



# Allegiance

RETAIL SERVICES, LLC

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**A.L.I.G.N.**

*Analytics. Loyalty. Innovation. Growth. Next Gen*



## Letter From Chairman Lou Scaduto Jr.



**Lou Scaduto Jr.**



Dear Colleagues,

I am proud to share our journey and success as we continue to transform the grocery landscape in the tri-state area and beyond. As Chairman of Allegiance Retail Services — and as a member-owner operating four grocery stores—I have witnessed firsthand how our cooperative model empowers each member to achieve more together than we ever could individually.

Over the years, Allegiance has grown into a premier retailer-owned grocery cooperative by focusing on innovation, analytics, loyalty and strategic supply partnerships. We invest in cutting-edge analytics to better understand consumer behavior and drive strategic decisions, ensuring our members remain ahead of market trends. Our enhanced loyalty programs not only reward our customers but also foster a community built on trust and repeat business. Furthermore, our commitment to forging strong supply partnerships has streamlined our operations and improved product availability, ultimately benefiting both our members and the communities we serve.

At Allegiance, members go further, because together we are more than the sum of our parts. This guiding principle has enabled us to create a collaborative network that amplifies individual strengths, leading to shared success across the cooperative. Our continued growth and innovation are a testament to the power of unity and collective ambition.

I am excited about the future and confident that, together, we will continue to set new standards in retail grocery. Thank you for your ongoing support and commitment to our shared vision.

Sincerely,

*Lou Scaduto Jr.*

Chairman, Allegiance

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## Q&A With Allegiance Retail Services President & COO Joseph Fantozzi

**Food Trade News/Food World:** You've obviously changed a lot of things in the relatively short time you've been COO, what are your top priorities today and going forward?

**Joe Fantozzi:** We're focused on our three pillars. I think first is growth - it's important that we continue to grow. We're a scalable business, and the more scale we have, the more we can drive down cost and bring more favorable terms to our members. The second is operational execution. When we look at all of the third party suppliers that we depend on from the e-comm side of our business to the marketing people that we engage it takes a lot of people to get the end result done successfully. What we're selling is that boutique experience here, but with a scalable result in cost, and I think the execution of all of those services that we sell are really important.

Additionally, we are building a perpetuating organization where we have people that will be trained to be the 'next person up' in every spot. One desk is not more important than the entire company. We're trying to create a culture where when we face turnover, there's a minimal effect to the business continuity and stream.

**Food Trade News/Food World:** Given some of those priorities within that structure, what do you consider to be some of the larger challenges both internally and industry-wide?

**Joe Fantozzi:** I believe that scale and cost is going to be a challenge for the independent retailer. Our challenge is how to more effectively compete with 'the big guys' from a competitive and a services standpoint and still remain competitive cost-wise while continuing to provide the same quality service/customer experience. I think we've done remarkably well with it, but improving scale will get us there. That's why the growth component is the foundation to keep our forward momentum.

**Food Trade News/Food World:** Beyond adding volume, which



**Joe Fantozzi**

would create a more efficient scale, what needs to be done or what have you done internally to make sure that the business is as efficient and tightly run as you hope it to be?

**Joe Fantozzi:** We analyzed our redundancies throughout the whole company, and we made some investments into software and/or workarounds to remove those redundancies - enhancing our efficiencies to ultimately achieve real financial benefits when scale does come in play. I believe the second part, too, is creating a culture where our associates have a better understanding that, especially when you're dealing with the independent marketplace, there is a tremendous sense of urgency from our members. Simply said, 'When you have skin in, it's a whole different game.' Internally, we had to react with more determination when we're asked to resolve a problem, the timeline is always 'now.'

**Food Trade News/Food World:** How about challenges that impact the entire grocery industry?

**Joe Fantozzi:** Yes, there are many challenges that impact the entire industry but my view is how do we come up with

solutions that are properly focused on each demographic and each marketplace that our members operate in and then efficiently utilize scale so we can provide our services at a reasonable price. We want to offer programs and resources to certain demographics that we don't have today. I also believe that if we add those demographic resources we will gain a significant point of difference. Geographic growth is easier because we will have everything else built. So the challenge is to get to that point. Then, when we go out and make our offering, no matter what neighborhood your store is in, no matter what the economic level of the customer, we're going offer our members the right solutions which will make them competitive.

**Food Trade News/Food World:** So would you say part of dealing with the challenges externally is enhancing the micro view of the markets where your customers compete and developing strategies to make them more effectively competitive, knowing those markets are kind of individualized?

**Joe Fantozzi:** Exactly, you hit it the nail right on the head.

**Food Trade News/Food World:** Using your long-term vision, what components are needed for ARS' long-term success?

**Joe Fantozzi:** Over time, I'm bullish that we're going to be the right solution for independent retailers who operate stores in the \$5 million to \$30 million annual volume range who need solutions to remain competitive. As we continue to evolve and improve it's going to take some time, but clearly we feel confident in providing differentiated services and execution for the one-store independent as well as a retailer with 10-12 supermarkets.

Another important component is the relationship we have and our members have with our wholesaler (C&S). I come from a wholesale background (White Rose) and I believe that all wholesalers are going to be more financially challenged to provide the changing needs of their customers. The wholesaler's function will continue to be less important, but it's incumbent on us to fill in those gaps in marketing and retail services where wholesalers used to play a larger role.

**Food Trade News/Food World:** Let's talk about another area of potential growth - own brands. Where do you see the potential of 'own brands' as it applies to ARS?

**Joe Fantozzi:** For years, the Foodtown Private Label served as our own brands driver and members always had the option of using our wholesale own brand program. However, as our member banners have grown, we recognized

**LEADING ALLEGIANCE RETAIL SERVICES INTO THE** future is president and COO Joe Fantozzi, who has a vision for the supermarket cooperative of 140 stores headquartered in Iselin, NJ. He was named to the top position at ARS in December 2023.

Fantozzi and his team provide merchandising, marketing, technology and various other services to its members, which operate under a multitude of banners - Foodtown; Morton Williams; D'Agostino's; Gristedes; Freshtown; Brooklyn Harvest, Pathmark; La Bella Markets; Market Fresh; Green Way Markets, Big Deal, Marrazzo's Market and Peck's Market.

Fantozzi joined Allegiance in March 2016 as vice president of retail/member development and was elevated to VP and chief financial officer in June 2020.

The New Jersey native has spent his entire business career in the food industry, beginning at White Rose Foods as an entry level employee in 1979. He rose through the ranks of the Carteret, NJ-based wholesaler to become controller before being named president and chief operating officer in 2008.

Fantozzi currently serves on the boards of the New Jersey Food Council and the Food Industry Alliance of New York.

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## Q&A WITH JOE FANTOZZI

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that if our development and growth would continue in non-Foodtown bannered members, we would need a private brands solution that would work in our Foodtown bannered stores as well as any member that joins and choose to market their existing brand of store. With that said, about 18 months ago, we formed an own brands committee composed of the senior team, key category merchants, and members that support the Foodtown brand as well as those members that market their own brand in those neighborhoods that they trade.

We hired a consulting firm that engaged us in establishing a brand name, lockup, and we then established a marketing campaign to launch and support it. This sounds fairly quick and simple, but it was all supported with consumer research data, both quantitative and qualitative. We made sure the brand resonated with all demographics and would inspire purchase with existing and future consumers. We landed on Pick & Prosper, a brand anchored into inspiration offering quality and value.

We currently are reviewing the opportunity categories and sub-categories caps in all of our center store departments. The goal would be to almost double our existing center store SKU count (650 to 1,280), then look at nuance, value add categories, and land around 1,500 SKUs delivered by the last part of the launch. Based on the brand's acceptance, we see this brand, and its marketing, extending itself into some of the natural and specialty categories. Our roll-out is slated to start in mid Q3 2025 and will take another 12 months to get to the 1,200 to 1,500 SKU count. We expect Q3 will have 20 percent of the items that are generating the lion's share of the business. All of our Allegiance committee members are excited to roll the brand out to our members' shelves.

**Food Trade News/Food World:** How did you convince your members that overhauling own brands was the right move?

**Joe Fantozzi:** All of our efforts are dictated to some degree by our NextGen focus. In own brands, this was a challenge because a lot of the task force members were viewing this as a one to three year effort. Realistically, we are trying to develop a plan that will be functional 10 to 15 years down the road. Understandably, some people had a hard time comprehending that the vision had to look beyond the short-term because this is really a meaningful investment, at least for this organization. We wanted to create programs that will inspire NextGen customers because some of the consumers who currently shop in our stores might not be there five years, 10 years or 15 years from now. Obviously, we need to appeal to our current customers but also to that growing NextGen group who will be our core shoppers in the future.

**Food Trade News/Food World:** When will you be ready to unveil the new own brands program?

**Joe Fantozzi:** Calendar Q3 to begin, with a full rollout completed by the end of 2026.

**Food Trade News/Food World:** Where do you view the biggest opportunity for own brands product expansion?

**Joe Fantozzi:** When you analyze our store account, almost half of our stores are non-bannered Foodtowns. So as a result of it, we didn't get placement in almost 50 percent of our stores. That alone offers us great growth potential. We also have opportunities with some of our foundational SKUs, frozen vegetables for example, that we can create accelerated momentum with a new brand - which includes new packaging and improved marketing. Once we've established traction in that area, we'll be able to 'tier up.' It will be an evolutionary process, but it will be executed with intelligence backed by performance.

**Food Trade News/Food World:** Let's dig into geographic expansion. Where do you want to go beyond New York Metro? And are we talking about adding new business from other independents?

**Joe Fantozzi:** First and foremost, I believe organic growth is going to be part of the blocking and tackling of our future. We have a lot of NextGen members, second generation, third generation family members that have learned what their fathers have brought to the table. Now they are poised to move forward on their own; they have an appetite to add more stores to their company's footprint. That's part of the evolution.

Currently we have stores as far east as Rhode Island and as far north as the Catskill Mountains in upstate New York. We are expanding to the south and will soon celebrate the grand reopening of Marrazzo's Market in Ewing, NJ. Another new store will be opening in Philadelphia, which really opens the entire Mid-Atlantic area for us.

**Food Trade News/Food World:** ARS members operate under multiple differentiated banners - Foodtown, Pathmark, Freshtown, Green Way, Gristedes, Morton Williams and several others. What do you believe are the advantages to operating this many formats?

**Joe Fantozzi:** Using our growth lens, if we feel we can support a particular brand, then we believe that's opportunity for growth. Foodtown remains the 'mothership' at ARS, but we knew there would be a saturation point. By developing other banners, it gives us a leg up to support an independent retailer that wants to execute the things that a particular brand represents. One other area that I think we've improved is that we are not only able to offer existing members and future members multiple banners, but we are also customizing services that fit their needs. The days of

'one size fits all' are gone.

**Food Trade News/Food World:** Technology and the independent retailer. Not always a combination that smaller retailers embrace. ARS members come in all sizes and shapes. You've made technology another important priority. How are you convincing your members that it is a necessary investment, particularly with smaller retailers whose space and capital budget might be more limited?



**Our challenge is how to more effectively compete with 'the big guys' from a competitive and a services standpoint and still remain competitive cost-wise while continuing to provide the same quality service/customer experience. I think we've done remarkably well with it, but improving scale will get us there. That's why the growth component is the foundation to keep our forward momentum."**

**Joe Fantozzi:** It's funny, it's been my experience too, about the challenges the smaller merchant faces. Actually, that type of retailer needs it the most, but often can't see it because he's too busy wearing as many hats as possible. We're trying to come up with easier points of entry to gain credibility and relevance to capture their attention. For example, from a service standpoint, we shifted our data warehousing from a third party to an in-house function where we're partnering with an analytics firm called BRdata that only works with independent retailers.

They've really helped because they do a lot of things for people that look like us and act like us - they're creating solutions because they're living it every day. We are utilizing them to supervise our data warehousing and the analytics. However, there are many more modules that provide solutions for us that we can share with our stores. The next step would be computer-assisted ordering at a very reasonable price. It sounds very basic but every independent retailer thinks of himself as a buyer and likes to have control. Our goal, primarily in the center store departments, is to

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## *Innovative Merchandising Strategies For A Changing Retail Landscape*

### **Allegiance Retail Services Redefines Supermarket Merchandising For 2025**

Allegiance Retail Services is redefining supermarket merchandising in 2025 by implementing innovative strategies that cater to the evolving retail landscape. With rising grocery costs and shifting consumer expectations, the company remains committed to providing competitive pricing, a curated selection of products, and an enhanced shopping experience. Samer Rahman, vice president and chief merchandising officer, leads these efforts to ensure that independent grocers can adapt to market trends while delivering value to their customers.

#### **Meeting Modern Consumer Demands**

A significant focus of Allegiance Retail Services is on offering innovative products that align with modern consumer demands. Health-conscious shoppers are looking for more plant-based, functional, and allergen-friendly foods, which has led to an expansion in these categories. Sustainability is also a priority, with more organic products and eco-friendly packaging becoming available to support environmentally responsible shopping. To accommodate busy lifestyles, Allegiance is launching convenient meal solutions such as ready-

to-cook meal kits and grab-and-go options that provide quality and convenience. By staying ahead of these trends, the company ensures that its members' stores remain attractive destinations for contemporary shoppers.

#### **Balancing Affordability And Quality**

The challenge of rising grocery prices has made affordability a crucial aspect of merchandising. Allegiance Retail Services leverages its collective buying power to negotiate better deals and keep costs manageable for customers. The expansion of own brand offerings provides premium-quality products at lower prices, offering shoppers more value for their money. Strategic promotions are designed to align with seasonal shopping patterns, ensuring that discounts are both timely and effective. Advanced analytics play a key role in pricing decisions, helping stores maintain competitive pricing without sacrificing margins. By balancing affordability with quality, Allegiance helps independent grocers attract budget-conscious shoppers while sustaining profitability.



**Samer Rahman**  
VP and Chief Merchandising Officer

#### **Localized Marketing And Digital Engagement**

Operating in highly competitive markets such as New York, New Jersey, Pennsylvania, and Rhode Island, Allegiance

focuses on hyper-localized marketing and digital engagement to strengthen customer retention. Localized promotional campaigns reflect regional shopping habits, making them more relevant to consumers in different areas. Digital platforms, including e-commerce solutions and mobile applications, continue to evolve, providing personalized online deals that enhance customer engagement. generative ai programs remain a key element in increasing shopper frequency and brand commitment. By integrating technology with market insights, Allegiance helps its stores differentiate themselves in densely populated and highly competitive regions.

#### **Enhancing The In-Store Shopping Experience**

The shopping experience itself is a major component of effective merchandising. Allegiance Retail Services optimizes store layouts to streamline navigation and create a more engaging environment. Seasonal and thematic merchandising displays, such as promotions centered around major

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## *Merchandising Team*



**Jackie Arturi**  
Director of DSD



**Ed Territo**  
Director of Natural, Organic & Specialty



**Gene Camiolo**  
Director of Dairy & Frozen



**Gary Roselli**  
Director of Produce & Floral



**Rich Rosenberg**  
Director of Deli & Meat Solutions



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## Revolutionizing Retail:

# How Allegiance Retail Services Is Redefining Merchandising

Allegiance Retail Services (ARS) is transforming the supermarket experience through innovative merchandising strategies, data-driven decision-making, and cutting-edge retail technology. As a leader in the grocery cooperative space, ARS is committed to helping independent supermarkets thrive in an increasingly competitive market.

From curating product selections based on market insights to implementing advanced digital marketing solutions, ARS ensures that its stores are not only meeting but exceeding customer expectations. A key part of this strategy is leveraging data and technology to make smarter merchandising decisions, allowing stores to optimize their product mix and enhance the overall shopping experience.

### Merchandising That Drives Success

At the heart of ARS's approach is a focus on strategic product placement and consumer engagement. The company uses Nielsen data and performance analytics to determine which new products make it to store shelves, ensuring that selections align with current shopping trends.

"We can't take in everything," explains Jackie Arturi, director of direct store delivery (DSD) at ARS. "So we use a combination of data, market trends, and performance analysis to determine what will

be successful."

One of ARS's most effective merchandising initiatives is the Discovery Zone, an end-cap display featuring emerging products. This designated space allows customers to explore the latest snacks, beverages, and specialty items in one convenient location. By monitoring sales performance in these areas, ARS identifies which new products should be integrated permanently into stores.

Beyond new product discovery, ARS implements cross-themed merchandising strategies to maximize sales during seasonal peaks like the Super Bowl or St. Patrick's Day. By placing complementary items together—such as tortillas near avocados or rye bread near corned beef—the company enhances the shopping experience while driving impulse purchases.

### Leveraging Technology To Engage Shoppers

ARS is also at the forefront of retail media innovation, using digital screens inside and outside stores to promote products and engage customers. These screens display targeted advertisements, allowing vendors to reach shoppers with timely and relevant promotions.

"These digital screens aren't just for in-store shoppers," Arturi explains. "They're positioned on storefronts in high-traffic areas, meaning passersby in New York City see them too. It's like renting a bill-



**Jackie Arturi**  
Director of DSD

board."

By integrating retail media with loyalty program data, ARS helps brands analyze customer engagement. The company can track whether promotions successfully re-engage lapsed shoppers or encourage loyal customers to try new products.

### Staying Ahead Of Trends

A major strength of ARS is its ability to anticipate grocery trends and introduce the right products at the right time. The company closely monitors national market data, particularly trends originating on the West Coast that often make their way east.

"Years ago, kale and cauliflower were booming in California, and we thought it wouldn't take off here," Arturi recalls. "Now, we have cauliflower everything—from pizza crusts to chips."

This proactive approach allows ARS supermarkets to stay ahead of consumer demand, ensuring that independent grocers remain competitive in a rapidly evolving market.

### Shaping The Future Of Grocery Retail

ARS's commitment to innovation extends beyond merchandising. The company is enhancing the in-store experience through electronic shelf labels (ESLs), improved store layouts, and optimized lighting—all aimed at making shopping easier and more engaging.

"Our goal is to make it easy for customers," Arturi says. "Whether they're shopping in-store or using our app at home, the experience should be cohesive."

By continuously adapting to industry changes and leveraging technology to drive growth, Allegiance Retail Services is positioning itself as a leader in the independent grocery sector. With a forward-thinking approach to merchandising and customer engagement, ARS is not just keeping up with the retail landscape—it's setting the standard for the future.

**GOYA**

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Congrats!**



***Allegiance***  
RETAIL SERVICES, LLC

**Goya is happy to salute our trusted partner,  
Allegiance Retail Services, for their innovations  
and commitment to supporting independent retailers.**

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## *Leading The Future Of Natural & Specialty Foods:*

# How Allegiance Retail Services Is Innovating Grocery Retail

As consumer demand for natural, organic, and specialty foods continues to rise, Allegiance Retail Services (ARS) is taking a proactive approach to ensure its member stores remain competitive. By curating innovative product selections, leveraging data-driven customization, and embracing digital engagement, ARS is helping independent grocers meet the evolving needs of today's health-conscious shoppers.

Through strategic partnerships, cutting-edge merchandising, and a deep understanding of consumer trends, Allegiance is leading the charge in making organic and specialty foods more accessible than ever.

### **A Changing Grocery Landscape: Embracing The Shift Toward Natural And Organic**

Gone are the days when natural and organic products were confined to a single aisle. Today, these items are integrated throughout supermarkets, reflecting their mainstream appeal. ARS is ensuring that its stores don't just keep up with this shift—they lead it.

"Natural and organic products are an integral part of our focus on health, wellness, and sustainability," says Ed Territo, director of natural, organic, and specialty at ARS. "We're aiming to be more aggressive this year, keeping our assortment fresh and being first to market with new innovations."

To achieve this, Allegiance works closely with KeHE, a leading distributor

of natural and specialty products, to bring cutting-edge brands and trends to store shelves before they hit the mainstream.

But it's not just about having the right products—it's about understanding what today's customers want and how they shop. Social media has become a driving force in purchasing behavior, with shoppers actively seeking out trendy, better-for-you products they discover online.

"That impact happens very quickly at the store level," Territo explains. "We need to stay ahead of trends and react fast to ensure our members always have what their customers are looking for."

### **Tailoring Product Selection For Diverse Communities**

ARS serves a broad demographic, from urban shoppers looking for convenience to suburban families seeking wholesome meal solutions. Because no two stores are the same, Allegiance takes a customized approach to product selection.

By analyzing market data, insights from KeHE, and internal purchasing trends, ARS ensures that each store's assortment is fine-tuned to match the unique preferences of its local community.

"We analyze market data and insights to fine-tune each store's assortment," Territo says. "This allows us to provide the right mix of products for each specific location."

Additionally, Allegiance offers its members an open-book policy with KeHE,



**Ed Territo**

Director of Natural, Organic & Specialty

meaning store owners have the flexibility to order specialty products directly—giving them control over their inventory and the ability to cater to their customers' needs.

### **The Future Of Grocery: Digital Innovation In Retail**

Beyond product curation, Allegiance is investing in digital innovation to enhance the in-store shopping experience and drive engagement.

One of its most impactful initiatives is the introduction of digital end caps and storefront screens that display dynamic promotions and advertisements—reaching not only customers inside the store but also passersby.

"It's almost like renting a billboard,"

Territo explains. "It's not just marketing to our customers, but to people walking by the store as well."

These digital displays offer brands a powerful way to promote products in real-time, capturing shopper attention and influencing purchasing decisions at the point of sale.

"So far, the results have been pretty significant," Territo adds, reinforcing the value of this tech-driven marketing approach.

### **The Allegiance Advantage: Balancing Value With Innovation**

One of the key differentiators of Allegiance Retail Services is its deep-rooted experience in independent grocery retail. The organization's leadership team understands firsthand the importance of balancing affordability with innovation.

"Our roots come from the stores," says Territo. "We are a passionate group, committed to negotiating the best cost of goods for our members while delivering consistent value to shoppers."

With a forward-thinking approach to natural and specialty foods, strategic partnerships, and a commitment to digital transformation, ARS is paving the way for the future of grocery retail.

For independent grocers looking to stay ahead in an ever-changing industry, Allegiance Retail Services provides the expertise, resources, and innovation needed to thrive—one organic product at a time.



# Cheers to 70 Years

Congratulations Allegiance Retail Services on your 70th anniversary!

From your friends at



**MERCHANDISING**  
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events like game days or back-to-school shopping, inspire impulse purchases and enhance the overall experience. Interactive shopping features, including in-store product sampling, digital recipe kiosks, and QR codes linking to exclusive deals, add another layer of personalization and engagement. These initiatives make shopping more enjoyable, increase customer satisfaction, and contribute to higher basket sizes.

**Tailoring Merchandising Strategies To Diverse Demographics**

Samer Rahman emphasizes that one of the most important aspects of Allegiance's merchandising strategy is the ability to tailor offerings to the diverse demographics its stores serve. He highlights that Alle-

giance has specialized programs designed for various consumer segments, including Hispanic, African American, and Asian shoppers, as well as high-income customers in premium locations. The company's ability to adapt its product selection, pricing strategy, and marketing efforts to fit each demographic is one of its greatest strengths. No matter the neighborhood or customer base, Allegiance creates a merchandising program that aligns with the specific needs of each store, ensuring that independent grocers remain relevant and competitive.

**Leveraging Data And Analytics for Personalization**

Another key differentiator for Allegiance is its use of advanced data and analytics in shaping marketing and promotional strategies. The company's partnership with AppCard allows for a highly customized

program that personalizes promotions based on individual shopping behaviors. Rahman points out that the use of real-time data helps stores create meaningful customer interactions. If a shopper frequently purchases diapers, for example, the system can generate targeted promotions for baby-related products, reinforcing customer loyalty while increasing sales. This level of personalization not only improves the shopping experience but also strengthens the connection between retailers and their customers.

**Integrating Technology For A Seamless Shopping Experience**

The integration of new technologies is another way Allegiance is staying ahead of the curve. Rahman highlights that Allegiance is the only retailer in the region utilizing AppCard's advanced NTR technology at checkout, which allows customers to receive discounts and loyalty benefits seamlessly, even if they have not preloaded

coupons. This streamlined system enhances customer convenience and creates a frictionless checkout experience, making Allegiance stores more attractive to modern shoppers. Additionally, the company is investing in smart shopping carts, digital advertising screens, and AI-driven pricing models to further enhance operational efficiency and customer engagement.

**Investing In Training and Community Engagement**

Beyond pricing and products, Allegiance Retail Services strengthens its independent retailers through ongoing training programs and community engagement. Store associates receive education on customer service and sales strategies, equipping them with the skills to drive in-store success. The company collaborates with

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# Elevated retail merchandising matters...

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*Independent together.*

RDD Associates salutes our friends at Allegiance for their achievements in merchandising innovation, independent retailer leadership and superior customer service! We commend you on this milestone and look forward to continuing to grow together for years to come!



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RDD Associates is recognized as the premier independent sales and marketing agency exclusively merchandising supermarket products. We foster a "hands-on" service culture, with RDD leadership actively engaged in all aspects of the business, and provide "perishables-focused" retail merchandising expertise. Our client portfolio benefits from our "Full-Service Representation", meaning we partner with our valued clients every step of the way to build positive business momentum in our market.

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# Harnessing Advanced Technology For The Future Of Retail

## ARS Making Strategic Investments In Loyalty, Digital Commerce, Marketing & Tech Support

In an ever-evolving retail landscape, Allegiance Retail Services is committed to staying ahead of the curve through strategic investments in loyalty, digital commerce, marketing and technological support. Donna Zambo, VP and chief marketing officer, sheds light on the company's journey to build the best cooperative possible, emphasizing the importance of people, strategic partnerships and the right technological tools.

### People First, Technology Second

While technology plays a critical role in Allegiance's strategy, Zambo stresses that people remain the top priority. Ensuring the right team is in place, establishing efficient processes and then selecting appropriate technology solutions are key steps in driving success. Allegiance has made significant investments in its team and partners, carefully choosing third-party providers that align with its mission. The decision of whether to build, buy or partner is a critical one, ensuring efficiency and cost-effectiveness.

### Loyalty And Personalization As A Competitive Edge

One of Allegiance's strongest initiatives is its partnership with AppCard, a leader in loyalty program technology. This collaboration allows the company to deliver highly personalized and digitized offers to its shoppers, tailored not only to their shopping habits but also to



their preferred methods of engagement—be it through text messages, emails, in-lane promotions or direct mail. This level of customization provides a competitive advantage in the region, as no other retailer in the market utilizes AppCard's proprietary tools, such as the New Terminal Receipts (NTR) system.



### E-Commerce And Meeting Customers Where They Are

Digital commerce continues to be a major focus for Allegiance, ensuring that members have a strong e-commerce presence. The company operates its proprietary Foodtown on the Go platform, providing customers with a seamless online shopping experience. Additionally, it has formed strategic partnerships with Instacart, Uber Eats and DoorDash, allowing shoppers to engage with their preferred online ordering services. The core philosophy behind this strategy is simple: meet the customer where they are.

A significant investment is underway to enhance the company's e-commerce infrastructure further. In 2025, Allegiance will launch a new partnership aimed at reducing order fulfillment costs, enabling members to generate profits from online shopping rather than simply absorbing operational expenses. This initiative rep-



**Donna Zambo,**  
VP and Chief Marketing Officer

resents a game-changing opportunity for independent retailers looking to compete in the digital marketplace.

### Expanding Digital Marketing Reach

Marketing strategies have evolved beyond traditional advertising to encompass a robust digital media presence. Allegiance leverages digital display ads, streaming content (Connected TV), digital retargeting, Nextdoor engagement, Instagram



Reels and YouTube Shorts to connect with next-generation shoppers. This data-driven approach not only enhances engagement but is also the most cost-effective way to reach the right audience.

Unlike conventional advertising methods that rely on programming-based media buys, Allegiance's digital marketing efforts focus on targeting specific consumer profiles. This ensures that marketing spend is directed toward the most relevant shoppers, maximizing efficiency and impact.

### Health And Wellness Initiatives

Allegiance is also making strides in health-conscious shopping through its "Easy to Eat Well" program. The initiative, backed by dietitian-approved content, provides shoppers with nutritional guidance, recipes and wellness resources. Through digital media, Allegiance effectively distributes this original content, further positioning itself as a trusted resource for health-conscious consumers.

### Strengthening Infrastructure And Security

Beyond customer-facing initiatives, Allegiance is heavily investing in strengthening its technology infrastructure. A major undertaking is the migration of its entire infrastructure to the cloud, a move that enhances efficiency, flexibility and security. Additionally, the company is committed to maintaining the highest standards of cybersecurity.

To ensure continued success, Allegiance has recently brought on Priya

See **ADVANCED TECHNOLOGY**  
on page 18



# Proud To Partner With Allegiance Retail Services

# Harnessing Advanced Technology For The Future Of Retail

from page 16

Suryanarayanan, its new director of development applications and infrastructure cybersecurity. She will oversee system security and development, ensuring that the company remains at the forefront of technological advancements.

### Smart Retail Technologies Driving Innovation

Innovation in retail technology is another key focus area. Allegiance is deploying cutting-edge solutions such as electronic shelf labels, smart carts, mobile shopping capabilities and automated checkout systems. These advancements are assessed through a strategic framework

that evaluates their impact on sales, cost reduction, customer experience, loss prevention and cybersecurity.

A prime example of this strategy in action is the introduction of smart carts. These carts not only enhance the shopping experience by allowing customers to scan and bag items in real time but also serve as loss prevention tools. The technology facilitates suggestive selling and helps streamline checkout, making it a win-win for both retailers and consumers.

### The Road Ahead

At the core of Allegiance's mission is the belief that people drive success. Whether through internal teams, partnerships or technology investments, the com-

pany is dedicated to equipping its members with the tools they need to remain relevant and competitive. By strategically aligning marketing and technology, Allegiance continues to build a future-ready cooperative that caters to the evolving needs of modern shoppers.

As the retail industry continues to shift, Allegiance remains steadfast in its commitment to innovation, customer engagement and operational excellence. Through its integrated approach to loyalty programs, e-commerce, digital marketing and infrastructure security, the company is setting a new standard for independent retailers looking to thrive in an increasingly digital world.



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# Introducing A.L.I.G.N. - Analytics, Loyalty, Innovation, Growth And NextGen Initiatives

## Allegiance Retail Services Provides A Comprehensive Growth Strategy For Independent Retailers

Allegiance Retail Services offers its members, independent grocery store operators, a comprehensive program of services known as ALIGN – Analytics, Loyalty, Innovation, Growth, and NextGen – which features strategies, innovations and initiatives designed to drive growth, enhance customer loyalty, and prepare members for the next generation of retail.

### Data-Driven Analytics For Smarter Decision-Making

The analytics segment emphasizes the development of precision pricing strategies tailored to competitive markets and member-specific behavior. By leveraging customer data, the organization aims to create more effective loyalty promotions and utilize A/B testing to identify optimal performance strategies. Additionally, customer dashboards are being introduced to provide actionable metrics and insights to support membership success.



### Harnessing The Power Of AI

Generative AI initiatives are a cornerstone of the analytics strategy for 2024. Tools like ChatGPT-4 and Co-

pilot are being adopted to enhance marketing, development, and analytics efforts. Educational programs such as quarterly workshops are planned to engage staff and spark innovation. These AI tools are expected to contribute significantly to marketing content creation, coding, and analytical processes.

### Building Customer Loyalty Through Innovation

The loyalty and marketing strategies center on a data-driven approach to delivering consistent and targeted offers. Innovative technology enables engagement through multiple channels, including in-lane terminals, email, mobile communication, and digital platforms. Recognized as the top loyalty program in the Northeast by *Newsweek*, the program's achievements include the integration of geotargeted campaigns, digital circulars, and in-store digital screens to improve customer engagement.



Growth in digital transformation has been remarkable, with website traffic five times that of just a few years ago. Online sales are also experiencing exponential growth for the fifth consecutive year, with 2025 expected to experience the largest growth in the company's history. Social media platforms such as Meta, TikTok, and YouTube Shorts have become vital components of the organization's diverse digital media strategy.

### Retail Innovation: Driving Efficiency and Customer Experience

Retail technology and innovation are key drivers of the organization's goals to increase sales, reduce costs, and enhance the customer experience. Initiatives include the implementation of electronic shelf labels, vending automation, robotics, and smart shopping carts. These advancements aim to improve operational efficiency, ensure pricing integrity, and offer a more seamless shopping experience.



### Optimizing Own Brands

Own brands product innovation is another strategic focus area. The organization is employing in-depth analytics to optimize own brand performance by analyzing item-level performance, identifying market gaps, and benchmarking against competitors. A dedicated task force is working on consolidating multiple brands into a single control brand, with a target launch timeline of Q3 2025. These efforts are designed to capture emerging consumer trends and address gaps in product offerings.

See **A.L.I.G.N.** on page 22

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are proud to salute Allegiance Retail Services  
on 70 years of serving your communities!**



# Introducing A.L.I.G.N. - Analytics, Loyalty, Innovation, Growth And NextGen Initiatives

from page 20

## Enhancing Store Operations For Growth And Excellence

Store operations are being enhanced to drive growth and excellence in retail. Support is provided for new store openings, renovations, and category resets, ensuring smooth transitions from construction to retail readiness. Data-driven insights and void reports are utilized to optimize inventory and tailor product assortments to local demographics. This approach enhances category management, increases sales and improves customer satisfaction.



## Ensuring Quality And Safety In Perishable Goods

The perishable team plays a crucial role in maintaining high standards of quality and safety in fresh produce, meat, seafood, deli and bakery items. Store visits focus on seasonal merchandising, food safety compliance, and training workshops. These efforts ensure that stores meet the latest food safety guidelines and provide high-quality products to customers.

The comprehensive food safety program includes biannual audits, food handler recertification classes, and a focus on core compliance areas such as cleanliness and proper storage. Stores with consistent audit performance are rewarded, while those with critical non-compliance issues are subject to immediate corrective actions.

## Strategic Growth Partnerships

Growth partnerships with suppliers like C&S and KeHE are critical to the organization's success. These partnerships provide a range of services and support that contribute to year-over-year sales growth and operational efficiency. Additionally, the organization's commitment to demographic and geographic analysis ensures that its growth strategies align with market demands and member needs.

The pages of this special section will cover all of the components of the A.L.I.G.N. strategy through the eyes of the Allegiance team, its board of directors, and members of the co-op's next generation.

Item Description	Unit	Case	Case Price	Case Qty	Unit Price	Unit Qty	Unit Cost	Unit Retail	Unit Margin	Unit Type
BELL REAL BAKY SCT	25.99	02	2	\$5,200	\$2,600	1	\$2,600	800	Void	\$0
ONCE BAGEL PLAIN SH	22.99	02	2	\$18,889	1,512	2	1849	250	Void	\$0
ONCE BAGEL CRYSTAL SH	22.99	02	3	\$5,725	1,308	3	1656	300	Void	\$0
B&B CRYSTAL KNOX BAGEL SCT	24.99	02	4	\$5,240	957	8	528	7	Void	\$0
8&8 MULTI-MYNTY OWNS	17.99	02	1	\$15,004	1,094	1	\$1,250	395	Void	\$0
*KALY WHOLE WHEAT BREAD	24.99	02	5	\$5,286	755	4	1,120	55	Void	\$0
GOODER BAGEL TWN TRPT	20.99	02	1	\$2,212	340	1	1,620	50	Void	\$0
BRIDGE FB PARSIAN BFD	28.99	02	1	\$15,262	15,602	9	\$1,200	800	Void	\$0
ONCE CROISSANT CLASSIC	26.99	02	2	\$18,090	4,488	33	1,004	386	Void	\$0
ING LONG SERRANOUS SQUARE	22.99	02	8	\$18,087	4,875	8	\$1,326	262	Void	\$0
MELONE FRENCH LONG	24.99	02	8	\$14,098	4,384	Void	50	0	Void	\$0
BRIDGE FB ITALIAN BREAD	24.99	02	5	\$14,340	5,330	1	\$30,762	1,796	Void	\$0
ONCE CROISSANT CLASSIC	24.99	02	6	\$13,203	3,306	33	\$130	336	Void	\$0
BRIDGE BAG ARTISAN W/BAG	22.99	02	7	\$11,889	3,811	6	\$1,884	544	Void	\$0
MELONE BAVARIE	22.99	02	8	\$11,887	3,352	Void	50	0	Void	\$0
MELONE ITALIAN BREAD	20.99	02	9	\$12,285	3,375	2	\$1,810	825	Void	\$0
ONCE CROISSANT CLASSIC	24.99	02	30	\$16,599	2,366	20	\$105	89	Void	\$0
*BOU FRENCH BAGUETTE	11.99	02	13	\$5,678	2,279	11	\$124	386	Void	\$0
BROOKLYN WHOLE BAGEL	20.99	02	12	\$5,534	2,279	28	\$18	20	Void	\$0
PODA BAGELS 3 PRICE	6.99	02	13	\$5,588	1,213	Void	50	0	Void	\$0
MELONE ROUND FLOUR BREAD	20.99	02	14	\$8,343	1,200	Void	50	0	Void	\$0
MELONE ROUND FLOUR	1.99	CT	35	\$7,655	1,388	Void	50	0	Void	\$0

## Next Gen @ Allegiance HQ

**Priya Suryanarayanan**, Director of IT Applications & Infrastructure, is a recent addition to the Allegiance IT department and is responsible for the company's infrastructure, cyber security and development applications. Priya brings a wealth of technical and grocery experience to the team, having held previous IT leadership roles at Trader Joe's.



**Jonathan Iulo**, Controller, has been an Allegiance associate for three years and is responsible for the company's financial reporting. He brings a wealth of accounting experience to the team and his attention to detail ensures that Allegiance's financial reporting maintains the highest level of integrity.



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## Cutting Edge Pricing Strategies & AI-Driven Analytics

from page 24

### Analyzing National And Regional Grocery Trends

Beyond internal data, Allegiance collaborates with Nielsen to track national and regional grocery trends. This partnership allows stores to identify emerging product categories, such as growing demand for plant-based snacks or specialty condiments like hot honey. It also helps independent retailers determine which own brand products are gaining traction, ensuring they invest in categories with the highest growth potential. When launching new own brand products, Allegiance relies on this data to focus on the most impactful product categories, ensuring that stores stock items that align with broader

consumer trends. Mostler highlights that this analytical approach ensures that own brand launches are well-targeted and meet customer demand.

### Helping Independent Grocers Compete With Big Chains

Competing with national supermarket chains is one of the biggest challenges for independent grocers. Large retailers have access to sophisticated pricing tools, making it difficult for smaller stores to keep up. Allegiance levels the playing field by providing its members with real-time competitive intelligence. The company tracks grocery pricing across various markets, including Brooklyn, Queens, Manhattan, and New Jersey, ensuring that its stores are priced appropriately against local competitors. Mostler explains that pricing is not a

static decision but an ongoing process that requires constant monitoring. By staying ahead of pricing trends and competitor movements, Allegiance enables independent grocers to remain competitive without engaging in unsustainable price wars.

### A Data-Driven Future For Grocery Retail

In today's grocery market, data-driven decision-making is no longer optional for independent retailers—it is a necessity. Allegiance provides grocers with access to the same powerful insights, pricing tools, and customer retention strategies used by large chains. Mostler emphasizes that whether a store owner operates a single location or a multi-store chain, Allegiance is committed to delivering the same level of expertise and support. The company's mission is to

ensure that every independent grocer has the tools needed to succeed in a highly competitive retail landscape.

### Ensuring Independent Supermarkets Continue To Thrive

With a combination of real-time analytics, AI-driven pricing models, and strategic customer engagement initiatives, Allegiance Retail Services is redefining how independent grocers operate. By equipping store owners with innovative technology, market intelligence, and expert guidance, the company is helping them compete effectively while maintaining their local charm and personalized service. Through its commitment to data-driven success, Allegiance is ensuring that independent supermarkets not only survive but thrive in an evolving industry.



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# Innovation, Advanced Technology Raise The Bar

## Allegiance Retail Services Is Transforming Grocery Loyalty For Independents

Allegiance Retail Services is reshaping the grocery industry by implementing innovative loyalty programs, digital engagement strategies, and advanced technology solutions. With independent grocers facing increasing competition from national chains, Allegiance provides them with the tools and strategies necessary to foster strong customer relationships and ensure long-term growth. By combining data-driven personalization with cutting-edge marketing and checkout technologies, the company is setting a new standard for grocery loyalty programs.

### Data-Driven Personalization For Stronger Customer Loyalty

At the core of Allegiance's approach is the use of real-time data analytics to understand and anticipate customer behavior. Personalized offers tailored to shoppers' habits play a crucial role in customer retention. Frequent customers are rewarded for their loyalty with exclusive discounts, new shoppers receive incentives to return, and lapsed customers are encouraged to re-engage through targeted promotions. Rather than waiting for shoppers to drift away, Allegiance uses proactive outreach to keep them engaged. According to Elizabeth DiRoma, director of advertising and loyalty marketing, the company closely monitors spending trends and steps in with personalized promotions when necessary. This meth-



od not only strengthens customer relationships but also increases overall store loyalty.

### Multi-Channel Engagement To Maximize Reach

Engagement strategies extend beyond traditional promotions, with Allegiance ensuring that customers receive offers through multiple channels. In-store promotions provide instant discounts at checkout, direct mail campaigns offer customized savings, and digital marketing strategies allow shoppers to access exclusive deals through email and online platforms. This multi-channel approach allows the company to reach consumers in the ways that best suit their shopping preferences, making promotions more relevant and effective.

### Seamless Checkout Experience Through Advanced Technology

The checkout experience has also undergone significant enhancements



**Elizabeth DiRoma**  
Director of Advertising & Loyalty Marketing

through technology. Allegiance has integrated loyalty features directly into the checkout process, allowing customers to access savings seamlessly. One of the most notable advancements is the implementation of NTR technology, which simplifies the redemption of digital coupons. Customers can enter their phone number to receive loyalty benefits, eliminating the need for physical loyalty cards or manually clipping digital coupons. DiRoma notes that these improvements create a frictionless experience, making checkout faster and more efficient for both customers and store operators.

### Leveraging Digital Advertising To Drive Foot Traffic

Beyond in-store engagement, Alle-

giance leverages digital advertising to attract new customers and drive foot traffic. Geo-targeted advertising allows the company to reach potential shoppers in specific locations, including areas near competing grocery stores. Consumers browsing a weather app, for example, might receive an ad promoting Foodtown's weekly specials, while someone near a rival store could see a message showcasing Allegiance's competitive prices. This targeted approach ensures that marketing efforts are efficient and directly contribute to increased store visits. The company can even track how many new shoppers visit a store as a result of these ads, demonstrating their effectiveness in real-time.



### Enhancing In-Store Marketing With Digital Displays

In-store marketing has also evolved with the introduction of more than 250

See **LOYALTY**  
on page 30





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## Innovation, Advanced Technology Raise The Bar

from page 28

digital screens across Allegiance's store network. These displays showcase live promotions, highlight featured products, and present vendor-sponsored deals. Strategically placed, they attract attention before customers enter the store and continue to engage them as they shop. Window screens draw in foot traffic, while in-store displays suggest meal ideas and limited-time discounts. Digital signage is proving to be a valuable

tool, particularly in urban environments where consumer attention is highly competitive. As DiRoma points out, these screens create an immediate connection with shoppers and influence their purchasing decisions.

### Supporting Independent Grocers With Hands-On Assistance

While technology is a major component of Allegiance's success, its commitment to supporting independent grocers

remains a top priority. The company provides hands-on assistance, ensuring that store owners have access to industry expertise, fast response times, and customized strategies tailored to their specific needs. Allegiance works closely with its partners, not just offering guidance but actively participating in the execution of strategies to ensure measurable results.

### The Future Of Grocery Loyalty: Innovation And Personalization

Looking forward, Allegiance continues to innovate, refining its approach

to grocery loyalty and customer engagement. By blending advanced technology with personalized service, the company empowers independent grocers to compete with larger retailers. With a strong focus on customer experience, seamless integration of marketing tools, and data-driven decision-making, Allegiance is leading the way in modernizing grocery retail. Through this dynamic combination of strategies, the company is helping its members stay ahead in an increasingly digital and competitive marketplace.

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## Redefining Own Brands In Supermarket Retail

### Allegiance Retail Services Elevates Own Brands: A New Standard for Quality and Innovation

Allegiance Retail Services (ARS) is redefining the role of own brands in the supermarket industry, creating a stronger connection between retailers and customers through quality, innovation, and value. As own brands continue to grow in popularity, ARS is leading the way in 2025 by offering an expanded selection of high-quality products that provide affordability and exclusivity while enhancing the overall shopping experience.

#### Unwavering Commitment To Quality

A key factor in the success of ARS's own brands is an unwavering commitment to quality. Every product under the ARS own brand undergoes rigorous testing to ensure consistency, safety, and excellence. By working closely with trusted suppliers who share its dedication to high standards, ARS guarantees that its own brand products exceed expectations across multiple categories. Strict quality control measures ensure that customers receive reliable and superior products, reinforcing trust in the brand. This approach elevates own brands from being seen as alternatives to national brands and instead establishes them as preferred choices among shoppers.

#### Innovating to Meet Consumer Trends

Innovation is at the forefront of ARS's own brand strategy as the company continues to develop products that align with emerging consumer trends. The health and wellness category is expanding, with an increased focus on high-quality foods and non-foods, specialty, organic, and functional food options that cater to evolving dietary preferences. Unique flavors and exclusive food concepts are being de-

veloped specifically for ARS-affiliated stores, ensuring that own brands stand out on grocery shelves. By focusing on forward-thinking product development, ARS is positioning its own brands as industry leaders that attract modern consumers.

#### Balancing Affordability And Premium Quality

Affordability is more important than ever, particularly as grocery prices continue to rise. ARS is committed to offering premium-quality own brand products at competitive prices, ensuring that shoppers do not have to sacrifice quality for cost savings. Through bulk purchasing power and cooperative buying efficiencies, ARS is able to reduce costs and pass those savings on to consumers. Smart promotions are strategically aligned with seasonal shopping trends to maximize value, while own brands serve as cost-effective alternatives to national brands without compromising on quality. This approach ensures that ARS own brands are not just an economical choice but the go-to option for value-conscious shoppers.

#### Expanding Product Offerings For Greater Variety

To further strengthen its own brand program, ARS is expanding and diversifying its product portfolio. New categories are being introduced, including specialty foods, international cuisine, and premium beverages, reflecting the diverse needs and preferences of today's customers. Cross-promotion efforts in store promotions, digital marketing, and in-store displays are increasing visibility and encouraging customer trial, ultimately driving growth in own brand sales.



**Samer Rahman**  
VP and Chief Merchandising Officer

#### Creating A More Engaging Shopping Experience

Enhancing the customer experience remains a priority for ARS, as own brands are integrated into a more engaging shopping journey. Branded store sections are being designed to highlight own brand products in a way that encourages exploration and discovery. Sampling events and in-store educational campaigns introduce shoppers to new products while reinforcing their quality and value. Digital platforms are being leveraged to provide recipes, customer reviews, and exclusive online promotions that increase interaction and brand loyalty. By making own brands more than just a product on a shelf, ARS is ensuring that customers view them as essential, high-quality purchases.

#### ARS Own Brands: More Than Just Products - A Better Shopping Experience

For Samer Rahman, vice president and chief merchandising officer at Allegiance Retail Services (ARS), Own Brands aren't just about offering a cheaper option. They're about giving customers something special—great quality, exciting flavors, and products that feel like they were made just for them.

"We're not here to sell the same thing to everyone," Rahman says. "Every community is different, and we make sure our Own Brands fit the people we serve. Whether it's Hispanic flavors, gourmet options, or everyday essentials, we create products that feel local and personal."

#### Using Data To Stay Ahead Of The Game

ARS doesn't just guess what people want—it knows. Thanks to loyalty programs and sales data, the company can spot trends before they happen and make sure its Own Brands always stay fresh and relevant.

"We see what shoppers are buying and use that to create new products, improve existing ones, and make sure our stores have what people are looking for," Rahman explains. "It's all about giving customers more of what they love."

#### Bringing Own Brands To Life With Technology

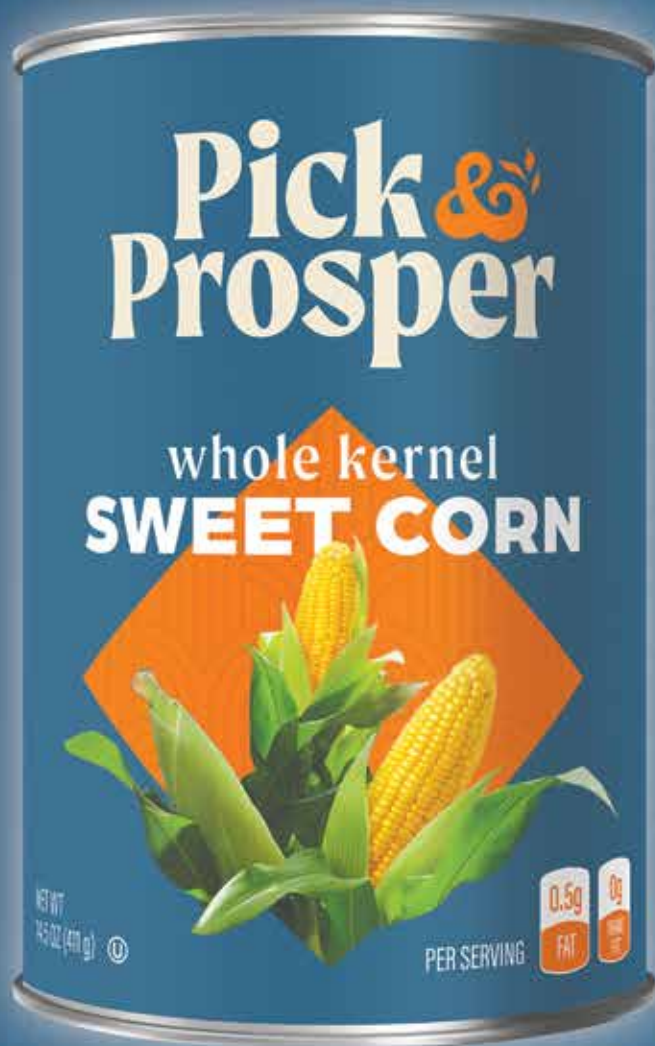
Great products deserve the spotlight, and ARS is making sure its Own Brands

See **OWN BRANDS**  
on page 34

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## Redefining Own Brands In Supermarket Retail

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get noticed. Digital displays, smart shelves, and AI-powered promotions help customers discover new favorites and special deals right in the store.

“We’re making shopping easier, more fun, and more personal,” Rahman says. “When customers see something excit-

ing, they’re more likely to try it—and love it.”

### Helping Independent Stores Stand Out

At the heart of ARS’s mission is helping independent grocery stores succeed. The company provides training, insights, and tools to help retailers make the most of their Own Brands.

“We’re not just handing stores a product and saying, ‘Good luck,’” Rahman says. “We help them tell the story—why this product is great, why customers should try it, and how it can help them stand out from big-name competitors.”

### Looking Ahead: A Future Built On Innovation and Quality

ARS isn’t just following the trends—

it’s setting them. With a focus on great quality, smart technology, and deep customer connections, ARS is making Own Brands a must-have for shoppers.

“The future is all about giving customers more—more quality, more value, and more reasons to keep coming back,” Rahman says. “We’re just getting started.”

### Allegiance Retail Services Reinvents Own Brands:

## A Bold Strategy For Quality And Growth

Allegiance Retail Services (ARS) is making a bold move to reshape its own-brand portfolio, ensuring that all 140 of its stores, regardless of their banner, have access to a high-quality, competitively priced store-brand alternative. With own brand sales soaring and consumers increasingly prioritizing quality alongside affordability, ARS is capitalizing on this trend by introducing a unified, modernized own brand designed to set a new standard across its cooperative network.

### The Growing Power Of Own Brand Sales

Own brand grocery sales have experienced significant growth, reaching \$270 billion in 2024 with a 4 percent increase. Once seen as mere budget-friendly alternatives, store brands are now sought after for their quality and value. Now more than ever, customers are choosing own brand products not just because they are cheaper, but because they match national brands in taste and performance. This shift presents a prime opportunity for Allegiance to establish a trusted, recognizable own brand that extends beyond Foodtown locations and serves every store within the ARS network.

### Rebranding For A Stronger Own Brand Identity

Historically, the Foodtown own brand dominated many Allegiance-affiliated stores, but with only half of the network’s stores carrying the Foodtown

banner, a rebrand became necessary. To build a new, non-banner-specific own brand, Allegiance has dedicated resources to marketing experts and focus groups to refine brand identity, an own brand task force comprising executives, board members, and designers, and supplier partnerships to ensure national brand equivalent (NBE) quality. Allegiance emphasizes that no shortcuts are being taken, as consistent quality is key to building consumer trust. If customers enjoy one product, they will be more inclined to trust the brand for other essentials.

### Balancing Price And Quality To Drive Loyalty

A major component of this strategy is striking the right balance between price and quality. Learning from retailers like ShopRite and Safeway, ARS has opted for a single premium-quality own brand at a competitive price rather than multiple brands at different price tiers. The focus is on maintaining a significant price gap between the own brand and national brands while delivering premium taste and performance. By ensuring customers return not just for affordability but because they truly enjoy the products, the company aims to build long-term loyalty.

### Digital Marketing And Promotions To Boost Acceptance

To maximize own brand sales, Al-

legiance is moving away from traditional advertising and embracing digital marketing. In-store digital signage will highlight own brand promotions, while social media and digital couponing will increase awareness. Promotions such as “Buy the Brand, Get Own Brand Free” will further entice shoppers to try the new line. The company’s robust digital engagement strategy has already drawn recognition from national brands and will be crucial in accelerating own brand adoption.

### Strategic Rollout In Phases

The phased rollout of the new own brand will begin in Q3 2025, with a major rollout in Q4 2025. The first phase will introduce high-volume products, focusing on the top 20 percent of items that drive 80 percent of sales. The second phase will expand into grocery, frozen, and non-food categories, while the third phase will incorporate trend-driven flavors and innovations, including hot honey, sriracha, and specialty ice creams.

### Gaining Buy-In From Independent Store Owners

Gaining the support of independent store owners is essential for the success of this initiative, especially given the diversity of markets ranging from urban neighborhoods to suburban communi-

ties. Allegiance has proactively involved store owners in the development process, ensuring they feel invested in the brand’s success. Unifying diverse retailers under one brand was a challenge, but the enthusiasm shown by the owners about the new own brand products has been encouraging to the co-op.

### Setting A New Standard For Own Brand Excellence

More than just a new product line, this initiative marks a strategic shift that positions Allegiance Retail Services to compete with national brands like never before. The goal is to create an own brand customers trust and choose, not merely because it is the most affordable option, but because it is the best. As Q3 2025 approaches, shoppers will soon experience firsthand the difference in quality and value that Allegiance’s reimagined own brand brings to the market. By redefining what store brands mean to independent grocers and their customers, Allegiance Retail Services is setting a new benchmark for the industry.





# Congratulations Allegiance!



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## Innovation In Retail Technology

### How Allegiance Retail Services is Transforming the Grocery Industry

As technology continues to reshape the retail landscape, Allegiance Retail Services (ARS) is leading the way in integrating cutting-edge innovations that enhance both operational efficiency and the customer experience. By identifying, testing, and implementing new retail technologies, ARS ensures that independent supermarket owners have access to the same advanced tools as major grocery chains—allowing them to stay competitive in an evolving market.

From electronic shelf labels to AI-powered shopping carts, ARS is making strategic investments in technology to streamline operations and improve convenience for shoppers. The company’s goal is not just to adopt new trends but to ensure that every innovation brings real, measurable value to store owners and customers alike.



#### Enhancing Efficiency With Smart Retail Technology

One of ARS’s most impactful initiatives has been the introduction of electronic shelf labels (ESLs). These digital price

tags enable real-time updates, eliminating the need for manual price changes and reducing errors at checkout. However, ARS recognized the importance of a smooth transition for shoppers.

“We didn’t just rip out the paper tags all at once,” explains Amanda Dentici, who leads ARS’s retail technology initiatives. “We kept sale signage in place to reassure customers that savings weren’t disappearing.”

Another game-changing innovation is Scan PayGo, a mobile checkout system that allows customers to scan items with their phones, pay via a QR code, and leave the store without waiting in line. While customer trust in the system needed time to develop, ARS saw rapid adoption once shoppers experienced its accuracy and convenience.

“At first, customers needed to build trust in the system,” Dentici notes. “But once they saw accurate receipts and a smoother checkout process, adoption grew exponentially.”



**Amanda Dentici**  
Sr. Dir.-Retail Technology, POS, Digital Commerce

#### Revolutionizing the Checkout Experience

Looking ahead, ARS is preparing to launch Caper Smart Carts, an AI-powered shopping cart that automatically recognizes products as they’re placed inside—allowing customers to skip the checkout line entirely. While high-tech shopping solutions are often associated with younger, tech-savvy customers, ARS has discovered a surprising demographic embracing this innovation.

“Elderly shoppers love it because it helps them track their spending as they shop,” Dentici explains. “It’s a great example of how innovation can serve a wide range of customers in unexpected ways.”

#### Empowering Independent Grocers

For ARS, investing in technology

isn’t just about keeping up with the latest trends—it’s about ensuring independent supermarket owners have access to the tools they need to compete with large retail chains.

“Large supermarket chains have entire departments dedicated to tech innovation,” Dentici points out. “Independent retailers don’t have that luxury, but Allegiance levels the playing field by handling the research, testing, and implementation for them.”

With a commitment to continuous improvement, ARS is focused on refining its existing technology while exploring new advancements that enhance the shopping experience.

“It’s not just about introducing new technology for the sake of it,” Dentici emphasizes. “It’s about refining what we already have, ensuring it makes a real impact, and always looking for ways to enhance the shopping experience.”

As the grocery industry evolves, Allegiance Retail Services is ensuring that its members are not just keeping up—but staying ahead.





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# Driving Growth Through Smart Store Operations

## Allegiance Retail Services Helps Members Optimize Store Operations, Seamless Onboarding

Helping its store members grow is a major initiative for Allegiance Retail Services. With nearly four decades of experience in the cooperative grocery industry, Dean Holmquist is well positioned to help them do that by staying ahead of changing consumer trends, evolving retail technologies and the rise of data-driven decision-making. As the vice president of store operations at Allegiance Retail Services (ARS), he leads a team dedicated to optimizing store performance, ensuring members have the right tools, products, and strategies to thrive in an increasingly competitive market.

### A Leadership Role Focused on Operational Excellence

Holmquist's role encompasses a wide range of responsibilities, from overseeing merchandising strategies to managing the in-store execution (ISE) team, which handles new store openings, renovations and resets. His expertise is built on years of working across different aspects of the business, from buying and merchandising to operations. That breadth of knowledge, combined with a deep understanding of the cooperative model, allows him to bridge the gap between data analytics and

real-world store needs.

### Leveraging Data to Optimize Inventory and Merchandising

"We rely heavily on data-driven insights," Holmquist explains. "Using tools like void reports and syndicated data from Nielsen, we analyze product performance to optimize inventory for each store. Every store has a unique demographic, so we tailor product assortments based on what works in similar locations."

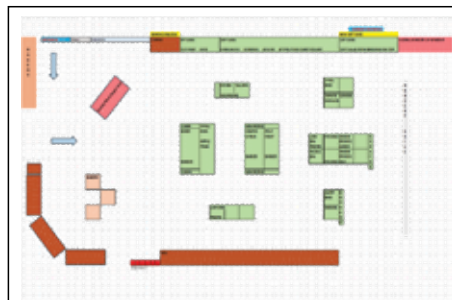
### Supporting Store Owners with Hands-On Guidance

ARS members—independent store owners—benefit from this meticulous approach. Holmquist and his team work behind the scenes, allowing store operators to focus on daily business while ensuring they have the most effective product mix and merchandising strategies. Whether it's a full-scale store reset or a seasonal category refresh, Holmquist emphasizes the importance of frequent updates.

### Keeping Up with Market Trends Through Regular Resets

"A major reset should happen at least once a year," he says. "New products are

constantly entering the market, while others phase out. If stores don't stay on top of these shifts, they risk carrying outdated inventory or missing out on high-performing items."



### Seamless Onboarding for New ARS Members

Beyond merchandising, Holmquist is deeply involved in onboarding new ARS members. Once a store owner decides to join the co-op, Holmquist's team steps in to coordinate every aspect of that process—from IT and marketing to product selection and layout. This hands-on support is something new members consistently praise.

"They always tell me, 'I've never had this kind of support before,'" Holmquist shares. "That's what sets ARS apart. We guide members through every step, from setting up their first deliveries to ensuring a seamless grand opening."

### Ensuring Compliance and Food Safety Excellence

Holmquist also highlights the importance of compliance and food safety. His team not only ensures stores meet industry regulations but also helps members improve their perishables departments through training programs.



**Dean Holmquist**  
Vice President of Store Operations

### A Commitment to Growth, Adaptation, and Success

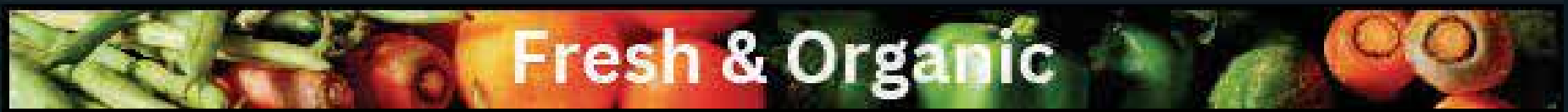
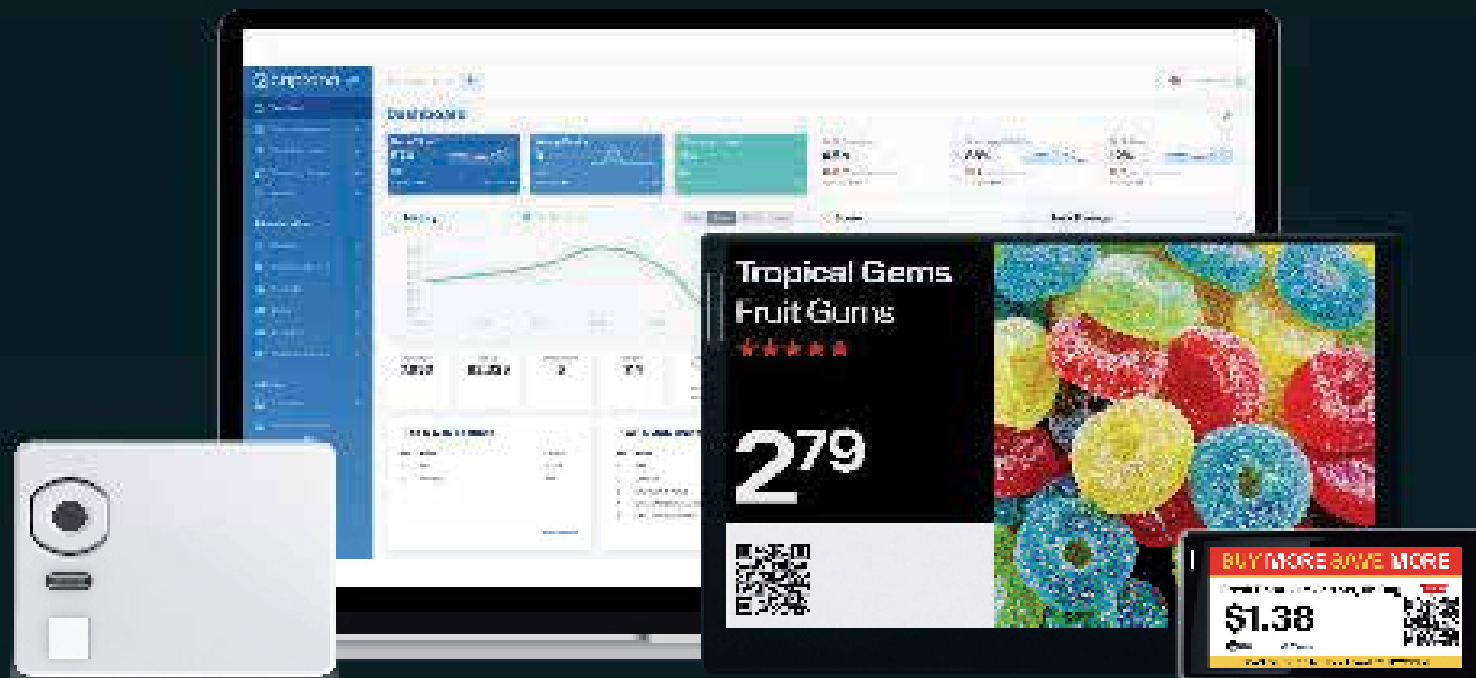
At the heart of his work is a commitment to helping independent retailers compete with national chains. Holmquist believes that by providing data-backed guidance, operational expertise, and hands-on support, ARS enables its members to offer customers a shopping experience tailored to their communities.

"Our goal is to take members from where they are to where they want to be," he says. "Every inch of shelf space matters. Every product decision impacts cash flow. We're here to make sure our members have the best chance at success."

As ARS continues to refine its strategies and expand its membership, Holmquist remains focused on what has driven him for nearly 40 years—helping stores grow, adapt and thrive in a fast-changing retail landscape.



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## Next Gen Retailing

# Shady Widdi And Allegiance Retail Services: A Partnership Redefining Grocery Retail



**Shady Widdi**

Shady Widdi has never been one to follow the crowd. As an entrepreneur who grew up in the supermarket business, he has made it his mission to stand out in an industry where uniformity often reigns. With three thriving supermarkets in New York City and another operated alongside his father, Widdi has built a grocery empire by focusing on innovation, customer experience, and most importantly, the strength of his partnership with Allegiance Retail Services and its Foodtown brand.

“I was born and raised into this business,” Widdi explains. “My grandfather started it in 1967, my father advanced it in 1983, and then I took over in 2007. I tripled the business and, in the past few years, opened two more stores on my own.”

### The Power Of Standing Out

For Widdi, simply opening another grocery store was never an option. His Bushwick location, in partic-

ular, is a testament to his philosophy of building something truly unique.

“If I’m going to build a store, I want it to be something nobody’s ever seen,” he says. “Anybody can build a generic store. But if you just build any other store, then you’re just going to be that next person. You want to stand out. You want to make sure competition stays away from you.”

His Bushwick store features a sushi station, a hot food bar, a salad bar, an olive bar, a soup bar, a juice bar, a full café, a butcher shop, a seafood shop, and even an olive oil and vinegar dispensary. “From here on moving forward, I will never go less than what I did with the Bushwick store,” Widdi declares. “Why should I? It’s been working out for me.”

### Why Allegiance Retail Services?

Widdi’s success has been bolstered by his strategic partnership with Allegiance Retail Services, a company that provides independent supermarkets with branding, technology, and operational support. Transitioning from Associated to Allegiance’s Foodtown brand was a game-changer for Widdi.

“Foodtown has a way stronger backbone than any other banner I’m aware of,” he says. “Their support is way better. They’re more into technology than anybody else. The electronic shelf tags? I’m waiting for them to give me that opportunity. I will 100 percent do it.”

His praise doesn’t stop there. Widdi emphasizes that Allegiance provides critical back-end support that makes running a store more efficient.

“If you ever run into a problem you can’t figure out, they’re there for you,” he explains. “If I have a flood in the store, I can call them, and they’ll bring their team to help clean it up. That’s the kind of support you need.”

This level of assistance, combined with data-driven insights and compliance support, makes Allegiance a

true partner in Widdi’s success. “They bring in a health inspector before the real one shows up,” he says. “They literally do the job for us. If we fail after that, we’re fools.”

### Navigating Retail Challenges

Despite his success, Widdi is keenly aware of the challenges facing retailers today. One issue he remains cautious about is the rise of smart carts and self-checkouts. While Allegiance is getting ready to test smart carts in some Foodtown stores, Widdi isn’t ready to embrace that technology yet.

He believes that full-service stores still provide the best customer experience. “Do you like going to a store with full service, or would you rather do it all yourself?” he asks. “I hate self-checkouts. It’s annoying.”

### Giving Back And Looking Forward

Widdi’s success isn’t just about business—it’s about community. He goes above and beyond to give back, hosting large-scale anniversary events with \$50,000 in giveaways, holiday celebrations with Santa Claus and elves handing out \$20,000 in toys, and food festivals with dozens of vendors.

“The feedback I get from the community is amazing,” he says. “I feel like the more I put in, the more I get back.”

As for the future? Expansion is inevitable. “I’m 100 percent looking to add more stores,” Widdi affirms. “Everybody likes to be comfortable. Nobody wants to change. But I don’t believe in that old saying, ‘If it’s not broken, don’t fix it.’ I believe in constant evolution.”

With his vision, relentless drive, and strong partnership with Allegiance Retail Services, Shady Widdi is proving that the future of independent grocery retail is anything but ordinary.



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## Next Gen Retailing

### Mike Said: Building A Legacy In Independent Supermarket Retailing



**Mike Said**

For Mike Said, a next-generation independent supermarket operator, the grocery business is more than just a profession—it's a legacy. "My dad started the business in the 1980s," Said recalls. "After he passed away in 2007, I got thrown into it by necessity." Since then, he has not only preserved his family's business but expanded it, opening three additional stores (Staten Island, Hempstead and East Meadow) in New York and preparing to launch a fourth in Philadelphia.

Success in such a competitive industry, especially in densely packed metro areas like New York, demands efficiency, innovation, and strong partnerships. That's why being a member of Allegiance Retail Services has been a game-changer for Said. "Being a member of Allegiance has really been helpful in a lot of ways," he shares. "They give me access to so many great tools that I use all the time in our stores."

#### **Technology And Efficiency: The Future Of Supermarkets**

In an industry where margins are tight, investing in the right technology is key. "One of the better things about being a member of Allegiance is that we get better prices on all of these things because we're a bigger group," Said explains. "So that helps us drive down costs."

One example is electronic shelf labels, which Allegiance is testing in select stores. "It's a bit of an investment to start, but in the long run, it's definitely going to save a lot of money," Said notes. "Accuracy in our business is extremely important." Smart carts are another promising innovation he's watching closely. "Anything that can make the shopping experience easier for our customers is going to be a plus."

Allegiance also provides advanced tools such as computer-generated ordering, which Said is beginning to implement. "It helps you to be super efficient," he says. "It helps you just get things done faster and more accurately. And that is so important."

#### **Competing In New Markets With Allegiance's Support**

As Said expands into Philadelphia, he recognizes that he's stepping into a different retail environment. "Metro New York is a very dense market," he explains. "Every few blocks there's another supermarket selling the same items. That's not quite the same in Philadelphia, but you do find more big box operators there."

To help him navigate these challenges, Allegiance provides essential support, from store design to product selection. "Dean Holmquist has helped us with designing the entire store, getting all the right cases and fixtures," he says. "They're also helping us find the right product mix for that demographic."

Regional regulations, such as Philadelphia's sugar soda tax, also play a role in product strategy. "Allegiance

adjusts promotions accordingly, making sure we focus on categories that perform well in each location," he explains. "The overall services we get from Allegiance couldn't be any better for retailers like us. They back us up on everything."

#### **Commitment To Food Safety And Customer Experience**

One of the standout benefits of Allegiance membership is its food safety compliance program. "They have a third-party audit program that is fantastic," Said emphasizes. "They don't just tell you what you did wrong; they tell you how to fix it and do it better."

This proactive approach ensures his stores meet regulatory standards before official inspections occur. "Our stores are super clean, and the customers love that," he adds. "Having a clean store is extremely important in the supermarket industry."

#### **A Network For Growth And Learning**

Beyond the technology, pricing advantages, and operational support, Allegiance offers something even more valuable—a community of experienced mentors and operators. "One of the great things about being in the co-op is that I can learn," Said reflects. "I want to know as much about the industry as I can, and I really want to use all of that knowledge to be a better operator."

For Mike Said, Allegiance Retail Services isn't just a partner—it's a vital part of his success as a next-generation supermarket operator. "Joining Allegiance really made that happen for me in a big way," he says. "I can't say enough about them."

With the right tools, technology, and support, independent supermarket operators like Said are proving that the future of grocery retail is bright—even in the face of major competition.

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## Next Gen Retailing

# Josh Collado: A New Era Of Leadership In Independent Grocery Built On A Family Legacy



**Josh Collado**

For Josh Collado, the grocery business is more than just a career—it's a family legacy. As the second generation of his family's supermarket business, Collado has stepped into a leadership role with a unique blend of real estate expertise, financial knowledge, and a deep commitment to his family's stores.

"My family has been in the grocery business, I think, for like 30 years now," Collado shares, referring to his father, Alejandro, who started the business after immigrating from the Dominican Republic. The family owns three Foodtown supermarkets—two in the Bronx and one in Harlem on Frederick Douglass Boulevard.

Collado, who grew up in New Rochelle, spent years away from home, attending college in Florida and working in real estate. His return to the family business wasn't a foregone conclusion, but rather the result of thoughtful planning and discussions about the future. "I've had discussions with my dad the past, I would say, year and a half about legacy planning or wealth transfer, just because he's already 60 years old," he explains. "I wanted him to start positioning himself to make the necessary decisions."

### A Strategic Return To The Business

Unlike his older sister, who never left the family busi-

ness, Collado took a different path. He built a career in real estate, gaining experience at JP Morgan and working as a real estate sales agent. This experience, he believes, provides him with a unique perspective that he now brings to the supermarket industry.

"My real estate knowledge definitely helps," Collado says. "My dad owns two of the buildings, one in Harlem and one here in the Bronx. So in a technical real estate perspective, I bring something new to the table." His background in commercial real estate financing and entrepreneurship also allows him to see long-term opportunities beyond the day-to-day operations of running a grocery store.

That business mindset, however, comes with challenges. "I was the one-man show, having to do everything," he recalls about his time as a realtor. "The downfall obviously is that you have that responsibility you go to bed with at night. I often made the joke, like... I'm 26 years old, but I was like, 'I'm starting to become a 26-year-old in a 35-year-old body.'"

### Finding Support In Allegiance Retail Services

Collado's transition into the grocery industry has been supported by Allegiance Retail Services, a cooperative that assists independent grocers. When he joined the family business in August 2024, one of his first major meetings was with Allegiance executives.

"My first kind of meeting when I got here was meeting with Joe (Fantozzi, president) and Dean (Holmquist, VP-store operations)," he says. "Then after two or three months, I started continuing my connection with Allegiance, and then Dean finally brought me out in December to meet with the executive team at Allegiance."

Allegiance provided him with a crash course in the industry through what they call the "Next Gen" presentation. "I told them, just like I had been obviously outside of retail for a long time, to treat me as if I'm a novice," he says. "They went over each department of Allegiance, how they work, how they operate, and how they serve their independent owners."

Collado also recognizes the benefits of being part of a network of like-minded retailers. "Definitely eliminating the risk of the unknown," he says about learning from oth-

er Allegiance members. "Obviously, there are other people that are around before you, learning from them, and then if you want to try something new, maybe trying it as a group or using the advice of the other leaders."

### A Future Of Growth And Balance

While Collado is still getting acclimated to the operations side of the business, he acknowledges that expansion is a possibility. "If I was able to really get comfortable with the operations of retail and see the possibility of it... then that might give me aspiration for increasing store count," he says. However, he remains mindful of the pressures that come with ownership. "The stress level is a real point. I want to say that it's mental health viable, you know? That's something the next gen thinks about that maybe the older generation doesn't as much."

For now, his focus is on adding value and ensuring the business continues to thrive for years to come. "My biggest thing getting here was, how can I add value?" he says. "How can I take the life experiences, whether it be from the corporate side or the real estate side, and start contributing?"

Ultimately, Collado sees the family business as a unique opportunity—one that offers more autonomy and vision than the corporate world. "One of the biggest opportunities of being in a family business is that the sky is really the limit," he explains. "You own not only your business, but you own your own vision and your dream. Whereas when I worked for JP Morgan, your vision is only as good as the CEOs."

As he navigates this new chapter, Collado remains open to the lessons and possibilities ahead. "If the help is there, and I continue to learn from Allegiance and other operators, I think the future is bright," he says. "At the very least, I definitely want to own more real estate in the future, whether it's to operate retail in or to do a mixed-use residential and retail combination."

With a strong family foundation, strategic industry partnerships, and a vision for the future, Josh Collado is set to make his mark as the next-generation leader in independent grocery.



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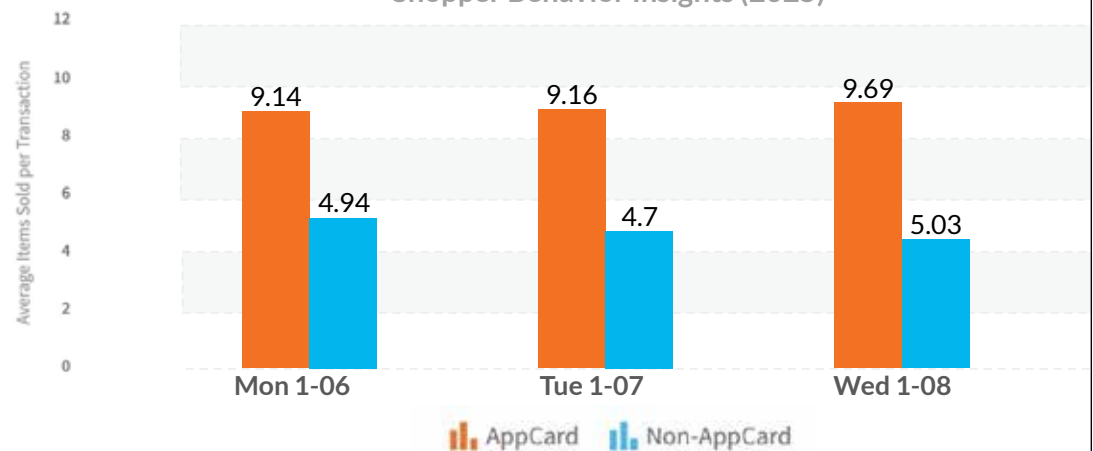
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## Lou Scaduto And Allegiance Retail Services: A Vision For Innovation And Growth



**Lou Scaduto Jr.**

For Lou Scaduto Jr., chairman and CEO of Allegiance Retail Services and co-owner of four Super Foodtown stores in Monmouth County, NJ, one of the benchmarks to future success in independent grocery retailing lies in technology. With four Super Foodtown stores in Monmouth County, NJ, Scaduto is committed to leveraging Allegiance's strategic vision to drive innovation, improve efficiency and enhance the customer experience.

"Innovation is key," Scaduto emphasized. "Allegiance has really carried the ball when it comes to ensuring that new technology is properly implemented and beneficial to our stores."

### **Pioneering Electronic Shelf Labels (ESLs)**

One of the most impactful innovations under Scaduto's leadership has been the introduction of electronic shelf labeling (ESL). With the rollout of ESLs at Foodtown's Red Bank, NJ location, Scaduto became the first

Allegiance member to pilot ESLs - a decision that has already demonstrated significant operational benefits.

"This has given us major labor savings, an estimated \$100,000 per year," Scaduto shared. "From an innovative standpoint, Allegiance ensured this technology was working properly, especially as we prepare to expand it to more stores."

While the transition to ESLs initially caused some confusion among shoppers, Scaduto praised his store teams for their ability to educate customers on the new system. "Our goal is to meet and hopefully exceed customer expectations. It's worked out well so far, and we continue to refine the process."

### **Enhancing The Customer Experience With Digital Integration**

Beyond ESLs, Scaduto highlighted other technology-driven initiatives that have streamlined operations and improved shopper convenience. One such advancement is the integration of its AppCard, a loyalty program allowing customers to sign up with just a phone number and be able to access digital coupons seamlessly. "Much like our ESLs, there was a learning curve at first, but now our customers are comfortable with it and are using it to save money," Scaduto noted.

"The NTRs (in-lane terminals) have made transactions easier for both customers and cashiers," he explained. "It aligns shoppers with the digital space in a way that's much simpler than traditional methods."

### **Looking Ahead: Smart Carts And E-Commerce Growth**

As part of Allegiance's ongoing commitment to technological advancement, the co-op is preparing to introduce Caper Smart Carts in select stores. These AI-powered shopping carts will allow customers to scan items as they shop, eliminating the need for checkout lines.

"We're going to test them in one store first and then expand," Scaduto said. "I believe this will make the shopping experience more pleasurable by avoiding the point-of-purchase process of waiting in line and unloading groceries."

Scaduto's Foodtowns has also embraced e-commerce through Instacart, a platform that has become increasingly essential in today's retail landscape. "Instacart has provided another avenue for customers to fulfill their grocery needs," Scaduto noted. "One of our stores ranks second in Instacart usage among all Allegiance members, which shows how much consumers appreciate the convenience."

### **Allegiance's Vision For The Future**

As both an independent retailer and the CEO of Allegiance, Scaduto is committed to ensuring the cooperative remains at the forefront of technological innovation. "My direction to the co-op is simple: invest in technology every day," he stated. "Technology evolves constantly, and we need to stay ahead to attract new members while taking care of the 33 members we have today."

Scaduto credited Allegiance president and COO Joe Fantozzi and his team for executing this vision. "I'm 100 percent happy with the direction we're taking. Our job as board members isn't to micromanage—it's to set goals, set the pace, and let them carry the ball."

Ultimately, Scaduto believes that success in grocery retail lies in balancing innovation with traditional values. "It's important that the next generation understands and applies new technology while also focusing on strong customer service," he said. "If we can do that, our stores will continue to thrive."

Under Scaduto's leadership, Allegiance Retail Services is proving that independent grocers can compete—and win—by embracing the future while staying true to their customers.



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**The Food Circus Foodtown in Red Bank, NJ opened in 1977.**  
It is one of the four Food Circus stores operated by the Scaduto and Azzolina families, who were among the first members of the co-op. The group is led by Lou Scaduto Jr., president and CEO.



Director of fresh foods and merchandising Louis Scaduto III and pastry chef Jaclyn Scaduto represent the fourth generation of Scaduto family grocers.



Director of operations Tony Abbatemarco and store manager John McCall.



Gina Mauro, seafood manager



Electronic shelf labels are currently being tested in this store and will be rolled out to all members later this year.



Cashier Joe Maggio and customer service rep Kevin Vanrossum



Deli clerk Donna Lascor, deli manager Dawn Buckley and specialty cheese clerk Tony Padakowski.



Butchers Bobby Burris and Dave Johnson and meatwrapper Maria Herbster



Produce manager George Clayton and assistant produce manager Tim Overton

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## Jason Ferreira: Innovating The Supermarket Experience With Allegiance Retail Services



**Jason Ferreira**

As one of the youngest and most successful independent merchants in the New York Metro market, Jason Ferreira has continued to enhance his business (currently three Foodtown stores) by seeking out retail innovation as part of his growth strategy. Ferreira also serves a director on Allegiance Retail Services board.

“Being a member of Allegiance is a privilege for me,” Ferreira explains. “The staff is very dedicated to the members. They work hard to provide us with the information we need to make objective, data-driven decisions.”

### Innovating For A Better Customer Experience

Ferreira understands that the supermarket industry is evolving, and he’s committed to keeping his stores ahead of the curve. One of the biggest challenges in recent years has been loss prevention, as shoplifting has become more rampant due to policy changes.

“We’ve had to focus more on prevention instead of repercussions,” Ferreira says. “So, we’ve installed facial recognition software that alerts us when a previous offender enters the store. We also use Veesion, an algorithm that detects suspicious movements—like someone slipping an

item into their coat pocket—and alerts us in real time.”

In addition to loss prevention, Ferreira has implemented activity-based scheduling to improve labor efficiency, another initiative introduced to him through Allegiance. “It has helped us save on labor costs and increased our productivity,” he says. “We’re also using a shrink scanning program to track losses and make smarter ordering and production decisions.”

### Technology And The Future Of Shopping

Allegiance Retail Services has played a significant role in helping Ferreira integrate cutting-edge technology into his stores. Although Ferreira’s Foodtown stores have not yet begun to test electronic shelf labels (ESLs), he views the technology as a way to streamline productivity and improve customer engagement.

“We don’t have ESLs yet, but within the next three years, I predict we’ll implement them,” Ferreira says. “It’s going to be a tremendous labor saver, making the whole labeling process more efficient. It will also improve the customer experience because the electronic tags are illuminated and provide better visibility.”

Another game-changer has been AppCard, a loyalty program that enhances customer rewards and engagement. “Most of our shoppers have become comfortable using it,” Ferreira explains. “It allows them to access exclusive promotions, like discounts on sale items, free turkeys for Thanksgiving, or even Super Bowl sweepstakes where we’ve given away big-screen TVs.”

Ferreira is particularly excited about the next phase of digital coupons. “Now, when customers scan their items, the system can notify them of a manufacturer’s coupon in real time—like ‘Hey, you have Hellmann’s mayonnaise in your basket; there’s a \$1 off coupon. Do you want it?’ Obviously, people are going to say yes. It’s a game-changer.”

### The Next Wave: Smart Carts And Scan-Pay-Go

With innovation at the heart of his business strategy, Ferreira is preparing to roll out Caper Smart Carts, an advanced shopping cart system that allows customers to scan and pay for items as they shop.

“We’re going to have them in all our stores,” he con-

firms. “The expectation is that they’ll make shopping more efficient—customers won’t have to wait in line to check out.”

In the meantime, he’s testing Scan-Pay-Go, a mobile app that lets customers scan items using their phones and pay seamlessly. “So far, we’ve had great feedback,” Ferreira says. “It’s a different approach from the Smart Cart, but it offers flexibility. Not everyone will want to use a Caper Cart—some people will prefer using their phones.”

### The Allegiance Advantage

For Ferreira, one of the most valuable aspects of partnering with Allegiance Retail Services is the sense of community and shared knowledge within the co-op’s strong independent store network.

“I don’t feel like I’m part of some distant organization where I don’t know anyone,” he says. “If I have a question, I can call someone, and if they don’t pick up, I get a call-back right away. And the best part? The members support each other. If one of us is excelling in a particular department—whether it’s prepared foods, technology, or another area—there’s an open-door policy. We can visit each other’s stores, ask questions, and learn from one another. That’s unique to Foodtown. You don’t see that in other co-ops.”

### The Road Ahead

Looking forward, Ferreira is eager to expand his use of retail technology and continue strengthening his stores’ competitive edge. Whether it’s enhancing online shopping with services like DoorDash, Uber Eats, and Instacart, or exploring new store innovations introduced by Allegiance, he remains committed to pushing his business forward.

“We’re in a very exciting time,” Ferreira says. “Allegiance has embraced technology in a proactive way, and that’s going to benefit all of us in the long run. The more options we offer, the more we’ll keep our customers coming back.”

With a bold vision, a willingness to innovate, and a strong partnership with Allegiance Retail Services, Jason Ferreira is proving that the future of supermarket retail is all about technology, customer engagement, and collaboration.



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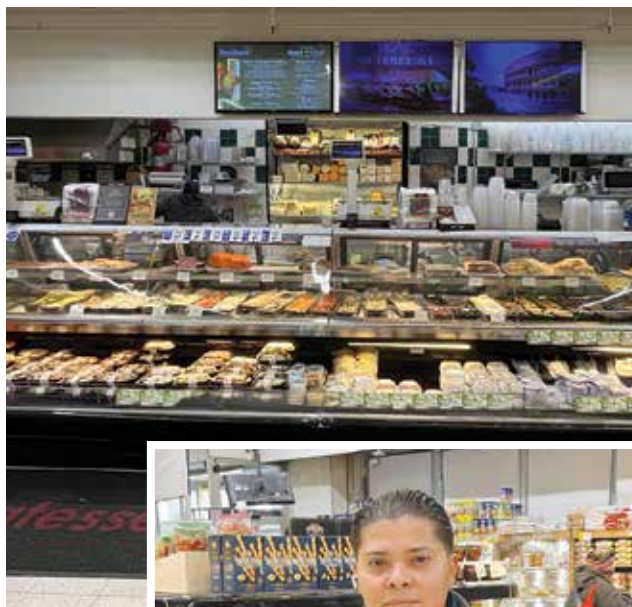
The Foodtown store in Jackson Heights, NY is owned by Jason Ferreira, one of several that he operates.



Store manager Armando Martinez



Grocery-dairy-frozen and produce manager Eddie Fernandez



Supervisor Fernando Pena



Front end manager Edfury Tamayo Gonzalez



Deli clerks Argenys Marte and Kevin Polanco

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## How PSK Supermarkets Leverages Loyalty And Technology To Drive Growth



**Noah Katz**

For independent grocers, competing with national chains can be an uphill battle. However, Allegiance Retail Services has created a model that allows its members to access the same benefits and resources as major retailers. Noah Katz, CEO of PSK Supermarkets, which operates 19 supermarkets under the Foodtown, Pathmark, Fresh-town, and Peck's banners in New York, firmly believes that Allegiance provides independent grocers with a competitive edge.

According to Katz, Allegiance is one of the strongest supermarket buying cooperatives in the country, if not the strongest. He credits its strength to the quality of its people, its vendor relationships, and the extensive range of services it offers to independent retailers. He believes that the cooperative gives independent supermarkets access to the same level of support and resources that large chains enjoy, from vendor partnerships to cutting-edge marketing programs.

### The Power Of The AppCard Loyalty Program

One of the biggest advantages of being an Allegiance member is access to the AppCard loyalty program, which enhances customer engagement and delivers highly targeted promotions. Katz sees this as a game-changer for his supermarkets. He points out that the program allows his stores to build relationships with customers at the same level as banks, casinos, and credit card companies. Currently, about 90 percent of PSK Supermarkets' business is done through the club card, which provides clean, accurate data on customers. Katz emphasizes that the company

never sells this data to third-party vendors but instead uses it solely to help customers save money.

AppCard allows PSK Supermarkets to offer customized promotions based on customer behavior through a variety of channels, including in-lane coupons, direct mail, email promotions, digital and electronic offers, and in-store kiosks. Katz notes that this type of loyalty program is unique in the industry and credits Allegiance for managing it effectively. He believes it plays a crucial role in driving business and creating value for customers.

### Harnessing Technology To Enhance The Shopping Experience

Beyond loyalty, Allegiance provides independent grocers with access to advanced technology tools that streamline operations and improve the shopping experience. One of the most impactful innovations has been the installation of NRTs (in-lane terminals). These terminals allow PSK Supermarkets to sign up customers for the club card program quickly, provide real-time promotions while they wait at checkout, and offer discounts on relevant products. Katz views this as a level of customization that competitors do not have.

In addition to NRTs, Allegiance has facilitated partnerships with consumer packaged goods (CPG) companies, which helps PSK Supermarkets pass along extra savings to customers. Katz explains that the technology enables the company to take offers and discounts made available by CPG brands and easily distribute them to shoppers. These discounts come in the form of digital coupons, in-lane couponing, email-based discounts, and personalized marketing offers. By utilizing this technology, PSK Supermarkets ensures that customers can save more money in their stores compared to competing grocery chains.

### The Digital Shift: Moving Beyond Print Circulars

Like many grocers, PSK Supermarkets is shifting away from traditional print circulars and embracing digital marketing, a move largely facilitated by Allegiance. Katz recalls that for many years, supermarkets relied on printed flyers that were mailed to homes or distributed in apartment lobbies. That strategy is now quickly being replaced by digital alternatives. Today, more customers access weekly specials through the Foodtown website, where they can view promotions, build shopping lists, and even place delivery orders.

The shift to digital marketing provides several advantages. By reducing printing costs, PSK Supermarkets can reinvest those savings into additional markdowns and promotional offers for customers. Katz explains that email

marketing has become an especially effective tool in reaching customers. Each week, the company collects email addresses and sends shoppers a direct link to the digital flyer. Open rates on these emails have continued to grow, and in some cases, they have reached 50 percent. He credits Allegiance with orchestrating and managing this entire process, noting that as independent retailers, it would be extremely difficult to implement such a system alone. He appreciates having a co-op that professionally manages these initiatives, allowing his company to focus on serving customers.

### Exploring The Future: Advanced Retail Technology

Allegiance is continually testing and rolling out new technology to benefit its members. One of the most recent innovations is the implementation of electronic shelf labels, which have already been installed in one member store and are now ready for a broader rollout. Katz also acknowledges that Allegiance is experimenting with geo-targeting for digital circulars, a strategy that he believes holds great potential for future marketing efforts.

Another area of investment is in-store digital screens, which will soon be rolled out across the PSK Supermarkets chain. Katz explains that Allegiance is at the forefront of supporting digital messaging for members and that major CPG companies have expressed interest in advertising on these screens. He sees digital signage as an extremely flexible way to communicate with customers, whether it's sharing promotions, price reductions, or other important information. Ultimately, Katz believes that digital technology is just another way to strengthen customer loyalty and enhance the overall shopping experience.

### Why Allegiance Is The Best Co-op For Independent Grocers

Katz firmly believes that no other co-op offers what Allegiance does. For independent grocers, Allegiance is the best cooperative because of the breadth of services and partnerships it provides. He explains that the organization operates just like a major grocery chain when it comes to negotiating with CPG companies. The result is that independent supermarkets that are part of Allegiance enjoy the same cost reductions and promotional funding as national chains, something that would be impossible to achieve alone.

Allegiance also offers independent grocers access to top-tier vendor partnerships, including a strong supply

See **PSK SUPERMARKETS**  
on page 83

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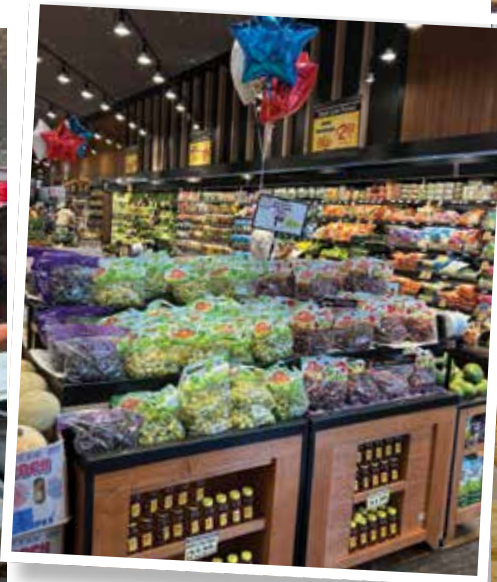
Jackie Forbes, store manager



Laurence Parson, produce clerk



Courteny Ingram, chef



Albeni Thompson, bakery manager



ABOVE: Asuncion Lopez, butcher, and Joanne Martin, meat clerk



RIGHT: Andre Brown, grocery clerk



Zeshan Zhmed, night manager



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## Avi Kaner On Own Brands Innovation At Allegiance Retail Services



**Avi Kaner**

Avi Kaner, a key figure in the Allegiance cooperative and owner of 17 Morton Williams supermarkets in the New York City area, has a clear vision: retailers must control their own destiny, particularly when it comes to own brands. In a recent interview, Kaner spoke extensively about Allegiance's efforts to create a best-in-class own brands that can compete with industry leaders like Whole Foods and Trader Joe's.

"We're a family-owned business," Kaner explained. "We operate primarily in Manhattan, and our stores cater to a broad customer base—from commuters to building door-men to residents of walk-ups. But what makes us unique is our focus on perishables and prepared foods. That's a big differentiator for us."

### Why Own Brands Matters More Than Ever

Kaner didn't mince words about the importance of own brands in today's grocery landscape. "In the U.S., own brands has become incredibly important," he said. "For a traditional grocer, it can account for as much as 30 percent of sales, and for specialty stores like Trader Joe's, that number is closer to 80-85 percent. During a time of severe food inflation, own brand products allow customers to get national brand quality at a lower cost."

He pointed to rising food prices as a key reason for the increasing shift toward own brands. "People hear about 8 percent inflation, but we see it much higher—sometimes over 10 percent, even 15 percent. When that happens, cus-

tomers look for ways to save money, and own brands is one of the biggest ways they can do that."

However, Kaner emphasized that not all own brands are created equal. "Trust is a huge component," he said. "In Manhattan, for example, customers don't want to buy generic, no-name own products. They trust names like Whole Foods, Trader Joe's, and Wegmans. That's why many wholesalers struggle—because they offer the same own brands to a store in Montana as they do to a store in Manhattan. It doesn't always fit the market."

### Breaking Free From Wholesale Dependency For Own Brands

Kaner explained that Morton Williams had originally worked with another distributor before joining Allegiance three years ago. However, that partnership ended due to issues surrounding own brands.

"We realized we couldn't rely on a single distributor's own brands," Kaner said. "What happens if the contract expires and we switch distributors? Suddenly, we'd lose our own brands and have to start from scratch, educating customers about a whole new brand."

That realization led Allegiance to take a bold step: creating its own own brand that wouldn't be tied to any specific distributor. "We needed to become masters of our own destiny," Kaner said. "We wanted a own brands that could stand alongside Wegmans, Whole Foods, and ShopRite's Bowl & Basket, with the same level of quality. This will be an asset for Allegiance—it will help us retain members and attract new ones."

Kaner revealed that Allegiance had spent nearly a year developing the new own brands, hiring a top firm to oversee its branding and design. "We started with 20 possible names and narrowed it down to one," he said. "Now, we're finalizing colors, graphics, and packaging. The rollout will begin with a few hundred core products before expanding to thousands over time."

### Ensuring Quality Across All Markets

With Allegiance's diverse membership, Kaner acknowledged that the own brands must appeal to a variety of retailers, from upscale urban markets to suburban stores. However, he was firm in his belief that quality should not be compromised.

"We made the decision that our own brands will be at the same quality level as national brands, whether you're in Manhattan or New Jersey," he said. "If you go with a lower-end own brands, it won't work everywhere. But if

you provide a high-quality own brands, it works in any market."

Kaner also emphasized that the product mix would vary by region. "Some items, like seltzers, will sell everywhere," he explained. "But something like Dijon mustard? Some markets will want it, others won't. That's why we'll have a broad portfolio, including specialty products."

### A Multi-Million Dollar Marketing Plan

Educating customers about the new own brands is a top priority for Allegiance, and Kaner shared that the company has earmarked a seven-figure marketing budget for the rollout. "We'll be using every channel possible—cable TV, social media, heavy in-store signage, partnerships with Instacart, and weekly circulars," he said. "The key is trust. Once customers try our products and see the quality, they'll stick with them."

Kaner said that Allegiance will begin to introduce the new brand during the third quarter of the year and then follow that with a much wider rollout across all categories. "We'll start with the biggest movers—grocery, frozen, and dairy," he said. "Then we'll expand into perishables, including bakery and salads."

### A Game-Changer For Allegiance

Kaner made it clear that this own brands initiative is one of the most important moves Allegiance has made. "If you're a retail chain and you don't have a good own brands, that's a liability," he said. "Consumers vote with their wallets. If you don't offer a strong own brands, customers will go elsewhere."

Reflecting on Allegiance's decision to create its own brand, Kaner noted that the co-op had originally expected to use the own brands of its distributor, which had a relationship with a major own marketing company. "That turned out not to be the case," he admitted. "The distributor couldn't reliably get us all the products (we wanted), and the costs were higher because there were too many middlemen involved."

That experience reinforced Allegiance's commitment to developing its own brand. "We needed something that worked for all our members—not just Foodtown stores, but everyone in the group," Kaner said. "We're not revealing the name just yet, but this will be a brand that can stand alongside the best in the industry."

See **KANERS**  
on page 83

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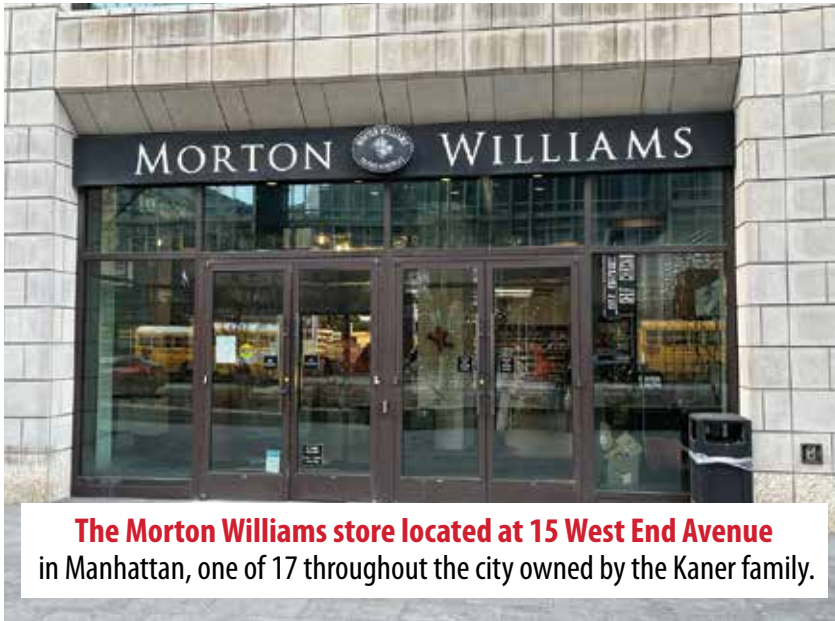
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## Jack Shakoor And Allegiance Retail Services: A Strategic Vision For Own Brands Growth



**Jack Shakoor**

As the owner of four Foodtown stores in New Jersey, Jack Shakoor has built his business on delivering quality, value and innovation to his customers. A key part of that success has been his strong relationship with Allegiance Retail Services. As the co-op prepares to unveil a revamped own brands program, Shakoor believes that the new initiative will help his stores and those of the other 32 members.

### A Focused Own Brands Strategy

Currently, Allegiance manages a diverse portfolio

of own brands products, including approximately 700 SKUs under the Foodtown brand, 170 under Greenway, and another 170 under Rancher's Legend, along with more than 2,500 secondary brand SKUs. However, the company is now streamlining these offerings, potentially consolidating them into one or two core brands for improved efficiency and customer recognition.

Shakoor believes this shift is a smart and necessary move. "Yes, because of the research we've done into getting our new Pick & Prosper own brand to market," he explained. "The product quality is better because our supplier sourcing was improved. Additionally, the packaging is superior, and we have an aggressive plan to market and merchandise our own brands initiative."

For Shakoor, own brand products have evolved beyond simply being a budget-friendly alternative to national brands. "I've always believed in the power of national brands—those are the products that drive the business," he stated. "But I believe that own brands can play an important role in giving the customer a viable shopping option, particularly on price. When you can offer a own brands product that is competitive with a national brand on quality and continue to 'win' on price, that's the kind of balance that the customer wants."

### What Allegiance Aims To Achieve

Shakoor is confident that Allegiance's new own brands strategy will elevate brand recognition and customer loyalty.

"The primary reason we undertook the overhaul of

our own brands program is to gain customer awareness and recognition, which will also lead to consistent sales of our own brands," he explained. "It's important that the customer acknowledges that they purchased their own brands products from a Foodtown, Green Way, Pathmark or any other banner that Allegiance supports."

This initiative is more than just a product consolidation - it represents a major shift in branding, marketing, and merchandising. Allegiance is investing in improved taste, packaging, and marketing efforts to ensure its own brands products stand out in a competitive grocery landscape.

However, Shakoor recognizes that change comes with challenges. "There will be a learning curve that we have to prepare for when we begin to ramp up our rollout," he admitted. "However, I believe our customers will ultimately embrace the improvements we've made."

### A Vision For The Future

Shakoor's strong support for Allegiance's strategic direction reflects his commitment to innovation and long-term growth. By enhancing the quality, presentation, and positioning of own brands products, Allegiance and its independent retailers, like Shakoor's Foodtown stores, are creating a stronger value proposition for shoppers.

With this forward-thinking approach, Jack Shakoor and Allegiance Retail Services are setting the stage for continued success in the evolving grocery market.



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**Jack's Super Foodtown in Bloomfield, NJ,** at 28,000 square feet, is one of four stores owned by Jack Shakoor, an Allegiance Retail Services member.



LEFT: Store owner Jack Shakoor, Jack's Super Foodtown general manager Adam Shapiro and store manager Terrell Gordon



ABOVE: Baker Dean VanDuyne, deli clerk Trista Meise, chef Ruth Outcalt and deli manager Scott VanDuyne



LEFT: Cashiers Bryunna Palmer and Joanna Monchez, front end manager Jennifer Beier and cashier Jeff Tangen



RIGHT: Meatwrapper Donna Cofone



ABOVE: Produce clerk Vivian Schiff and produce manager Tom Nichols

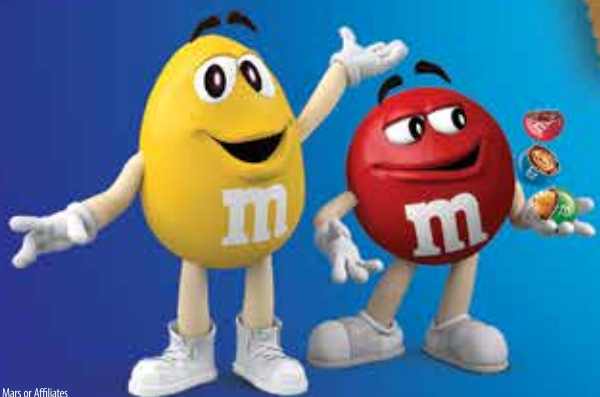


GRACE/LA FE SPECIALITY SECTION



LEFT: Assistant store/frozen food manager Darrell Bailey and dairy manager Joe Kusik

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## Innovation And ALIGN Strategy At Allegiance Retail Services: Insights From Esmail Mobarak



**Esmail Mobarak**

Esmail Mobarak, the owner of two Foodtown stores, is an enthusiastic proponent of innovation and technological advancement in the retail space. As part of Allegiance Retail Services, he has firsthand experience with the ALIGN strategy, a forward-thinking initiative that emphasizes innovation to enhance customer experience, streamline operations, and drive sales.

### **AppCard Loyalty Program: Innovation That Drives Sales And Lowers Costs**

“The new innovation that Allegiance Retail Services has put in place has definitely helped our stores drive sales and lower costs,” Mobarak explains. “The shopping experience has also been improved through mobile app technology.” This digital transformation has been particularly evident in the introduction of the App Card loyalty program, which integrates discounts and personalized promotions for consumers based on their shopping history. “I think around 80% to 85 percent of all our consumers are using the platform,” he notes.

### **Protecting Digital Transactions Through Strong Cybersecurity**

Cybersecurity, an ever-growing concern in the retail industry, is also a major focus of Allegiance’s strategy. While Mobarak acknowledges the importance of secure digital transactions, he is confident in the company’s approach: “It’s kind of a digital transaction actually, which continues to grow and prioritize,” he says, emphasizing the commitment to keeping customer data safe.

### **Electronic Shelf Labels And Caper Carts Bring New Tech To Retail At Allegiance**

One of the most promising innovations being tested within the Allegiance network is the electronic shelf label system. While Mobarak has not yet implemented it in his own stores, he eagerly anticipates its arrival. “That’s something that I think is being tested on one group, which is Lou Scaduto,” he says, referring to the chairman and CEO of Allegiance. “Supposedly everything’s doing well... but it will be implemented. My presumption is towards the latter end of 2025.”

Another groundbreaking initiative is the Caper Cart, a smart shopping cart designed to create a frictionless experience for customers. “The aspects of the Caper Carts—the ability to create seamless and frictional shopping experiences for our customers—I would consider that a plus,” he says. “Customers can easily scan items and shop and be ready to check out when they’re ready, just by simply putting items in the cart and walking out, instead of waiting on lines during busy periods.” His stores have been selected as test locations for this technology, and he anticipates launching a limited number of Caper Carts per store, with the possibility of expanding based on consumer response.

### **Allegiance’s Strategic Partnerships Strengthen All Members**

The flexibility and support offered by Allegiance Retail Services provide independent store owners like Mobarak with an edge in an industry dominated by large chains. “One of the benefits of being a member of a co-op is that they can test [new technology] with certain groups and get all the bugs out before implementing it on a wider scale,”

he explains. “Allegiance has a great program. Depending on the geography of the store or the demographics in a particular neighborhood, the owner groups themselves raise their hands and say, ‘I want to be part of that.’ Allegiance will just work in the background to implement that and help the individual groups and stores get it done.”

Beyond the in-store experience, Allegiance’s partnership with Instacart has also been a game-changer. “We’ve been doing it for numerous years,” says Mobarak. “It allows a broader customer base to purchase from our store. Right now, there’s no need for a customer to physically visit the store, though they’re always welcome.” What sets Allegiance’s Instacart integration apart is its connection to the loyalty program, ensuring that customers receive the same personalized shopping experience whether they order online or visit in person.

### **Setting The Stage For A Bright Future For Independent Retailers**

Looking ahead, Mobarak is particularly excited about future technological advancements in the retail space, including artificial intelligence. “Allegiance has a lot of things on the burner. Technology is an ongoing thing, and that’s the great thing about Allegiance. They have a lot of programs planned for the future. It’s not something that gets stale.”

For small business owners, being part of a cooperative like Allegiance Retail Services means access to cutting-edge innovations that would otherwise be out of reach. “You can have one store, two stores, and we’re just as big in the eyes of a consumer as a 20-store chain, a 50-store chain, or a 100-store chain because of the programs that Allegiance helps implement in all our stores,” Mobarak asserts.

From loyalty apps to Caper Carts, electronic shelf labels, and AI-driven solutions, Allegiance Retail Services is setting the stage for the future of independent grocery retail. As Mobarak’s experience demonstrates, embracing innovation through a cooperative model can provide independent retailers with the tools they need to compete with the biggest names in the industry.

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## Thriving In The Supermarket Business: John Estevez And The Power Of Allegiance Retail Services



**John Estevez**

John Estevez, along with brothers Robin and Billy, operates two Green Way Markets and eight Foodtown stores across the New York Metro area. As a member of Allegiance Retail Services, a cooperative of independent supermarket owners in the Northeast, Estevez has gained access to a wealth of tools, resources, and technological advancements that have helped him stay competitive in the ever-evolving grocery business. Through his partnership with Allegiance, he has been able to enhance marketing efforts, improve operational efficiency, and build strong relationships with the community.

### **The Advantage Of Cooperative Membership**

Unlike independent retailers who must navigate the complexities of the supermarket business alone, Estevez benefits from the collective strength of Allegiance Retail Services. One of the key perks of membership is access to Allegiance's advertising program, which helps him plan promotions well in advance. As a member of the advertising committee, Estevez collaborates with other retailers to create effective marketing campaigns based on available promotions, ensuring that his stores can offer competitive deals to customers.

Additionally, Allegiance has developed a digital coupon program that has been instrumental in driving sales. Many of Estevez's customers rely on loyalty points and digital coupons to save money, making this initiative a vital tool for retaining and attracting shoppers.

### **Cutting-Edge Technology For A Modern Retail Experience**

Allegiance is at the forefront of technological innovation in grocery retail, and Estevez is weighing the deployments of two new opportunities being offered by the co-op. Currently being tested at two stores operated by another member are electronic shelf tags. These tags enable dynamic pricing and real-time updates, reducing labor costs and ensuring pricing accuracy. Estevez is considering their implementation in the future.

One of the most exciting developments is the Caper Cart, a smart shopping cart that allows customers to scan items as they shop and skip checkout lines altogether. Not only does this make shopping faster and more convenient, but it also helps reduce theft, an issue that all supermarkets must contend with. This new tool will be tested by another Allegiance member before being rolled out to the entire membership. Estevez is looking forward to seeing how the new carts fare.

### **Data-Driven Decision Making**

One of the most valuable tools Allegiance offers its members is access to powerful data analytics tools. The Four S application allows supermarket owners like Estevez to track sales trends and compare current sales to past performance by week, department, or specific product. This data-driven approach enables precise inventory management, reducing waste while ensuring that high-demand items are always in stock.

For seasonal planning, Allegiance provides 1010 Data, which allows Estevez to analyze top-selling items from previous years. This tool is particularly useful during holiday seasons, helping store managers stock the right products in the right quantities, eliminating guesswork and improving profitability.

### **Digital Growth And Community Engagement**

In today's digital age, an online presence is essential for any business. Allegiance assists its members in social media marketing and e-commerce initiatives, helping them expand their customer base. Estevez has successfully grown his stores' presence on platforms like Instacart, Grubhub, and Uber Eats, with alcohol sales through Uber Eats becoming a particularly strong revenue stream.

Social media is another crucial area where Allegiance provides support. Estevez leverages these platforms to promote special discounts, community events, and new products. He is particularly passionate about initiatives like his store's senior discount program, where retirees in his community can enjoy a 10 percent discount on designated shopping days.

### **Giving Back To The Community**

Beyond the business advantages, Estevez is deeply committed to supporting local charities and community organizations. His stores regularly donate to government agencies, schools, churches, and even local animal shelters. A unique rebate program allows customers to tie their club cards to a charity of their choice, with the store donating a percentage of their purchases to these organizations at the end of the year. This initiative has strengthened the bond between Estevez's stores and the communities they serve, fostering loyalty and goodwill.

### **A Model For Independent Supermarket Success**

John Estevez's success is a testament to the power of cooperative membership and strategic business management. Through his affiliation with Allegiance Retail Services, he has embraced technology, optimized operations, and built strong connections with his customers and community. By leveraging the tools and support provided by the co-op, he has positioned his stores for continued growth in an increasingly competitive industry. For independent supermarket owners looking to thrive, Estevez's story serves as a compelling example of how collaboration and innovation can drive success.

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Produce manager Gerardo Consec



Bakery manager Pam Colamarco.



Meat manager Angel Gonzalez



Deli manager Ubaldo Campos with deli clerks Digno Tejada, Mario Garcia, Xenia Velasquez and Sara Maldonado



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## Michael Mignosi On Data-Driven Pricing, AI And The Future Of Independent Grocery Retail



**Michael Mignosi**

At Mignosi's Super Foodtown, staying ahead of the competition isn't just about stocking the right products—it's about using data-driven insights to ensure that every shelf, price tag, and promotion is optimized for success. Michael Mignosi, a longtime Allegiance Retail Services member, has seen firsthand how analytics, AI, and competitive pricing strategies have transformed his business, helping his store thrive in an increasingly challenging retail landscape.

### Analytics That Exceed Expectations

For Mignosi, the analytics tools provided by Allegiance have been nothing short of game-changing. "The analytics Allegiance provides really exceed all expectations," he said. "They help us with product assortment, data insights, shelf set optimization, and most importantly, making sure we're not missing out on opportunities that other retailers are capitalizing on."

Unlike a one-size-fits-all approach, Allegiance's data doesn't just compare stores to national competitors—it zooms in on regional and even neighborhood-level insights. "We're not just looking at our competition in a broad sense," Mignosi explained. "We're looking at the entire region, up to the Northeast, to see where there are opportunities that we might be missing."

### Targeted Marketing: A Smarter Approach

Marketing has evolved far beyond traditional advertising, and Mignosi knows that precision targeting is the key to success in today's retail world. "The real challenges of today aren't about running newspaper ads or broad media campaigns," he said. "There are so many sources of information available to consumers now, and we need to be able to market directly to the customers who actually find value in what we offer."

That's where Allegiance's data-driven approach comes in. "Allegiance allows us to create highly targeted marketing campaigns, loyalty programs, and personalized offers for the customers we want to reach," Mignosi said. "We're not just throwing marketing money out there like some of the bigger national chains who can afford massive ad campaigns. Instead, we focus on getting a strong return on investment by building long-term customer loyalty."

For Mignosi, it's not just about attracting new shoppers—it's about keeping them. "We spend our marketing dollars where it makes sense: on customers who will become repeat shoppers," he emphasized. "That's what builds a strong, successful business."

### Testing, Refining, And Eliminating Waste

Mignosi's store operates in the Poconos, a region with a highly seasonal customer base, which means constant adjustments are necessary. "We have a different clientele every weekend," he said. "We have to be agile, competitive, and aggressive in our pricing. That's why we always make sure we're cheaper than the competition, and the data from Allegiance allows us to do that effectively."

One of the most powerful tools in Mignosi's arsenal is A/B testing. Allegiance provides retailers with the ability to test pricing strategies and promotions before rolling them out at scale. "We get quarterly reports that help us review item selection and optimize for the best sales performance possible," Mignosi said. "It's an ongoing process—pricing and inventory are always moving targets."

One particularly effective report is the void movement report, which identifies high-selling items in the broader market that aren't moving in Mignosi's store. "We compare our performance to the entire market using 1010 data, and we can see which items we're not selling that everyone else is," he explained. "If something is missing from our shelves but is a top 100 seller elsewhere, that's a huge opportunity

for us to course-correct."

This analysis goes even further, identifying why an item might not be performing. "Sometimes it's as simple as a missing shelf tag, or maybe the item was out of stock from the manufacturer and never got reintroduced," Mignosi said. "This is where Allegiance's next-level analytics come into play—they don't just dump a bunch of data on us. They actually curate and filter it so that we can act on the insights that matter most."

### AI-Powered Efficiency

While pricing data and A/B testing are vital, AI-powered tools have become an increasingly important part of Mignosi's strategy. "AI has really taken the forefront in the last two or three years," he said. "And Allegiance is using it in a way that's changing how we operate."

One of the biggest applications of AI at Mignosi's store is in marketing and loyalty programs. "We can now mock up a marketing or loyalty campaign, run it through AI simulations, and predict how successful it will be before we even launch it," he said. "That means we can fine-tune everything in advance, making our campaigns much more effective."

This kind of AI-driven testing eliminates waste and inefficiencies, something Mignosi sees as crucial for the future. "The efficiency that AI provides is crazy," he said. "It saves time, prevents marketing waste, and ensures that every promotion we run actually delivers results."

### A Future Of Data-Driven Success

Looking ahead, Mignosi sees data, AI, and precision pricing continuing to evolve—and he's confident that Allegiance will remain at the forefront of these innovations. "The ability to react in real time, to adjust pricing dynamically, and to market with pinpoint accuracy—that's the future," he said. "And thanks to Allegiance, independent retailers like us don't just have to keep up with national chains. We can actually outmaneuver them."

At Mignosi's Super Foodtown, the future isn't about guesswork—it's about data-driven decision-making, smart pricing strategies, and AI-powered insights. With Allegiance Retail Services providing the tools and expertise, Mignosi is confident that independent grocers in the cop will continue to thrive in a rapidly evolving industry.

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**Mignosi's Foodtown is located in the Poconos town of East Stroudsburg, PA.** Store owner Mike Mignosi has been a member of the Allegiance co-op since 2006. An expansion undertaken in 2012 brought the store's square footage to 40,000.



Store owner Mike Mignosi is joined in this photo by assistant store manager Scott Ballenger, produce manager Brian Huck, pricing coordinator Ashley Merrifield and produce clerk Greg Hvasta.



Deli clerks Alex Bonop and Dawan Gillard, assistant deli manager Colleen Lane, deli manager Donalyn Trowbridge and seafood manager Edward Dugan



**DIGITAL KIOSK**



Meat manager Barry Deveraux, butcher Dave Bradley and meat clerk Jason Mignosi



Frozen manager Ricky Bruno, dairy manager Victor Dinnen, bistro manager Meghan Armanini and receiver Paul Fernandez



**POLISH FOOD SECTION**



Cashiers Sherri Winkler and Cris Greco, customer service manager Terri Laschke, cashier Donna Kaups, self-checkout Amelia Cerebelli



Bakers JJ Lippold and Joe Isolda, bakery manager Mike Lame and packaged bread clerk Ana Quintero.



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## Joe Parisi And Red Apple Group: Driving Customer Loyalty Through Allegiance Retail Services



**Joe Parisi**

Joe Parisi, the president of the Red Apple Group, oversees a portfolio of 28 supermarkets under the Grstedes and D'Agostino's banners, as well as a Foodtown store in Manhattan and one in Brooklyn. Since joining the company in 2022, Parisi has been committed to enhancing customer engagement and loyalty, recognizing that a strong rewards program can be a key driver of repeat business and increased sales.

One of his first initiatives was to establish a loyalty program that would not only reward customers but also provide valuable insights into their shopping habits. This led Red Apple Group to partner with Allegiance Retail Services, a supermarket cooperative known for its innovative solutions for independent grocers. By leveraging AppCard, Allegiance's sophisticated loyalty and marketing platform, Red Apple Group has been able to enhance its customer retention strategies and overall business efficiency.

### How AppCard Transformed Customer Engagement

When Red Apple Group introduced AppCard, it quickly became evident that the platform was a perfect fit for their business model. The loyalty program was not just about offering discounts but about rewarding consistent shoppers in a meaningful way. Parisi emphasized that un-

like many programs that focus solely on price reductions, Red Apple's loyalty initiative aims to provide additional value to customers who frequently shop at their stores.

To test the effectiveness of AppCard, Red Apple Group initially launched a two-store pilot program. The results were overwhelmingly positive, leading to a company-wide rollout. One of the most impressive outcomes was the dramatic increase in customer sign-ups, which surpassed any previous loyalty initiatives the company had undertaken.

Beyond basic discounts, Red Apple Group utilized AppCard's data-driven approach to create strategic promotions. One such initiative was a \$5 discount on a \$30 purchase, which not only incentivized repeat visits but also encouraged higher spending. In many cases, customers spent well over the \$30 threshold, proving the program's impact on overall basket size.

### Leveraging Data To Win Back Customers

One of the standout features of the AppCard system is its customer analytics capabilities. The platform provided Red Apple Group with valuable insights into shopping behaviors, enabling them to identify and re-engage customers who had stopped visiting their stores.

Parisi highlighted a recent campaign targeting 3,500 lapsed customers—shoppers who had not visited a Red Apple store in the last 45 days. By sending these customers a personalized letter inviting them back, the company saw an impressive 50% increase in transactions at the test store. This ability to pinpoint, target, and re-engage lost customers has proven to be a crucial advantage of partnering with Allegiance.

Moreover, the program has demonstrated that customers who use the loyalty card tend to spend \$10-15 more per visit compared to those who don't, further solidifying the impact of the initiative.

### The Role Of Technology And Digital Marketing

As the grocery industry continues to evolve, digital transformation has become a top priority for Red Apple Group. Parisi acknowledged that the shift toward digital marketing is essential for modern retailers. While print advertising still has a small role, the company's focus is now on digital promotions, personalized offers, and mobile engagement—all powered by the AppCard system.

Allegiance Retail Services has also played a pivotal role in Red Apple Group's technological advancements. Beyond the loyalty program, Allegiance is actively testing Electronic Shelf Labels and Caper Carts, which promise to further streamline store operations and enhance the shopping experience.

### The Allegiance Advantage: Supporting Independent Grocers

Parisi attributes much of Red Apple Group's success to the diverse programs and flexibility offered by Allegiance Retail Services. As a cooperative that serves a variety of independent grocers, Allegiance understands that each retailer has unique needs.

In New York City, where competition is fierce, Allegiance supports multiple successful retailers, including Morton Williams and PSK. While each member operates within the same market, their challenges and priorities differ, and Allegiance ensures that its services cater to the specific demands of each store.

Beyond technology and strategy, Allegiance fosters a strong sense of community among its members. Parisi noted that the cooperative's team shares a similar spirit to independent grocers, emphasizing collaboration, problem-solving, and innovation.

### Looking Ahead: The Future Of Red Apple Group's Loyalty Strategy

Under Parisi's leadership, Red Apple Group is poised to continue expanding its customer loyalty initiatives. The success of the AppCard program has reinforced the importance of adapting to changing consumer preferences while maintaining a commitment to long-time shoppers.

As the retail landscape shifts further toward digital engagement, Red Apple Group remains focused on harnessing data, leveraging technology, and refining promotional strategies. Through its partnership with Allegiance Retail Services, the company is well-positioned to stay ahead of industry trends and deliver a superior shopping experience to New York City customers.

With the foundation laid for long-term success, the Red Apple Group's loyalty strategy stands as a model for independent grocers looking to strengthen customer relationships and drive sustainable growth.



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**The Gristedes store on 8th Avenue in New York is one of the 28 stores in the Red Apple Group's portfolio, which also includes stores flying the D'Agostino's and Foodtown banners. Joe Parisi is president of Red Apple.**



Store manager Gloria Curiel and assistant store manager Pedro Vazquez



Grocery clerk Donnay Jones



Meat manager Jose Bonilla



Dairy manager Fausto Pena

**Q&A WITH JOE FANTOZZI**

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provide them with more accuracy on inventory and labor scheduling. After six months of data cleansing and transfer, we went live with them this month. The next linchpin will come in June when we begin to analyze modules to deploy into the stores for support. There are other things, too, that we're looking for the stores to maintain and improve their liquidity. Because with a lot of one and two store retailers, the liquidity of their checkbook is vital.

**Food Trade News/Food World:** ARS' core market, New York Metro, is not only the largest market in the country, but its makeup is unique with so many independent retailers. Where do you see the market evolving from

a survival growth point of view, and where do you see ARS fitting into that future landscape?

**Joe Fantozzi:** I believe that we're now witnessing a new evolution of change as more alternative brick-and-mortar sites become available, particularly with the closing of hundreds of drug store locations that had sold a lot of groceries. Some of those available sites will be good opportunities for growth, especially for independents that are nimbler and more flexible, and can operate in smaller footprints. But what also concerns me is a feeding frenzy for sites that already have existing supermarket participants where market share growth is already limited. Ultimately, that's going to lead to more market consolidation.

**Food Trade News/Food World:** What might that mean to

ARS?

**Joe Fantozzi:** Because we don't cannibalize within our own marketing area I think, bare minimum, we'll survive. That's the most conservative view. Down deep, I really believe we will be better because of how we go to market and how we protect our ownership, their stores and their marketing rights. Couple that with the huge investments we're making to revamp a large part of our business model, and we are positioning ourselves to improve fundamentally and be in a position to aggressively look toward market expansion opportunities when they present themselves.

**Food Trade News/Food World:** Joe, thank you very much.

**PSK SUPERMARKETS**

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agreement with C&S Wholesale Grocers and KeHE. Katz praises these partnerships as some of the best in the industry, ensuring that Allegiance members remain competitive with major grocery chains.

Beyond pricing and marketing support, Katz emphasizes the expertise and execution that Allegiance brings to its members. When PSK Supermarkets opens a new store, Allegiance team members are on-site to help set up shelves, install signage, and implement marketing programs. Katz notes that this level of execution mirrors that of the national chains and is a major reason

why his company has been able to expand so effectively. PSK Supermarkets averages two store remodels per year and opens at least one new store annually, a process that Katz says would not be possible without the support of Allegiance.

**Final Thoughts: A Cooperative Built For Success**

In an era where independent grocers must innovate to survive, Allegiance Retail Services has positioned itself as the ideal partner for those seeking growth, efficiency, and customer engagement. Katz believes that Allegiance provides independent supermarkets with all the tools necessary to compete at the highest level, from

digital marketing and loyalty programs to advanced technology and vendor relationships. He sees the cooperative as offering an unparalleled level of support that allows independent retailers to thrive in a challenging industry.

Allegiance offers a diverse menu of services, and Katz is certain that it is the best option for independent grocers. He believes that anyone who walks through a PSK Supermarket can see firsthand how Allegiance has helped enhance the shopping experience. For retailers looking to remain competitive in today's grocery industry, joining Allegiance Retail Services is not just an advantage—it is essential.

**KANER**

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**A Board That Works**

As a board member of Allegiance, Kaner also took a moment to praise the cooperative's leadership. "I've sat on many boards in my career, and most have some level

of dysfunction," he said. "This is the only board I've ever been on that works perfectly. There are no arguments, no ulterior motives—just mutual respect and a common goal."

With a solid foundation in place, Allegiance is ready to build something transformative. "The groundwork is done," Kaner said. "Now, it's time to put up the walls

and bring this vision to life."

As Allegiance prepares for the official launch of its own brands, one thing is clear: this initiative isn't just about branding—it's about securing the cooperative's future in an increasingly competitive grocery landscape.

**MERCHANDISING**

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local organizations on food drives, fundraising initiatives, and wellness programs, reinforcing its commitment to the communities it serves. Access to real-time data and merchandising insights allows store owners to make informed inventory decisions, optimizing their operations for efficiency and profitability.

**Shaping The Future Of Supermarket Merchandising**

Allegiance Retail Services is more than a retail cooperative; it is a leader in innovation, collaboration, and industry advancement. By driving forward-thinking merchandising strategies, digital transformation, and a dedication to value, the company is setting new industry standards. As 2025 unfolds, Allegiance is not merely adapting to retail changes but actively shaping the future of su-

permarket merchandising. Through a combination of strategic product offerings, competitive pricing, and customer-centric enhancements, it is building a stronger, smarter, and more successful grocery retail experience for shoppers, independent grocers, and the communities they serve.

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