

Wal-Mart Launches Food Subscription Service

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NEW YORK (AP) — Wal-Mart Stores Inc. on Wednesday will officially launch a mail subscription service, called Goodies, that lets shoppers discover new foods from the comfort of their homes.

For a monthly fee of \$7 that includes tax and shipping, customers get a box of five to eight hand-picked, sample-size food items, ranging from organic to ethnic products that are not currently carried on Wal-Mart's shelves. The world's largest retailer began testing the service three months ago and so far has 3,000 subscribers. For November items include pumpkin souffle mix, white cheddar popcorn and dark chocolate-infused Quinoa bars.

Wal-Mart told reporters in late May that its research division — Walmart Labs — was creating a food subscription service, but the company didn't offer many details.

It works like this: users can sign up for the service at www.goodies.co [1]. The monthly price is almost half of the total value of the items if they were purchased separately, according to Wal-Mart. If customers like the products, they can purchase full-size versions on the Goodies Co. website. Goodies has also created a social community online where subscribers can post reviews to earn loyalty points. The points can be redeemed in the future for items in the store.

Ravi Raj, vice president of products at San Bruno, Calif.-based Walmart Labs said it wanted to start a subscription service for food because it is "inherently very social."

"People love to talk about new food products," Raj said.

Wal-Mart, the world's largest food retailer, is also looking to use Goodies as a way to spot food trends in its stores.

"Wal-Mart is the largest grocer but there's room for us to innovate," Raj said. If the company builds a viable business, that's "super valuable for Wal-Mart," he added.

Over the past several years, the number of subscription services has grown and includes purveyors of everything from socks to beauty products. Online underwear seller Freshpair.com started a subscription service last year.

"It's a good model, if there's an element of discovery," said Sucharita Mulpuru, a Forrester Research analyst.

Wal-Mart's move into subscription services comes as it's experimenting with different ways to cater to its customers. Last month Wal-Mart announced it was testing a same-day delivery service in select markets for customers who buy popular items online during the holiday shopping season.

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Published on Food Manufacturing (<http://www.foodmanufacturing.com>)

Source URL (retrieved on 03/06/2015 - 3:40pm):

<http://www.foodmanufacturing.com/news/2012/11/wal-mart-launches-food-subscription-service>

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[1] <http://www.goodies.co>