

ELDEN'S FRESH FOODS | 707 3RD AVENUE EAST, ALEXANDRIA, MN 56308 | WWW.ELDENS.COM

Lake *Success*

A total remodel and massive expansion enables independent *Elden's Fresh Foods* to maintain its lead market position in a Minnesota resort community.

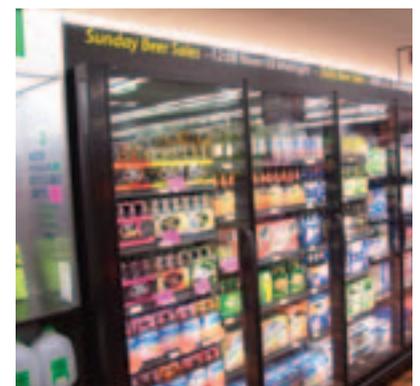
BY RICHARD TURCSIK

CALL IT THE MINNESOTA "LAKE EFFECT." Shoppers from the "Land of 10,000 Lakes" who make their winter homes in warmer climates such as Palm Springs and Palm Beach are going to be pestering managers with a blizzard of "Why can't you be more like Elden's?" They say there is no comparison to the thriving one-unit independent from the northern Minnesota lake resort community of Alexandria.

"We have a customer who shops with us who lives in Palm Springs during the winter and she tells me that there is not a store as nice as this one in Palm Springs," says Elliot Christensen, president of Elden's Fresh Foods.

They will rave about Elden's farm-fresh produce, organic and natural foods, show-stopping floral arrangements, dairy case hot buys and award-winning customer service coupled with outstanding community involvement. A recent local newspaper customer survey ranked Elden's No. 1 in town in bakery, produce and meat, and No. 2 in deli. Readers also ranked the supermarket second in customer service, behind Ace Hardware.

"What is neat about the [reverse] snowbird thing is that we have a lot of people from California, Arizona and Florida that compare us with their grocery stores out there and put us above Trader Joe's and right up there with Whole Foods," says JR Christensen, store director and Elliot's son. "That is pretty cool for them



PHOTOS BY RICHARD TURCSIK

to say that.”

“We have an upscale customer because there is a lot of money up at the lakes here,” Elliot Christensen says. “They tell us our department for natural and organic is the largest upstate that they’ve seen and the only one they find bigger is at Whole Foods.” The closest Whole Foods is a two-hour drive away in the Twin Cities.

Established as Elden’s Food Fair, the store has been a fixture in Alexandria for decades. The founding Erickson family sold it to the Christensens in 1997. They invested \$1.5 million in the property and completely remodeled the store.

Back then the population was 8,000 and the competition consisted of Festival Foods, Viking Foods and Pete’s County Market. In the ensuing years, Alexandria, county seat of Douglas County—home of some 300 lakes—annexed neighboring smaller towns, boosting the population. “When we went to 10,000 it put us on the map,” Christensen says. “All of a sudden we had a Menards superstore, Fleet Farm superstore, Target expanded and the Walmart went from a regular store to a Supercenter.” Today Pete’s is the only other remaining traditional supermarket in town and Walmart has established itself as the low-price leader. “We’re not the cheapest in town, but we give the best value for your dollar,” Christensen says.

To better compete, in October 2011 the Christensens embarked on a major total store remodel that included a 22,000-square-foot addition that wraps around three sides of the store. The front (south side) of the building was bumped out 33 feet, 60 feet was added to the east and 30 feet was added to the north. The west wall is the only side that was not altered.

“We punched them all out and we never closed. We were open 24 hours a day, seven days a week,” Christensen says. “Our goal was to have an addition that didn’t look like an addition. Everybody says we accomplished that.”

After the remodel the store banner was changed to Elden’s Fresh Foods.

REMODELING REWARDS

“We had many, many meetings to discuss all the construction that was going to take place,” Christensen says. “We had to ensure our customers were going to continue to come be-



cause one month our entrance was over here, the next month it was over there, and the next month over there.”

The parking lot was also challenge. “We had to put in a whole new parking lot because the grade levels were a three-foot difference from our floor to the parking lot,” he says. “The whole thing had to be shaved down. It was just a mess, but they did it in five days. That was amazing.”

In addition, the store’s gondolas were shifted from running east-west to north-south. “We had to tear every gondola down, reposition them and change the direction of all the aisles,” Christensen says. To facilitate the shift, temporary aisles were set up in the east addition that now houses the frozen food and floral departments. “We had a workforce of 50 and in seven business days we completed the entire store.”

To entice customers to shop during the con-

fusion, JR created Remodeling Rewards—an instant scratch-off game that offered more than \$60,000 in prizes. Cashiers handed shoppers a game card every time they shopped. “The customers could win up to \$1,000 instantly. That brought a whole group to us,” Christensen says.

As an energy-saving measure, 48 skylights were installed throughout the new addition. “Our utility bill is up about 25%, but that is because we put in so many cases,” Christensen says. “We have a five-deck produce case where we used to have a single-deck produce case. We greatly expanded our frozen section. There are now 26 doors of ice cream.”

Produce has also been greatly expanded. Elden’s is so noted for produce that in season, the experience begins outside. In late September, for example, pumpkins—thousands of them in all shapes, sizes and colors, even white—adorned the front of the store. “By Halloween we’ll go through two semis of pump-



kins—80,000 pounds,” says Dennis Christensen, vice president and Elliot’s brother.

Plants also get big play outside. In a four-week fall season, Elden’s sold 4,000 huge mums, but the business really takes off in the spring when the parking lot is literally filled with bedding plants. “People will drive here from St. Cloud, Brainerd, even Fargo, N.D.,” Christensen says. “I had two customers who came 150 miles from Fargo in a van that they loaded up with plants for their friends. They said our quality and price made it worth the drive.”

DOUBLE THE PRODUCE SPACE

Once shoppers enter the store with their pumpkins and pansies, they head to produce. It has doubled in size, since moving into the front addition.

“We added a whole department of organic fruits and vegetables and lots more variety,” Christensen says. “We used to have four linear feet of berries and now we have 12. We carried strawberries before, but now we have organic strawberries and in the summer we now can offer strawberries in 1- 2- and 4-pound boxes.”

The fruit and veggie tray set was doubled to eight feet and the bagged salad selection was improved. “We put all our salads and dressings behind doors,” Elliot Christensen says. “That gives the shopper an opportunity to say ‘Look at everything they have!’ Plus, it enhances the

quality of the product and it lasts longer when the consumer gets it home.”

Produce feeds into the aisle running along the west wall, which houses cheese department, including a Papa Enzo’s take-and-bake pizza set, an Affiliated Foods Midwest controlled label. Next is the in-store bakery, containing a mix of tantalizing breads, rolls and desserts made from scratch, mix and thaw-and-sell. “We decorate all of our own cakes,” says Dennis Christensen. “Our sweet rolls [doughnuts] are made fresh daily and as they sell down we condense the case.”

Specializing in Minnesota’s own Hormel brand, the service deli is along the back wall. “Most stores have sliced-to-order,” says Elliot Christensen. “We’ll do that too, but most of our meats and cheeses are pre-sliced. We find it saves time and the customers appreciate that.”

The self-service meat and seafood case, specializing in Creekstone Farms Black Angus beef, also lines the back wall, and just about everything is cut in-house. “We opted not to have a service case because you don’t see too many of them in upstate Minnesota,” Christensen says.

“Up in this area everyone has been taking them out,” Dennis Christensen adds.

A bank of coffin cases runs the length of the rear aisle from meat clear through to dairy.

“This whole case is designed for specials in the meat and dairy departments,” Elliot Christensen says.

On a recent visit specials included spiral sliced hams, made by Hormel, for 99 cents a pound and Liberte brand yogurt for 3 for \$1, regular retail \$1.29 each. The brands may change—Liberte, Noosa, Yoplait—but every week there is a 3 for \$1 yogurt. “This summer in 13 days we sold 10,000 units of yogurt,” Christensen says.

“I run fire sales out here we call ‘em,” JR Christensen says. “I get calls from vendors who have post-dated [near expiration date] product and that is why we can sell them so cheap.”

The grocery aisles now are shorter and run perpendicular to the rear aisle. In a state known for its lakes, ironically one of the biggest sellers is water, both bottled and filtered on premise. “The drinking water up here has so much iron that everybody buys water,” says Dennis Christensen. “The water in our dispensing system is all filtered. We have a system in the back that is reverse osmosis for it. We sell a lot of water. Not only that, but we also buy bottled water by the truckload.”

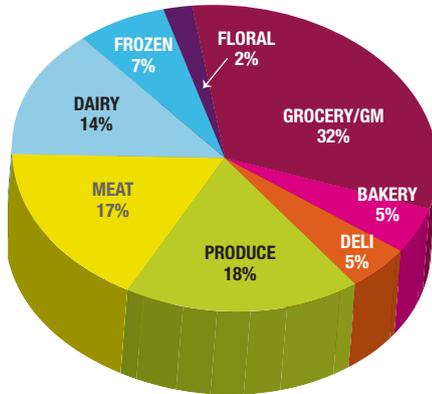
That bottled water, along with everything else in the store, is marked by an electronic shelf tag made by Pricer of Sweden. “There are only eight stores in the entire state that have them, and six of them are in the Twin Cities,” Elliot Christensen says. “The tags are all battery operated and the battery lasts for 10 years. Every tag is identified for just that item. Receivers in the ceiling communicate and when we have to make a price change it is done in under 10 seconds.”

The shelf tags are also employed in the store’s new Natural and Organic department, located up front. It houses a full assortment of grocery, dairy, frozen, and refrigerated foods, along with vitamins, HBC and household cleaners, including the Minneapolis-based Mrs. Meyer’s Clean Day line.

ELDEN’S DOWNTOWN FLORAL

Another new and incredibly popular department is Elden’s Downtown Floral. Housed along the east wall, in an area with large bay windows originally slated to be a garden center, it is headed up by Terry Glennie, the former proprietor of Downtown Floral, which

SALES BREAKDOWN



STORE STATS

GRAND REOPENING DATE	August 26, 2012
TOTAL STORE AREA	50,150 square feet
TOTAL SELLING AREA	33,000 square feet
NUMBER OF SKUS	46,000
NUMBER OF CHECKOUTS (including 4 U-Scan self checkouts)	10
NUMBER OF AISLES	20
WEEKLY SALES*	\$350,000
HOURS	24 hours/7 days a week
WHOLESALER	Affiliated Foods Midwest, Norfolk, Neb.
ARCHITECT	Paul Ringdahl, Alexandria, Minn.
DÉCOR	Wilkus Architects, Minneapolis

*Grocery Headquarters estimate

THE COMPETITORS

Number of competitors in Alexandria, Minn.

✓ Pete's County Market	1
✓ Walmart Supercenter	1
✓ Target P-Fresh	1
✓ Big Kmart	1
✓ Menards	1
✓ Mills Fleet Farm	1

was acquired by Elden's during the remodel.

Greeting cards, sourced from New York-based Designer Greetings and sold for 50% off, were moved to floral from the main part of the store.

"We're doing much better here than when we were in our own shop," Glennie says. "The walk-in traffic is just amazing. People were coming to us for flowers. Here they are coming for groceries and they see flowers and buy them anyway. It is a lot of impulse sales."

The department is aligned with both FTD and Teleflora and delivers in a 40-mile radius in a special van the Christensens purchased for Glennie.

"Terry has the talent of taking a \$3 plant and turning it into a \$10 plant or even a \$12.99 one by adding some ribbon and decorations," Elliot Christensen says. "She does a great job of upscale marketing for us. It is about adding value and people love it." □



For more exclusive photos of Elden's Fresh Foods, please visit www.groceryheadquarters.com.

PRICE CHECK

ITEM	ELDEN'S	COUNTY MARKET	WALMART
Red grapes (lb.)	\$1.99	\$1.68	98-cents
Cucumber	69-cents	99-cents	58-cents
Russet potatoes (5-lbs.)	2/\$5.00	\$2.59	\$2.47
Sweet onions (lb.)	99-cents	\$1.19	98-cents
Baby carrots (lb.)	\$1.29	\$1.69	\$1.48
Bananas (lb.)	79-cents	79-cents	57-cents
Oscar Mayer Wieners (lb.)	\$1.99	\$3.65	\$3.48
Hormel Black Label bacon (lb.)	\$5.49	\$6.19	\$4.48
Ground Chuck family pack (lb.)	\$3.99	\$2.99	\$3.68
Boneless beef chuck roast (lb.)	\$2.99	\$5.39	\$4.98
Daisy sour cream (16-oz.)	\$2.69	\$2.45	\$1.98
Florida's Natural orange juice (59-oz.)	\$2.99	\$3.72*	\$3.16
Land O' Lakes butter (1-lb.)	\$3.99	\$5.33	\$3.68
Eggs (dozen large)	4/\$5.00	\$1.84	\$1.88
Crystal Farms cream cheese (8-oz.)	\$1.79	\$1.69	\$1.50
Miracle Whip (30-oz.)	\$3.99	\$5.17	\$3.88
Hidden Valley Ranch dressing (16-oz.)	\$4.39	\$3.75	\$2.98
Hamburger Helper (5.6-oz.)	2/\$4.00	\$2.19	\$1.50
Mrs. Butterworth's syrup (24-oz.)	\$3.99	\$3.85	\$2.84
Private Label Sweet Peas (15-oz.)	69-cents	87-cents	68-cents
Underwood Deviled Ham (4.25-oz.)	\$2.22	\$2.05	\$1.58
Hormel Chili with Beans (15-oz.)	4/\$5.00	\$1.97	\$1.28
Jell-O (3-oz.)	89-cents	97-cents	74-cents
Cool Whip (8-oz.)	\$1.59	\$1.59*	\$1.42
On-Cor Lasagna (28-oz.)	\$2.99	\$3.69	\$2.98
TOTAL	\$59.42	\$68.28	\$55.76

* Temporary Price Cut

Price check conducted Sept. 26, 2012 in Alexandria, Minn. at Elden's Fresh Foods, 707 Third Avenue East; Pete's County Market, 2612 South Broadway Street, and Walmart Supercenter, 4611 State Highway 29 S.