

## **TITLE: Groceries, Golf and Giving**

*For Safeway, it's a natural fit*

By Jim Pasero

If Larree Renda, Safeway's Executive Vice President, was happy about Safeway's commitment to the LPGA before the 2005 season began, she's happier now. This year, women's golf is skyrocketing up, up and up the American popularity meter.

The headlines keep coming—Annika capturing the first two majors of the season; high school sensation Paula Creamer jumping to fourth on the money list before her high school graduation; two amateurs Morgan Proessel and Brittany Lang making an unprecedented run at the U.S. Women's Open in June only to finish second to Birdie Kim's dramatic hole out from a greenside bunker on the 72<sup>nd</sup> hole; the sensational play of the LPGA's new stars, Lorena Ochoa, Christie Kerr and Natalie Gulbis, who this year have stormed the tour's Top 10, and that's before you even mention Michelle Wie.

When Renda is asked whether she feels like pinching herself because Safeway's significant investment with the LPGA happens to coincide with the booming popularity of the LPGA circuit, she handles it goodnaturedly. "I like to think there was some vision involved," says Renda.

Part of Safeway's vision for the LPGA, according to Renda, came from Portland's Tom Maletis, president of the area's Tournament Golf Foundation, Inc. (TGFI), and past chairman of the board of the LPGA's Tournament Sponsors Association. In 1989 Safeway began their association with the LPGA as the skins game sponsor of the Portland event. But, says Renda, it was Tom Maletis who approached us. "He figured out that a food retailer would be the right sponsor for the event."

Maletis, along with Jim Etzel, president of SportsOne, TGFI's exclusive sales and marketing agency, approached Safeway in '95 about becoming the title sponsor for the LPGA's longest running event. Says Maletis, "We were going into '96 without a title sponsor. We had seven name changes to the tournament, and even though the tournament was healthy, it was a critical year for us."

Safeway, headquartered in the San Francisco Bay area and 46<sup>th</sup> on the Fortune 500 list, with 1,800 stores located primarily in Western Canada and the Western U.S., boasts sales of more than \$35 billion, surpassing neighboring Bay area companies Intel and Wells Fargo.

In 2003, Safeway expanded its involvement with the LPGA, by becoming the title sponsor to another long standing LPGA event, the Safeway International in Phoenix. Maletis, once again, was instrumental in making the connection and is now the general chairman of both tournaments. From the beginning in 1995, Renda saw the match between the LPGA and Safeway as a natural fit. "This is a core demographic for us," she says.

Safeway saw another natural fit in working with Maletis, especially in the charity field. The Safeway Foundation gives almost \$150 million a year to charities in either cash or food contributions. The charities that TGFI was working with in Portland, such as the Waverly Children's Home and the Boys and Girls Club, made the arrangement a "perfect match for us," says Renda, "because we had the same focus."

The Safeway Foundation's four charity areas include hunger, health services, schools and education. Many of the recipients of the more than \$1.5 million that the Safeway Classic and the Safeway International give to charities each year rely on the contributions to keep their doors open. Renda remembers that it was important to Tom Maletis that the charities that TGFI was supporting didn't suffer a setback when Safeway became the title sponsor because those charities were dependent on that effort.

With the title sponsorship of two prestigious LPGA events, Safeway is determined to develop their name in golf, says Maletis, the way Michelob and Buick are associated with golf. "They've taken their sponsorships and added another level," he says.

One of the additions is an advertisement that Safeway filmed in-store with Annika Sorenstam. Renda describes the spot: "In our last commercial we had Annika and her caddie walking through the grocery store playing off the caddie-golfer relationship. In the produce department they threw parsley in the air to check the wind. They sized up a loaf of bread as if it were a putt. It was cute. People loved it."

The amazing food court at each tournament is another way Safeway builds their brand with local attendees—the Safeway Food Pavilion feeds 30,000 people for free. Major Safeway vendors take their place in the Food Pavilion at Columbia Edgewater Country Club (Kraft-Nabisco, General Mills, Pepsi, Coke, Anheuser Busch, Frito Lay, and others). Asked if Safeway squeezes the arms of their major vendors to take part in the Food Pavilion, Renda responds, "Vendors like to be associated with an event like this. These vendors have done it for 10 years, and they wouldn't keep doing it if we were just twisting their arms."

For Safeway, the tournament week celebration in Portland is a national event, not a statewide or regional event, and the food vendors respond. "We send a generous number of our executives to the tournament," says Renda, "and the event serves to strengthen our partnerships by building relationships that we have with our vendors."

Safeway may be throwing a national party aired on the Golf Channel, but the location of Portland for the event is no accident. "Portland is a key market for us," says Renda, "and it is important to us to have good exposure and be seen in a leadership position in the community, and the Safeway Classic does that for us." Safeway also is pleased, according to Renda, to have their two tournaments located in Phoenix and Portland because "both cities are so strongly community-oriented."

As for how the Safeway Classic looks to the country when it's aired nationally and internationally on the Golf Channel, says Renda, "The television broadcast has met all our expectations."

Something else that met all their expectations is Safeway's partnership with the LPGA. "The golfers that I know on the LPGA tour are remarkable women," says Renda. "Some of them are raising families. They have a day care center at the course. These players are real people you can relate to. They are just like all the other women out there." Renda might as well add, just like her Safeway customers.

In an era where the consumer is taking a more critical look at professional athletes and the sometimes excessive hype within and around professional sports, Safeway's branding with the LPGA has managed to give the company the best of both worlds—support for women athletes, and support for women doing great things on and off the golf course.

Tom Maletis, who has worked with the LPGA for 18 years, remembers the low point in professional women's golf. "The low point was probably 15 years ago when maybe only 30 percent of all LPGA events were televised. Today, the LPGA as a story line keeps getting more interesting, with almost every event televised, with better TV slots, and the numbers are going through the roof."

To paraphrase the late Hollywood legend Bette Davis—fasten your seatbelt; you're in for a wild ride. The next decade is going to be a wild ride on the LPGA circuit, and whether they're pinching themselves, or whether it's vision, Safeway is delighted to have its arms firmly wrapped around the adventure.