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Meijer to Exit Video Rental Picture; Boycott May Be Cause

Meijer Plans Video Fade Out; Boycott May Be Cause

By DAN ALAIMO

GRAND RAPIDS, Mich. — Meijer here plans to exit the video rental business, a move that may have been influenced by a prolonged boycott by a conservative pressure group.

The retailer is not putting video rental departments into its newest stores and will eventually convert existing spaces into photo studios, John Zimmerman, director of communications, told

the Grand Rapids Press. Zimmerman was on vacation and could not be contacted by SN.

Two new 230,000-square-foot combination stores that opened last month in the Cincinnati area do not have video rental departments, confirmed Jennifer Downs, a spokeswoman. Downs would not comment further. Meijer operates 106 stores, the vast majority of which have video rental.

But in those new stores, the company is expanding its sales of videos, computer software and other entertainment software products, said supplier sources. In an apparent merchandising shift, the products are displayed in an upfront area and are now the responsibility of the photo lab department, employees told SN when the stores were called.

In older stores, sell-through is located in the video rental departments and nearby aisles.

These sections are often located deep in the store, sometimes in a corner.

An employee said the company is no longer putting video rentals into any new stores. One reason for the retailer's decision to get out of video, sources said, could be the prolonged boycott and postcard writing campaign by the Michigan chapter of the American Family Association, Tupelo.

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Miss. The conservative group, headed nationally by Rev. Donald Wildmon, is protesting Meijer's carrying of R-rated movies. Downs would not comment on this.

Another factor may be the general decline of the video rental market last year, noted industry observers.

In recent years, Meijer has dropped precipitously on an annual list of video rental retailers put out by Video Software Magazine. Ranked by number of rental transactions, Meijer was No. 9 among all rental retailers in the nation in

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state director
American Family
Association**

the 1994 listing, but fell to No. 24 in 1995 and No. 28 this year.

During that time, Meijer increased both its store count and its number of video departments. Also during that time, the boycott began, and Meijer stopped carrying certain popular R-rated titles, such as "Pulp Fiction." This may have contributed to its decline in popularity among consumers as a video outlet and ultimately to its decision to get out of the business, noted the observers.

"I don't think Meijer would say [the decision to get out of video rental] was because of our boycott," said Bill Johnson, state director of AFA, based in Fremont, Mich. "A large chain like that has to be careful not to give a signal that it is doing something because of any kind of a boycott effort by any particular group," he said.

"But I'm sure that the boycott was significant in their decision-making. Prior to that time, the Meijer video departments were increasing regularly in terms of new rental releases, and in terms of the expansion of the video stores all across the

state of Michigan and in other states," said Johnson.

Although Meijer is no longer bringing in rental titles AFA finds objectionable, the group will only now consider lifting the boycott because the retailer has said it is getting out of the rental business, said Johnson.

"While we felt they were staying away from the strongly

sexually violent movies that they had been renting previously, we still did not see them taking some of the steps that we had hoped that they would take," he said.

The AFA boycott was seen by some in the industry as ironic because Meijer had been one of the industry's most aggressive retailers in promoting family-oriented entertainment.

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