



Lucky's Market | 1919 S. Industrial Highway, Ann Arbor, MI | www.luckymarket.com

On a Lucky's Streak

By RICHARD TURCSIK

Lucky's Market enlivens the Ann Arbor, Mich. food scene by emphasizing the freshness and uniqueness of its products and offering a one-of-a-kind shopping experience.

FEBRUARY 25, 2015 WAS ANN ARBOR'S LUCKY DAY. That is the date the doors officially flung open at Lucky's Market changing the way residents of the Michigan college town shop for groceries.

"We've been called the lovechild of Trader Joe's and Whole Foods," says Bo Sharon, founder and CEO of Niwot, Colo.-based Lucky's Market.

"We cure our own bacon on-site in every store, we make our own sausages, and all the deli foods are made on-site in every single store as well," Sharon says. "Our differentiator is that there is no commissary, no third-party product. That is rooted in our being. As chefs, we believe there is a certain quality and the sense of theater, from the aromas and everything else. Good food is fresh food. That is the best way to put it."

Take Lucky's Market's literally made-from-scratch store-made pizza, for example. "The dough, the sauce, the sausage on top, are all made in-house," Sharon says. "So the craft of making it is not only with the butcher, but also our chefs."

Even local pizzerias cannot top that.

"We have a store in Columbus, Ohio, which is arguably a college town studded with pizza

places everywhere—and we won the Best Pizza in Columbus Award," Sharon says.

A former child actor (Richie Cunningham Jr. on *Happy Days*), Sharon grew up to become an award-winning professional chef and established Lucky's Market in 2003 in Boulder, Colo.,

with his wife Trish, whom he met in culinary school. "The Lucky's Market name is just a reflection on our outlook on life," Sharon says. "Sounds silly, but my wife and I find ourselves blessed to be in the industry selling natural and organic foods."

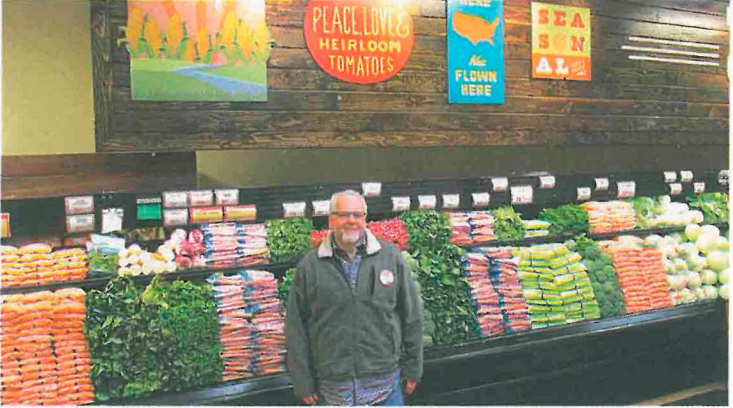


| Retail Spotlight |

From that single store in Boulder, Lucky's Market has been on one heck of a lucky streak. Today it operates 11 stores, with 17 expected by year-end—and up to 50 by 2017.

Ann Arbor is the ninth store in the Lucky's Market portfolio. It is housed in a former Kroger, originally built as an A&P, which closed last summer when Kroger failed to renegotiate its lease.

Lucky's Market plans on being more successful than the former neighborhood Kroger by emphasizing the freshness and uniqueness of its prod-



One of the many ways Lucky's Market sets itself apart is through its vast assortment of organic produce, says Jim Mick, store director of the Ann Arbor location.

ucts and offering a one-of-a-kind shopping experience that promises to ingrain itself into the Ann Arbor community, say store officials.

"It is a great food culture town," Jim Mick, Ann Arbor store director, says of the bustling small city, home to the University of Michigan. "College towns, resort towns and food culture towns are really the kind of scope we look at as a demographic [when expanding]."

Capitalizing on that great food culture meant totally gutting the old Kroger; even the floor was stripped down to the dirt to be retrenched for new refrigerated and freezer cases. "We completely reformatted the entire store. Nothing is as it was," Mick says. Only two things remain from the Kroger days—the loading dock out back and the bakery oven because it was too big to move.

Although a chain, Lucky's Market merchandises each store as if it were an independent, unique to its community. The Ann Arbor store is on S. Industrial Highway, a street lined with small factories and warehouses a couple of blocks away and across the railroad tracks from State Street, the main drag leading from I-94 to the heart of downtown. The location makes it hard to draw in passing traffic.

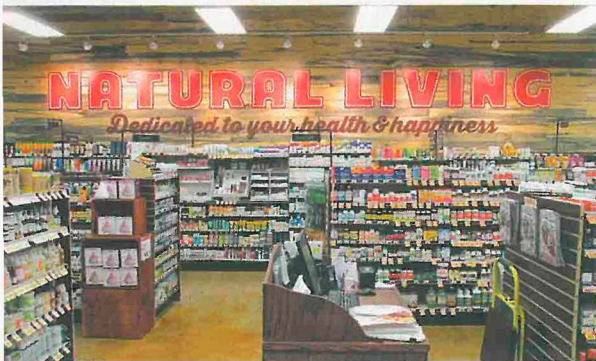
Although it prints a weekly circular—distributed from clip strips throughout the store for shopper convenience—Lucky's Market has been building its business through more unconventional means of advertising.

"We do a lot of volunteering in the community and that gets our name out there," Mick says. "All of our team members get paid up to 32 hours per year to volunteer in the community."

"Our strategy is more social media, grass roots, word of mouth," says Adrienne Sigeti, marketing manager of the Ann Arbor store.

And bus routes too.

“S. Industrial Highway is also the home the Ann Arbor Transit Authority,” Sigeti notes. “The main terminal is here and we get every single bus driver. They do a lot of shopping. They did a lot of shopping here when it was Kroger. It was their lunch stop. When we have a good sale the bus drivers tell their passengers about it,” she says.



“We are clearly different from Kroger,” Mick says. “We have organic and natural lines of products first and foremost. Everything in our

deli is made right in our kitchen. There is no dumping salads out of a Cryovac bag and passing them off as homemade. We smoke our own bacon and luncheon meats here. The bacon is outstanding. There are no nitrates. It is smoked right in the meat department and customers can see the smoker and hanging slabs of bacon.”

Even though it is being smoked in the back, shoppers can often smell the bacon’s intoxicating aroma upon entering the store. However, their first sight is the admittedly small floral department leading into produce.

Two glass garage doors allow natural sunlight to stream into the produce department.

“When summertime hits, those garage doors out front will be open and it will bring a fresh farmers market feel to the store,” Mick says. “We’ve already had the doors opened twice and it just gives the store an entirely different feel.”

Produce is merchandised from quaint wooden bins and traditional wet racks lining the wall. Above one wall, signage on

stained Beetle Kill Pine paneling proclaims “Food Glorious Food,” “Local Michigan,” “Grown Here Not Flown Here” and other adages to drive home the message that Lucky’s Market is a step above conventional retailers. “About half of our wet rack is organic,” Mick says. “That is a big draw for us. About 30-40% of the produce that we sell is organic.”

In-house cut fruits and vegetables—each tray and container adorned with a strategically placed trademark red and white cursive “L” reminiscent of the monogram out of *Laverne & Shirley*—are fast sellers. But even brisker sellers are the store-squeezed juices, merchandised out of old-fashioned crushed-ice filled washtubs.

Prepared at a station in the middle of the selling floor, the selection includes orange, carrot, carrot/kale/ginger, Pineapple Sunrise Smoothie, Green Power Smoothie, Strawberry Fresca, Raspberry Banana Smoothie and lemonade. A smaller tub contains half-gallon jugs for sampling, aided by a stack of little paper cups.

“We played with the lemonade recipe a little bit, just so it didn’t have too much sugar,” Mick says. “It is kind of acidic. You can taste the sugar but it is not overpoweringly sweet. Like all of our juices, we take the lemons right from our produce department.”

To the left of produce is a massive bulk foods department. “We probably have the largest bulk food selection of any grocery store in the metro Detroit area,” Mick says of the four-aisle department containing several unusual offerings like grind-your-own peanut butter machines and stainless steel urns filled with local Michigan honey, organic apple cider vinegar and maple syrup.

and trail mix.

The build-your-own trail mix (\$6.99-pound) table includes Milk Chocolate Sundrops (generic M&M’S), Greek yogurt pretzel nibs, raw sunflower seeds, sweet banana chips, walnut halves and pieces, Thompson raisins, dark chocolate espresso beans, roasted and salted peanuts, dried cranberries, roasted and salted pepitas, raw almonds and yogurt raisins.

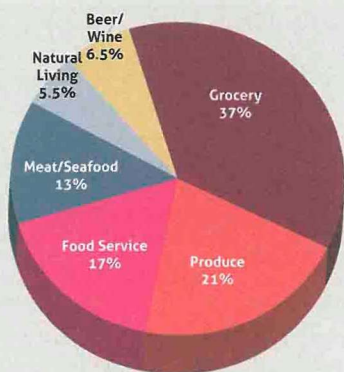
While most of the bulk items are merchandised in the traditional wooden barrels and gravity-fed chutes, eye-catching wood and Plexiglas tables, reminiscent of jewelry store counters, house fast-movers, like candies, nuts

“The college kids really like the make-your-own trail mix,” says Nicole Phillips, bulk manager. “It is definitely one of my top sellers.”

For additional exclusive photos of Lucky’s Market, please visit www.groceryheadquarters.com



Sales Breakdown



The Competitors

Number of competitors within a 5-mile radius of Ann Arbor, Mich.

WHOLE FOODS	2
PLUM MARKET	1
BUSCH’S	1
HILLER’S MARKET	1
TRADER JOE’S	1



Store Stats

GRAND OPENING DATE	February 25, 2015
TOTAL STORE AREA	30,096 square feet
SELLING AREA	26,000 square feet
NUMBER OF SKUs	20,000
NUMBER OF CHECKOUTS	7
NUMBER OF AISLES	7
NUMBER OF EMPLOYEES	140
WEEKLY SALES	\$450,000
STORE HOURS	7 AM - 10 PM, Daily
WHOLESALER	UNFI, Providence, R.I.; Wolverine Packing Co., Detroit (Meats), many others
ARCHITECT	Tom Gentry Aia, Albuquerque, N.M.

Price Check

ITEM	LUCKY'S MARKET	PLUM	BUSCH'S	ITEM	LUCKY'S MARKET	PLUM	BUSCH'S
Asparagus (lb.)	\$2.99	\$3.99	\$3.99	Chicken Drumsticks (lb.)	\$1.79	\$2.99	\$1.99
Bananas (lb.)	59-cents	69-cents	59-cents	Beef Chuck Roast (lb.)	\$5.99	\$8.99	\$5.99
Gala apples (lb.)	99-cents	\$2.99*	\$2.29	Walleye (lb.)	\$16.99	\$15.99	\$18.99
Hass avocados	99-cents	2/\$5.00	4/\$5.00	Sockeye Salmon (lb.)	\$15.99	\$17.99	\$14.99
Organic celery	\$1.99	99-cents	2/\$4.00	Arbor Brewing Co. beer (6-pack)	\$8.99	\$10.99	\$10.99
Iceberg lettuce	\$1.49	\$3.99*	\$1.79	Lakewood Carrot Juice (QT)	\$5.99	\$6.49	\$6.99
Gurnsey Farms ice cream (1.5QT)	\$5.99	\$5.99	\$5.99	Coca-Cola (12-pack cans)	\$5.99	\$6.99	3/\$14.00
Van's waffles (9-oz.)	2/\$5.00	\$2.50†	\$3.99	Perrier (25.3-oz.)	\$2.19	\$1.50†	\$2.19
Saffron Road Moroccan Lamb Stew (11-oz.)	\$4.99	\$5.69	\$6.99	Pirate's Booty (4-oz.)	\$3.29	\$2.50†	\$2.59
Horizon Butter (1-lb.)	\$5.79	\$7.99	\$7.99	Near East Cous Cous (10-oz.)	\$2.29	\$2.19†	\$2.79
Egg-Lands Best Eggs (dozen - large)	\$2.99	\$3.29	\$3.29	Hellmann's mayonnaise (30-oz.)	\$4.99	\$6.79	\$5.49
Noosa Yogurt (8-oz.)	\$1.79†	\$1.89†	\$2.69	Newman's Own pasta sauce (24-oz.)	\$3.69	\$3.00†	\$3.49
Simply Orange orange juice (59-oz.)	\$3.99	\$4.79	\$4.79	TOTAL	\$115.26	\$133.70	\$128.79

*Organic †Sale

Price check conducted April 10, 2015 in Ann Arbor, Mich. at Lucky's Market, 1919 S. Industrial Highway; Plum Market, 375 North Maple Road; Busch's Fresh Food Market, 2240 South Main Street.

Many of those college kids are probably counting down the days until they turn 21 so they can shop Lucky's Market's extensive wine and beer department. "We have a huge wine and beer department," Mick says. "We have 855 different SKUs of beer, making us the largest beer shop in Ann Arbor for sure."

the basic traditional ones. We don't want to chase that customer away. If they have a recipe calling for Campbell's Cream of Mushroom soup, there is no substitution for that, so we have it. We don't want to alienate the customer who wants to buy their Coca-Cola either," he says.

Local grocery products are prominently fea-

here in Ann Arbor, Dexter and Ypsilanti that we carry," Sigeti adds. "Getting local businesses retail ready and in our stores and on our shelves is hugely important to us. We care so much about the communities we come into and working with people who are just starting to sell things."

NEVER EVER MEATS

Marked by an Art Deco-style black and white sign, the service meat/seafood case is located in the back of the store. In addition to the store-smoked bacon, another key differentiator of Lucky's Market is that all meats are proclaimed as Never Ever.

"Our meats are Never Ever treated with hormones or antibiotics," Sigeti says. "They are naturally and humanely raised."

The store-made sausages, especially the beer brats, have developed a very strong following among Ann Arborites.

"Our beer brats are made with Ypsi Gypsy beer from the Arbor Brewing Co. here in town and have a very strong beer flavor," Sigeti says.

Across from the meat/seafood counter a large cheese island features a wide array of private label cheeses.

Across the way, team members are busy slicing-to-order Lucky's Market's famous smoked in-house luncheon meats, including roast beef, pastrami and several varieties of ham and turkey.

In the adjacent service counter, round butcher block wheels are piled high with grilled salmon fillets, twice baked potatoes and prepared chicken breasts. Next to them, white platters and dishes showcase entrées like turkey meatloaf with chipotle BBQ sauce and honey Sriracha flank steak, plus salads, like Lucky's Crackling Cauliflower Salad, Lucky's Pesto Penne Pasta, Kale and Almond Brussels Sprouts Slaw and Roasted Beet, Walnut and Arugula Salad.

"Our kitchen staff does a phenomenal job," Mick says. "They make restaurant-quality food. You can just look at it and tell that it is going to eat well."

Made In-House Rotisserie Chickens, "So delicious your knees might buckle," are merchandised from a separate self-service island adjacent to the salad bar (\$6.99-pound) where all of the accoutrements, including dressings and croutons, are made in-house.



Many of them are available in the 6er Mixer, or Build-Your-Own-Six-Pack set. Lots of supermarkets offer a build-your-own-six-pack program today, but Lucky's Market's spans an entire aisle—some 90 linear feet. "It is just such a great variety," Sigeti says. "You can get a can of this, a bottle of that."

The beers have several different price points so cashiers scan each can or bottle individually at the register, Sigeti notes.

Once Lucky's Market gets its approval for its Sip & Shop License, shoppers will be able to enjoy a glass of beer or wine while they shop and purchase a Lucky Jugs growler of beer to take home.

Nestled between the beer department and dairy is Lucky's Market's grocery department, offering a combination of local, organic/natural items and national brands.

"We have some conventional products, like Hellmann's and a few Coca-Cola products," Mick says. "It is on a very limited basis and those types of items are never advertised or on sale. We'll have three or four Campbell's Soups, just



tured on the shelves and end caps. "We try to populate our stores with a minimum of 10% local product," Sharon says.

Local items include Brown Wood Farms Cherry Butter, Cherry Stop Brand Cherry Rhubarb Jam, Esch Road jellies and salsa, Gluten-Free Sensations Pancake and Waffle Mix and Tall Paul's Pickles.

"We like to call all of Michigan local," says Mick. "Many of these companies are in Traverse City, about 300 miles away."

"But there are many local producers right

NATURAL LIVING

In the front of the store is the large Natural Living health and beauty care department, marked by lighter stained Beetle Kill Pine paneling.

“Natural Living is really neat because while the Whole Body department at Whole Foods has all of these organic items, they don’t have the things that people are necessarily looking for but we carry, like Tums, Pepto Bismol, Arm & Hammer toothpaste and Band-Aids [brand bandages],” says Sigeti. “If you are coming into a store like this for the first time, it is easy to be put off and not be able to find what you are looking for. Having these brands makes people feel comfortable, and since we have it right next to a natural and organic product they can comparison shop and see why they might prefer a natural and organic brand.”

There is a large assortment of vitamins and supplements and protein powders to compete



against GNC, as well as locally made soaps and body crèmes.

“The good thing about having local producers for these kinds of items is that it is easy to get them to come in and explain it,” Sigeti says. “They are the most passionate people to talk about their products.”

Or they could ask department manager Sean Laydean, who is knowledgeable on many topics, including the extensive essential oils set, which features two national brands and private label, merchandised in little cobalt blue glass vials.

“We have some essential oils that are more medicinal and some that are calming, like lavender

and chamomile,” Laydean says. Lucky’s Market also sells electric diffusers, sort of like a humidifier, to disperse the oils. “In the store we usually run a combination of orange and peppermint because it is soothing,” he says.

And a soothed shopper is a happy shopper, which may explain the lack of complaints found in the Penny for Your Thoughts comment card boxes scattered about the store.

“Penny for Your Thoughts is a suggestion box with comment cards for items they’d like to see us carry, things we can do better, etc.,” Sigeti says. “I go through them every week with a big spread sheet and go over them with the department managers.”

Some shoppers mistake the little boxes for wishing wells.

“I found a quarter in one,” Mick says. It was probably from a customer wishing Lucky’s Market would move closer to them.