

Nevada News

Serving the Retail Community Since 1969

November/December 2005

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RAN Moves to New Offices, Expands Services



Mary Lau, Liz MacMenamin and Lea Lipscomb show off the new home of the Retail Association of Nevada

Nevada's population is exploding and along with it the number and complexity of legislative issues facing businesses in the state. In response to those growing needs, the Retail Association of Nevada (RAN) has moved its headquarters to a larger site. The Association now resides at 410 South Minnesota Street in Carson City.

"Not only is there a broader spectrum of businesses joining RAN, the issues facing them are growing in both numbers and complexity. The move to the new building reflects that," said Mary Lau, president/CEO of RAN.

Lau said membership needs to become increasingly cognizant of how legislation affects them, and part of RAN's responsibility is to educate them and keep information flowing to them on legislation that affects them both statewide and locally. That means the Association will be adding to their personnel and promoting from within.

"We'll be getting into select local issues that will affect larger segments of the membership, and we'll need personnel to monitor local government," said Lau.

RAN Moves continued on page 3

Seen & Noted

Louisiana Retailers Association Helps Katrina & Rita

The Louisiana Retailers Association (LRA) has created the Louisiana Retailers Relief Foundation to assist retailers affected by Hurricanes Katrina and Rita.

A thriving retail industry is an important component of any state's economy, and the LRA has created a foundation to help displaced and temporarily closed retailers rebuild and reopen as soon as possible. The Louisiana Retailers Relief Foundation (LRRF) will financially assist retailers affected by Hurricane Katrina and/or Rita who will rebuild and reopen their stores.

Anyone who would like to make a donation to the LRRF may use their secure online donation form at www.laretail.org or send donations to P.O. Box 44034, Baton Rouge, LA 79808.

One hundred percent of the funds that are donated will be distributed to affected retailers. Contributions to the LRRF are deductible under section 170 of the Internal Revenue Code. The following rules have been set in place for retail applicants who would like to apply to the Foundation for rebuilding funds.

Explanation of Criteria:

- Retailer must be one who sells goods directly to the consumer.
- Retailer must be a Louisiana-based company, and only retailers with three or less locations may apply.
- Only retailers that sustained considerable damage will be approved. Store must require total rebuilding or store must have been incapable of operating for at least 30 days.
- Retailer must have an estimated reopen date.
- Estimate of damage to store and description of damage must be included.
- Only one application is allowed per corporation (must be different FEIN per application).
- Funds will be disbursed prior to December 31, 2005.

For more information, please contact Dawn Johnson, executive director of the Louisiana Retailers Association, 225-344-9481.

Postal Rates to Increase at Beginning of New Year

Postal rates are on the rise again, so don't go investing in a lot of 37-cent postage. The U.S. Postal Service (USPS) Board of Governors approved a 5.4 percent rate increase. It could cost retailers and other businesses millions of dollars in extra postage costs beginning in 2006.

A First Class stamp will increase to 39 cents, effective Jan. 8, 2006, in this across-the-board increase. Other rates will go up proportionately. The last increase was in 2002.

In 2003, Congress required the Postal Service to establish a \$3.1 billion escrow account. The intention at the time was to pre-fund retiree health benefits, but Congress reserved the right to determine the use of the funds. The USPS Board of Governors said the increase in postage is necessary to fund the escrow account.

Retailers are among the nation's largest mailers, using the Postal Service to ship merchandise, mail catalogs and advertisements, send bills and receive payment.



RAN Moves & Adds Services

continued from page 1

Lea Lipscomb, formerly the Office Administrator/Legislative Analyst for RAN, was promoted to Government Affairs Lobbyist/Legislative Analyst. Her duties include watching local government and representing business interests as they arise.

"We just have a broader spectrum of retail operations in the state, both large and small. Even medium and small businesses are being affected by more cumbersome legislation and finding it harder to just run a business," said Lau. "Because of that, we're developing a concentrated plan to improve our grassroots efforts."

RAN wants members to become more active and they'll show them how. "We want owners and managers to know how vital it is for their employees to become active, to register to vote, and to understand how laws affect their jobs," said Lau. As you tour the new building, Mary points out the "war" room where a grassroots political team will plan campaigns and a large conference room that the Association will make available to legislative committees and members to come together to explore



Mary Lau, RAN President/CEO

how legislation affects businesses.

RAN will also offer new benefits, like Silver State Services, which will be an information source for elected officials, a polling service and other vendors that can offer quality products to Association members. Mark Amodei, partner with the statewide

business firm of Kummer, Kaempfer, Bonner, Renshaw & Ferrario, legal counsel for RAN, will also be based at RAN headquarters. In addition



Liz MacMenamin, RAN Director of Government Affairs

to ensuring that the business practices, policies and dealings of the Association meet legal requirements, Amodei also serves on the Legislative Affairs Committee and works with the Association president, Mary Lau, in developing Association policies and agendas. He'll also review vendors before they are added to the RAN membership services and will offer his services to RAN members at a discounted price.

Growth of the Association also shows in an increased number of board members and an expanded legislative team including Lau, Liz MacMenamin, director of Government Affairs, and Lea Lipscomb. RAN

continues to value its association with the McMullan Strategic Group, Sam McMullan, George Ross, Erin McMullan and Joe Cain.

RAN's phone and fax numbers are still 775-882-1700, fax 775-882-1713.

Amy Hill Takes Helm of RAN Board

Amy Hill, director of public affairs for the western region at Wal-Mart, was elected Chairman of the Board of the Retail Association of Nevada (RAN) at the annual meeting in October. She will serve for two years in this position.

"I'll continue to work with the Association and with Mary and her team for continued growth of the Retail Association of Nevada as it becomes the premier trade association and the leader in government affairs in the state."

Hill has served on the RAN Board for four years, but has had a relationship with the Association since 1994 when she worked on Association issues while with the McMullan Strategic Group. She'll bring to the job her depth of experience in government relations not only in Nevada but also across the west. "This will help me in my effort to bring the Association to the level it wants to achieve in the state," Hill said.

Hill says she believes everything is in place to move the Association forward. "I'm happy with the current and new board members that were elected. It's a great group of people, and they'll help take RAN to the next level."

New Board continued on page 5



Legislative Interim Activities

By Elizabeth MacMenamin

Director of Government Affairs, RAN

After all the legislative dust settled on June 6, the work continues. We are currently following the various legislative committees and regulatory bodies that have been given directives by legislation that was enacted this last session. Also, we are continuing to work toward additional member

benefits.

As our members know, laws cannot be passed during interim cycles; however, legislators and lobbyists do a lot of work toward the business of the next session during this time.

We will be monitoring interim legislative committees and participating as a stakeholder in many of these meetings. One committee that we are involved in is the Legislative Committee on Health Care. This committee is currently developing a plan of action for the future of health care in Nevada with emphasis on access and quality. Senator Maurice Washington is the chairman of this committee and committee members are Senator Joe Heck, Senator Steven Horsford, Assemblywoman Sheila Leslie, Assemblywoman Kathy McClain and Assemblyman Joe Hardy. Each legislator will bring his or her own expertise to the committee and I look forward to following this issue and plan to serve, at the pleasure of the chairman, Senator Washington, on a pharmacy subcommittee.

This Health Care Committee will be looking closely at both private and public health care facility staffing in metropolitan and rural areas and will also be examining the needs in our state for professionals and staffing ratio. The committee also deliberates on medical insurance coverage, pharmacy coverage, health care education and public safety. I am sure interesting concepts will evolve from these discussions.

The legislature allocated money to

implement a study to examine and evaluate selected components of the health care system in Nevada. At the November 11 meeting, several organizations presented their proposal to the committee for consideration. The committee has been charged with selecting the organization that will suit the needs of this committee and the directive they have been given.

We will also be following very closely the Legislative Commission's Subcommittee to Review Regulations. This is an extremely important subcommittee formed by the Legislature to address their concerns, which were evident in the past where regulations coming out of our regulatory bodies failed to meet legislative intent. This Committee is charged with the task of reviewing all regulations. The chairman of this committee is Assemblyman John Ocegueda, and the committee members are Senator Mark E. Amodei, Senator Steven Horsford, Senator Randolph J. Townsend, Assemblywoman Barbara Buckley, and Assemblyman John C. Carpenter.

Other interim committees of interest are Interim Finance, Legislative Commission, Legislative Commission's Audit Subcommittee, Legislative Committee on Education and the Legislative Committee on Taxation, Public Revenue and Tax Policy. We are also interested in the outcome from some interim studies that are a direct result of legislation in the 2005 session. These studies are School Financing Adequacy,

Affordable Housing, Taxation on Real Property and Water Resources.

As you can see, the work does not stop when session is over as these are just a few of the committees we will be monitoring. We are also very busy with local municipalities and attend board and regulatory meetings to keep you informed of any changes that may impact you as a businessperson.

The Retail Association of Nevada is also preparing for the upcoming election cycle. We will be actively involved in some of the Assembly and Senate races and will keep you informed on prospective candidates. We currently are part of BIPAC, a grass roots organization that has been involved in the political process in other states. One objective of BIPAC is to assist you as a business owner to encourage your employees to register and vote in the upcoming elections. The focus for you as the employer is to educate your employees on the impact that certain legislation has on your company and therefore, on them and your current company positions. If you would like to discuss this with our office, please give us a call. We will have literature and registration packets available for your business.

Membership Benefits

I have been researching and obtaining information regarding membership benefits for our members. We have over 1,100 member businesses in the state of Nevada and we look forward to adding new programs to help you as a businessperson. We are currently discussing health insurance packages for your employees that would be affordable to the employer and the employee. We are also looking at providing our members with a credit card processing program that will save you money. We hope to have these projects approved and ready to implement in 2006.



Sparks Approves Shopping Cart Ordinance

By **Lea Lipscomb**

Government Affairs Lobbyist/Legislative Analyst

Spark City Council approved Bill No. 2481 with a 4-1 vote, following the second reading and public hearing of the proposed ordinance at their December 12 meeting. This ordinance will take effect on April 1, 2006. It makes it mandatory for all businesses having more than 25 shopping

carts on-site to maintain a system to retrieve their shopping carts, or in lieu of maintaining such a system, those businesses having more than 25 shopping carts on-site may pay a fee to cover the expense of utilizing the city to retrieve and return their shopping carts. In addition, any retailer, with or without a retrieval system, will have their property returned and incur a fee if the city finds their shopping cart(s) on any public property or right-of-way. The fees will be calculated as follows: five or fewer carts per month, no fee; 6 to 10 carts per month, \$7.00 per cart; 11 or more carts per month, \$15.00 per cart. Any fee charged will be invoiced to the retailer twice each year, and it must be paid before a business license can be renewed.

This ordinance also mandates an identification sign be affixed to each shopping cart that identifies the retailer and includes the address and telephone number and notifies the public that removing the cart from the premises is a violation of the City of Sparks Municipal Code. Signage must also be provided in a conspicuous location notifying shopping cart users that a retrieval system is in place.

RAN has attended on-going shopping cart workshops held by Sparks' city staff to address our members' concerns. RAN also provided testimony before the Council that our members are responsible retailers and that most already have

retrieval programs or containment methods in place to address this issue. However, we are worried that even with a system in place, shopping carts are being unlawfully removed from retailers' premises. We requested that a notification provision be added to the ordinance that would require the city to notify the retailer of an abandoned cart's location and allow them 36 hours to retrieve their property before the city would take action and assess a fee.

Unfortunately, Sparks City Council chose to proceed without adopting our amendment but did decide to include a provision that will require staff to compile shopping cart retrieval data for six months and then provide a report to Council for review. At that time, modifications to the ordinance may be made if necessary.

In the meantime, Sparks will be initiating the bid process for their shopping cart retrieval vendor. Staff has proposed that our members assist them in the development of specifications of this contract. Since there are only a few retrieval businesses in northern Nevada, Sparks may contract with the same vendor as some of our retailers. We encourage our members with a private retrieval contract to be very specific with the terms concerning this ordinance.

RAN appreciates the assistance of the retailers who have provided us with information and support on this issue.

New Board

continued from page 3

RAN Board members are:

Amy Hill, Chairman of the Board
Ron Mestre, Chairman Elect
Vice President, open
Steve Moran, Secretary/Treasurer
Richard Peschke, Immediate Past
Chairman
Mary Lau, President/Chief Executive
Officer

Directors:

Kevin Rose, Four Seasons Design
and Remodeling
Bob Linden, Shred-it
Mike Wiley, JC Penney Company
George Harris, Country Rock & Roll
Store
Marsha Gilford, Smith's
Food & Drug Co.
Mary Staples, National Association of
Chain Drug Stores
Oren Peacock, CVS Pharmacy
Steve Loye, Meineke
Matt Forster, Walgreen's
Kent Stave, Target 1524
Phil Zive, Payroll Systems of Nevada
Marlene Wheeler, L. V. R. V., Inc.
Walt Roskoski, MT Restaurants, Inc.

*Happy
Holidays*



Nevada Medicaid Preferred Drug List and Medicare Part D Update

The Nevada Pharmacy and Therapeutics Committee of the Department of Human Resources' Division of Health Care Financing and Policy reviewed several drug classes within the Preferred Drug List (PDL) at their meetings on July 28, 2005, and Oct. 27, 2005. All changes are effective Jan. 17, 2006. The latest version of the PDL is posted at the First Health Services website at <http://nevada.fhsc.com> (select "Preferred Drug List" from the "Pharmacy" drop-down menu).

Antidepressant Grandfathering to Expire

Antidepressants were originally added to the PDL on Sept. 22, 2004. At that time, recipients were allowed to continue receiving non-preferred antidepressant medications without the need for prior authorization. This was done to ensure continuity of care. On Jan. 17, 2006, the "grandfathering" period for antidepressants will expire.

In order to ensure continuity of care and minimize recipient confusion and frustration, prescribers should proactively contact the clinical call center prior to Jan. 17, 2006, if they wish to have these patients continue on a non-preferred antidepressant. The phone number is 1-800-505-9185.

Note: If a recipient was started on a non-preferred antidepressant after September 22, 2004, this message will not apply, in that prior authorization would have been required at the time therapy was initiated.

Clinical Prior Authorization (PA) Edits

For specific details and updates regarding clinical PA edits, please visit the following website: <http://www.dhcfp.state.nv.us> (click on "Medicaid Manuals" and select "Chapter 1200, Appendix A").

If you have questions regarding the PDL or any clinical PA edit, please contact the First Health Services Clinical Call Center at 1-800-505-9185.

Medicare Part D

Effective Jan. 1, 2006, dual-eligible recipients (those eligible for both Medicare and Medicaid) will receive prescription drug coverage through a Medicare Part D Prescription Drug Plan (PDP) or Medicare Advantage Plan.

Nevada's dual-eligible recipients are receiving information regarding Medicare Part D from state and federal sources. The Nevada Division of Health Care Financing and Policy (DHCFP) is mailing letters of explanation to dual-eligible recipients. In addition, the Center for Medicare & Medicaid Services (CMS) is mailing a notification as well as an informational handbook titled "Medicare & You 2006" to all Medicare recipients.

Dual-eligible recipients who do not choose a PDP or Medicare Advantage Plan by the end of the year will be auto-enrolled in one of several available PDPs providing service in Nevada.

Please be advised that as a result of the changeover, drugs that a Medicaid recipient is now receiving may either not be covered by his/her new Medicare prescription drug plan or may require prior authorization. Prescribers may contact the recipient's Medicare drug plan with questions regarding drug coverage or consult the Formulary Finder on the CMS website at: <http://plancompare.medicare.gov/formularyfinder/drugselect.asp>.

Prescription co-payments for

non-institutionalized dual-eligible recipients will now be required (\$1 for generics, \$3 for brands). These should be billed to Medicaid via the First Health Services Point of Sale (POS) system.

For dual-eligible recipients, Nevada Medicaid will continue to pay for the following types of drugs that, in most cases, will not be covered by their Medicare drug plan:

- Over-the-counter medications (such as Benadryl, Colace, Senokot and Tylenol)
- Vitamins and pre-natal vitamins
- Barbiturates (such as Phenobarbital)
- Cough and cold preparations
- Benzodiazepines (such as Ativan, Xanax, Valium and Restoril)

More information is available for providers at the following two webpages on the CMS website:

–<http://www.cms.hhs.gov/medicarereform>

–<http://www.cms.hhs.gov/medlearn/drugcoverage.asp>

If recipients have questions *about the new coverage*, you may refer them to:

–*Medicare information line:* (800) 633-4227 (TTY 877-486-2048)

–*Medicare website:* <http://www.medicare.gov>

–*The Division of Aging Services' State Health Insurance Assistance Program (SHIP), at (800) 307-4444 (or in Las Vegas 486-3478)*

–*Senior Rx Medicare Help Line at (866) 323-5953*



Eat Out – It's the National Restaurant Association Show

The National Restaurant Association (NRA) not only introduces the latest trends in the industry at its annual show, it brings innovation to the show itself. The 2006 show will find the NRA launching its Show Connect and SmartBooth™, new personalization technologies provided to maximize the return-on-investment for both exhibitors and attendees.

Buyers and sellers have unique requirements and goals, things they want to accomplish when they come to the show. The Connect and SmartBooth™ technology makes it easy to match and connect buyers and sellers before, during and after the event, maximizing the advantages of attending marketplace shows.

Productivity and efficiency are key in creating and maintaining a successful business. "The National Restaurant Association not only gathers top manufacturers and providers that showcase their technology equipment and program on the exhibit floor, it also provides cutting-edge technology to improve the experience of the nearly 73,000 industry professionals attending the event. By using NRA Show Connect and SmartBooth, attendees and exhibitors can customize the Show to their exact needs and turn the four-day event into an all-year community," says Steven C. Anderson, president and chief executive officer of NRA.

The annual show, now 87 years strong, is the largest single gathering of restaurant, foodservice and lodging professionals in North and South America. It offers attendees the best opportunities of the year for networking and exploring new trends, as well as industry insight on myriad key issues via seminars and special events.

The restaurant industry is the nation's largest private-sector employer with 12.2 million employees and is expected to post sales of \$476 billion in 2005. Attend the biggest show serving that industry from May 20 - 23, 2006, in Chicago. For information, call 312-580-5410 or email nraregistration@dineout.org.

It's Time for FMI's Markettechnics® Show

Where in the world are the latest technological products and services? In 2006, they'll be in San Diego at the Food Marketing Institute's Markettechnics 2006 show. It's the place to be for retail executives, merchandisers, logistics personnel, human resources managers, financial executives...just about everyone in the industry.

There isn't an area of the industry that isn't affected by technology. How can you use it to your advantage? With the educational seminars, product exhibits and demonstrations and more, you'll leave this one with ideas to use. And you'll get a chance to hear Frank W. Abagnale, the man upon whom Steven Spielberg based the movie *Catch Me If You Can*.

Catch this show in San Diego, Jan. 30 - Feb. 1, 2006. Call 202-220-0820 or visit www.fmi.org.

• Seminars •

January 2006

NRF Annual Convention & Expo

January 15 - 18, 2006
New York
Contact: 202-783-7971 or
www.nrf.com

FMI Markettechnics

January 30 - February 1, 2006
San Diego, CA
Contact: 202-452-8444 or
www.fmi.org

March 2006

FMI Annual Business Conference/ VENDEX/BCS

March 4 - 7, 2006
Nashville, TN
Contact: 202-220-0820 or
www.fmi.org

April 2006

Western Association of Food Chains Annual Convention

April 1 - 6, 2006
Palm Desert, CA
Contact: www.wafc.com

NACDS

April 29 - May 3, 2006
Palm Beach, FL
Contact: 703-837-4300

May 2006

NRA Annual Show

May 20 - 23, 2006
Chicago
Contact: www.wafc.com

NACDS

April 29 - May 3, 2006
Palm Beach, FL
Contact: 703-837-4300

Abbreviations

FMI • Food Marketing Institute
NACDS • National Assn. of Chain Drug Stores
NRA • National Restaurant Association
NRF • National Retail Federation
PLMA • Private Label Manufacturers Assn.



Airports to Institute New Checkpoint Security Program

Summer is a time to lighten up, and airport security checkpoints will be part of the demeanor. On June 20, if you take part in the Registered Traveler program, you should be able to move through the security phase of boarding a plane a little faster.

To take part in the Registered Traveler program, participants must first go through a records check for criminal warrants, provide a fingerprint and eye scan, and release their home phone number and recent addresses. The digital images of their fingerprint and irises will be stored in their Registered Traveler card to verify their identity at check-in. Participants will also have to pay a yearly fee, which will

be left up to individual airports to set. Orlando International Airport's test program costs \$80 a year.

Airports also have a choice to participate. In theory, Registered Travelers will be entitled to use much shorter lines at the participating airports. The Transportation Security Administration reports that more than 50 airports have indicated they are interested in participating.

NRF Introduces Network to Fight Retail Crime

The National Retail Federation has responded to the increased threat of organized crime against retailers by launching the Retail Loss Prevention Intelligence Network (RLPIN), a secure, web-based computer database that will allow retailers to share information with each other and with law enforcement.

The network is designed to help Loss Prevention executives track and report major crime incidents ranging from credit card theft or burglaries to

The network is designed to help Loss Prevention executives track and report major crime incidents ranging from credit card theft or burglaries to organized retail crime.

organized retail crime. It also allows retailers to share information with law enforcement agencies nationwide, affording detectives the opportunity for researching crimes in neighboring cities, counties and states.

RLPIN is available to retailers, regardless of NRF member status, for \$1,200 per year and for a one-time per user set-up fee of \$200. Early adopters of RLPIN will receive special attention from the help desk and benefit from an introductory price. Nearly 200 retail companies have expressed an interest in using the system.

NRF started developing RLPIN in January 2005 and engaged retailers, law enforcement, and data privacy and technology experts in creating the technology platform. For information, go to www.nrf.com.

Loyal Customers

continued from page 11

Ahearne believes that customer contact people offer the best opportunity to display distinctive, attractive qualities that drive organizational identification, and his research backed up this belief. Physicians who had the most favorable view of the salespeople with whom they had contact measured the highest on Ahearne's measures of organizational identification. This finding suggests that attention to this position may be appropriate. Careful selection, supervision, and training may be well rewarded, and Ahearne suggests that we attend especially to personality, dress, responsiveness, empathy, knowledge, assurance, and reliability.

Ahearne also made a provocative assertion. He believes that competent salespeople will attract loyal customers who will be willing to support the firm through behaviors beyond merely buying the products the firm sells. They will be "willing to take the extra step to support the company" through extra-role behaviors, like recruiting new customers, making improvement suggestions, alerting the firm of potential problems, and pointing out opportunities the firm is missing. But they need to be recruited by the salesperson to do so. Ahearne believes this is an unexplored opportunity that firms need to exploit.



Popularity of Gift Cards Grows This Season

What's one of the top-ranking items on many gift lists this season? The gift card. Again. It's a trend that's growing in popularity, with gift cards ranking third on consumers' must-have list, according to the third National Retail Federation (NRF) Gift Card Survey. It found that gift card

sales will total \$18.48 billion this holiday season, a 6.6 percent increase over 2004 when holiday gift card sales hit \$17.34 billion.

"Gift cards present a win-win situation for both consumers and retailers. They take the guesswork out of giving and since they take up minimal shelf space, they are easy for retailers to stock and display," said Tracy Mullin, president and CEO of NRF.

The poll, conducted by BIGresearch found that more than two-thirds (75.5 percent) of consumers polled said that they plan on purchasing at least one gift card, and more than half (52.3 percent) said they would like to receive gift cards this holiday season.

If you are considering buying a gift card this season or anytime during the year, NRF has these suggestions for you:

- **Shop smart**– Shoppers should only buy gift cards from reputable retailers, not online auction sites. Gift cards on online auction sites are more likely to be counterfeit or obtained through fraudulent means.
- **Keep your original receipt** with the value of the card purchased indicated in case there are problems with the card when it is redeemed.
- **If you lose the card**, don't despair. Some retailers are able to reissue a lost gift card if you have the original purchase receipt. Find out before writing off that lost gift card.

Remember, when buying a gift card, different retailers and banks have different policies for redemption. Some gift cards have expiration dates and associated fees for using their gift cards and others do not. Make sure you know exactly what you're getting when you buy a gift card. Will the recipient get the full value of the card when he or she uses it? Will the

expiration date affect the ability of the user to get full value of the card?

Some banks and retailers actually charge an upfront fee for gift cards and more fees when the user spends it. Determine what you want in the card and ask questions before you buy to get the most value for your dollar.

BIGresearch is a consumer market intelligence firm that provides consumer insights that are gathered online utilizing large sample sizes. BIGresearch's syndicated Consumer Intentions and Actions survey monitors more than 7,000 consumers each month.

Deliver Your Coupons to Mobile Phones

Retailers now have one more outlet for coupons, and it could help bring in the hip and tech-savvy shoppers. Twelve Horses and Mobile Technology Group are offering a service that allows retailers to deliver mobile text coupons that can be redeemed in stores and online. The coupon service is already in Europe and several retailers in the United States are considering using the service.

Young people, the largest users of text messaging, might be particularly interested in the phone-delivered coupons. Cell phone-delivered coupons will appear as alpha-numeric text messages that can be entered onto a retail website, spoken into a voice-recognition system, or simply shown to a store retailer. According to David LaPlante, CEO of Twelve Horses, techno teen and tweens can be the conduit to get the message across to their parents by teaching them how to use text message coupons.

Cell phone coupon distributors will use the customer opt-in option to target online messages. The coupons will only be sent to cell phones after a consumer has shopped at a retail site and requested the service.



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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 October 17 to December 12, 2005 are listed below. For a complete member list, please call RAN at 775-882-1700.

- | | |
|---|---|
| Alpine Lock, Inc. | KFC & Long John Silver's |
| Applied Pharmacy Services LLC | Meditask LLC |
| Audio Video Specialists Inc. | Miller Design Group LLC |
| Auto Warehouse | Miranda USA, Inc. |
| Birkenstock Comfort Concepts | Nevada Generator Systems Inc. |
| Colleen's Classic Consignment | Quik Stop Market |
| Complete Association Management Company LLC | Renewal By Andersen of LV |
| Creekside Restaurant | RGW Private Security Services |
| CyclePro 775 | Scoundrels Pub Inc. |
| Data Graphics | Sierra Sciences Inc. |
| Dempsey Graphics/Infinity Photo | Sierra Service Stations Inc. |
| Desert Specialties Ltd. | Silver State Specialties Commercial LLC |
| Desert Sun Services Inc. | Silver State Specialties LLC |
| Eat 'Em Sandwiches LLC | Single Day Surgery Center LLC |
| Full Circle Compost Inc. | Sparks Family Medicine Ltd. |
| GS Richards Construction | The Best Western Airport Plaza Hotel |
| Jimmy John's Gourmet Subs #330 | Tinker Town Learn & Play Center Inc. |
| Joey's Only Seafood Restaurant | Tokyo Japanese Restaurant |
| | We Care Home Health Services |

NRNSIG members who wish to register a negative vote on a new group member, please write NRNSIG at 810 E. Fifth Street, Suite A, Carson City, NV 89701, indicating which member and the reason(s) for the negative vote.

Membership Information

Find out more about RAN's self insured group.
Call Willie Kerschner, 775-720-8125,
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.

TAKE CONTROL OF YOUR WORKERS' COMP COST

Be Part of...
The Nevada Retail Network
Certificate #5004



- **Self Insured Group** •
- Membership in RAN Required •

- ✦ Greater management control that cuts overhead costs
- ✦ Pre-employment screening at a small co-pay for NRN members only
- ✦ Team Safety/Loss Control Program for all members
- ✦ Investigation and defense of claims
- ✦ Direct savings that give members greater incentive to control losses

Take Control Today...
Call Willeta Kerschner
775-720-8125 or 775-882-1700

Sponsored by:
The Retail Association of Nevada
410 South Minnesota Street
Carson City, NV 89703-4272



Loyal Customers

Research Explores Identification as a Basis for Loyalty and Makes a Provocative Claim

Loyal customers continue to astound business owners and business researchers alike. They drive past competitors to patronize their favorite businesses. They politely dismiss salespeople from other firms and refuse to listen to their pitches. They thumb past competing ads to find the ads of the businesses they patronize and study them to make purchasing decisions. They don't even know if the same items could be purchased elsewhere for less. They even help out when they see a need. They may sack their own groceries or pick up items that have fallen from a display.

Businesses without loyal customers struggle. Businesses with loyal customers thrive, and everyone involved in business would like more of them.

Michael Ahearne, from the University of Houston, believed that a psychological factor called *organizational identification* might play a part in creating loyal customers, so he carried out a study to find out if he was right and to learn ways to encourage it. He was successful on both goals. Organizational identification does create loyal customers, and there are actions businesses can take that will encourage this process.

Organizational identification occurs when a customer believes he/she and the business share the same defining attributes, especially when these are attractive and distinctive. For example, regular subscribers of *Playboy Magazine* could be expected to share Hugh Hefner's casual, recreational attitudes about sex. For them, purchasing a subscription to the magazine or taking friends to a nearby Playboy Club and exercising their privileges as key club members are actions of self-expression. They fulfill a psychological need to display oneself, to create a public, social, and distinctive self-definition that others recognize and validate.

Avid fans of professional football teams are another example of organizational identification. Such fans attend every game, read every word written about their teams, and wear clothing that identifies them with their team and their favorite players. Responding forcefully when faced with adversity is a value they share with their teams, and identifying themselves as fans displays this value to others.

Ahearne studied the process of organizational identification in a sample of physicians who patronized pharmaceutical firms by writing prescriptions, and he discovered that the following conditions lead to identification: 1) frequent contact, 2) the product or service is important for the person, 3) the firm has features in its climate and culture that are attractive to the customer, 4) these features are clear, 5) these features are distinctive and enable the firm to stand apart from competitors, 6) other people who are important to the customer hold favorable views of the firm, and finally, 7) the person who represents the firm (the salesperson) is viewed favorably.

When these factors are present, Ahearne found that customers begin to feel more like insiders in the business than customers, and they commit themselves to the achievement of the firm's goals.

For example, our regular grocery store employs mildly retarded adults to sack groceries. By doing so, the firm displays two attractive values: a willingness to help the less fortunate and a belief that the best way to help is by allowing a person to work. As customers, we often help supervise the packing of our groceries, and we offer encouragement to the sacker. This firm displays two values that we find attractive, and it is the only grocery store we patronize.

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Reference: Ahearne, Michael, C.B. Bhattacharya, and Thomas Gruen (2005) "Antecedents and Consequences of Customer-Company Identification: Expanding the Role of Relationship Marketing." *Journal of Applied Psychology*, 90 (3), 574-585.

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Capitol Watch



Mileage Rate Increase—The nation's business travelers are getting a Christmas present from the Internal Revenue Service (IRS). The spectacular increase in fuel costs prompted the agency to increase the optional standard mileage rates for the final four months of 2005.

The rate for the last four months of the year, Sept. 1 – Dec. 21, 2005, will be 48.5 cents a mile for all business miles driven during that time. The old rate of 40.5 cents per mile will remain in effect for the first eight months of 2005.

The IRS hasn't determined the rates for 2006. Other items besides

fuel rates figure into the formula such as the price of new vehicles and insurance.

The optional business standard mileage rate is used to commute the deductible costs of operating an automobile for business use instead of keeping track of actual costs.

The federal government and many businesses use the rate to reimburse employees for business mileage use.

The IRS also adjusted other expenses. The new rate for computing deductible medical or moving expenses for the final four months of the year will be 22 cents a mile, up from 15 cents.

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