

## **Ensuring Redner's Warehouse Markets Can Compete in a Privatized/Modernized Liquor World**

### **Who is Redner's Warehouse Markets?**

- Based in Reading, Redner's Warehouse Markets is a Pennsylvania, employee-owned supermarket chain founded in 1970.
- As an employee owned company, Redner's ESOP provides financial security through its employee ownership program to all of its full-time employees. Each employee has an interest in making Redner's the great place that it is to shop and is rewarded in stock for their great work and pride in the company.
- Serving communities primarily in Eastern Pennsylvania, Redner's prides itself on being able to provide low prices on top quality groceries with unbeatable customer service. Redner's gives back to the communities it serves in numerous ways; their 1% Save-A-Tape has returned over \$4.9 million to local non-profits since 1999; their U.S.M.C. Toys for Tots has donated over \$1 million just over the last fifteen years; and Redner's also actively supports the American Cancer Society's Relay for Life, local and U.S. food banks, and numerous other community support programs, including Crime Alert Berks County, and the Greater Reading Fair.
- This employee owned third generation family run company is committed to each and every community it serves.
- Redner's employs 4,022 Pennsylvanians and operates 36 Warehouses and 16 Quick Shoppes. Last fiscal year, Redner's served 29,796,134 customers.
- At Redner's, customers expect to find prices often lower than those of big box stores with a wider degree of selection.
- Because of Redner's outstanding customer service, they have been able to survive even when large box stores beat them in pricing.

### **What are Redner's Concerns with Liquor Privatization/Modernization?**

- The potential for rock bottom prices – especially at box stores -- in any new alcohol delivery system is of great concern to Redner's as this will be the tipping point in being able to remain competitive.
- Changing the current system of selling beer, wine, and spirits in the Commonwealth will be detrimental to small to medium size grocery stores like Redner's if a concerted effort is not made to allow them to compete.
- Pennsylvania based, employee owned, and family run businesses will be left at a competitive disadvantage to big box stores – and even large grocery store chains -- that can afford to create separate space to accommodate seating for 30, to house their alcohol, to add a divider and to add additional employees over 18 to run a new cash register.
- While the current system has allowed for Redner's to compete with other stores based on their low prices and customer service, increasing convenience in alcohol sales could be devastating to family run businesses like Redner's.
- Big box stores and larger grocery stores that have the capital, shelf space, and staffing to accommodate the increase in convenience will attract the Redner's shopper purely on the fact that the customer can purchase their groceries and alcohol in one place...one less errand to run.

**Proposed Solution: *Modified License for Pennsylvania Based Grocery Stores***

- Allow 20,000 – 55,000 sq. ft. Pennsylvania based grocery stores that primarily sell food for off premise consumption to obtain a license to sell beer, wine, and spirits by licensing the whole premise.
  
- This will allow them to compete with larger grocery chains and big box stores on a level playing field due to their lack of additional space for the sales, 30 person seating, and cash register area with the required divider.
  
- The Pennsylvania based small to medium size grocery store could sell for off premise consumption:
  - As much beer as other stores with R or E licenses will be able to sell
  - As much wine as other stores with R or E licenses will be able to sell
  - As much liquor as other stores with R or E licenses will be able to sell