Beginning June 3, customers of Pamida stores will no longer receive monthly invoices.

The change comes as Pamida stores nationwide prepare to undergo conversion to the Shopko Hometown store format.

The Omaha, Neb.-based Pamida announced earlier this year it was merging with Green Bay, Wis.-based Shopko.

"This is an exciting time for Pamida as our stores nationwide prepare to undergo conversion," a letter sent to local customers states. "We are always looking for ways to better serve our customers while operating our business as efficiently as possible."

Pamida stores will be converted to the Shopko Hometown store format (basically a regular Shopko store on a smaller scale), offering more product selection, private-label brands and name-brand apparel.

Beginning Sunday, June 3, Pamida will eliminate the invoice practice as they will have the ability to securely store encrypted credit card information for customers. "By keeping your credit or debit card information on file, we can best facilitate prompt processing and payment of prescriptions," a letter sent to customers stated.

"This means you will no longer have to worry about looking for, and paying a monthly invoice. While it is not required that you keep a debit or credit card on file, we strongly recommend you do so."

The letter goes on to say customers will have the option of paying in person when they call in or pick up prescriptions.

Written by Holyoke Enterprise

To facilitate the transition, Pamida asks customers to pay current invoices in full so they can close out pharmacy charge accounts by June 3.

The aim of the merger is to stay competitive by combining two successful companies under the same ownership of Sun Capital Partners Inc. and create one of the largest U.S. retailers focused on serving smaller and rural communities, said Shopko president, chairman and CEO W. Paul Jones.

Jones will lead the combined company, which will be headquartered in Green Bay. Pamida president and CEO John Harlow will serve on the leadership team and help direct integration, according to a press release from Tara Powers of Lambert, Edwards & Associates.

The resulting chain will have nearly 350 locations in 22 states.

"A great deal of work and planning was required to get us to this point, and we're excited that the merger is now complete so we can begin to move forward as one organization," said Jones.

"Our aim is to combine the best of both companies as we become one Shopko team with a shared vision to become the nation's leading general merchandise retailer focused on serving smaller communities across the country with our Shopko Hometown store format."

Shopko also announced the conversion plans for Pamida stores. The company announced the Pamida stores will be converted to the Shopko Hometown store format by the end of 2012. As part of the continual review process, the company has identified six stores that will not go through conversion and will be closed in August.

The Shopko Hometown retail format, developed over the past three years to augment Shopko's larger store model, offers a differentiated and financially successful merchandising strategy. Shopko Hometown combines pharmacy services with a broad and dynamic offering of strong national brands and high-value private label brands of apparel, home furnishings, toys, consumer electronics, seasonal items and lawn and garden products—all in attractive, well laid out, easy-to-shop store formats that range from 15,000 to 35,000-square-feet.

Pamida, Shopko merge: Charge accounts no longer

Written by Holyoke Enterprise

Shopko announced approximately \$80 million will be invested into Pamida store conversions which will begin in June and occur in phases through the end of the year. Each individual store conversion will take approximately 5-6 weeks from start to finish and will include new interior and exterior signage, updated supplemented fixtures, improved store design and layout, as well as an expanded merchandise mix.

"We're eager to get the Pamida store conversion process underway and start to bring Shopko Hometown to more communities," said Jones.

"Over the past two years, seven Pamida stores have already been successfully transitioned to the Shopko Hometown format. We've received overwhelmingly positive feedback from customers in these communities who tell us they appreciate the improved shopping experience and access to a broader, differentiated selection of merchandise, including products and brands previously not available in their community.

"These improvements, coupled with the same great team and customer service, as well as a continued commitment to support the local community, gives us confidence that Shopko Hometown will be well received by Pamida's customer base."

Once Pamida's chain-wide conversions are complete, the company plans to accelerate the addition of new Shopko Hometown stores in the second half of 2012 and into 2013. There will be no change to Shopko's current 149 stores.

Shopko is owned by affiliates of Sun Capital Partners, Inc., a leading private investment firm focused on leverage buyouts, equity, debt and other investments in market-leading companies.

Holyoke Enterprise May 10, 2012

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