

## LOOKING OUT FOR BUSINESS

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# IT'S THE END THAT COUNTS

By Bryan Wachter

**YOU'VE PROBABLY HEARD THE TIRED CLICHÉ THAT LIFE ISN'T ABOUT**

the destination — it's the journey. That may be true for life, but it's certainly not true in politics where the destination is of paramount importance. Business owners and their employees need to remember that the winners in this year's election cycle will be tasked with making decisions that can either cost business money, or can sustain an environment of growth. Elections answer the most basic question of 'who gets to decide how much, if any, taxes I pay.' Thanks to last month's primary election, we are now a step closer to answering that question.

For all of the talk and discussion centered on the U.S. Senate race, where Harry Reid will battle for his political life against Sharron Angle, it's easy to get distracted from the down ticket races, the races for State Senate and State Assembly, that will have arguably a bigger impact on the day-to-day operations of business in Nevada.

Since the primary election results are on-line and can be found at [www.silverstate2010.com](http://www.silverstate2010.com) there isn't a need to

catalogue the winners here, but rather, to point out two interesting trends that arose during this primary election.

First, more people voted on Election Day in Clark and Washoe Counties than early-voted. This is a surprising fact as historically the reverse has been true. Commentators and political scientists are at a loss to explain the change, but it has a huge impact on how campaigns are run. When most voters vote early, campaigns make their biggest push, not days before the election, but weeks before. But if most voters wait until Election Day, there is a longer effort, and therefore more funds required for candidates to make their case.

The second interesting trend was the heavy Republican turnout. With just under 50% of registered Republican voters in Washoe County (the other 16 counties reported similar results) going to the polls, it would appear there is a significant interest in the November election among Republicans. If that interest holds, it could provide the needed support to bring success to Republican candidates in November. It's often pointed out that the

Nevada Democrats enjoy a significant voter registration lead over Nevada Republicans but the only voters that matter are the ones that vote and Republicans were out in force last month.

When the dust settles on the November Election, what kind of legislature do you want to have? The Retail Association will be providing insight into the November election through later issues of *Nevada News* and will continue to interview the general election candidates.

Look for our General Election Guide in October's issue and keep in mind that elections are important, if for no other reason than those who win them become the policy makers. ■

NEVADA NEWS

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# BRIAN SANDOVAL

## Republican Candidate for Governor

**A** **AS AN ATTORNEY IN PRIVATE PRACTICE, TWO-TERM** legislator, Gaming Commission member and chairman, Attorney General and federal judge, Brian Sandoval has a unique background for governing Nevada. Few other candidates in Nevada's history have been experienced in so many facets that affect the state and its citizens.

"I've traveled the state and visited with businesses and schools, I've seen the effects of this recession. Contractors, who once had 2,000 employees, now have 25. Restaurants, which were once thriving, are barely holding on. Schools do not have adequate textbooks. We're facing some of the biggest challenges in Nevada's history, but I know I can address them. I know I can help turn this economy around," emphasized Brian Sandoval.

"As governor, I will be a leader in encouraging new businesses to move here. It will be part of my job to meet with them personally, and if there are hindrances to their moving here, I will try to remove them," Sandoval said.

"Business has to be a priority for the next governor to repair our unemployment numbers. We need a business environment where we can take care of our present businesses, those companies who have made a commitment to the state, and that is also favorable for new businesses. That means NO corporate taxes! We need businesses to be able to expand and hire more workers. Additional taxes and/or fees will put some of our businesses over the edge," Brian explained.

Like former Governors Paul Laxalt and Mike O'Callaghan, Sandoval plans, if elected, to make regular visits to communities throughout the state.

"Government has a responsibility to be accessible to the people. It's great that we're a small enough state where that can happen. My plan is to take some agency heads and visit the communities throughout the state. I want to hold forums, where we can hear the problems first-hand and address the issues." Sandoval paused, then chuckled. "People in other states are still thrown by how accessible elected officials are in Nevada. And that's the way it should be!"

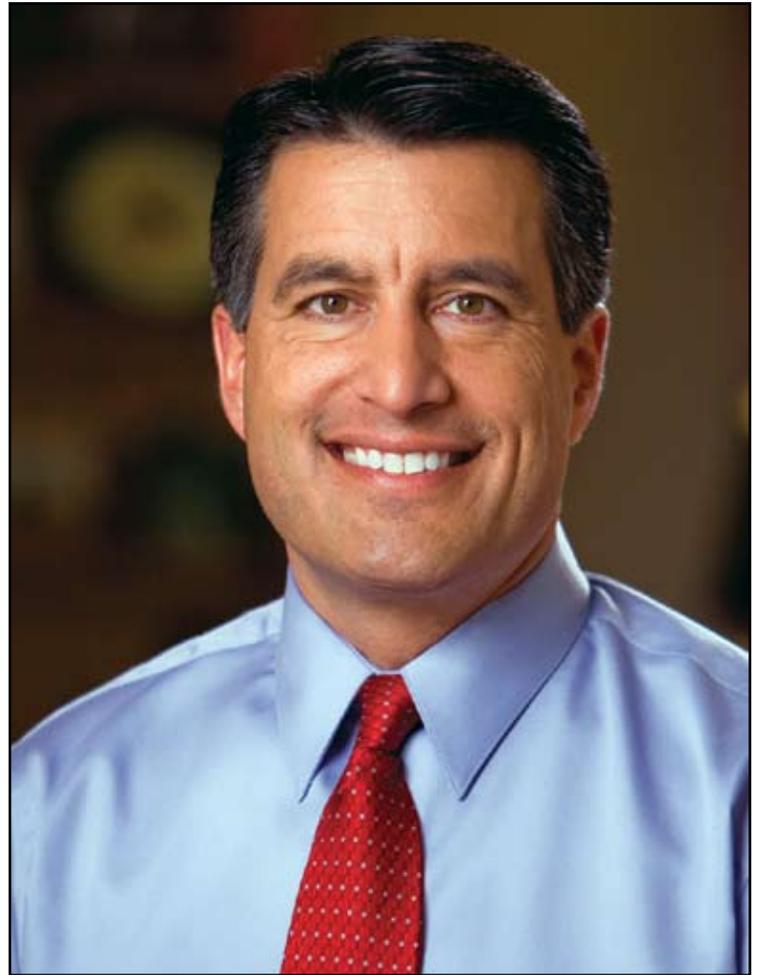
Education is equally important to Sandoval. He'll be releasing his education plan in the next few weeks.

"What I will tell you is that from what I hear when I visit schools, is teachers and principals want some control over curriculum. But accountability is necessary. There has to be some means of measuring the effectiveness in the classroom and the schools. I believe in charter schools and career and technical education. Not every student needs nor wants to go to college. If a student wants to prepare for work when he/she graduates from high school, that option should be there." Sandoval paused ... "I have three children in Nevada's public schools. All

***"Government doesn't create jobs; government creates an environment for job creation."***

**Brian Sandoval**

parents want the best possible education for their children. I'm no different. What happens in Nevada's schools affects my children, too."



Nevada's unemployment rate of 14% had just been announced. Jobs and the economy were clearly on Sandoval's mind.

"My plan for addressing the deficit calls for budget cuts. I understand the impact of these proposed salary and benefit reductions on our state employees, but I think the cuts are better than mass layoffs or tax increases. Government doesn't create jobs; government

creates an environment for job creation. Make no mistake, there is a difficult road ahead and none of the choices to address this problem are easy or painless.

But once the private sector improves economically, the revenues will be there to restore some of the painful cuts that could be necessary," Brian said.

### **AN INVITATION**

"I want to visit with 100 businesses and 100 schools before the election," said Brian Sandoval. "So if any of the members of RAN would like me to visit their businesses, ask them to contact me."

To invite Brian Sandoval to your business, or to read his economic plan and get further information about where he stands on the issues, go to: **www.briansandoval.com/home**. Scroll down to contact and click. ■



# CAMPAIGN 2010

**MARILYN KIRKPATRICK  
(D, AD 1—Clark County)  
Food Sales Executive  
Chairwoman, Assembly  
Government Affairs  
Matrix Score 68.75%\***

Running for her fourth term of office, Marilyn Kirkpatrick brings a private sector point of view to the bills brought before the Government Affairs Committee.

"I'm really about the constituents," said Kirkpatrick, "I try to ask the questions of government officials the taxpayers would ask if they had the chance."

Although in favor of consumer protection, Kirkpatrick worries about regulations that hinder or hurt businesses, especially small businesses.

"Small businesses are the (economic) backbone of the state," Kirkpatrick continued, "we have to be mindful of their uniqueness and what we can do to keep them open and going. We have to help businesses to grow in order to stimulate the economy and create more jobs."

Kirkpatrick views the Vision Stakeholder Group as an advisory body only.

"They're going to suggest a vision of Nevada, what we're going to look like in the future, with various goals. But it will be up to the Legislature to decide if that's what we're going to enact. We have to be concerned with the jobs of the future, the best education and the appropriate training. We need jobs with stability. We need to look at incentives for manufacturing for instance. What do they need to stay here and grow," she said.

Marilyn is also concerned about the state budget.

"Balancing this budget is going to be a challenge, to say the least," Kirkpatrick said.

"Somehow we have to find some revenue without hurting businesses that are hanging on by their fingertips." ■

**PETER (PETE) J. GOICOECHEA  
(R, AD 35—Eureka, Pershing,  
White Pine Counties,  
portions of Churchill,  
Humboldt, Lander, Lyon  
and Washoe Counties)  
Cattle Rancher  
Republican Assembly  
Minority Leader  
Matrix Score 80.00%\***

A third generation rancher, Pete Goicoechea is running for re-election to his fifth term of office. Last month, he was elected Assembly Minority Leader when Heidi Gansert resigned. (Gansert is not running for re-election)

Ask Pete what his biggest challenge is and he'll tell you – "Talking to my constituents."

He's not tongue-tied, but has one of the largest districts (geographically) in the United States. To reach the people he represents, Pete has to travel eight counties.

"I attend as many events as possible and try to combine trips so I can stop off and chat with folks," he explained. "The two issues of most importance to the people appear to be the economy and illegal immigration."

"The rural areas are impacted by the recession just like the urban areas. We have high unemployment and small businesses hanging on by their fingertips. They're not looking to government for help as much as they're afraid of what government might do to them. Any additional tax, burdensome regulation, any little thing could tip them over the edge," Pete said.

Goicoechea sits on the

Assembly Ways and Means Committee, which deals with all the money issues. He worries about the deficit and how they'll address it.

"I'm opposed to the Gross Receipts Tax, corporate taxes, in fact, no tax without a vote of the people is acceptable. It's not government's role to make jobs. It has to start with the private sector. And the more we weaken the private sector the tougher it will be to repair the economy," he emphasized.

"I do have faith in budget cuts. I think we can find ways to make the budget hole small enough to fill ... but I don't want to hurt education. It's time to go to zero-based budgeting. There is no doubt that the 2011 Legislative Session will be one of the toughest we've ever faced," Pete concluded. ■

**EDWIN (ED) A. GOEDHART  
(R, AD 36—Esmeralda,  
Lincoln, Mineral, Nye  
Counties and portions of  
Churchill County)  
Commodities Procurement/  
Alternative Energy Programs  
Manager; General Manager  
Dairy, Amargosa Valley  
Matrix Score 91.25%\***

Running for his third term in the Nevada Assembly, Ed Goedhart, like Pete Goicoechea, has an overly large (geographically) district, which encompasses rural areas with some urban. He stays in touch with his cell phone, which is always with him.

"My career has gone from cars to cows," Ed jokes, explaining how he once worked for General Motors and then moved to Nevada to manage a dairy farm. His real fascination is with green energy.

"We need to capitalize on Nevada's natural attributes,

wind, sun and geothermal," said Goedhart. Soon the Amargosa Valley will see 180 full time jobs as we build a 526 watt solar power plant."

Goedhart says the way out of our budget problems is stop the over spending.

"Revenue allocation is the problem," he said. "It's time to impose spending controls, end prevailing wages and reform the PERS/PEBT (state retirement and health) programs. We cannot afford the future cost of highly-paid retirees."

Ed Goedhart doesn't see education as a funding problem. In particular, he likes the school empowerment program, which grants a certain amount of autonomy to individual schools. He also likes the idea of parental choice when it comes to schools.

"No amount of money is going to make a great student on his or herself alone without having some parental involvement and encouragement," he told the Nevada News Bureau.

While Goedhart is opposed to taxes in general, he looked somewhat favorably upon a tax proposal made by the Nevada Policy Research Bureau (NPRI).

That policy would eliminate the payroll tax and insurance premium tax, lower the sales tax to 3.5 percent and extend the tax to food. (Any proposal to tax food would require a vote of the people.)

Although the proposal would exempt lower incomes from the sales tax on food, Goedhart was opposed.

"The cost of government applies to everyone," he told the Nevada News Bureau. ■



# THE PERSUASIVENESS OF UNCERTAINTY

By James Larsen, Ph.D.

**HAVE YOU EVER FELT UTTERLY DISMISSED? COMPLETELY** disregarded? For example, when you're with a customer, you're the expert (it is, after all, your business). You present your strongest arguments and recommend a purchase decision, and the customer just walks away. "We'll let you know." "Thanks for your time." It's maddening. It's embarrassing. Persuasive is something you need to be. Persuasive is something that will help you be more successful.

Persuasion is a much-studied subject, but most work examines persuasion in settings that don't resemble consumer settings. If you want to persuade voters or jurors, for example, there are proven persuasion tactics you can learn. But for retailers, the guidance is slim. Uma Karmarkar, from Stanford University recently made a contribution that will help correct this deficiency.

In three experiments involving hundreds of students, Karmarkar studied three elements of a typical consumer persuasive message — first, the strength of the arguments, second, the expertise of the speaker, and third, the certainty of the recommendation. Imagine, for example, that you're selling lawn mowers. You've qualified the customer — he needs a lawn mower and has the money to pay for it. Next, you present your best-selling model and introduce its features. You're the expert on lawn mowers, and part of your pitch is to educate the customer. Finally, you give your strong recommendation that this lawn mower will meet his needs and he should buy it. You are certain this lawn mower is right for him. In this example, the three typical features of a persuasive consumer message are present: strong

arguments, expert source, and certainty in the recommendation. In her experiments, Karmarkar varied the strength of each of these three elements. For example, one combination included strong arguments, a non-expert source (a typical customer), and certainty. Another combination included weak arguments, an expert source, and uncertainty, and so on. Logic suggests that strength in each element would lead to the greatest persuasion: strong arguments + expert source + certain recommendation = most persuasion. Surprisingly, that's not what Karmarkar found. But although she didn't find what logic would have predicted, she did find two consistent patterns of enhanced persuasion in all three experiments. The two strongest persuasion tactics were 1) expert source, strong arguments, and uncertain recommendation; and 2) non-expert source, strong arguments, and certain recommendation. The strength of these two combinations far outstripped the others.

Karmarkar explains it this way. The most persuasive message is not the one that convinces another to take action. People make their own decisions. The most we can achieve in a consumer setting is to trigger thinking. That's persuasive because most messages in consumer settings don't do that. We see attractive models talking about a product or service, but we think about the model. We don't imagine ourselves using the product. We don't think about how our lives would be better with the service.

The two patterns Karmarkar discovered trigger thinking because they're unexpected. Consumers experience surprise, and this causes them to think, and they think about the

arguments that were presented. Both patterns include strong arguments, so it is triggering thinking about the strong arguments that leads to action. Consider, for example, an unfamiliar restaurant where you stop and chat with a patron waiting outside. She doesn't know anything about restaurants, but she just had a great experience at this one, and she's sure you will, too. (Non-expert, strong arguments, certainty in recommendation.) Karmarkar's findings suggest that this is a powerful combination, and you'll probably go in and order a meal.

Next, let's go back to the garden center. The expert salesman describes the superior features of his best-selling lawn mower but adds that there are many good mowers on the market, and he's not sure if this is the best one for this customer or not. (Expert source, strong arguments, uncertainty in recommendation.) Karmarkar's findings suggest that this is also a powerful combination, and you might just buy this lawn mower.

Both patterns include strong arguments. The non-expert includes certainty in recommendation. The expert included uncertainty in recommendation. Both trigger surprise and further thinking, and the thinking is directed to the strong arguments. With this combination, persuasion is significantly greater. Karmarkar measured it.

For experts, there is only one choice. You must be gracious to competitors and respectful of the decisions your customers must make. You will never know all the factors that weigh on buying decisions, and the best recommendation you can make is an uncertain one. Karmarkar's research suggests that this approach will cause surprise

and trigger further thinking. If your arguments are strong, the customer will consider them. This is the most persuasive you can be.

But what if you're not the expert? Many times, customers will not expect to encounter an expert, and when this is true, you have another choice. You can be the non-expert, present your strong arguments, and give a certain recommendation. You're just another consumer like them. But your experience with the product leads you to your certain recommendation . . . an unexpected certain recommendation. Surprise will trigger further thinking which will lead to the strong arguments, and, hopefully, a purchase decision.

These are persuasion tactics that Nevada retailers should commit to memory, and practice implementing. ■

*Reference: Karmarkar, Uma, and Zakary Tormala (2010) Believe Me, I Have No Idea What I'm Talking About: The Effects of Source Certainty on Consumer Involvement and Persuasion. Journal of Consumer Research, 36, 1033-1049.*

## AB 326 WORKING GROUP

By Liz MacMenamin

### THE AB WORKING GROUP APPEARED BEFORE THE LEGISLATIVE

Committee on Health Care on May 26, 2010, in Las Vegas, to report their findings on prescription drug abuse in Nevada. After testimony before the committee, Assemblyman Denis agreed there would need to be one more meeting to finalize the proposal for legislation.

The next meeting was held in Carson City on June 24th. An update on language will be forthcoming. ■



# NEVADA STATE BOARD OF PHARMACY MEETING

By Liz MacMenamin

## THE NEVADA STATE BOARD OF PHARMACY MET IN RENO ON

June 2nd and 3rd and adopted language for the fulfillment regulation. This language better clarifies the practices of those pharmacies with respect to patient safety and consumer understanding.

As soon as the regulation is posted on the Legislative Counsel Bureau website, a link will be sent to members. The RAN has worked with the Board on this regulation for the last two years and commends the Board for finalization of the regulation.

The next step in the process will be the Legislative Sub-Committee, which reviews regulations. Finally, the regulation will be sent to the Legislative Commission where legislators give final approval to all regulations coming from boards and commissions in the state. A notice will be sent to you on the dates for these hearings as soon as they are posted.

Special thanks must be given to all of our members for their hard work and time-commitment to this issue, and especially to Leo Bausch, former Pharmacy Board member, who headed the committee working on this language and demonstrated leadership in bringing consensus from all parties. ■

# BE AWARE — NEW BANKING REG TO TAKE EFFECT

By Bill Uffelman, President/Chief Executive Officer, Nevada Bankers Association

## NEVADANS AND NEVADA MERCHANTS NEED TO BE

aware of a new federal rule that could lead to a significant increase in debit card transactions being denied at the point of sale. Compliance with this rule is required of all banks.

On July 1, 2010, the new Federal Reserve Board Regulation E rule goes into effect, requiring consumers to opt-in to their financial institution's overdraft protection service for ATM and one-time debit card transactions before overdraft fees may be assessed on the account. This means that financial institutions will be forced to either cease to assume the risk involved in covering overdrafts or, more commonly, offer consumers coverage if they opt-in for the service.

Failure to opt-in to a program means that consumers attempting to make a purchase with a debit card could have their transaction denied at the point of sale, instead of being covered by their financial institution, if they have insufficient funds in their account. Overdraft protection programs offered today by financial institutions provide consumers with protection against denied transactions. This service often involves a fee charged to account holders to cover ATM and debit card transactions when there are inadequate funds in the account.

Under the new rule, if an account holder has not opted-in to an overdraft program, and there are not enough funds in

the account to cover an ATM or debit transaction, a fee cannot be charged and the transaction may be denied. For new accounts, the opt-in deadline is July 1, while existing account holders have until August 15.

Compliance with this new rule is required of financial institutions, which are preparing communications with customers regarding their choices and obligations.

To help Nevadans better understand the new regulation and what their options are, the Nevada Bankers Association offers the following tips and information:

### OPTIONS FOR ACCOUNT HOLDERS

• **Opt-in:** If your bank has a practice of paying overdrafts for ATM and everyday debit card transactions, then there will likely be the option to opt-in to their overdraft program. Account holders will receive an opt-in notice with directions on how to do so, with the ability to opt-in via the Internet, by phone or in writing. You can also inquire at your bank to better understand the process. If you decide to opt-in, you will still have the option to cancel at anytime.

• **Don't Opt-in:** If you don't want to opt-in to an overdraft program you don't have to. However, if you do not opt-in, your ATM or debit transactions may be denied if there are inadequate funds in your account. There are often other choices available at a financial institution to protect against insufficient funds in an account. Many banks provide

the option to link a checking account to a savings account or line of credit. Call or visit your bank to inquire about your overdraft protection options.

• **Avoiding Overdrafts:** The best and easiest way to avoid overdraft fees is to keep track of your transactions and account balance. If you keep extra money in your account — a cushion — you will be less likely to overdraw. Some banks offer to send you an alert by phone, email or text message if your balance falls below a designated amount. Check with your bank to find out what options are available.

More information on the new overdraft rules is available on the Federal Reserve's consumer information website at [www.federalreserve.gov/consumerinfo/wyntk\\_overdraft.htm](http://www.federalreserve.gov/consumerinfo/wyntk_overdraft.htm). ■

**UPCOMING EVENTS**

- NRFtech: IT Leadership Summit**  
Aug 15-17, 2010  
Half Moon Bay, CA
- ARTS Users' Meeting**  
Sep 13-14, 2010  
Orlando, FL
- RAMA CMO Summit**  
Sep 22-24, 2010  
Scottsdale, AZ
- Chain Restaurant CEO Policy Summit**  
Sep 27-28, 2010  
Washington, DC
- Shop.org Annual Summit 2010**  
Sep 27-29, 2010  
Dallas, TX



# Nevada Notes

## NEVADA VISION STAKEHOLDER GROUP

The group, appointed to set a vision for Nevada's future and set goals is now awaiting a complete report from Moody's before meeting again.

The June meeting resulted in the committee expressing unhappiness with an executive summary of a non-existent report, which did not reflect the views of the membership.

According to Legislative Counsel staff, it might be August or September before the report is completed and distributed for reading prior to the next meeting.

## LAWMAKERS TARGETING BUSINESSES DUCKING EMPLOYEE TAXES

Some businesses are improperly classifying workers as independent contractors and skipping the tax and state assessments.

The Subcommittee to Study Employee Misclassification has voted to recommend imposing hefty fines on employers that misclassify their workers.

The subcommittee agreed the employer should be fined for the first offense at \$5,000 for each employee who is misclassified as an independent contractor. A fine of \$15,000 for each employee misclassified would be imposed for a second offense. And the fine for a third offense would be \$25,000 and loss of their business license for three years.

The state imposes a tax on businesses based on payroll. By having employees classified as independent contractors, that tax is lowered. And the business would not have to pay into the unemployment trust fund or the account for coverage for workers injured on the job.

The subcommittee, headed by Sen. Shirley Breedon, D-Henderson, also is recommending to the 2011 Legislature that state labor law posters including definitions of employees and independent contractors be placed in areas where work is performed or employees congregate. The subcommittee also approved a plan for civil penalties against a person who advises an employer to

misclassify workers as independent contractors.

*Las Vegas Sun*

## PROPOSED SALES TAX HIKE WON'T BE ON BALLOT

An effort by Carson City Supervisor Pete Livermore to get any proposed use of a 1/8-cent sales tax increase placed on the November ballot was defeated 4-1 by the Carson City Board of Supervisors in June.

Livermore had hoped to convince the other board members that there was enough interest in the issue to warrant an advisory question. The 1/8-cent sales tax hike is expected raise \$800,000 to \$1 million per year.

Resident John Wagner said Carson City's sales tax was already 1/2 cent higher than Douglas's and could drive people to shop across the city's southern border.

The Board has discussed raising the sales tax in August.

*Nevada Appeal*

## WALGREENS WILL ANCHOR \$25 MILLION PARCEL ACROSS FROM CITYCENTER

The Strip may not need another hotel room or blackjack table, but apparently gamblers can always use more aspirin. That's what the buyer of a 2.16-acre parcel across from CityCenter appears to have been thinking when it paid \$25 million for the land in February.

BPS Partners plans to keep the land and turn it into a three-story, 100,000-square-foot retail center anchored by Walgreens. The Clark County Commission approved use permits in June. Walgreens and other retailers will be across Las Vegas Boulevard from CityCenter, which is seeing business improve.

The Walgreens would be the drug chain's second on the Strip — one is near MGM Grand. (A third is on Las Vegas Boulevard at Charleston Boulevard, which is not considered the "Strip.")

"If a customer in another state is visiting, we want to make it convenient for them to fill their prescriptions at a pharmacy that knows their history, in addition to picking up the essentials, whether it be sunscreen or a bottle of water," Walgreens spokesman Robert Elfinger said.

*Las Vegas Sun*

## LAWMAKERS REJECT GOP BID TO STOP GREENHOUSE GAS REGULATIONS

A U.S. Senate vote last week allowed the Environmental Protection Agency to move forward with new rules to regulate greenhouse gas emissions. Senators voted 53-47 to set aside a resolution that would have stripped the EPA of its authority to set controls for carbon dioxide and other gases that contribute to global warming. Specifically, the resolution by Sen. Lisa Murkowski, R-Alaska, would have overturned a 2009 EPA finding that greenhouse gases are hazardous to human health.

Such a finding allowed the agency to invoke the Clean Air Act as a basis for further action. It has proposed that large emitters such as oil refineries and coal-fired power plants be subject to further regulation.

In a separate press release, Sen. John Ensign said, "Through these new EPA regulations, small business and big business alike will be forced to face a steep new financial and administrative burden as they are required to obtain new permits and purchase expensive new equipment and technologies."

Sen. John Ensign, R-Nev., voted for the Murkowski resolution. Sen. Harry Reid, D-Nev., voted against it.

*Las Vegas Review-Journal*

## BEER AND WINE AT THE CORNER PHARMACY? MAYBE, BUT NOT YET.

Walgreens is applying for liquor licenses to sell beer and wine in its 27 stores within Clark County's jurisdiction. (Walgreens also has stores in Las Vegas, North Las Vegas and Henderson.) It's part of a company plan to obtain licenses for about 5,000 locations across the country by year's end.

Walgreens still faces a hurdle, after the Clark County Commission postponed a vote Tuesday to license two stores. Both are within 1,500 feet of schools, which violates a county ordinance, that can only be skirted with say-so from the commission. What appears to bolster Walgreens' case is the fact that there are nine businesses with liquor licenses within the 1,500-foot boundary around one elementary. Likewise, there are four liquor-licensed businesses within 1,500

feet of another elementary. Walgreens said that the move to sell alcohol now is simply a reaction "to customer demand," and that products will take up about 2 percent of store space and add up to about 5 percent of sales.

*Las Vegas Sun*

## HEALTH SERVICES ENTER RETAIL LEVEL

The first-come, first-served Take Care Clinic inside the Walgreens pharmacy at 2389 E. Windmill Lane, open 8 a.m. until 8 p.m. seven days a week is gaining in popularity. At clinics such as these, a nurse practitioner, not a doctor, treats patients 18 months and older for a number of minor conditions: colds, bronchitis, flu, ear infections, strep throat, allergies, bladder infections, diarrhea, nausea, vomiting, head lice, mononucleosis, swimmer's ear, acne, insect bites, warts, minor burns and shingles.

That kind of retail service, a relatively new phenomenon in the United States, has played out millions of times this decade across the country at centers run by the two major providers in the retail health care marketplace: Minute Clinics at CVS/pharmacy locations and Take Care Clinics at Walgreens stores.

Other chains, including retailing behemoth Wal-Mart, also are embracing the health care business model that advertises cheaper and convenient alternatives to physician offices for minor illness and wellness care. Retail clinic costs for services such as vaccinations and physicals are generally about \$20 to \$35 less per visit than what a doctor charges.

MinuteClinic, which pioneered the retail health clinic concept in 2000, has generated about 7 million visits nationally, compared to 1 million at Take Care. In the Las Vegas area, MinuteClinic has six clinics compared to Take Care's 14, which include two sites doing a thriving business among tourists and casino workers on the Strip.

Executives for Wal-Mart, which isn't currently in the local health care market, have talked about opening more than 2,000 clinics nationwide.

*LVRJ*



# National Notes

## RETAIL FRAUD, SHOPLIFTING RATES DECREASE

As severe economic pressures slowly subside, retailers are noticing the same slight movement in merchandise losses, also known as shrinkage, and other types of criminal activity in their stores. Preliminary results of the latest National Retail Security Survey show that retail shrinkage decreased to 1.44 percent of retail sales in 2009, down from 1.51 percent in 2008.

According to the survey, total retail losses cost retailers \$33.5 billion last year, down from \$36.5 billion 2008.

"Retailers lose billions to shoplifting, internal theft and other types of criminal activity every year, so it's encouraging to see these small successes when it comes to shrink rates," said NRF senior asset protection advisor Joe LaRocca. "Just as the industry battles organized crime rings on a daily basis, retailers are also faced with the daunting task of protecting their merchandise from everyday criminals because they are greedy and self-serving."

According to the survey, the majority of retail shrinkage last year was due to employee theft, at \$14.4 billion, accounting for 43 percent of total losses. Retailers lost \$11.7 billion to shoplifting, which is 35 percent of total losses. Other losses included administrative error (\$4.9 billion and 14.5% of shrinkage) and vendor fraud (\$1.3 billion and 3.8% of shrinkage).

*NRF Press Release*

## WAL-MART LAUNCHES EMPLOYEE COLLEGE PLAN

Wal-Mart announced a program in which its workers can receive college credit from the online American Public University and receive a tuition discount from the school. The company also said it will commit \$50 million over three years to help workers pay for books and tuition above the reduced tuition rate. After the reduction, tuition will cost \$212.50 per undergraduate credit hour and \$255 for graduate credits.

Wal-Mart workers receive job training in areas ranging from ethics

to retail inventory management, for which they can receive credit, she said. The credit for training can be applied mainly to business- and retail-related courses. Wal-Mart also offers scholarships through its foundation and offers assistance to workers seeking GEDs.

A Wal-Mart manager can make \$130,000 per year or more with bonuses.

*AP*

## BEST BUY TESTS NEW APPEALS TO WOMEN

Best Buy's customers and workers are overwhelmingly male, a vestige from its days as a seller of speakers and stereo equipment. While Best Buy estimated earlier this year that it commanded roughly 22% of U.S. consumer electronics sales, its share of sales to women was just 16%, and only 31% of store workers are women.

Now it is empowering female workers and tapping teenage girls to suggest new ways to sell to women. The push reflects a realization that in some of the hottest areas of electronics retailing—smart-phones and other mobile devices—women are becoming the most coveted customers.

Best Buy asked women customers to help revise its sales approach. Executives said the best insights on reaching women have come from the company's "Women's Leadership Forums," loose-knit groups of female workers and customers that meet around the country. The groups helped increase appliance sales by suggesting that showrooms be redesigned to resemble kitchens. A group in Wisconsin created a customer loyalty plan that allowed women there to donate loyalty points to schools.

The groups led to local businesswomen advising on regional strategy, and others that help women workers balance family and work demands. Most recently, they spawned teenage consultants who help the retailer sell phones and videogames to young people.

*WSJ*

## HEARING SHOWS CREDIT AND DEBIT SWIPE FEES COST FEDERAL GOVERNMENT AND TAXPAYERS \$116 MILLION

The National Retail Federation said a Senate hearing on the \$116 million in credit and debit card swipe fees paid annually by the federal government is further evidence of the need to bring card fees under control.

"These numbers show that not even the federal government is immune from the credit card industry's power to skim profits off the top of every transaction that takes place on plastic," NRF Senior Vice President and General Counsel Mallory Duncan said. "The swipe fees that the card industry imposes on private industry retailers and their customers are bad enough. But taxpayers, even those who don't hold a credit card, ultimately pay swipe fees charged to the government. That means swipe fees are not only driving up prices for consumers but driving up taxes as well."

"There's a clear parallel here where the card industry sees retailers and their customers as well as the government and taxpayers as huge sources of revenue," Duncan said. "Congress needs to bring these fees under control for both groups."

As the world's largest retail trade association and the voice of retail worldwide, NRF's global membership includes retailers of all sizes, formats and channels of distribution as well as chain restaurants and industry partners from the United States and more than 45 countries abroad.

*NRF Press Release*

## CVS CAREMARK'S PROACTIVE APPROACH TO EMPLOYEE HEALTH RECOGNIZED WITH GOLD AWARD FROM NATIONAL BUSINESS GROUP ON HEALTH

CVS Caremark has been named one of the nation's leading corporations for its proactive approach to workplace health and its investment in programs that help employees and their families make better choices about their health and well-being.

This recognition came with CVS Caremark's inclusion on the 2010 Best Employers for Healthy Lifestyles list unveiled this week by the National Business Group on Health at its Institute on Innovation in Workforce Well-being Leadership Summit in Washington, D.C. CVS Caremark was recognized with a Gold Award for its WellRewards programs supporting employees who embrace healthy behaviors and who commit to long-term behavior changes to improve their health. CVS Caremark was the only company in the retail pharmacy or pharmacy benefit management sectors to be recognized at the 2010 Innovation in Workforce Well-being Leadership Summit. CVS Caremark also won this recognition in 2009.

Now in its sixth year, the Best Employers for Healthy Lifestyles awards acknowledge and reward those employers that have responded to the urgent need to improve their workers' health, productivity and quality of life. The underlying goal of the program is to encourage all employers to take action. CVS Caremark's wellness investments helped employees improve their health in several key areas in 2009 including smoking cessation, improved rates of mammograms and colon-cancer screenings, prenatal maternity care, physical activity and healthy eating. "We are delighted to recognize CVS Caremark for its innovation and commitment to providing lifestyle improvement programs designed to encourage healthier lifestyles for their employees," said Helen Darling, President of the National Business Group on Health.

*NBG/H Press Release*



# ORGANIZATION LAUNCHED TO PROTECT NEVADANS FROM JOB-KILLING POLICIES

## SILVER STATE NEEDS POLICIES REFLECTING JOB CREATION'S IMPORTANCE

**T**HE ALLIANCE TO PROTECT NEVADA JOBS (APNJ) WAS OFFICIALLY launched in June. The organization is focused on ensuring a premium is placed on policies that help small businesses grow and create jobs.

The coalition will be working with local, small businesses to communicate the message that Nevada's high unemployment rate, coupled with record foreclosures and bankruptcies, places an even greater importance on identifying and stopping job-killing legislation.

The organization's mission is to protect Nevada jobs and fight for the workers and small businesses that are the lifeblood of the state.

One central example of a job-killing policy being pushed by some in Washington, D.C. is the Employee Free Choice Act (EFCA), or more accurately, the Employee 'Forced' Choice Act. This legislation is the number one

priority of national labor unions, which have openly said they are looking for "payback" in return for the hundreds of millions of dollars they spent in the 2008 election cycle. Unfortunately, the EFCA legislation would destroy already scarce Nevada jobs.

"The Alliance to Protect Nevada Jobs is an organization that will stand up for the rights of workers and small business owners and fight job-killing legislation," said McKay Daniels, state director for the Alliance to Protect Nevada Jobs (APNJ).

***"The organization's mission is to protect Nevada jobs and fight for the workers and small businesses that are the lifeblood of the state."***

"Every candidate on the November ballot should be focused on job creation. Our mission is to shine a spotlight on those issues, which would irreparably harm Nevada's job market - like the Employee 'Forced' Choice Act."

The Employee 'Forced'

Choice Act would eliminate the secret ballot and expose workers to intimidation and coercion at the hands of union bosses, while giving government arbitrators the authority to mandate contract terms on employees and employers alike without their consent.

APNJ, which has the support of the Reno Sparks Chamber of Commerce, the Retail Association of Nevada, the National Federation of Independent Business (NFIB), as well as other organizations and

small businesses across the state will undertake a public education campaign informing Nevadans of the dangers posed in the Employee 'Forced' Choice Act.

The Retail Association of Nevada, which represents hundreds of businesses and tens of thousands of workers

in the state said, "Many of our members are barely keeping their doors open right now and it's frightening that legislation such as this would even be under consideration. We need policies that help create jobs and get our economy moving, not legislation that would inflict irreparable harm on our state's economic engine. We fully support this educational campaign and encourage all Nevada citizens to look closely at this issue and where the candidates stand."

All candidates for federal office will be asked to complete a candidate questionnaire on workplace issues, including the Employee 'Forced' Choice Act. APNJ will work to publicize those responses, and other public statements, so that Nevadans are well informed as to where their candidates stand on vital economic policies.

To learn more, please visit: [www.AllianceforNVjobs.com](http://www.AllianceforNVjobs.com)

## SENIORS WARNED OF MEDICARE REBATE CHECK SCAMS

**N**EVADA RESIDENTS ARE WARNED TO BE AWARE

of fraud schemes tied to the announcement of the first wave of \$250 rebate checks for those who fall into the Medicare "donut hole."

"Seniors need to understand that they do not have to take any action to receive their rebate," said Attorney General Catherine Cortez Masto. "Once you reach the threshold with Medicare,

the rebate will be issued automatically. Do not give out personal information to anyone contacting you regarding your check."

Most Medicare drug plans have a coverage gap. This means that after you have spent a certain amount of money for covered drugs, you then pay all further costs out-of-pocket. The Explanation of Benefits notice mailed each month when a prescription is filled indicates how much was spent on covered drugs and whether

the beneficiary has entered the coverage gap.

Upon reaching the coverage gap, beneficiaries will receive a one-time \$250 rebate check. The checks were mailed beginning in mid-June.

Once the plan participant reaches the coverage gap, Medicare will automatically mail a check made out to the beneficiary. There are no forms to fill out and beneficiaries do not need to provide any personal information such as Medicare, Social Security or

bank account number to get the rebate check. Seniors are warned not to give personal information to anyone who may call about the \$250 rebate check.

If seniors receive such phone calls or for more general information, call the Nevada SMP in the Nevada Attorney General's Office at **702-486-3403**, call **1-800-MEDICARE** or visit [www.medicare.gov](http://www.medicare.gov)



# SMITH'S CUSTOMERS ENCOURAGED TO SUPPORT MILITARY FAMILIES

## SMITH'S FOOD & DRUG STORES IS MAKING IT EASY FOR CUSTOMERS TO

support military families in the Las Vegas area through its in-store promotion with Operation Homefront Nevada.

From May 23 through August 14, customers can donate small pocket change in coin boxes at every Smith's check stand in the Las Vegas area. The funds will be used to purchase school supplies and backpacks for the dependents of deployed troops from southern Nevada. In addition, funds collected for Operation Homefront will assist families needing emergency aid such as food, clothing, baby care items, vehicle repair, medical care and financial assistance

during times of personal crisis. "Our goal is to make a difference in the quality of life for our military families," said Carl Long, Operation Homefront Nevada Chapter President. "We are honored to partner with Smith's Food & Drug Stores who

generosity in this cause," said Marsha Gilford, Smith's vice president public affairs. Operation Homefront Nevada is a non-profit organization that is run entirely by volunteers. Founded in response to the need to support

a coveted 4-star rating. For more information visit [www.operationhomefront.net/nevada](http://www.operationhomefront.net/nevada).

Smith's is a division of the Kroger Co (NYSE:KR), one of the nation's largest retail grocers. From its district office in Las Vegas, Smith's operates a total of 32 combination food & drug stores and five fuel centers in southern Nevada. Smith's

***"Nevadans who are military spouses and children make a significant sacrifice and deserve our gratitude and support ..."***

MARSHA GOULD, SMITH'S VICE PRESIDENT PUBLIC AFFAIRS

are strong charitable advocates in our community. In 2009, more than \$16,000 was received as a result of customers' donations through Smith's," Long added.

"Nevadans who are military spouses and children make a significant sacrifice and deserve our gratitude and support. We are pleased to partner with Operation Homefront and hope our customers will show their

the families of deployed service members, the nonprofit charity serves 37 military communities throughout the United States and has provided critical assistance to more than 40,000 military families in need. The organization has been acclaimed by Charity Navigator, America's leading non-profit evaluator, as being among the elite of charities by receiving

charitable giving, in partnership with 13,000 associates, generous customers and suppliers, totaled \$10 million in cash and food products to local organizations in 2009.

For more information visit: [www.smithsfoodanddrug.com](http://www.smithsfoodanddrug.com)

## HOW TO SHOW CUSTOMERS YOU APPRECIATE THEIR BUSINESS

### THE COMPANY OWNER SETS THE RULES, AND EMPLOYEES NEED

to live and know them. The old adage "the customer is always right" isn't realistic, but empowering employees and rewarding employees for superb service helps each customer sense your appreciation.

Perhaps sharing the front line people can add to the desired goals of dependability, promptness and competence. Helping the customer service representative communicate in an upbeat, positive way may just help the customer feel appreciated. Here are some useful phrases to incorporate in

- customer communications:
  - "Good morning. How can I help you?" This starts the conversation in a friendly, non-adversarial tone plus invites discussion. Customers feel you want to help them, not sell them a product and are also putting them at ease.
  - "I can help you solve your problem." This inspires customer confidence.
  - "I am not sure of the answer but I will find out for you by ..." It is always best to be honest and not just try to wow a customer with some fancy rhetoric without a definitive and honest answer. Honest answers inspire integrity.
  - "I am responsible for this and I will take care of it."

- A customer knows what to expect and can depend on the customer service representative to stick by the agreed upon terms, price and if applicable... the promised delivery date.
  - "I will call you on Friday (or whenever) and update you on my progress." Keep your promise to call with updates, make sure you follow-up and make sure you call.
  - "Your delivery date is set for ..." It is the company's job to make sure the delivery day is met.
  - "I have the particulars of your order. Let's go over it." Each order must be exactly what the customer ordered. They want what they ordered.
  - "Did you get everything

- you ordered and are you satisfied with your order?" The order should be complete and the customer should have everything they ordered, in the time they ordered, in the method agreed upon when ordered, and in great condition.

### SUPERIOR CUSTOMER SERVICE

Superior customer service includes, the infamous "I appreciate your business, and is there anything else I can do for you?" Follow-up with surveys, thank-you notes and, more service; customers are sure to keep coming back. ■

Published on CustomerThink (<http://www.customerthink.com>)



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## Important Information for SIG Members

The NRS governing self insured groups requires notifying members of all new members to the Nevada Retail Network Self Insured Group. New members for NRNSIG from June 1, 2010 to June 30, 2010 are listed below.

Auction Cars.Com

Handpiece Solutions

Kalicki Law Offices

Lonnie's Small Engine Corral

Sierra Verde Group

Signal Fire

Steel Works

The Tech Foundry

Tverskaya Restaurant

**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.

## TAKE CONTROL OF YOUR WORKERS' COMP COST

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**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](http://www.RANNV.org)**.



# THE RETAIL ASSOCIATION OF NEVADA AND APPLIED ANALYSIS RELEASE MAY RAN RETAILER INDEX

## INDEX SUFFERS LARGEST DECLINE SINCE OCTOBER 2008

### THE RAN RETAILER INDEX (RRI), A COMPOSITE

of publicly-traded, retail-related enterprises having operations in Nevada, fell 6.29 points in May to 128.63, which represented the largest month-to-month decline seen since October 2008 when the financial market meltdown occurred. The latest value reflects a 4.7-percent change in the index. Compared to the same period of the prior year, the RRI remains up 26.0 percent when the composite score was 102.07.

Compared to April 2010, stocks prices fell for every company reported within the index with varying degrees of downturn. SUPERVALU Inc., which operates Albertsons-branded grocery stores, reported a month-end stock price of \$13.70 per share, a decline of 15.8 percent during the month and 12.2-percent off the same month of the prior year. Ford Motor Co. also posted a sizeable drop (-10.9 percent) during the month reaching a stock price of \$11.89, yet remains well above the prior year (+112.5 percent).

Honda Motor Company, Ltd. posted the third-largest decline during the month of May 2010 with a stock price dip of 8.2 percent with

a stock value of \$32.05. For comparison purposes, Honda remains up modestly (+10.3 percent) from the prior year.

While several outperformed the market average during May, The Home Depot and TJX Companies reported the least amount of price decline, partially attributable to recent financial reports:

- The Home Depot posted a stock price of \$34.33 per share at the close of May that represented the lowest rate of decline (-0.5 percent) month-to-month. On an annual basis, the home improvement product provider's stock was up 44.3 percent. In May, The Home Depot reported first quarter earnings that included net earnings of \$725 million companywide based on sales of \$16.9 billion (+4.3 percent year-over-year). Same store sales increased 3.3 percent, which was the first improvement since the fourth quarter of 2005. The results also included a revised forward-looking forecast for the year that includes a 3.5-percent rise in revenue.

- TJX Companies, which operators TJ Maxx, Marshall's and Home Goods brands, reported an average stock price of \$45.00 at the close of May, which reflected a 2.1-percent decline from the previous month and a

- 60.4-percent jump from a year ago. Early in the month of May, TJX posted April 2010 sales estimates, which totaled \$1.6 billion and reflected a 10-percent increase over the prior year. Later in the month, the clothing and home fashions retailer posted first quarter results that included a 15-percent jump in net sales (\$5.0 billion) and a consolidated same-store increase of 9 percent. Net income for the company reached \$331 million and diluted earnings per share of \$0.80, a 63-percent increase over the prior year earnings of \$0.49.

While most of the companies in the RAN Index reported gains in stock value in the prior month (April), May's report signified the second consecutive month-over-month decline for Costco Wholesale Corporation, Wal-Mart Stores Inc., Honda Motor Company, Ltd. and SUPERVALU Inc. (Albertsons).

The beginning of May marked unusual trading volumes and pricing with a brief crash and nearly immediate recovery in the Dow Jones Industrial Average when a 1,000 point drop triggered by automatic computer sales shocked brokers almost as much as the rebound the following day. Despite the return to

- more normalized trading volumes and valuations, many companies, including retailers, have struggled to reach back to previous levels.

In order to compare the performance of both publicly-traded and private retailers located specifically in Nevada to the national outlook for retailers as indicated by the index, it is helpful to look at monthly sales results.

Following a consistent trend, growth in Nevada-based sales activity has trailed the national performance trend. Given the overcorrection likely taking place locally, this trend is likely to continue through the balance of the year. ■

### NEW NEVADA TAX AMNESTY PROGRAM BEGAN JULY 1 ENDS SEPTEMBER 30

For businesses/  
individuals who  
owe state taxes  
due before July 1.

Details in the August

Nevada News



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### WASHINGTON RETAIL INSIGHT

# HOUSE VOTES FOR GRACE PERIOD ON NEW GIFT CARD RULES

**T**HE HOUSE HAS VOTED TO GIVE RETAILERS A PARTIAL

relieve on new restrictions for gift card expiration dates, fees and disclosures set to go into effect this summer. Under legislation approved 357-0 in June, provisions of the Credit CARD Act prohibiting gift cards from expiring in less than five years after they are issued, and dormancy fees from going into effect in less than a year, would still go into effect on August 22. But existing stocks of cards that don't bear printed notices of

their expiration dates and fees could still be sold until January 31, 2011, as long as store signage, customer service, websites and general advertising convey the same information.

The bill, H.R. 5502, still requires Senate approval. NRF Senior Vice President Steve Pfister told House members in a letter that the legislation would allow consumers to receive the protections required under the Credit CARD Act "without requiring retailers to destroy, reprint and restock millions of outstanding gift cards."

The legislation would

essentially grant the request NRF made to the Federal Reserve earlier this year for a six-month delay in the requirement that expiration dates and dormancy fees be printed on the cards. NRF said retailers could honor the restrictions on dates and fees but needed more time to get old cards without the disclosures printed on them off the shelves. The Fed declined NRF's request, indicating that it did not believe the Credit CARD Act gave it the authority to do so.

Most major national retailers have already

eliminated expiration dates and dormancy fees, both to comply with a wide range of restrictions adopted by more than 40 states and for customer service reasons. That means the new rules will impact mostly bank-issued gift cards, which are usually sold under credit card brand names or as "mall" cards and typically carry the quick expiration dates and high fees that led to calls for restrictions. Some small, mid-sized and regional retailers, however, still set fees and expiration dates, and will be affected. ■