



# Newport Avenue Market

FIRST, FAST AND DIFFERENT

The quirky store blends conventional and unique

• By Katie Martin •

**W**alking into Newport Avenue Market is a treat, especially for your eyes. You're not really sure where to look first, but it's clear the store is all about having fun. "Make sure you look up. There is a lot happening on the floor, but then also up high," suggests Lauren Johnson, CEO and "Leader of the Pack" (again, it's all about fun) for the employee-owned single store in Bend, Ore.

"Look up, look down," adds Joe Anzaldo, general manager, pictured above with Johnson.

"Look all around," Johnson chimes back in, sounding a bit like the beginning of a Dr. Seuss book.

Johnson's parents, Rudy and Debbie Dory, opened their first store in 1975, operating it as a traditional IGA store. In 1992, the store's name changed to Newport Avenue Market,

and about the same time, it's focus began to change as well. Debbie, a florist by trade, put in a four-foot display of specialty items, and the emphasis on specialty products and housewares grew from there. Johnson, who grew up in the store and left as a young adult, came back into the business almost six years ago. For five of the past six years, the store has seen double-digit growth.

Much of that growth is due to the eclectic mix of products the store carries from traditional grocery items to housewares, from locally sourced items to international products. The store's mission statement is to create a shopping experience that exceeds expectations and encourage customers to return and tell their friends. Johnson's motto of first, fast or different helps the store keep that pledge.

Newport Avenue Market was the first store in Oregon to



## At A Glance

**Founded:** 1992

**Owners:** Employee-owned;  
Founders, Rudy and Debbie Dory;  
CEO, Lauren Johnson

**Location:** Bend, Ore.

**Size:** 22,000 square feet

**Number of Employees:** 106

**Phone:** 541-382-3940

**Web:** [newportavemarket.com](http://newportavemarket.com)

▲ It can take months to put together all of the products from a variety of departments for a great display, like this honey end cap. But most include doormats, napkins, candles and cookbooks, all of which are top sellers.

have electronic shelf tags. The store doesn't hesitate to call product manufacturers to get items into the store, even if they have to ship it UPS. And a quick walk-through of the store clearly states that what you're seeing is different from anything else in the industry, from the large fruit and vegetable décor in the produce department to the selection of cigars to the "naughty" candy lingerie.

All of this, and you can pick up your ketchup and jackfruit, too.

"We carry conventional still, but I would say that we're known for specialty, certainly our displays," Johnson adds.

## EVERY INCH COVERED

Those displays are everywhere, including up high. Typically the items displayed on top of the cases and in two shadow boxes above the doored refrigerated cases are not for sale and are used for décor only. However, nearly everything else in the store is for sale. If it doesn't sell this year, it will be added to the inventory to use as décor next year.

But the "sell-through is very good," Johnson says. "I would say that we'll sell about 95 percent of this," she adds, indicating the displays throughout the store. She often looks for items that can crossover from season to season. For example, the recent Easter display included several types of decorated eggs hanging from branches. Some of them, the ones decorated with blue and white, will be used in the Christmas tree displays if they don't sell.

The aisle ends have been taken over by uniquely themed displays and "incorporate a lot of different departments," Johnson says, indicating a honey display.

"Represented here is grocery, gift, housewares ... things that really create a total store experience." It's about creating a story and using backdrops, layers and color combinations to narrate that story.

"Product is almost an afterthought," Anzaldo adds.

The display team, which consists of Johnson; Jody Warrick, housewares manager/kitchen cougar; and Erika Maloley, floral & gift manager/make-your-day gal, take inspiration from almost everywhere. Johnson credits her mother for opening her eyes. "Ideas really come from everywhere, be it a restaurant in the Midwest or South Africa to a major retailer to a mall to even an airport," she says. "Ideas can stem from a single item we see at one of the dozen trade shows. It could be a tea towel, a bar of soap or a common theme throughout the trade show, like unicorns and pineapples were hot this year. We then create an endcap display, a shadow box or check stand rack to incorporate as many of the nine departments that we can."

The honey display features unique items like ceramic birdhouses, as well as the expected honey and honey-related products like beeswax and beeswax lip balm. Also included are other items like napkins (the store has sold hundreds of thousands units of cocktail napkins) and tea towels (another hot seller) with images of bees, honeycombs and bears. The display also showcases a number of candles and cookbooks, two items that Johnson always adds to displays to add both color and dimension. "We always try to have cookbooks and candles on every end because it's pretty hard to say, 'Oh, well, I don't have a cookbook for that,'" Johnson says.

Another item that Johnson and her team recently added to most of their displays, including the honey one, is a selection of doormats. It was a random item that Johnson took a chance on and has proven extremely popular. "I wondered if we could sell doormats. Well, it turns out we sell a lot of doormats," she says. The store sells Tag, Danica and Creative Co-op lines of doormats.

The endcaps are not typically dedicated to a single department, instead the store likes to roll several different items through the endcaps and switch them up. "I would hope that next year we would look different, because it's an evolution," Johnson says.



▲ The purple hopchoke, created by Newport Avenue Market, designates products made in-house in the deli and bakery.

Aside from endcaps, Johnson and her team create displays using a variety of fixtures. The store is now home to her mother's carousel and Aunt Peggy's hutch, which is used to showcase a variety of bakery items displayed just inside one of the store's entrances.

### CREATING MAGIC

The overarching theme when it comes to all displays is whimsy. A large stuffed bear guards the bakery hutch and a large purple cow resides over the cheese department. Both were named through customer contests and the winning name for the bear was Ms. Francine Bearbottoms and for the cow, Viris – a combination of Violet and Iris, who sports a floral collar that is changed seasonally. Again, combining the different departments – cheese and floral.

"It's really about the magic of the store," Anzaldo says. Newport Avenue Market eschews the traditional grocery endcaps of "stack it high, watch it fly." Anzaldo admits the store would sell more sale items with that philosophy. "But we'd diminish our magic. You've got to get that magic."

To do that, Johnson and her team selectively choose items to go along with a theme for the displays. It often starts with a single item that sparks an idea. "So, we're going to do a unicorn end; it's not just buy everything unicorn," Johnson says. "It's selectively choosing those pieces. And doing the gifts, the gadgets, the bags and hanging those around, getting in some cross-merchandising."

The ideation of a display can take time. In the case of the honey display, it took almost two years for it to come together from the inception of the idea until all of the appropriate products were found.

The store's philosophy seems to be resonating just fine with customers. "We've looked at our turns," Johnson says. "And, we are totally on par with other industry leaders in number of turns." Three different team

members walk the store to check the displays every morning and restock the items that have sold to ensure they continue to look their best.

### KNOWN FOR SPECIALTY

While Newport Avenue Market may not be the primary grocery store for the majority of its customers, what it has created a loyal following. Bend, with its population of 81,000, has about every banner in the region and is over-stored, Johnson says.

"We recognize that our customers shop at about two other stores, but they're coming to us for specialty. And, we'll take what we can get," she says. She also has to educate customers that while some of the brands may be the same, especially in housewares, Newport Avenue Market is buying the higher tier in product quality. "Because we're so unique, we can survive the competition," she adds.

In addition to the awe-inspiring displays, the store draws attention for the quality and variety of products in the different departments.

In the meat department, the beef is Oregon Country beef and is cut in-house by on-staff butchers. All sausage and meatballs are made in-house. The department also features baskets of seasoned wood briquettes in front of the showcase, so customers can add different flavors to their meat through smoking or grilling.

The cut-and-wrap cheese department prides itself on the variety and uniqueness of the offerings, with one of the top selections in the state, Johnson says.

"We cut everything ourselves," says Jeff Holden, cheese manager. "So, we can try it and know what it's all about. If you know what it's like, you can share your experience with the customer." Holden and his team spend a lot of time chatting with and educating customers on the different types of cheeses. They don't hesitate to offer samples or suggest other cheeses based on customer preference.

Newport Avenue Market's service deli produces the majority of what it sells in-house. Products made in-house are denoted with the store's signature purple hopchoke, similar in appearance to an artichoke.

### FOCUS ON HOUSEWARES

While Johnson says her customers identify Newport Avenue Market as a supermarket — albeit a specialty one — first and foremost, it doesn't slack when it comes to housewares.

Some of the big sellers include olive wood utensils, BIA Cordon Bleu porcelain products and Microplane items.

Coffee is a big item for Newport Avenue Market, which works with nearly a dozen local roasters, and the store sells "hundreds and hundreds" of Aerobie AeroPress as well as pour-overs. The store doesn't have space for kitchen



▲ Newport Avenue Market uses numerous antique items to display products, such as the latest colors in tableware. The displays also always feature cookbooks, a great add-on gift item.

electrics, but it does sell the Bodum hot water kettle.

Cutting boards are also popular, especially the Oregon-shaped ones that are often purchased by tourists; about a quarter of the customers in the summer are tourists. Other novelty shaped boards, like a mustache and fish, sell well, and the store recently added Boos products.

The store sells the plastic series from Shun knives, usually running a promotion in the third or fourth quarter when the knife company does its kicker pricing. "It's an excellent gift item," Johnson says of the timing of the promotion. The 7-inch Santoku was the kicker for the last fourth quarter, and the store sold 50 in the month of December.

All-Clad continues to be a good seller. "The new line with the non-stick sold very quickly," Johnson notes. The store also always keeps a few pieces of copper Mauviel in stock, even though it's a high-ticket item. The service deli also uses several Mauviel pots and pans.

Other items have fallen off. Newport Avenue Market used to have a huge pepper grinder selection, about four shelves worth, but has now decreased the space for them significantly due to lack of demand, Johnson says. Aprons, while still popular, are not the hot seller they were, and adult sizes sell better than children's sizes.

The store sold a lot of ceramic knives a few years ago, and then "I think every household had three or four and it dropped off," Johnson says. "It really is deciding when you're going to move on. It's great that we really killed it with Hydro Flask [a local Bend company] for the last two years, but what's the next Hydro Flask? The next All-Clad, Le Creuset or whatever?" She plans to increase the store's cast iron selection, potentially adding Portland, Ore.-

based Finex, American Skillet Co. and a larger selection of Lodge.

### STRATEGIC SOURCING

To help find all the eclectic items the store sells — 40,000 SKUs in the total store with 3,600 in housewares and 3,600 in gifts — Johnson and her team travel to several tradeshows — both food and housewares — throughout the year. She also alternates the staff that goes, some attending shows that fall outside of their normal purview in the store, but those employees can offer a fresh perspective, Johnson notes.

She also doesn't skimp on the size of the team that accompanies her — four to eight staffers can attend a single tradeshow. That helps ensure that multiple opinions are voiced on what new products the store should bring in. Just because one person thinks it's cool, doesn't mean it will sell. More opinions can help make better buying decisions.

While traveling, Johnson tries to treat her team to experiences beyond the convention centers. "We try to do nice meals out because we have to know what the trends are," Johnson says. "We get inspiration and product ideas from across the board."

Attending tradeshows also helps the staff buy into what the store is selling. They helped select the products and want to see them sell well. They heard the story behind the product and can pass that along to the customers. Managers have about 98 percent autonomy in their departments, so they are empowered to run them like their own small business. They write their own budgets and make their own schedules.

The store also has a dedicated staffer for demonstrations. While she doesn't attend the tradeshows, the staff shares the product's story, so she can educate the customers.

In September 2015, the store also transitioned to an employee-stock option plan, so all full-time employees have ownership in the store, which adds to the pride in what they do. It also is the impetus for growth for Newport Avenue Market, not just in Bend, but within the state.

About 15 years ago, Newport Avenue Market started using a marketing company. It helped establish consistency in not only the message the company sent out, but also in how it merchandised — everything from establishing the logo for made-in-house items to using the same Pantone Matching System colors on labels to the same font and style used on all of the back labels of products. The marketing firm also develops a creative campaign for the store that is changed yearly as well as keeps the website up to date.

It all boils down to the first, fast, different mantra.

"I think that's what our consumer expects from us," Anzaldo says. "That's the challenge. What's new? What's relevant?" **TGA**