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Tom Dwyer dwvert0907@yahoo.com presented this History of Supermarkets at the annual Applied Geography Conference held in Washington DC, 2005. Tom is a commercial appraiser working in the Northeast US, particularly in the Hudson River Valley. Tom was kind to provide a copy of his slides so that I could share them with UF Business Geography students.

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Supermarkets 101

A Brief History and Review of Current Trends

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Many Supermarket Chains are Old

- ◆ A & P: 1859
- ◆ Grand Union: 1870s
- ◆ Ralphs (now part of Kroger): 1873
- ◆ Kroger: 1883
- ◆ Winn Dixie: 1913 (Winn-Dixie name in 1955)
- ◆ Safeway: 1915 (Safeway name in 1926)
- ◆ Albertsons: 1939

They Did Not Operate Supermarkets

- ◆ Groceries were picked by clerks
- ◆ Many items were purchased from other specialized merchants
 - Perishables like milk, cheese, meat, fish
 - Baked goods
 - Health & beauty items
- ◆ Emergence of the supermarket happened in two steps.....

Piggly Wiggly (1916)



First “self service” store in Memphis, TN

Piggly Wiggly Was First to...

- ◆ Provide checkout stands
- ◆ Price mark every item in the store
- ◆ Reduce food prices through high volume and low margin
- ◆ Feature a full line of nationally advertised brands
- ◆ Design and use patented store fixtures
- ◆ Franchise independent grocers
- ◆ Use refrigerated cases for produce

King Kullen (1930)



First “supermarket” in Queens, NY

King Kullen...

- ◆ Was similar to today's deep discount and warehouse club stores
- ◆ Was established during the Great Depression making its discounts on food very popular
- ◆ Provided cardboard boxes for customers to gather their items in
- ◆ Brought meat, dairy, baked goods, and health & beauty items under one roof

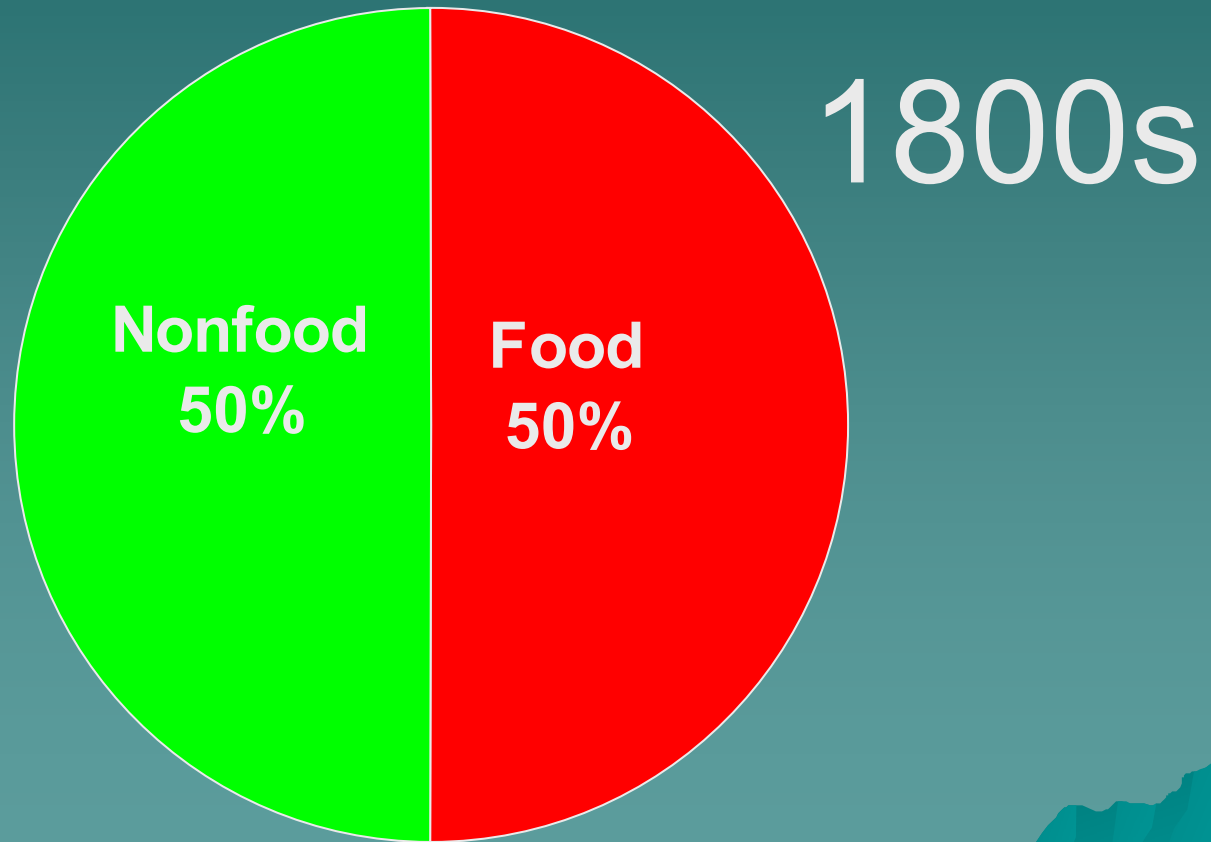
Spread of Supermarket Concept (Early 1930s)



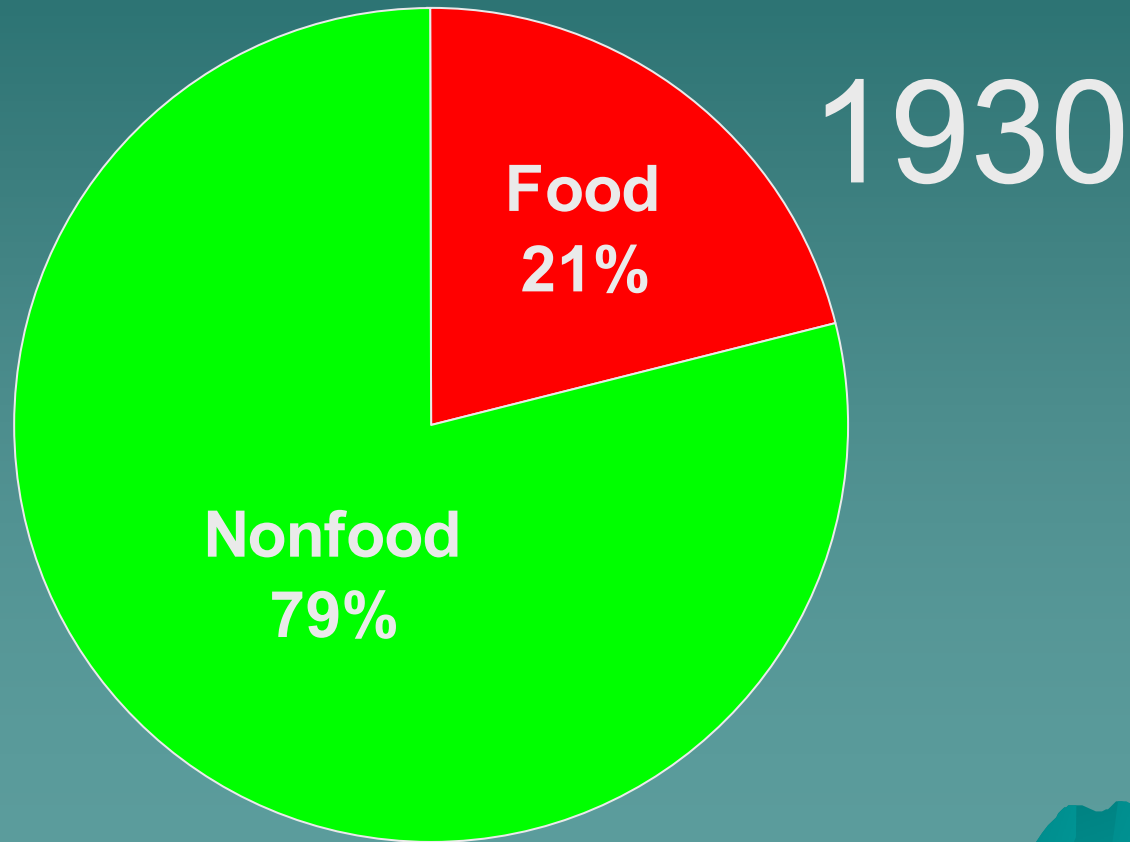
Innovations Which Enabled Growth:

- ◆ Shopping cart (1937)
- ◆ Widespread use of automobiles
- ◆ Free parking lots
- ◆ Mechanical refrigerators in homes and in the store

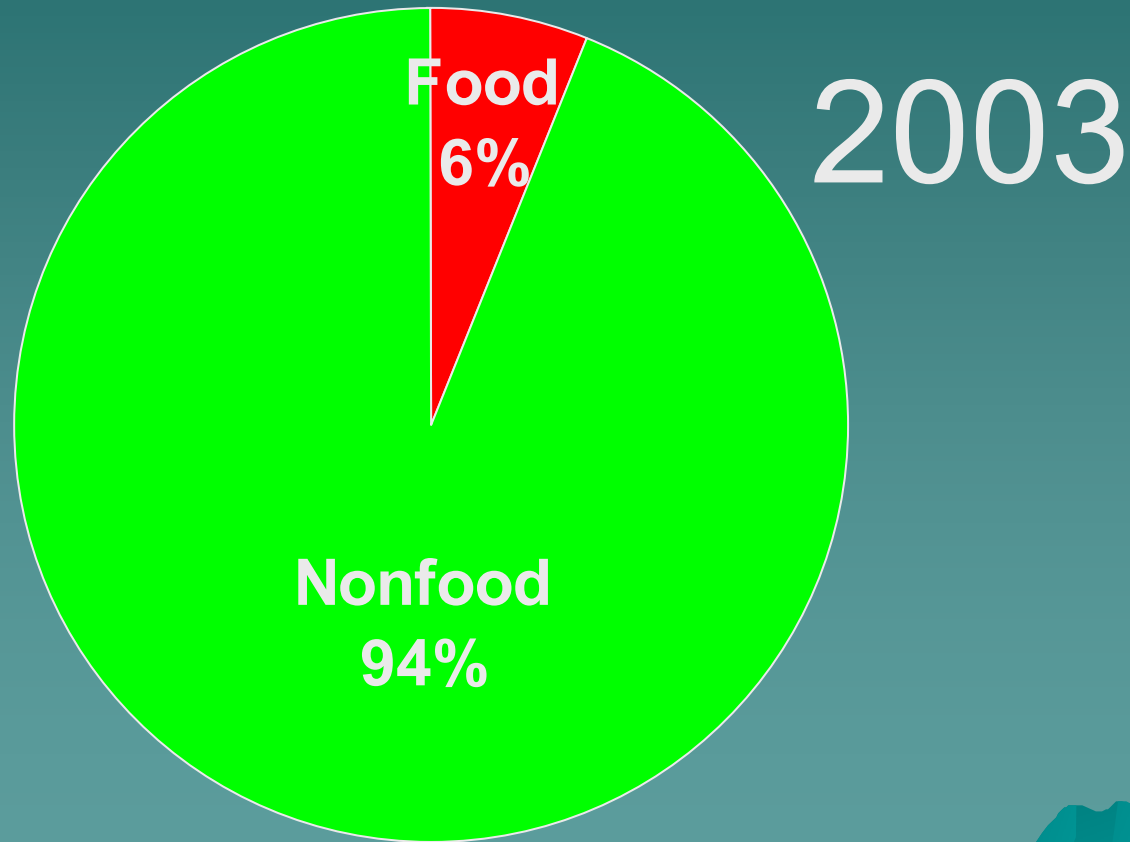
Food Dollar Accounts for a Decreasing Share of Disposable Income:



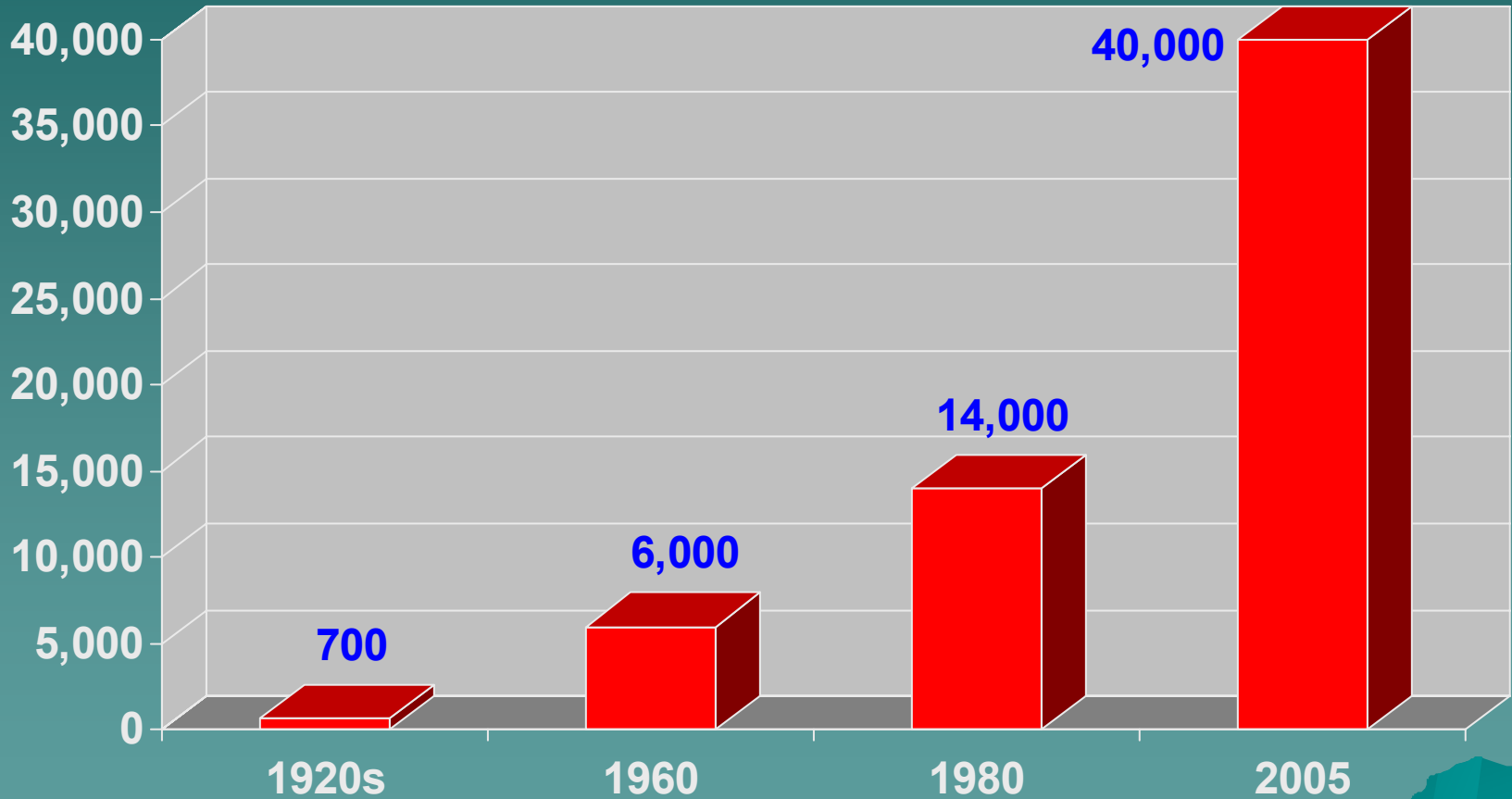
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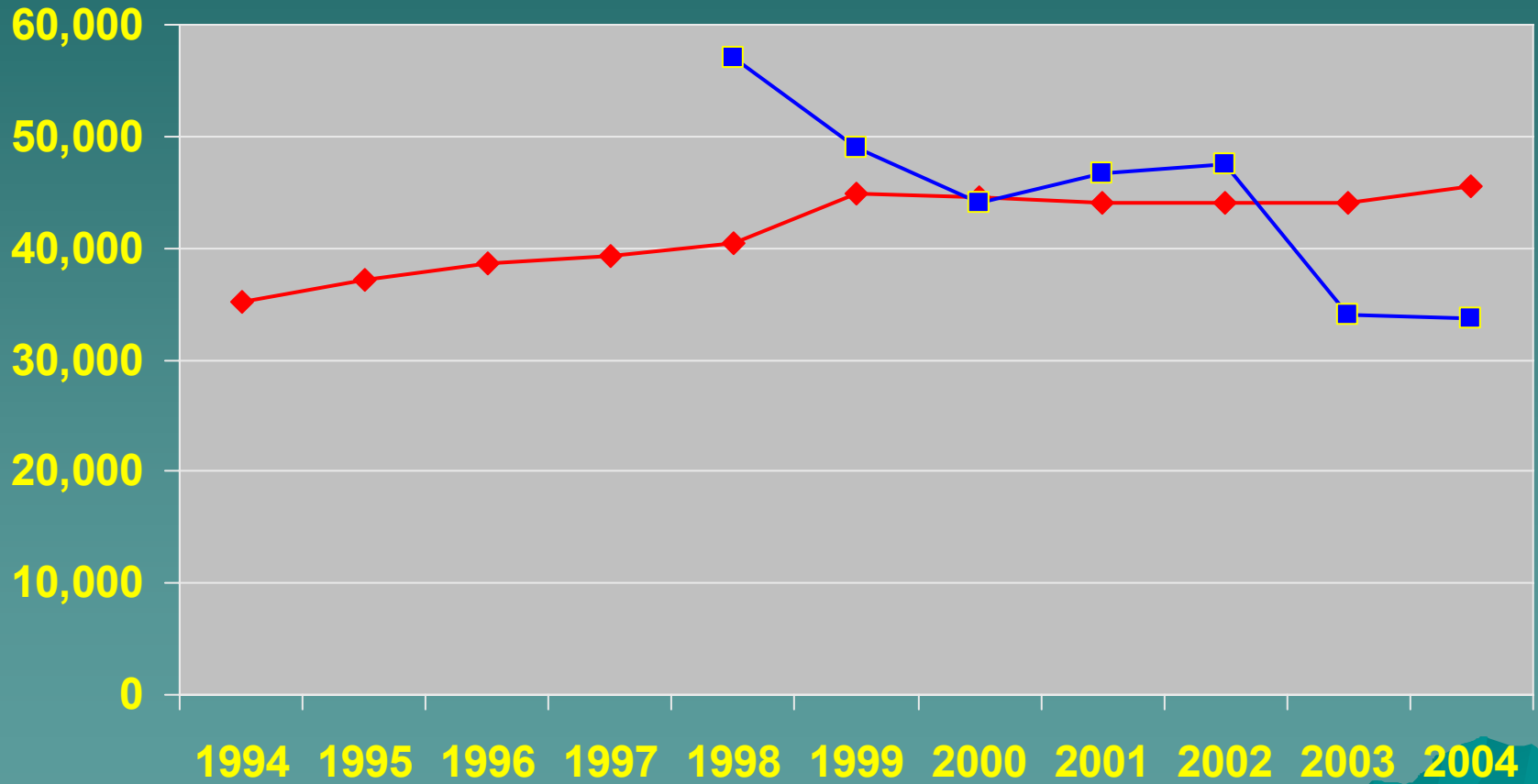
Food Dollar Accounts for a Decreasing Share of Disposable Income:



Increasing Number of Items Carried



Larger Stores



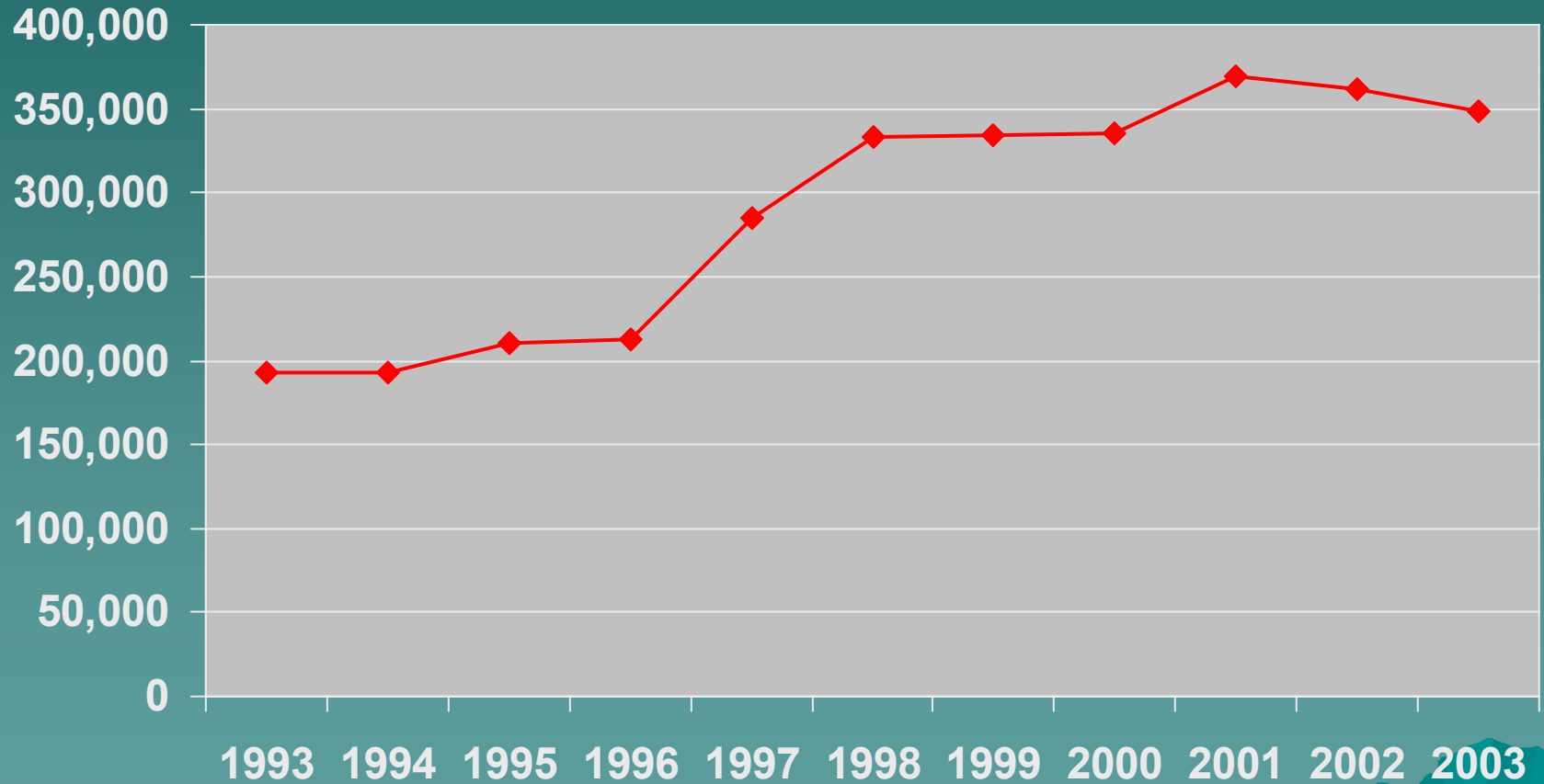
Smaller Niche Stores

- ◆ Accounted for 15% of new store openings in 2004
- ◆ Target market niches such as Natural, Gourmet, or Ethnic Foods
- ◆ *Includes Whole Foods Market, Wild Oats Market, Henry's Marketplace, Sunflower Market, Trader Joe's, Eatzi's Market*

Store Sizes: Major Supermarkets

- ◆ Hannaford: 48,200 SF (35,000 to 63,000 SF)
- ◆ Pathmark: 52,300 SF
- ◆ Whole Foods Mkt.: 40,000 to 75,000 SF
- ◆ Wild Oats Market: 21,000 to 26,000 SF
- ◆ Henry's Marketplace: 20,200 SF

Average Weekly Sales Per Supermarket



Current Competitive Landscape

- ◆ Wal-Mart, Target and Kmart Supercenters
 - ◆ Warehouse Clubs
 - ◆ Niche: Health, Gourmet, Ethnic
 - ◆ Home Delivery
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