

Market Jitters

Can former checkout girl Judy Spires keep Acme relevant in the age of Whole Foods and Walmart Supercenters? **By Janine White**



ATTENTION, SHOPPERS
“We are not doing what we did 119 years ago,” says Acme’s president.

Judy Spires is buzzing around the Acme in Paoli, looking like she owns the place. She doesn’t, but who would deny her—a woman who started as a checkout girl and worked her way up to be president of the whole supermarket chain—the right to look so in charge? What she does not look like, with an expert blowout of her short blond hair and a trim frame that effortlessly carries a pale gray power suit, is a store employee. So shoppers seem slightly bemused by her ebullient shouts of “Thanks for shopping here!” and “How are you doing today?”

Spires spies a little boy arriving in a plastic fireman’s hat. “The fireman’s coming to visit the Acme! Yay!” she exclaims. Later, she oohs and aahs over a cute baby, asking his mom how old he is. You get the feeling Spires is on the campaign trail, and in a way, she is—stumping for Acme, mentally willing each customer to *Shop here. Like my store. Come back soon, ya hear?* The whole time, there’s a grin

on her face, almost as if she won’t even consider the idea that customers might not shop here. Unfortunately for her, the chances are getting better and better that they very well may not.

In 1970, when Judy Spires began her grocery career at age 17—her dad, an Acme bread-truck driver, helped her get a cashier job at a Westmont store near the family’s South Jersey home—it seemed everyone was loyal to the Ack-uh-me, the beloved local chain with South Philly roots dating to 1891. “There were two places where you shopped,” Spires recalls. “It was A&P or Acme, and Mom did the shopping one day a week and you bought a lot of stuff.” Back then, Wegmans was still more than 20 years away from expanding beyond its upstate New York roots, and the word “supercenter” was just a twinkle in Sam Walton’s eye.

Thirty years later, Acme still retains its long-held

grip on the number-one supermarket spot in our region, but that dominance hasn't been enough to scare away competitors; it's just made them hungrier for Acme's customers. ShopRite, CVS, Walmart, Giant, Wegmans, Wawa, and even less direct threats like Whole Foods, Trader Joe's and The Fresh Market have joined the battle that by all accounts, including Spires's, is fierce. So even though the Acme store in Paoli is humming with shoppers on this Monday afternoon in June, and even though (or maybe because) she's smiling, I can't help but imagine that Judy Spires has serious rope burn on her hands, because I've seen the numbers.

Those numbers are called market share, and Acme has—and has had—the biggest slice of it in the Philadelphia region for

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decades. What's worrisome is that its slice keeps getting skinnier.

In 1996, when most people were still shopping at traditional supermarket chains, those chains were getting 73 percent of the market share in this region, according to trade publication *Food Trade News*. With 28.4 percent of that, Acme was way out in front. Ten years later, traditional supermarkets' share had slipped dramatically, down to 58 percent. Shoppers had been seduced by Walmart's low-low-prices siren song. They were buying a gallon of milk on their way out of CVS. They picked up fresh fruit at Wawa during their regular morning coffee stop. Of that much-reduced 58 percent, Acme's market share was down to just over 15 percent.

In 2009, you can forget measuring traditional supermarkets by themselves. The numbers that really count now are the ones that look at all the stores where you can buy food, because that's how more of us

are shopping—here and there, three or four times a week. At one end of the customer spectrum are relentless bargain-hunters; on the other are those with palates so picky, they're willing to buy their favorite cookies at one place and the best cut of beef at another. Today, Acme has just 13.6 percent of that market.

It's this downward slide that Judy Spires needs to stop. And for her, daughter of an Acme bread-truck driver, the first female president in Acme's century-plus history, it's more than just business.

"Somebody just gave me a recipe for these," Spires says, picking up a package of pork ribs in the Paoli store. "As a matter of fact, my hairdresser. Said they taste just like P.F. Chang's." Even when she's getting her hair cut, she's talking about food. She visits a different Acme store each week, unannounced, to see what her customers are experiencing. On vacations to France and Italy, she checks out the supermarkets. "I don't go to work. I go to life," she says, mantra-like. "This business gives me energy, and through that, I'm able to energize this business and keep us moving forward."

That mantra, that obvious passion for the business and for Acme, pretty much dictates that she rebuff any number that dares try to defeat her.

Judy Spires was nervous on her first day of work at Acme. "I went to the store a very timid, shy, scared girl," Spires says. "And by the end of the day, I was checking out customers on my own and loving it." She worked there throughout college and loved it so much that though she majored in special education at La Salle, she decided not to look for a teaching job when she graduated. She pestered her store manager for an opportunity to make a career for herself there, and it paid off with a spot in the management training program. She still has the green interoffice memo that told her she was in. "There wasn't a single woman in management," Spires says, "but in my heart right then and there, I knew that one day I was going to be president of the company."

She would become the first female store manager in Acme's history, but when she tells her rise-to-the-top tale, the details are more about good old-fashioned work ethic than breaking glass ceilings. She worked night crew. Frozen food. Produce. She supervised several stores, then moved to the executive

level, hitting the advertising, merchandising and human resources departments. When she was asked to develop a floral program, Spires says, she "didn't know the difference between a petunia and a rose." But her bosses didn't seem worried. "They said, 'You can learn the particulars very quickly. You have management skills.' And I learned that early on: Say yes to every opportunity."

"She worked hard and made the sacrifices that you need to make. There's no time limit in our business. It's very demanding from a schedule perspective," says Mark Tarzwell, who worked at Acme with Spires when she was the floral merchandiser. Today he deals with her from the supply angle, as president of food distributor Burris Logistics. "She'll drive a hard bargain, but she'll be fair, and she's always courteous when she's doing it."

Along the way, Spires did find time to marry her college sweetheart and have a son, who graduated from college this year and started a job at Campbell Soup. ("We all have the same passion," Spires says of her family. "The passion for food and feeding people.") Meanwhile, Acme ownership was being bounced around the country. American Stores, the owner for decades, moved its headquarters to Salt Lake City after a merger. Then they sold out to Albertsons in Boise, Idaho, which gave Spires her first shot at being president of a division—with a catch. She had to leave her hometown and Acme to take it. She moved to Colorado, and later Texas, to serve as president of Albertsons' divisions in those regions, but she and her husband kept their Shore house in Ocean City. Finally, three years ago, Supervalu bought Albertsons, and Judy Spires came home—her wish fulfilled.

By then, declining market share was a problem for the chain. But Spires has home-field advantage. She *knows* the Ack-uh-me, knows what it means to this region and its hundreds of little neighborhoods and towns and the people who live in them.

"There were five kids in my family, and we weren't by any means well-off," Spires explains. "So when we got stuff, it was special. And I remember whenever I would thank my dad for special things, he would say, 'Thank the Good Lord and thank Acme Markets.'"

"I hear a continuum through age groups of customers say 'I love my Acme,'" Spires

tells me one morning in her spacious corner office at the company's Malvern headquarters. The building is in a nondescript office park; the look of the interior is dated, the lobby "design" of the variety that relies on obligatory OSHA posters for decoration. "I was talking to a customer yesterday"—yes, she takes calls from customers—"and he was not happy with the way something was handled. I got it taken care of, and his big thing was, 'I love that store. I don't want to not shop at that store.'"

Unfortunately for Acme, there are several reasons people are choosing not to shop at its stores. For one, the company's prices are perceived as too high. Competitors like ShopRite and Giant, which both gained market share this year, "are offering a stronger pricing program and creating a better overall value perception," says Jeff Metzger, publisher of *Food Trade News*. "Acme's not doing enough to defend its turf." Spires admitted

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as much when, during Acme's recent union negotiations (which ended with an 11th-hour contract-signing in July), she wrote a blunt letter to associates: "Our business is under attack by the competition now. If we don't change, our competitors will win. That's not good for you or our business."

The union squabble was big summer news in Philadelphia. There were threats of walkouts (union) and final offers (management). It was all very unsettling, particularly for the thousands of local Acme employees, but at the end of the day, when the customers have gone and the employees have clocked out, Spires answers to Acme's corporate parent, Supervalu. The Minnesota-based company is having troubles of its own, evidenced by a top-management shake-up and falling share prices. When it bought Acme three years ago, Supervalu was a successful wholesaler trying to expand its retail business, a transition that's been rocky. There

might be some good news, though it's too soon to tell: In May, Supervalu replaced its CEO with Craig Herkert, who had a stint as Acme president in the late '90s and most recently was at (surprise!) Walmart.

Even one of Acme's traditional strengths—the fact that it has some of the most convenient locations in the region—is less of a boon these days. Not only is location not as important as it used to be; many Acme stores are (attention, South Philly shoppers) ... well, let's just say headquarters isn't the only thing that could use a face-lift. Spires points out that Acme remodeled 20 stores this year, has plans to take on 22 more next year, and will eventually get to all 125 stores. But the market-share clock is ticking, and, says Metzger, "Remodelings are not new stores. ShopRite, Giant and Wegmans have opened and will open new stores."

Then there's the slip-sliding matter of just who is shopping at Acme and who's shopping elsewhere. To a generation raised on brand imaging, your supermarket says something about you. Just as Whole Foods conjures up a picture of a progressive, health-conscious person who's got a few extra dollars to burn, Walmart brings to mind someone looking for the best deal as if his very life depends on it. To many people, Acme conjures up an image of Grandma.

"Why wouldn't people think 'That's where my mother shopped' when it is where my mother used to shop?" says John Stanton, chair of the food marketing department at St. Joseph's University. "I'm sure there are people who shop there because their mothers shopped there. But more and more people are entering the marketplace, young households, and their mothers *didn't* shop there. What's [Acme's] focus? I'm not sure."

So Acme's not doing enough to lure the people looking for 14 different types of cave-aged gruyère—or the ones looking for half-price Kraft Singles? Not necessarily. The Paoli store has bright, modern signage and a produce section with overflowing baskets of fruit; this is the "new" Acme that corporate calls the "Premium Fresh and Healthy" model. On our tour, Spires points out the dozens of types of cheeses, a grain bar and an olive bar—"You can actually have a party out of this thing," she exclaims—sushi, and a new line of artisan pizza, just out of the oven.

"We just added a new Stockman & Dakota aged beef," Spires says, "because people want to have these fabulous steaks they have out at steakhouses, and now they can cook them at

home with that same quality.” She explains the store’s “4 for 15” promotion, started in May, which helps customers quickly grab what they need to make a dinner for four for under \$15. Acme even has its own organic line, dubbed Wild Harvest.

Still, just because you change doesn’t mean people will know it. Sometimes the problem with being around for 119 years is that you’ve been around for 119 years. When I suggest to Spires that there are people out there who see Acme as old-fashioned, that her stores may not be competing with the big, shiny new stores like Wegmans, her back gets a little straighter, and her tone a bit more forceful.

“You know, big new shiny things come along,” she says. “Well, I’m going to have big new shiny things come along, too. I have new stores in the works. I have remodels in the works. We are not doing what we did 119 years ago.”

The analysts are far from counting Acme—or Spires—out just yet. Even if they were, Spires probably wouldn’t care. She’ll keep focusing on feeding her customers, thank you very much.

“When I was little, they had a gentleman in the parking lot who wore a uniform, and he helped you put your bags in the car,” Spires remembers. “And as a little girl, I thought he was the most important person in that store because everybody knew him by name; he was helping everybody. So my first exposure to this supermarket business is that what’s important is people knowing you by name, talking to everybody, helping everybody.”

Spires’s life gives her an insider’s perspective on the history of Acme, but that doesn’t mean she’s stuck in the past. She talks about retooling Acme’s online shopping endeavor (they’ve switched from home delivery to in-store customer pickup), about sustainability (Acme opened the first LEED-certified supermarket in the region last year), and about a concept she tested while working in Texas years ago that allows customers to carry self-scan pricing guns with them through the store. “I can see us eventually being on the screen in your kitchen, where we keep automatic track of what you use,” Spires says, her eyes shining a bit as she thinks about what’s ahead. 