

The Retail REVIEW



CENTENNIAL CELEBRATION

Pictured: The Union Oyster House, founded in 1826, is the oldest continuously operating restaurant in the U.S., and a longtime member of RAM.



JAN-FEB 2018 | RETAILERSMA.ORG

A Letter from the President

2018 Marks 100 Years of Serving Retail Sector & Unmatched Level of Challenges For Our Members

The Retail Review

January/February 2018

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In 1918, the retail members of the Boston Chamber of Commerce formalized their previously ad hoc public affairs committee efforts on behalf of local merchants, and the roots of what would later become the statewide Retailers Association of Massachusetts were established. Although operating in a simpler time, the members of the Retail Trade Board of Boston knew that working together was important to ensure that their customers were properly served, the government regulatory environment was fair, and that the merchants and their employees were collectively successful.

One hundred years later those objectives still are front and center, but the challenges are far greater. The unlimited options consumers have today to spend their dollars locally, in the next state, or around the world right from their phones have made what was always the most competitive industry in the world only more so. And the governmental challenges have been magnified by much larger, full-time legislative and regulatory bodies at all levels of government affecting operations and decision making for small business owners, the employees, and the customers.

Throughout this year, RAM will be celebrating 100 years of our organization and industry, even as we continue to work for another 100 years of fair and free markets, evolved consumer service and promotion, and local economic growth and investment.

Our fight for a fair sales tax, one that incents our consumers to spend in our local economy not somewhere else, will be front and center with our ballot initiative to roll back the 2009 increase back to 5%, as well as to bring back a 2 day sales tax holiday. With growing consumer options on the internet, on top of north of the border sellers which don't collect the Massachusetts sales tax, we need to make the point that this regressive tax framework isn't working in the 21st Century.

Furthermore, government imposed mandates and costs ranging from the highest health insurance premiums in the country, to new assessments to cover state health programs, to both new and antiquated labor mandates are making it less likely that local sellers can effectively compete with those out of state competitors which escape such mandated costs. The only in Massachusetts and only for retailers Sunday and holiday premium pay "Blue Law" requirement on 58 of the top sales days of the year clearly puts our Main Streets in jeopardy while online sellers are completely exempt from that state law. And with a \$15 minimum wage potentially on tap, such government imposed discrimination against the home team must end this year.

Paid sick leave requirements—even for part timers and teenagers—could get dramatically expanded to 16 weeks of family and 26 weeks of medical leave with another unprecedented and only in Massachusetts measure. Special interests pushing these one size fits all mandates clearly only care about their taxpayer and health insurance funded contracts, and are ignoring the consequences for small businesses and their employees on Main Streets across the Commonwealth.

2018 is a year of celebration as we commemorate 100 years of our industry efforts. But it is also a defining year which will dictate the futures of countless retail sector employers and their employees across the Commonwealth. The Board of Directors and the staff of the Retailers Association of Massachusetts look forward to working with all of our members to fight for our futures, and to ensure those futures are not taken for granted by our public policy leaders and our consumers. We hope you will stand with us in this critical fight in this hallmark year.

Best,

Jon B. Hurst

President



New Employer Health Care Tax Now in Effect

Employers' liability unknown until April 1st

The MA Department of Unemployment Assistance (DUA) has finalized regulations and FAQ's on the new employer health care tax to be implemented through an increase in the Employer Medical Assistance Contribution (EMAC), which took effect on January 1. The temporary assessment was adopted last year as part of the state budget.

The EMAC is an existing tax that most employers pay as part of their unemployment insurance taxes. EMAC funds are used to pay for subsidized health care for low-income residents of the Commonwealth. This increase has two parts, or tiers:

1. A temporary increase in the existing EMAC, and
2. A temporary supplemental assessment for employers with employees covered under MassHealth (the MA Medicaid program) or subsidized coverage through the MA Health Connector.

The former EMAC contribution rate was 0.34% of wages, up to an annual wage cap of \$15,000, with a potential maximum cost of \$51 per employee per year. For the wages paid in the years 2018 and 2019, the EMAC contribution has been increased to 0.51% up to the annual wage cap of \$15,000, for a potential maximum cost per employee of \$77 per employee per year.

The EMAC Supplement applies to employers with more than five employees whose non-disabled employees obtain health insurance either from MassHealth (excluding the premium assistance program) or subsidized coverage through the Connector. The Supplement is 5% of annual wages for each non-disabled employee, up to the annual wage cap of \$15,000, for a maximum assessment of \$750 per employee per year.

The increases are now in effect and are set to expire on December 31, 2019. Employers will see their first EMAC increases and EMAC Supplement costs (if any) in their first quarter unemployment insurance bills (on or about April 1).



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Ed Penta,
McKinnon's Market

*Approved by Mass Retail Workers' Compensation Group



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LATINO CONSUMERS AND THE RETAIL SECTOR IN MASSACHUSETTS

By Eduardo Crespo

According to the US Census, Massachusetts was home to 797,835 Latinos in 2014, which constitutes 12% of the total state population and grew 15.7% from 2010 to 2014, Blacks by 7% and Asians 17% while whites continued to experience a decline of 5%.

What this data represents is the growing importance of Latinos and other minorities in general in our state economy and the retail sector. As you can see, Latinos, Blacks and Asians compensated for the white population decline.

What are the business implications for retailers catering to Latinos given these dramatic demographic changes? Here are some recommendations:

1. Understand your prospects and client base beyond language issues. Hispanic origin consumers are unique and a highly heterogeneous market segment. Here in Massachusetts the majority of the population live in urban areas and come from Puerto Rico (Boston, Springfield, Holyoke, Worcester), the Dominican Republic (Lawrence, Boston, Lynn), and central and south America (East Boston, Chelsea, Lowell, Cambridge). This growing population, segmented by gender, age, cultural background, academic degrees or professional skills define their consumption habits in retail, either traditional or online every day.
2. Identify your target market. For brick and mortar stores, location and type of merchandise are key marketing elements. Latinos are brand loyal and price is not the most important factor in purchasing goods and services.
3. Remember that there are major differences between US born Hispanics and Hispanic immigrants. For one, brand recognition is most likely not known for immigrants except for global brands. Buying patterns are different depending on income levels, and think for a moment, if one just immigrated to MA from a warm country, it will be an “experience” surviving a New England winter. Recent immigrants usually form a tight knit community and shop at local retail establishments where they can speak Spanish. More established Hispanics that are affluent will tend to shop at malls, shopping centers or department stores and are very brand conscious.
4. Customer service cultural considerations. Retailers must be culturally sensitive, especially dealing with the Hispanic consumers. Their experience shopping in a store must be unique and pleasant, thus generating loyalty not only from the shopper but from their families and friends that will be referred by the shopper. Hispanics are more emotional than the general market and consider shopping a pleasant thing to do.
5. Engage with the Hispanic community. Hispanics traditionally assume that merchants, being part of the community, have a moral responsibility to participate in social causes. Therefore, be generous and build goodwill by contributing to your local school sports teams, non-profits and social service agencies.
6. Communicate and show your appreciation for their patronage. Depending on the level of acculturation, Hispanics expect retailers to communicate with them, in Spanish or bilingually, by supporting their local media channels, sponsoring their Hispanic heritage festivals and cultural events. Building a positive relationship with Hispanics will pay handsomely in the long run.



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RAM Loss Prevention Committee



From left to right: Joe LaRocca, RetailPartners, Kevin Plante and Brendan Fitzgerald, BJ's Wholesale.

RAM recently announced the resignation of its long time Loss Prevention Committee Board Chairman, Kevin Plante. A leader in the loss prevention community, Kevin was responsible for spearheading the creation of RAM's Loss Prevention Committee as a network for information sharing, educational efforts, partnership building and advocacy for retailers in Massachusetts and the New England region. Early in his chairmanship, Kevin served as the architect of the annual New England Loss Prevention Expo which, after celebrating its eleventh year in September of 2017, remains the region's premiere loss prevention event. He also authorized the creation of the New England Organized Retail Crime Alliance (NEORCA.org), an industry run web portal that provides real time case information, trend tracking and communication capabilities to the New England LP community and law enforcement partners. And through the committee's persistent advocacy efforts, Kevin's tenure as chair also saw the successful adoption of much needed Organized Retail Crime Statutes in Massachusetts in 2014.

"Kevin Plante's contributions to RAM and the LP Committee cannot be understated," said RAM President Jon Hurst, "His experience, expertise and relationships within the industry have proved essential to the ongoing success of our loss prevention efforts."

The RAM LP Committee extends its thanks to Kevin for his many years of service to the Retail and LP community. In the wake of Plante's departure the LP Committee Board unanimously voted Brendan Fitzgerald, Vice President Asset Protection for BJ's Wholesale Club, to the position of Committee Chair. A long time RAM LP Committee Board member, Fitzgerald's career in retail spans almost two decades, with the past fifteen years specializing in the Asset Protection field.

During that time Fitzgerald has worked in single store, multi-unit and corporate office roles primarily focusing on physical security, shrink reduction, internal and external investigations, ORC, staffing and development of teams and security management.

"I have been fortunate enough to work alongside Kevin for nearly ten years on the RAM LP Committee Board, Kevin's passion for the industry and the people in it is unrivaled," said Fitzgerald, "Over the years Kevin has gone above and beyond providing the loss prevention community with quarterly meetings, our annual conference, NEORCA, ORC legislation enacted, stronger than ever public/private partnerships and most importantly a network that promotes career growth and development."

The RAM LP Committee is comprised of industry experts, loss prevention professionals and law enforcement. By networking and sharing information, we arm ourselves with the knowledge to stop loss before it occurs or prevent it from happening again.

The Committee is run by a 6 member Board and has over 150 participants. The Committee meets quarterly to discuss relevant LP topics and share information and also plans the annual New England Loss Prevention Expo. In addition, the Committee provides expert guidance for small businesses looking to implement or upgrade their loss prevention efforts.

Our goal is to broaden our network and open the lines of communication between retailers, law enforcement and policy makers. Together, we can make a difference in our stores and push a common agenda that addresses shortfalls in our state and federal laws.

If you are interested in learning how the RAM LP Committee can assist you, contact Ryan Kearney at 617.523.1900.

Welcome 49 New Members

42 Main Streets Market & Cafe, Inc.
Concord

Artwear
Arlington

Beantown Athletics
Boston

Beantown Burrito Too, Inc.
Boston

Big Bunny Market, Inc.
Southborough

Boston Wholesale Lobster Corp.
Newport

Brissonte
North Reading

Brook Town Service Center
Plymouth

Cape Cod Beer, Inc.
Hyannis

Cobblestones
Lowell

Columbia Road Gulf, Inc.
Dorchester

D'Amici Bakery
Lynn

Dillon and Company LTD
Plymouth

Evviva Cucina LLC
Westford

Fabrizio Kitchen and Bath, Inc.
Peabody

Foster From Gloucester
Gloucester

Gayatri Petroleum Corp.
Agawam

Good Harbor Liquors
Gloucester

Guido's Fresh Marketplace
Pittsfield

H&H Industrial Truck Service, Inc.
Wilmington

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Sessions are ongoing until June 2018 and are being held throughout the state.

After our last e-bootcamp:

- **100 % of participants reported that they learned new skills they could immediately apply to their businesses.**
- **100% of participants said they would recommend these interactive sessions to a friend.**

Topics covered:

- Instagram
- Facebook
- how to go live
- live demos
- shortcuts to growth
- starting from scratch
- customer service on social media
- trends and tricks
- advanced users
- technical basics for beginners

To learn more,
email Jessica Van Sack at
Jessica@RetailersMA.org. This program is
funded by grants issued by the Commonwealth
Corporation and the Executive
Office of Labor and Workforce Development.

WWW.RETAILERSMA.ORG/SOCIAL-MEDIA-TRAINING



BOSTON BANS PLASTIC BAGS

The City of Boston recently joined the growing list of municipalities across Massachusetts that have banned retailers from providing plastic bags to customers at checkout. Sixty two cities and towns statewide have now adopted some form of plastic bag ban.

The ordinance limits checkout bags provided by retailers to customers to reusable bags, recyclable paper bags, or compostable plastic bags. A reusable bag is defined as any bag with handles that is designed and manufactured for multiple reuse and is either polyester, polypropylene, cotton or other durable material, or durable plastic that is at least 3.0 mils thick. Retailers must charge a minimum five cents (\$0.05) per checkout bag provided, and the retailer shall keep all bag charge monies collected. The charge must be separately stated on the sales receipt provided to the customer at the time of sale and shall be identified as the "checkout bag charge".

The ban applies to any establishment that sells or provides merchandise, goods or materials directly to a customer, including but not limited to restaurants, pharmacies, convenience and grocery stores, liquor stores, seasonal and temporary businesses, jewelry stores, and household goods stores.

The ordinance does include a number of exemptions to the bag ban including bags used for loose produce or other products used by a consumer to deliver items to the point of sale or check-out area, laundry or dry-cleaner bags, newspaper bags, and bags used to contain or wrap frozen foods, meat or fish, whether prepackaged or not, to prevent or contain moisture.

The ordinance becomes effective December 2018.



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Massachusetts



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RAM Member Business For Sale in Western Massachusetts



Full-service grocery outlet store with high traffic in organic produce and meats/deli, plus grocery, dairy, and frozen foods. This established, turn-key business has over \$1 million in sales. The profit margins are 50% due to long-term wholesaler accounts. The business property is a less than a half-mile off Interstate 91 with plenty of space to expand on over 5 acres. The stand-alone building is 13,600 square feet of retail space, plus additional warehouse space, multiple position loading dock, and tractor trailer parking. The property is for sale as a direct purchase. Owner is retiring. For more information contact David Richman at 860-408-9177 or dritchman@roibusinessbrokers.com. All inquiries will remain confidential and require a signed NDA to release business information. Listed Price: \$550,000



New Members

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Hellen Fuel Corporation
Uxbridge

Joseph's Pizzeria
Jamaica Plain

Leggo's
Holbrook

Lou's Custom Exhaust
Danvers

Lynne Greene Interiors, Inc.
Burlington

Metropolitan Catering, Inc.
Wilmington

Muldoons Mini Mart
New Bedford

Nor'east Cleaners
Gloucester

Nosh & Grog Provisions
Medfield

On the Way General Store
Agington

Reading Quick Stop, Inc.
Reading

Reasons to be Cheerful
Concord

RJ McDonald
Barre

Sam's Food Store
Palmer

Savvy on Main
Orleans

Short & Main
Gloucester

Shovel Town Brewery, Inc.
North Easton

Smith Catering and Function Room
Holbrook

South Shore Vapors LLC
Kingston

Spinelli's
East Boston

Star Port Country Store and Deli
Westport

Star Printing Corp.
Brockton

The Event Company
Gloucester

The Lilypad
Cambridge

The Watchmaker
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Unified Cup Stop, Inc.
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For more information regarding these offerings as well as additional ancillary benefits please visit our webpage at

www.retailersma.org/RAMHIC

or contact RAM's Insurance & Human Resources Director, Larry Mulrey, at

(617) 523-1900 ext. 180.

