

# Unlimited Express

Brookshire Brothers demonstrates how great things can come in small formats.

By Jim Dudlicek

Photos by Philip Harbuck

**W**here can you get fresh produce, fried chicken, craft beer and a fishing license? For folks in the East Texas community of Grapeland, finding all of that meant driving many miles and stopping at more than one location. That is, until they got a Brookshire Brothers Express store in their town.

This 16,000-square-foot store is compact yet chock full of everything local shoppers want most — many of the things you'd find in a much larger grocery store.

The Express format is just one of the ways Lufkin, Texas-based Brookshire Brothers has addressed the specific needs of the communities it serves.

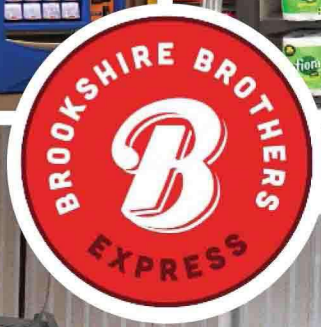
"The inspiration for this store concept has its roots in the small-store formats that we have operated for the last 20 years," says John Alston, who ascended to president and CEO of the employee-owned retailer in May after a stint as its COO. "It's long been a mission of ours to serve the small communities in our operating area. To this end, we have developed several formats through the years tailored to meet the unique needs of these communities. Our Grapeland store is our latest interpretation of this solution."

Brookshire Brothers made sure it was delivering exactly what this rural Houston County community, a two-hour drive southeast of Dallas, wanted when carefully planning how to allot the limited space within the store.

"We have a fundamental belief that it's our mandate to design and select unique item assortments that our customers want," Alston asserts. "As word circulated in Grapeland that we were going to build a store there, we had numerous requests to include a pharmacy. In fact, a stack of hundreds of letters was personally delivered to me reiterating that request. We listened, included a pharmacy in the design, and it's off to a great start."



**ONE-STOP SHOPPING**  
Brookshire Brothers Express offers everything from fresh produce and prepared foods to grocery staples and fishing tackle.



**Convenient Grocery**

The full-service pharmacy, the first for an Express store, features a drive-up window as well as an immunization room and a LifeClinic self-service health station.

Customers needing to do more than just pick up a prescription are greeted outside the store by a selection of locally made wooden outdoor furniture for sale, as well as deer feeders for hunting season.

Just inside the front entrance is a display aimed at outdoor cooks, with charcoal, grills and coolers merchandised alongside corn, potatoes, onions and lemons. A little further in, there are fishing tackle and hunting license applications.

The market includes a compact produce section featuring fresh-cut fruit and vegetables, case-ready meats cut and wrapped on site, deli and prepared foods, craft beers, and core grocery items, with many local products showcased in all departments.

Alston describes the store as a “blend of two formats” — grocery and convenience store, with key features of each to best serve local needs. For example, there’s an emphasis on beverages, particularly coffee. Also, the front end features a c-store-type set, with beverages and tobacco products clustered around the checkstands.

“During the week, it’ll lean toward convenience,” Alston explains. “We get a good lunch representation. Evenings, people are looking for easy meal solutions. It varies a lot by day and time.”

Another strength is prepared foods, with a deli offering sandwiches and hot foods such as Brookshire Brothers’ “famous” fried chicken, along with daily lunch specials, as



**TOP OF THE LIST**

**Grapeland residents wanted a full-service pharmacy, and Brookshire Brothers delivered, offering prescriptions, OTC items and flu shots.**

well as a full breakfast served daily until 10:30 a.m.

“We do a lot of fresh prepared here,” Alston says. “We make our own salads and sandwiches, with an emphasis on fresh.” (On the day of *PG*’s visit, chicken enchiladas were the day’s special — and quite delicious.)

But the fried chicken — hand-battered and double-breaded — is a particular point of pride. “It’s not uncommon on a Sunday to get 300-piece orders,” Alston says.

Cut fruit is prepared in house for grab-and-go items.

And though there’s no full-service butcher shop, meat sold here is cut at the store. “We have a butcher on premises,” Alston notes. “Our meat department is a signature strength of our company, and we wanted to stay true to that.”

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**LEADERSHIP TEAM**

**President/CEO John Alston, flanked by CFO Clay Oliver and Director of Retail Operations Luke Gustafson**





## Talking With... **Don Stohrer, Jr.**

CEO and President  
Arla Foods USA



### Who is Arla?

Based in Viby, Denmark, Arla is a global dairy cooperative owned by 12,700 farmers with a revenue of more than \$12 billion worldwide. The company, which has 100 years of experience in the dairy industry, produces a variety of products across several categories and is the fourth largest dairy cooperative and seventh largest dairy business in the world, according to Rabobank's 2016 Global Dairy Top 20. Arla's brands include the Arla® brand, Castello® cheeses and Lurpak® butter and spreads.

Arla began to expand its presence beyond Europe and into the U.S. dairy aisle in late 2015. The U.S. is a key focus of Arla's growth strategy; Arla is working to create power brands and build awareness and sales across several dairy categories in America. Arla's U.S. headquarters is in Basking Ridge, N.J., and the company operates a 110,000-square-foot cheesemaking plant in Hollandtown, Wis.

**Question: Why is Arla different than other dairy companies, and well positioned to, in fact, become a leading brand in the U.S. market?**

**Don Stohrer, Jr.:** Arla occupies a truly unique space within the U.S. dairy category: our products are great-tasting as well as free from artificial flavors, preservatives and added hormones. Those attributes are pivotal to today's consumers, who are looking for dairy solutions they can trust, which deliver on great-tasting, clean-label needs they require for their families. Those qualities set Arla apart, since many competitive products are either great tasting but not really clean label or clean label but really lack the taste consumers demand. In addition, given that Arla is a cooperative we control the entire value chain – we are truly farm-to-fridge. The products consumers buy from Arla begin with Arla milk, which is produced with strict adherence to industry-leading environmental, animal welfare and sustainability standards.

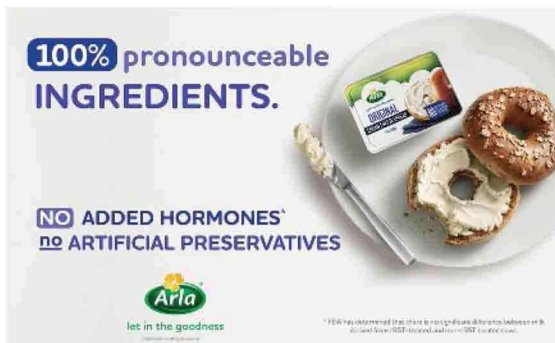
Based on Arla's DNA as a cooperative, we're able to give consumers what they're looking for because we use only simple, recognizable ingredients and because we are the manufacturer. That truly distinguishes Arla from competition in the U.S. Arla's Original Cream Cheese, for example, has only four ingredients.

**Q: As you expand in the U.S., what are some other ways that Arla is working on to grow the category?**

**DS:** Innovation is key to growth, and that includes wholesome, inventive dairy products that also happen to be clean label. One area of innovation for Arla is providing unique flavors and convenient formats, with growth-driving cheese types such as Havarti and Gouda cheese slices and all-natural Strawberry cream cheese and Mediterranean Garden cream cheese, which is infused with authentic flavors of that region.

Packaging is focus of innovation at Arla. With consumers looking for on-the-go solutions and continuing

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to snack throughout the day, we've recently launched a range of snack cheeses that provide consumers with delicious, nutritious snack options, available in Havarti, Gouda and Cheddar. Later this year, we'll be launching a squeezable cream cheese tube, perfect for families looking for a fun, unique way to add Arla cream cheese to their bagels and toast.

**Q: In addition to product innovations, what are some other aspects of building the Arla name and expanding the category presence?**

**DS:** New users are important to the future success of any product and category. Thanks to the unique cheese types and cream cheese flavors we've launched, data shows that Arla is bringing incremental users into the category. Quite simply at the outset, the consumer has begun to get to know Arla purely by picking up our products in-store. The bottom line is that today's parents are much more aware and vigilant regarding foods that they bring into their homes, and that's created momentum for us since Arla is seen as a trusted solution for their needs. Until now, those clean label, truly kid-appealing dairy products were harder to find.

From a business perspective, our entry is mutually beneficial for Arla and our customers, as we've seen incrementality since our entry. Twenty percent of Arla Cheese sales from a particular customer, for instance, drove 80 percent of the incremental revenue to that natural cheeses category. That kind of growth brings life to a category and shows that Arla products are what today's consumers demand.

**Q: Given the fact that you're in your third year of a more significant presence in the U.S., how is Arla working on building its name and brand awareness among retailers and consumers alike?**

**DS:** We have really taken a multi-faceted approach to establishing ourselves in the U.S. market, to fulfill Arla's global "Good Growth" strategy of creating the future of dairy by bringing health and inspiration to the world, naturally. In addition to bringing a certain "newness" to the dairy aisle with our variety of products, we've embarked on a journey to break through a category that has been somewhat static for a while, with a unique marketing campaign that rolled out in April.

This began with a \$30 million media investment across more than 20 national cable networks, broadcast and video on demand, as well as digital, social media, print and in-store retail support. The campaign, called "Live Unprocessed", sheds light on ingredients that many competitors use in their products, and aren't in Arla's products. It's a fresh, fun campaign that features the unprocessed minds of kids' and their animated interpretations of "weird" sounding ingredients like xanthan gum and rBST found in other dairy products. Those commercials tested extremely well among consumers with strong purchase intent — especially with moms — and the campaign features flights in the spring and key back-to-school season, to share that message and drive Arla sales.

In a more general way, Arla's brand is built around the inherent product attributes, in providing the combination of better-for-you ingredients and great taste. Consumers also like to learn about the authenticity of products, and the fact that our 12,700 farmers are truly farm-to-table producers whose core values are rooted in environmental responsibility, animal welfare, sustainability and doing things the right way really resonates with them. Ultimately, in expanding our presence and categories, we hope to create the future of dairy by bringing health and inspiration across the world and right to people and their families. ■





**EAT YOUR COLORS**

The store's bounty of fresh food includes meat cut on premise and flavored with local seasonings, plus cut fruit in handy to-go cups.

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The store's meat case also includes local items like sausage by Renfro in Lufkin, where the retailer has its headquarters, as well as value-added meats made with the locally popular TexJay seasoning. Store-brand smoked sausage carries the 1921 brand, honoring the year Brookshire Brothers was founded.

Additionally, craft beer is "a growing category for us," according to Luke Gustafson, director of retail operations. "We're having a lot of success with that in the Express format."

"We make sure to carry product specific to the region," notes Alston. "We looked at customer movement overall and picked the best of the best, and continually review the performance."

All of the products are showcased amid a motif designed by an Austin, Texas-based

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The most rewarding part of our project in Grapeland has been the outpouring of support we have received from the community.”

—John Alston, president/CEO

agency that developed a new branding image for Brookshire Brothers' larger stores; Alston says that image has translated well to the Express stores. "We were able to take that down for the smaller format, an industrial, vintage feel," he says of the store's rustic graphic treatments.

**Community Minded**

To be sure, the community's needs are foremost on the minds of the team at Brookshire Brothers, in part stemming from the company's employee ownership and local ties to the area.

Case in point: Billy Harrington, manager of the Grapeland store, is a 21-year company veteran who grew up 8 miles from this store, started as a bagger at age 16 and has worked at stores in several towns throughout East Texas. According to Sally Alvis, senior director of marketing and public relations, "He was the natural choice to run this store."

For Harrington, it's all about the "family feel formed on family and community. I really appreciate that." In fact, the retailer's latest TV spots feature employees telling their stories of working in the community, centered on the theme of "shopping with someone you know."

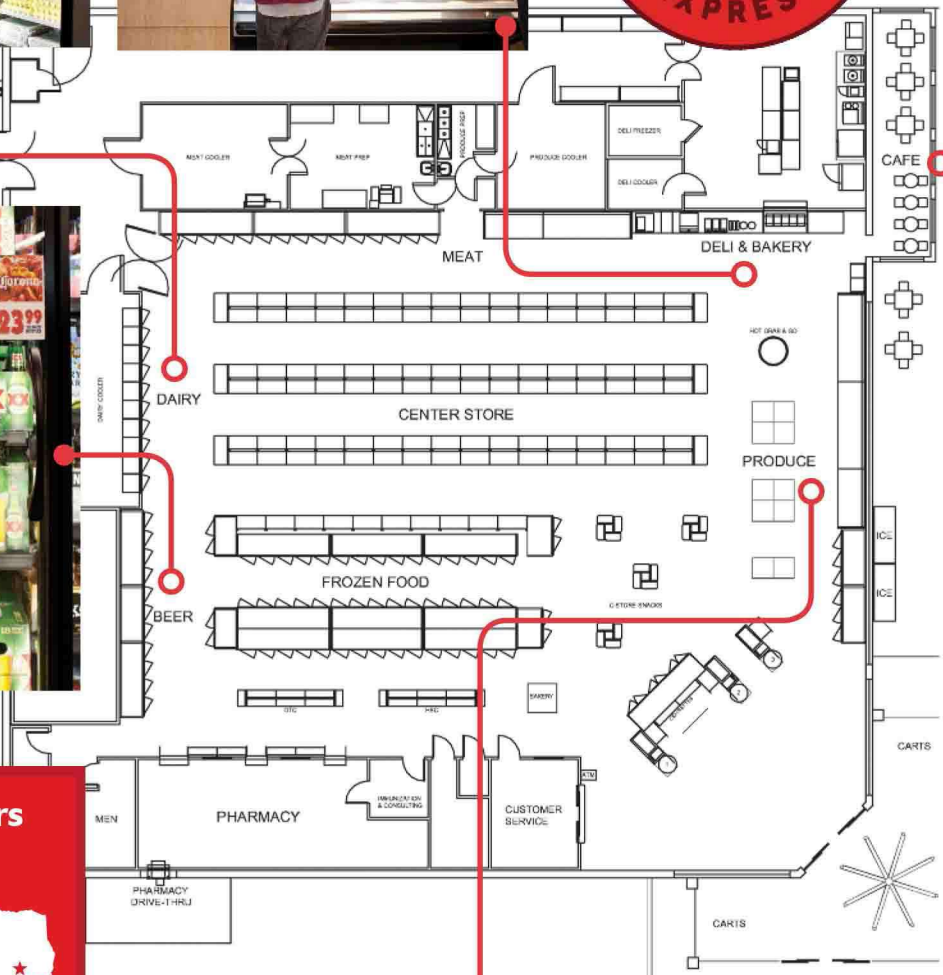
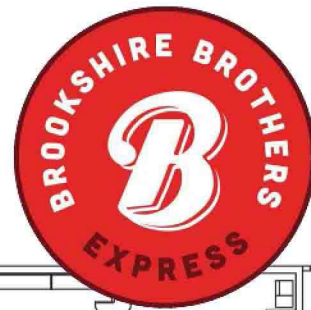
Alston adds: "It's common to have people with 20, 30, 40, even 50 years with us. The employee ownership really plays into it. If we're successful, it benefits all of us."

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**ICE-COLD SALES**

The Express format does a brisk beer business, including many local and craft varieties.



**Brookshire Brothers Express #112**

1111 N. Highway 287  
Grapeland, Texas 75844



**Grand opening:**  
Oct. 26, 2016

**Total square footage:** 16,080

**Selling area:** 8,840 square feet

**SKUs:** 5,800

**Employees:** 30

**Checkouts:** 3, plus 1 in pharmacy

**Hours:** **Store:** 6 a.m.-9 p.m., 7 days a week; **Pharmacy:** Monday-Friday: 8:30 a.m.-6:30 p.m., Saturday 9 a.m.-1 p.m., closed Sunday

**Designer:** Brookshire Brothers Store Planning; Heights Venture Architects, Plano, Texas





#### FOR GOODNESS SLAKE

Ice-cold beverages are merchandised up front as a convenience for on-the-go shoppers.

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Brookshire Brothers isn't shy about its community outreach, especially in this rural food desert that's home to many impoverished families. The retailer offers Brown Bags of Hope, sacks of grocery staples that shoppers can purchase to be distributed to those in need. Local police often carry the bags in their cars to hand out along their beats as needed, Harrington notes.

In addition, the retailer provides bags of school supplies and toiletries for distribution at local schools. "Customers purchase these bags, but we make sure they get to the pantries, the churches, the school counselors," Alvis says. "We give our customers the vehicle to do good things."

#### Outpouring of Support

Brookshire Brothers evaluates its formats to monitor how shoppers are responding to the individualized item assortments of each store. So far, the retailer feels that its Express stores give it a competitive edge.

"Our category managers monitor overall category and specific item movement to ensure that the right variety has

#### PART OF THE COMMUNITY

Brookshire Brothers' local outreach includes Brown Bags of Hope, which shoppers can purchase at checkout for donation to needy families.



## Brookshire Brothers History

The first Brookshire Brothers store, started by brothers Austin and Tom Brookshire, opened on Sept. 21, 1921. Several cousins and a few friends eventually joined the company, which grew to 33 Brookshire Brothers stores in East Texas by the end of the decade.

In 1929, Wood Brookshire and a cousin, W.A. Brookshire, withdrew from the company, taking with them four stores to launch Tyler, Texas-based Brookshire Grocery Co., which operates to this day independently from Brookshire Brothers.

In 1952, the company bought Moore Grocery and Lufkin Produce Co. At the same time, Brookshire Brothers entered the wholesale trade and began selling to other stores. By 1968, Brookshire Brothers moved to the west loop in Lufkin, where it built and operated a facility for about 10 years until a final move to the corporate office and warehouse from which it operates today.

The company's first pharmacy opened in 1992; it now operates 73 stores or free-standing locations. It opened Tobacco Barn in 1997; a decade later, the company's c-store and fuel business expanded through its merger with Polk Oil Co. Its grocery assets blossomed in 2014 through the acquisition of David's Supermarkets, expanding its footprint into north central Texas.

Today, Brookshire Brothers is 100 percent employee-owned, operating 115 retail outlets, including grocery stores and convenience stores, as well as free-standing tobacco, pharmacy and petro locations. Its footprint stretches east to Lake Charles, La.; west to Dublin, Texas; north to Whitesboro, Texas; and south to Ganado, Texas. [www.brookshirebrothers.com](http://www.brookshirebrothers.com)

been selected for each particular location," Alston explains. "We feel that for the niche markets we serve, this format is positioned well as a viable alternative to traditional convenience and limited-variety discount operators."

As such, the format is an important part of the company's diverse offerings. "We view our Express format as a complement to our overall growth plan," Alston says. "As we expand our geographic footprint as a whole, the Express format, and the flexibility it provides, gives us the ability to meet the needs of the evolving Texas and Louisiana market areas."

The Grapeland project has been warmly embraced from the start. "The community put up their own sign on the property," to announce the store's arrival, Alvis recounts. "Before we had the groundbreaking, someone came out and mowed. I think the whole town came out" for the ceremony, and one person even brought a cake.

"The most rewarding part of our project in Grapeland to this point has been the outpouring of support we have received since we announced our plans to build," Alston says. "We've received a great response from the community, and we're very pleased with our results." **PG**