



Aired Thursday, June 23, 2011

Rod Meloni: Beware The List!

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DETROIT -- Lists are all the rage. A trip past the retail magazine reveals a rack chock full of “the top five fashion do’s and don’ts “or the “3 new sex moves that will drive him or her crazy” as if they’ve invented something new under the sun!

Some go beyond the titillating and tend toward the amusing. I happen to find David Letterman’s daily Top Ten lists one of the more amusing things on television. Lists are quick, easy, and sometimes informational; great for standing next to the water cooler.



For those reasons and many more, we at Local Four love lists too. In fact, I did a list today. We “borrowed” “The 10 brands that won’t be around in 2012” from 24/7 Wall Street. In this year’s installment, we found a lot of Michigan-related material.

A&W Root beer caught my eye first. A&W used to be locally owned here in Metro Detroit before getting sold off to Yum Brands. It owns other bigger names like Kentucky Fried Chicken. Renowned retail analyst Ken Dalto said of A&W that is it old, small [350 U.S.] stores and thought of more of a soft drink than a food stop.

We spoke today with Dennis Morrison of Detroit at the Farmington A&W and he was deeply disappointed but not surprised to hear A&W made the list.

He said “I eat here every week. I like the quality, they don’t change the menu ever and I’ve eaten this, [holding up a foot long slathered with onions and mustard] since I was 5 years old.” Dennis is in his 60’s and remembers the good old days. He even said he wished he had his 50’s vintage hot-rod with him; thus making Dalto’s points unintentionally.

Sears made the list. It was paired by its owner, [purported hedge fund genius Eddie Lampert] with the smoldering remains of the just-out-of-bankruptcy Kmart which was once headquartered here in Troy, Michigan. With apologies to PETA, Lampert took a sick dog [Kmart] and made what amounts to a “dog with fleas!” [Kmart and Sears] Sears, in Dalto’s estimation, suffers from “Middle Syndrome” He says “the dread of the middle, being in the middle. Sears is not quality and Sears is not mass discount.”



It is neither good nor bad which makes it all but irrelevant in the retail world. Word in the industry is that Lampert is making them into a real estate play and isn't particularly interested in the retail value. He is currently trying to move his headquarters out of Chicago to another state as a way to save money and cut headquarters head count. If he moves, only about half of his people will go with him, and that,

say some analysts, appears to be what he's after.

This year's list also tells us automaker Saab will not be here in 2012. It sounds quite prescient considering Saab made headlines because it could not pay its employees today. But when you consider a very small luxury Swedish car maker bought Saab out of GM's bankruptcy and used Chinese financing to keep a carmaker selling only 35,000 cars a year alive, it is not a great stretch to imagine Saab might not make it to 2012. In fact, it might not make it to Monday!

In looking at their list, I offer my thanks to the guys and gals at 24/7 Wall Street. Thank you for stating the obvious! They cast their highly trained eyes on Saab's future and saw trouble, same for Sears and A&W. Good call gang! Horse whip manufacturing might go by the boards one day too! Here's another one: it gets warm in Michigan in July!

Now, 24/7 did come up with a surprise; Kellogg's Corn Pops. They apparently figure, for some odd reason, it is no longer healthy enough to stay with the six dozen other brands of over-priced, brand named, processed sugar on the grocery store shelves! Give them an A for random, if not insightful analysis.

Now, it may seem as if I have wandered off into the weeds. Stick with me here. I took the time to look at the 24/7 list from last year. It predicted Kia [the Korean car maker] would not survive in 2011. Last time I looked Kia was one of the hardest charging, highest quality car makers on the planet. It and its sister company Hyundai are among the most feared entries in the car business today! The 2010 24/7 list said Ford would not be around. Well guess again! Ford also is among the fastest growing, highest quality car makers in the world. It is the turn around story of the century! Are we picking out a trend here? It's easy to find the dogs with fleas, not so easy when it comes to the more difficult analysis.

In conclusion, I say beware the list! It can be a great conversation starter. Lists can make you sound like you're doing some in depth reading in your spare time. They can also make you look like you don't know what you are talking about if you are not careful! Have some fun, remember where these lists come from and above all beware the list that is uninformative!