

The 50 Fastest Growing Supermarket Chains

A Chain Store Guide Special Report



Chain Store Guide
Business Leads | Market Research

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Introduction

Chain Store Guide has just released the Top 50 Fastest Growing Supermarket Chains special report. Chain Store Guide, a division of Lebhar-Friedman, provides market research and business leads to the retail and restaurant industries.

Top 50 Fastest Growing Supermarket Chains is based on 5-year unit-growth percentage. Companies must have at least 20 locations currently in operation.

Sprouts Farmers Market (180%)

11811 N Tatum Blvd Ste. 2400

Phoenix, AZ 85028-1614

www.sprouts.com

Average Store Size: 26,000 sq. ft.

Year Founded: 2002

The 2nd specialty supermarket venture founded by the Henry Boney family, Sprouts Farmers Market specializes in farm fresh produce and organic grocery items. The first chain, Henry's Farmers Markets, was sold in 1999. As announced in mid-2008, Sprouts will accelerate its store growth as the result of raising \$22 million in a recent debt offering. Its goal is to open 15 or more stores a year and 100 over the next 5 years.

Sprouts takes a 'bulk' approach to selling its natural food items, especially in its produce department. As a result, many of the prices are held in check and are considerably cheaper than competitors. The company specializes in farm-fresh produce, purchased from local growers when possible. Sprouts also offers a large selection of vitamins and supplements, all-natural meats, fresh seafood, bins full of bulk foods, an extensive selection of natural and organic grocery items, rBST free milk, imported cheeses, deli meats, and other gourmet items. The stores average roughly 26,000 square feet in size, and also offer a full-line of dry grocery items. Other specialty items include natural meats, homemade sausage, fresh fish, prepared foods, wine, cheese, bakery, bulk foods, and natural vitamins, supplements and minerals. Bins of fresh seasonal produce at considerably lower prices than its competitors are the focal point upon entry at most stores. Low-profile shelves offer views of the entire store to give customers an "open" feel.

Associated Retail Stores Inc. (148%)

1850 W 2100 S

Salt Lake City, UT 84119-1304

www.freshmarketstores.com

Average Store Size: 45,000 sq. ft.

Year Founded: 1947

Associated Retail Stores nearly tripled its store count when it acquired 34 Albertsons locations in November 2009. The stores recently completed the transformation to their new identity under the Fresh Market format. The Utah stores now have Fresh Market signs and banners for the private-label brand, Western Family. Corporately owned, operated, and supplied by wholesale giant Associated Food Stores, Salt Lake City UT, the Fresh Market locations in UT are a new banner for the company.

Rouses Enterprises LLC (133%)
1301 Saint Mary ST
Thibodaux, LA 70301-6527
www.rouses.com
Average Store Size: 31,428 sq. ft.
Year Founded: 1959

Rouses doubled the size of its company and became the largest Louisiana-owned grocer when it bought 19 New Orleans-area Sav-A-Center locations from A & P in 2007. CEO Donald Rouse has said that his goal is to grow the company, which generates \$700 million in annual sales, to a billion-dollar company within five years. Rouses is currently seeking additional growth opportunities throughout Baton Rouge, Lafayette and New Orleans, LA. The company prefers to acquire its sites, and its supermarkets feature produce, bakery, deli, meat and seafood departments, as well as a sushi department and post office in freestanding locations and strip centers.

Sunflower Farmers Market (125%)
2585 Central Ave Ste. 200
Boulder, CO 80301-2999
www.sfmarkets.com
Average Store Size: 23,000 sq. ft.
Year Founded: 2002

CEO Mike Gilliland has been involved in the natural and organic food business for 24 years. He co-founded Wild Oats Markets and served as its CEO from 1987 to 2001, growing the company from a single store in Boulder, CO to a billion dollar publicly-traded company with 115 stores throughout the US and Canada. Shortly after Mike left Wild Oats, it was famously sold to rival organic grocer Whole Foods Market Inc. In 2002, Mike founded Sunflower Farmers Markets which operates natural foods supermarkets throughout the south-western US that focus on organic and natural food at more affordable prices. Some say that Sunflower is the pioneer in developing and exploiting the emerging 'value segment' of the natural and organic foods retailing industry.

Sunflower's aggressive expansion plan calls for a total of 50 locations throughout the West in the next five years. Each store manager does his or her own buying, with supervision and assistance from corporate. The company's recent reusable bag promotion offers customers a 5¢ discount per reusable bag used, which are sold for \$.99. Announced in May 2009, Sunflower is investing \$10 million to expand its presence in NM. The natural-foods retailer plans to open 4 stores in the state in the next 18 months.

Save Mart Supermarkets (95.2%)
1800 Standiford Ave
Modesto, CA 95350-0180
www.savemart.com
Average Store Size: 37,600 sq. ft.
Year Founded: 1952

Save Mart nearly doubled the size of its company with its acquisition of 132 stores from Albertsons LLC. The company has converted all (72) Albertsons in the San Francisco area to the Lucky banner, and the remainder to either Save Mart or Lucky. Known for innovation, Save Mart was one of the first supermarkets to offer customers pre-packaged meats, yard and garden supplies, plants, fresh-cut flowers and gift items, all creative concepts for the 1950's, and relatively unheard of for the area until Save Mart introduced them. In 1984 the company experienced growth with the opening of 8 new stores and a partnership with Mid-Valley Dairy that produces Sunnyside Farms products. The company expanded throughout the 1980's including the acquisition of 25 Fry's supermarkets located in the East Bay area in 1989 and in 1997 it acquired 10 Lucky stores in the Central Valley.

In 1986 Save Mart also began a warehouse food division with two franchised Food-4-Less warehouse stores in Bakersfield, California. With their success, the company developed its own warehouse concept under the name Food Maxx which it owns independently. The Food Maxx division now has 45 locations.

Super Center Concepts Inc. (65%)
15510 Carmenita RD
Santa Fe Springs, CA 90670-5610
www.superiorgrocers.com
Average Store Size: 67,500 sq. ft.
Year Founded: 1981

Super Center Concepts Inc., which does business as Superior Grocers, is one of the largest independently-owned chains of grocery stores in Southern California. At select locations, a shuttle is offered for customers without other means of transportation. Growth for the company comes mostly from organic expansion over the last 5 years in the Southern CA area. The large stores average nearly 70,000 sq. ft. and are positioned as warehouse formats with a low-price focus. However, Superior does not charge an annual membership fee. The stores offer most of the departments found in traditional supermarkets, including fresh produce, bakeries, and meat departments. In addition, Superior makes homemade tortilla shells; it is one of the original grocery stores to bring the “tortilla factory” or tortillería inside the store so customers can have the freshest tortillas possible.

Northgate Gonzalez Market Inc. (61%)
522 Vermont Ave
Anaheim, CA 92805-5621
www.northgatemarkets.com
Average Store Size: 31,250 sq. ft.
Year Founded: 1980

According to the company’s website, the story of Northgate González Markets is the story of a family of immigrants that has fulfilled the American dream through vision, hard work and faith. It all began in Jalostotitlán, Jalisco when Don Miguel González Jiménez’ shoe store burned down in 1952. After struggling for 14 years to get reestablished, at 44 years of age, Miguel and his older sons immigrated to Los Angeles. By 1979 the family was reunited and established in La Mirada. Seeking business opportunities, they heard of a supermarket in Anaheim, home to a community of fellow Jalosticenses. Just 2,000 square feet in size, Northgate # 1 opened its doors in January 1980. The original store was Northgate, and the name has been kept over the years and subsequent acquisitions. From the beginning, the whole family participated, holding other jobs while the business got established. More stores were bought in fulfillment of the dream of every brother and sister having his or her own store. This goal was reached some time ago, and today two generations work in the stores and corporate offices, with over 3,500 forming the community of Northgate employees.

Today, newly opened stores are about 50,000 square feet in size, allowing them to offer shoppers a large service meat department, bakery, and prepared foods, in addition to a sizeable selection of domestic and imported Latin American grocery goods. Northgate also features a ‘tortillería,’ where fresh, home made tortillas are made.

Whole Foods Market Inc. (58%)
550 Bowie ST
Austin, TX 78703-4648
www.wholefoodsmarket.com
Average Store Size: 53,500 sq. ft.
Year Founded: 1980

Whole Foods made huge waves (and controversy) when it acquired rival natural and organic grocery chain Wild Oats in 2007, instantly propelling itself into the top 20 of U.S. supermarket chains. The company has struggled recently with its high price image during tough economic conditions. Ironically dubbed 'Whole Paycheck', the company is working to improve its image and lower prices throughout the store while still offering high quality natural and organic products as well as prepared foods. One of the most distinct qualities of a Whole Foods location is its lunch and deli area, filled with hot bars of food sold by the pound, organic pizzerias, smoothie and coffee bars.

Looking to the future, Whole Foods has taken the lead as a 'green' company. The company is consistently ranked among the most socially responsible businesses and placed third on the U.S. Environmental Protection Agency's list of Top 25 Green Power Partners.

La Michoacana (56%)
8845 Long Point RD Ste B
Houston, TX 77055
www.lamichoacanameatmarket.com
Average Store Size: 10,000 sq. ft.
Year Founded: 1986

La Michoacana Meat Market is the largest independent Hispanic grocery store chain in the United States and has benefited greatly from the large increases in Hispanic populations in the TX area. Founded in February of 1986 in the city of Houston with the idea of a Mexican company to serve all Hispanics, La Michoacana Meat Market has grown rapidly throughout the years. Stores feature the concept of a medium size supermarket with a variety of fresh products and other items which fulfill the basic needs of most Hispanic families. After opening its first store with only 1,800 square feet featuring high service levels and quality fresh meats and vegetables as well as products of main necessity, La Michoacana locations can now be found throughout the majority of Texas especially in its bigger cities such as Houston, Dallas, San Antonio, and Austin. These supermarkets can also be found in the outskirts of these major cities.

Now with over 100 locations, La Michoacana Meat Market keeps growing year after year. The supermarkets range in size from 5,000 square feet up to 12,000 square feet. While focusing on quality of meats cut and preparations, Michoacana Meat Markets also offer a department of authentic dishes with its own food, bakery, and produce.

The Fresh Market Inc. (55%)
628 Green Valley Rd Ste 500
Greensboro, NC 27408
www.thefreshmarket.net
Average Store Size: 22,000 sq. ft.
Year Founded: 1982

In 1982, Ray Berry and his wife, Beverly, opened a small store dedicated to providing quality foods in a friendly atmosphere. Now the chain has over 90 locations in 18 states, concentrated in the Southeast, Midwest, and Mid-Atlantic. Inside the stores, the first department is a large, expansive floral section, followed by a well-merchandised produce department. Olive bars accompany cases of high-end cheese. The focus of the Fresh Market is clearly the perishable and fresh departments. Most stores have only six aisles of dry grocery goods, with few national brands, and six cases of frozen food. Overall, the prices are competitive, especially in the beer/wine section. Meat cases are full of well-merchandised high-end cuts, with everything from veal to ground beef. Deli cases offer hot and cold ready-to-eat foods, including a sushi bar complete with a sushi chef.

Currently, The Fresh Market is looking for opportunities to open upscale supermarkets in spaces of 18,000 to 20,000 sq. ft. in inline spaces and freestanding locations. Growth opportunities are sought throughout CT and Westchester County, NY.

Top 50 Fastest Growing Grocery Stores

	Company Name	Current Stores	Current Sales	5-Year Unit Growth %	5-Year Sales Growth %
1	Sprouts Farmers Market	42	\$180,000,000	180.00%	200.00%
2	Associated Retail Stores	57	\$680,000,000	147.83%	43.50%
3	Rouses Enterprises LLC	35	\$700,000,000	133.33%	250.00%
4	Sunflower Farmers Market	27	\$305,000,000	125.00%	342.03%
5	Save Mart Supermarkets	244	\$5,125,000,000	95.20%	97.12%
6	Super Center Concepts Inc.	33	\$775,000,000	65.00%	14.81%
7	Northgate Gonzalez Market Inc.	29	\$362,500,000	61.11%	76.83%
8	Whole Foods Market Inc	286	\$8,031,620,000	58.89%	70.84%
9	La Michoacana	117	\$118,350,000	56.00%	57.80%
10	The Fresh Market Inc.	93	\$576,800,000	55.00%	43.48%
11	SUPERVALU Inc.	2,440	\$31,775,000,000	54.04%	196.23%
12	SVT LLC	30	\$710,000,000	42.86%	14.33%
13	WinCo Foods LLC	70	\$4,250,000,000	40.00%	70.00%
14	Vallarta Supermarkets	29	\$230,000,000	38.10%	35.29%
15	Spartan Stores	100	\$1,314,136,000	36.99%	42.93%
16	Lowes Pay and Save Inc.	82	\$390,280,000	36.67%	33.66%
17	Omaha Steaks	83	\$166,250,000	36.07%	34.56%
18	Trader Joe's Co.	330	\$6,000,000,000	34.69%	124.72%
19	Aldi Inc.	1,046	\$6,400,000,000	28.98%	96.14%
20	Harris Teeter Inc.	195	\$3,827,005,000	28.29%	44.69%
21	Harps Food Stores Inc.	65	\$440,000,000	27.45%	18.92%
22	Sedano's Supermarkets Inc.	34	\$450,000,000	25.93%	23.29%
23	Supermercados Selectos Inc.	30	\$175,000,000	25.00%	9.38%
24	Sellers Bros. Inc.	20	\$105,060,000	25.00%	2.00%
25	Pyramid Foods Inc.	47	\$360,000,000	23.68%	14.29%
26	Niemann Foods Inc.	74	\$550,000,000	21.31%	11.74%
27	Supermercados Econo Inc.	52	\$335,510,000	20.93%	11.84%
28	HAC Inc.	89	\$765,000,000	20.27%	31.90%
29	Jamieson Family Markets	20	\$200,000,000	17.65%	33.33%
30	Hannaford Bros. Co.	167	\$4,100,000,000	17.61%	26.08%
31	Smart & Final Stores LLC	282	\$2,386,540,000	17.01%	19.15%
32	Martin's Super Markets Inc.	23	\$510,000,000	15.00%	41.67%
33	Publix Super Markets Inc.	1,015	\$24,300,000,000	14.95%	18.02%
34	Giant Eagle Inc.	369	\$7,040,580,000	14.24%	28.24%
35	Fiesta Mart Inc.	57	\$1,050,000,000	14.00%	-4.55%
36	GFS Marketplace	133	\$1,380,000,000	13.68%	4.55%
37	Cosentino's Food Stores	25	\$453,260,000	13.64%	24.97%
38	K. V. Mart Co.	25	\$312,500,000	13.64%	17.92%
39	Coborn's Inc.	68	\$828,750,000	13.33%	27.89%
40	Roundy's Supermarkets Inc.	154	\$4,025,000,000	13.24%	11.19%

	Company Name	Current Stores	Current Sales	5-Year Unit Growth %	5-Year Sales Growth %
41	Village Supermarket Inc.	26	\$1,208,097,000	13.04%	22.81%
42	G & W Foods Inc.	27	\$81,000,000	12.50%	12.50%
43	Bi-Mart Corp.	72	\$127,800,000	12.50%	9.23%
44	H.E. Butt Grocery Co	338	\$15,100,000,000	11.92%	36.04%
45	Jerry's Enterprises Inc.	38	\$822,816,000	11.76%	9.71%
46	Von Hanson's Meats	21	\$14,950,000	10.53%	10.74%
47	Grocery Outlet Inc.	136	\$700,450,000	9.68%	7.76%
48	Dierbergs Markets Inc.	23	\$675,000,000	9.52%	17.39%
49	K-VA-T Food Stores Inc.	106	\$1,800,000,000	9.28%	39.75%
50	Fareway Stores Inc	96	\$920,000,000	9.09%	22.67%

*Growth Percentages based on a 5-year analysis. Companies must have at least 20 locations currently in operation.



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