

Giant to open new markets

By: CRISSA SHOEMAKER DEBREE Bucks County Courier Times

Thursday's announcement comes amid an ongoing shakeout in the grocery business.

Giant Food Stores announced Thursday that it will acquire two Genuardi's supermarkets, one each in Warrington and Lower Southampton.



Genuardi's Feasterville. Giant announced today that it will convert the Genuardi's markets in Lower Southampton and Warinton in to Giant stores early next year. David Garrett / Staff Photography

The stores at 1055 Bustleton Pike and 389 Easton Road will close at 6 p.m. Nov. 13 for remodeling and will reopen early next year as Giant markets.

The announcement comes during a tumultuous period for grocers. Some have prospered during the recession as customers cut costs by eating more often at home. Others have struggled with increasing competition from nontraditional food sellers and discounters like Walmart, Target and Aldi.

Genuardi's, a division of California-based Safeway Inc., has closed five stores since April, the most recent being the Towamencin Village store in Montgomery County. That store closed Oct. 16, one day shy of its 20th anniversary.

"Its lease was up," said Genuardi's spokeswoman Maryanne Crager. "In terms of the general economy not being stellar and increased competition, the company decided not to renew the lease for that location."

Genuardi's hasn't been the only one to fall prey to the economy.

Super Fresh closed its store at Ralph's Corner in Hatfield Township around the same time as Genuardi's closed. It was one of a number of Super Fresh and Pathmark stores, both owned by the Great Atlantic & Pacific Tea Co., that have closed in recent years. One of those, on Swamp Road in Plumstead, eventually became a Giant.

"You have a situation where the strong stores are surviving and thriving, and the weak players are slowly closing," said Robert Gorland, vice president of Matthew P. Casey & Associates, a consultancy that specializes in supermarket real estate research.

"It's no different if you were outside of the food industry, Gorland said. "The strong, very price-competitive players are surviving and thriving. And the strong players are continuing to look at locations that are strategically available, particularly in their own marketplaces where they have limited market share."

Giant isn't the only one taking advantage of marketplace conditions, either.

ShopRite recently announced plans to build a new store in Hatfield Township, near the closed Super Fresh. Bottom Dollar, a discount grocery store chain, plans to open about two dozen locations in the Greater Philadelphia area. Gorland said the chain also has its sights on the former Boyer's market in Quakertown.

"ShopRite is thrilled to be coming to Hatfield," Joe Miller, president of KTM Supermarkets and owner of the new ShopRite, said in an e-mail. "While we are aware that there may be other competitors out there, we have a lot to offer the community."

ShopRite is part of the Wakefern Food Corp., a retailer-owned cooperative comprised of 47 members who own and operate 228 ShopRite stores in Pennsylvania, New Jersey, Connecticut, Delaware, New York and Maryland.

"We are a small, family-owned business," Miller said. "My wife and I, our daughters and son-in-law are involved in the business and we plan to be in the store all the time. That hands-on approach allows us to respond quickly to what our customers want and need.

"Unlike big chains, we have the ability to respond quickly to the demands of the local community and stock local favorites or customer requests," Miller said.

Giant spokesman Chris Brand said the chain is always looking to strengthen its market position in the area.

"Our strategy has always been to grow our business organically, to include both new store openings and expansion and acquisition as well," Brand said. "We have a long history of serving customers in Greater Philadelphia. We think that our value equation is very attractive."

Crager said both stores were underperforming for Genuardi's. Together they employ about 100 people, who are eligible for placement in other stores where there are openings, Crager said. They also will be able to apply for openings at the Giant stores.

Gorland said Giant's move makes sense.

"They're acquiring stores in good locations," he said. "Giant has wanted a store in the Feasterville area for a long time. It's a very good strategic location along a well-traveled road. Warrington is in a huge shopping center along a major route. It fits in where they have a grouping of sister stores."

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