

By Marcia Pledger, The Plain Dealer

CLEVELAND, Ohio - Family-owned Meijer is opening three stores in Northeast Ohio this spring and officials say it's not your average grocery and merchandise supercenter.

The new supercenters in Avon, Mentor and Stow will be open 24-hours, 364 days of the year, closing only on Christmas. The stores are expected to open in May on the same day, and plans are in the works to open 11 more stores in Northeast Ohio in the next five years. The next two stores are scheduled to open in 2020 in Brimfield near Stow and in Lorain.

"It's a very serious commitment for us," said Hendrik "Hank" Meijer, executive chairman and grandson of the founder. "We're eager to finally be able to come to Ohio's largest metropolitan area."

The Grand Rapids-based retailer has 241 stores throughout the Midwest, and about 100 are in Michigan. But after 37 years in this state, the company is in the midst of expanding its presence. Ohio has the second-most stores with 39 supercenters throughout the state. The first Meijer opened in Ohio, just outside Columbus, in 1981.

Meijer pioneered the supercenter concept in the U.S. becoming the first to offer both food and general merchandise under one roof. At the time it was called Meijers Thrifty Acres.

"Kmart, Walmart and Target all opened their first stores in 1962, but they were discount stores," Meijer said, before sharing with pride, details about his grandfather, an immigrant from the Netherlands. He and his father got the idea to add general merchandise to a grocery store, about 25 years before the other major three competitors added groceries.

The stores feature more than 600 types of produce, meat cutters, a fresh seafood counter, as well as departments for apparel, pet supplies, toys and electronics. The stores also have pharmacies, garden centers and some have gas stations with convenience stores. The Avon location will have a gas station.

"We focus on fresh food," said Frank Guglielmi, a company spokesman. "We have a fresh deli and a bakery where bread is baked four times a day."

"We like to say we have everything from apples to apple products," said Joe Hirshmugl, another company spokesman.

All of the new stores will have full-service pharmacies that feature a free prescription program, health screenings as well as access to clinical services and immunizations.

Ohio Employees

Meijer has hired about 900 employees for its three newest stores in Ohio, with about half being fulltime. The company employs about 10,000 people throughout the state, including a distribution center in Tipp City, near Dayton.

Besides Michigan and Ohio, Meijer has stores in Indiana, Illinois, Kentucky and Wisconsin. Today Meijer has estimated sales of \$17.4 billion, according to Forbes. As a privately held business, a company spokesman said he couldn't confirm that number, but wouldn't dispute it. "That's in the ballpark," Meijer added.

"We're really excited about Cleveland as a market. We view ourselves as a midwest retailer in the heartland," he said.

Historical context

Long before the term supercenter was coined, Meijer opened as a small grocery store in Greenville, Michigan. It wasn't intentional, Hank Meijer said. His grandfather, Hendrik, who he was named after, started his career as a barber. He got a lease on an empty storefront, but before he could figure out what he was going to do with the area the Great Depression hit. He couldn't make payments and the bank didn't want to add more debt to its books. He also failed to rent it out to the only businesses that were growing at the time, supermarkets like A&P and Kroger. He did meet a grocery wholesaler, though, who suggested he buy groceries to put in the storefront.

"That's how my grandfather found himself in the grocery business. He spent \$328.76 for groceries. We still have that receipt. We blew it up and it's on the wall at our headquarters," he said.

After World War II, the economy got better and Meijer was up to a dozen stores. Meijer said his father, who was in his 20's at the time, helped his grandfather develop the vision of creating a one-stop shopping destination.

"They took a gamble. The big risk my dad and grandfather took was combining a supermarket with a discount store," said Meijer who started working at the family business at age 11. Except for college, and a five-year stint in the newspaper industry, he's worked at Meijer.

When the founder died in 1964, his son inherited the company and handed it over to his three sons, Doug, Hank and Mark. In 1990, Doug and Hank ran the company's day-to-day operations for several years. All three remain on the company's board of directors.

These days, the company is among the many retailers that continue to try to adapt to consumer's changing shopping habits. Meijer offers services such as ordering online and curbside grocery pick up. A

week ago, the company rolled out a new shop and scan program in Chicago where customers can download an app with a bar code reader, scan items while shopping and check out faster in a self check-out lane.

"As other retailers are shifting more online, we also think it's important to offer alternatives, but we're also making a signifiant commitment to provide a physical shopping space," Meijer said. "We're eager to finally be able to come to Ohio's largest metropolitan areas."

Community involvement

Company officials say they're looking forward to growing partnerships with local schools, churches and food pantries. Meijer's hunger relief program, Simply Give, has generated more than \$43 million for its food pantry partners throughout the Midwest.

The retailer gives more than 6 percent of its net profit to charitable organizations each year, and each of its stores supports a food bank through its food rescue program.

"Our charitable giving in communities exceeds what our shareholders receive in dividends which is more than what a public company can say, generally speaking," Meijer said. "One of the ways we're able to be competitive with Walmart, for example, is to keep dividends low so we can invest in the company and in communities.

"If we're just another big box on the street, then we're not doing our job," said Meijer. "We need to be part of the community.

"We compete with a lot of different retailers, but if our customers and team members view us as just one more big box retailer, that's not what we're interested in," Meijer said. "We hope that we provide an experience and good customer service at our stores, and we also want to be involved and engaged in the community."

Locations: <u>Avon</u> 1810 Nagel Road Avon, Ohio, 44011 <u>Mentor</u> 9200 Mentor Ave. Mentor, Ohio, 44060 <u>Stow</u> 4303 Kent Road Stow, Ohio, 44224