



Rite-Aid, Sav-A-Lot to test cobranded stores

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Rite-Aid and supermarket chain Sav-A-Lot are testing a co-branded concept at 10 stores in the state. The deal, structured as a licensing agreement, will see Rite-Aid's 10 area stores renamed Save-A-Lot Food Stores/Rite-Aid Pharmacy. The stores will continue to be owned and operated by Rite Aid.

Ken Martindale, Rite Aid COO, said the 10-store test is part of the company's segmentation strategy. Since early 2009, Rite Aid has been transitioning from operating all of its stores the same to identifying unique opportunities among like groups of stores. The remodels are expected to be completed in October.

"This is one of those unique opportunities, and we're excited about the test," Martindale said.

"This new co-branded concept meets the needs of today's consumers, who continue to search for value, quality and convenience, and we're excited about the chance to offer our customers high quality grocery products including fresh meats and farm-fresh produce at great prices," said Martindale.

The strategy bucks the trend among grocers, who often keep lucrative in-house pharmacies under their control. But it is not the first such arrangement. Pharmacy chain Walgreens operated 27 stores co-branded with Midwest supermarket retailer Schnuk's between 1976 and 1981 before Walgreens pulled the plug on the arrangement. And Skagg's Drugs and grocery chain Albertson's formed a similar partnership in the early 1970s operating Skaggs Albertson combo stores.

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