.

SMALL BUSINESS DIRECTORY
 Copies of the free "Small Business Resource Directory" are available at all National Bank of Detroit offices. The booklet, produced by New Detroit and NBD, offers resource information for operators of small business.

Information for this column should be sent to the business editor, Observer & Eccentric Newspapers, 36251 Schoolcraft, Livonia 48150.

Information must be received by Monday to be published in the Thursday issue. Publication cannot be guaranteed.

Information should contain a daytime telephone number where information can be verified.

marketplace

Novamax Technologies Inc. has opened a new Livonia facility that consolidates three divisions — Quallchem, ICP, and Pillsbury Chemical & Oil — for total metal finishing chemicals management.

Vernors Inc., a soft drink subsidiary of A&W Brands Inc. has recently unveiled its new advertising campaign, "It's a Taste That's Different. But A Good Kind of Difference," created by W.B. Doner & Company.

DQB Industries, the commercial and consumer brush and broom producer in Livonia has named Smith-Winchester of Southfield as its advertising agency.

Downriver Refrigeration Supply Co. of Livonia has announced the opening of a new distribution and branch store operation in Westland.

Teckpoint Inc. the Livonia-based computer software development company and an IBM point of sale industry remarketer, was presented

with the IBM Store Systems Industry Remarketer of the Decade Award.

Commemorating its involvement with the 1992 defense of the America's Cup yachting trophy, Cadillac Motor Car Division has introduced a limited edition "Stars and Stripes" Eldorado.

Michigan National Corporation, the Farmington Hills-based bank holding company, has announced it raised \$70,000 in its "1992 Caring Contribution for the Homeless" voluntary payroll deduction plan.

The Detroit Compact, an initiative of the Detroit Strategic Plan and a comprehensive partnership of business and community members designed to provide opportunities for qualified public school graduates and to stimulate school reform, has been given high marks in its second annual report from its external evaluator, Moore & Associates.

Alan Barry, the president of Brass

Craft Manufacturing Company of Southfield, has announced acquisition of General Appliance Manufacturing Company of Ontario, California. General Appliance manufacturers gas and water heater appliance connectors.

Flexible Technologies Inc. of Westland has received a large contract from Martin Marietta Corporation to design, manufacture and supply specialty hi-tech bellows for various applications in the latter's three assembly plants around the country, president Robert T. Smith announced.

Paul Inman Associates in Farmington Hills, one of the largest food brokers in the Midwest, today acquired Puccetti/Gasser Inc., a major food broker based in Toledo, Ohio.

Eugene Applebaum, chairman and chief executive officer of the Troy-based Arbor Drugs, Inc., has announced the re-opening of the former Lucky drugs in Lincoln Park to a full-line Arbor format.

Grace & Wild Studios in Farmington Hills is celebrating its seventh year with the debut of a two new multiformat editing suites — the first step in a planned expansion program.

"Director," a 45-second commercial for Chrysler Corporation's Jeep Division and created by Campbell Mithun Esty Advertising in Southfield, was picked as one of the Best TV commercials of 1991 by Advertising Age magazine.

A new business-to-business yellow pages directory will be published for the Detroit area in September 1992 by Ameritech Publishing Inc., publisher of the Ameritech PagesPlus White and Yellow pages directories.

Send information for Market-place to Business Editor, Observer & Eccentric Newspapers, 36251 Schoolcraft, Livonia 48150. Deadline is Monday for publication in the coming Thursday issue.

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