

# GOLD STANDARD

**A new Jewel-Osco in downtown Chicago amps up fresh, prepared food and spirits offerings.**

By Jim Dudlicek

Photography by Vito Palmisano

**F**or nearly a decade now, the Chicago-area grocery market has been undergoing a dramatic transformation, driven primarily by two factors: the arrival of Mariano's Fresh Market (owned by Roundy's, now a part of The Kroger Co.), and the closing of longtime mainstay Dominick's Finer Foods by parent company Safeway.

The Mariano's concept, built on an overall fresh experience and enhanced prepared foods, compelled other players to up their game, and the locations vacated by Dominick's provided an opportunity for other operators — chains and independents alike — to broaden their footprints in the Chicago metro area.

Both of these moves are part of the growth strategy of Jewel-Osco, which has been remodeling existing stores and opening new ones as it strives to fortify its position as the Chicago market leader and, since Dominick's departure, the area's one true hometown grocery chain.

Among the latest projects toward that goal is a new, two-level urban-format supermarket in the Gold Coast neighborhood on Chicago's North Side. Replacing a 29,000-square-foot store razed in 2015 after operating on the site for decades, the 56,000-square-foot market, opened in summer 2017, occupies two floors at the base of a new 35-story, 390-unit luxury apartment tower called The Sinclair.

"The flagship store at Clark and Division was an opportunity to rebuild a smaller Jewel-Osco into a unique grocery store that caters to the residents in that neighborhood," says Anthony Suggs, VP of marketing and merchandising. "The store is the second location for Jewel-Osco that houses a full-service bar, named Division on the Rocks, along with fresh food offerings. This strategy falls in line with the company's decision to better serve our customers by offering fresh and organic items that are already prepared, or easy to prepare, at competitive prices."

**Jewel-Osco's corporate and Clark & Division store management team includes (from left) Anthony Suggs, VP of marketing and merchandising; Mark Laryea, district manager; Doug Cygan, president; Sheila Whitiker, store director; Tammy Stock, center store operations specialist; and Tina Brown, director of marketing.**





## STORE OF THE MONTH

# Jewel-Osco



The store's location at a busy intersection featuring city bus and L train stops makes it well suited to the needs of commuters and businesspeople in every daypart, as well as residents of The Sinclair, who can descend from their apartments via elevator to the store without ever setting foot outside, a plus during harsh Chicago winters.

"Our store has a full assortment of everyday items and specialty items that meet the needs of our customers," Suggs says. "Additionally, since we are a local company, the store is nimble and allows us to try new items. Currently, we are testing cold-pressed juice, poké bowls and several gourmet single-serve desserts. We also have our first premium wine cellar, in the second-floor liquor department, and online grocery delivery is available."

Convenience is key. There are many prepared meal solutions, including a made-to-order burrito bar, a Mongolian grill, grab-and-go sandwiches, a hot bar, fresh sliced meats and cheeses, and fresh-baked breads, plus ready-made rotisserie chicken, seafood and slow-cooker meal kits. Additionally, the Starbucks kiosk makes the store a popular coffee stop.

"Our vision was to provide fresh, ready-to-eat solutions while still giving our customers a complete grocery shopping experience," explains Doug Cygan, Jewel-Osco's president. "We understand the ever-changing needs of our customers and their busy

**The Jewel-Osco at Clark and Division in Chicago serves a bustling commuter trade area as well as residents of The Sinclair, a 35-story apartment tower that rises above the store.**

lifestyles, so we wanted to make sure we had solutions for all of our shoppers.

"The goal of Jewel-Osco is to meet the needs of our customers," Cygan continues. "Not only do we want to have their solution for breakfast, lunch, dinner or snacking, but we want to provide the solution that best fits their time constraint. Jewel-Osco has our customers covered."

**Chef-created entrées, sandwiches and appetizers can be enjoyed with a glass of wine or craft beer in Division on the Rocks, a spacious bar area on the store's second level.**



STORE OF THE MONTH  
**Jewel-Osco**

102 W. Division St., Chicago, IL 60610

**Grand opening: June 27, 2017**

Size

**56,000**

Total square footage

Selling Area

**44,000**

Square Feet

Hours: 6 a.m. to 1 a.m.

**40,000**  
**SKUs**

**190**  
Employees

**16 Checkouts**  
(including 6 self-checks)

**Designer: Camburas & Theodore**

**Fresh, Fast, Frequent**

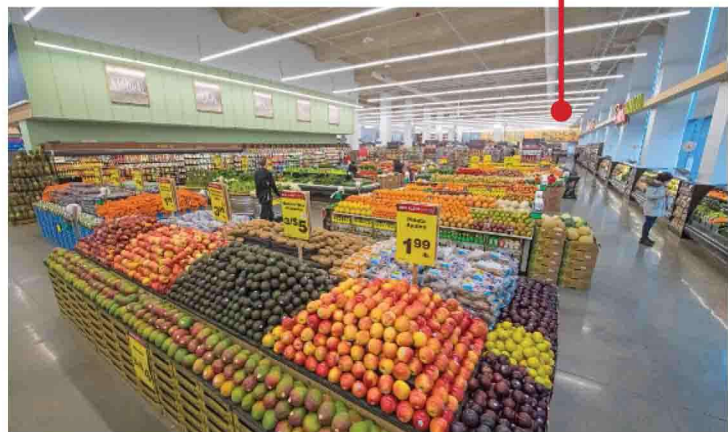
Stepping off the elevator from the elegant Sinclair residences or the parking garage, visitors entering the store here (there's also a street-side entrance) first encounter the deli, where they find a grab-and-go case stocked with sandwiches, salads and quick meal items. "We get an extensive lunch crowd here," notes Sheila Whitiker, store director.

Suggs adds, "All of our meal solutions are restaurant-quality and made fresh in-store. In addition, we have fully integrated local, specialty, natural and organic items, which are in high demand from our guests."

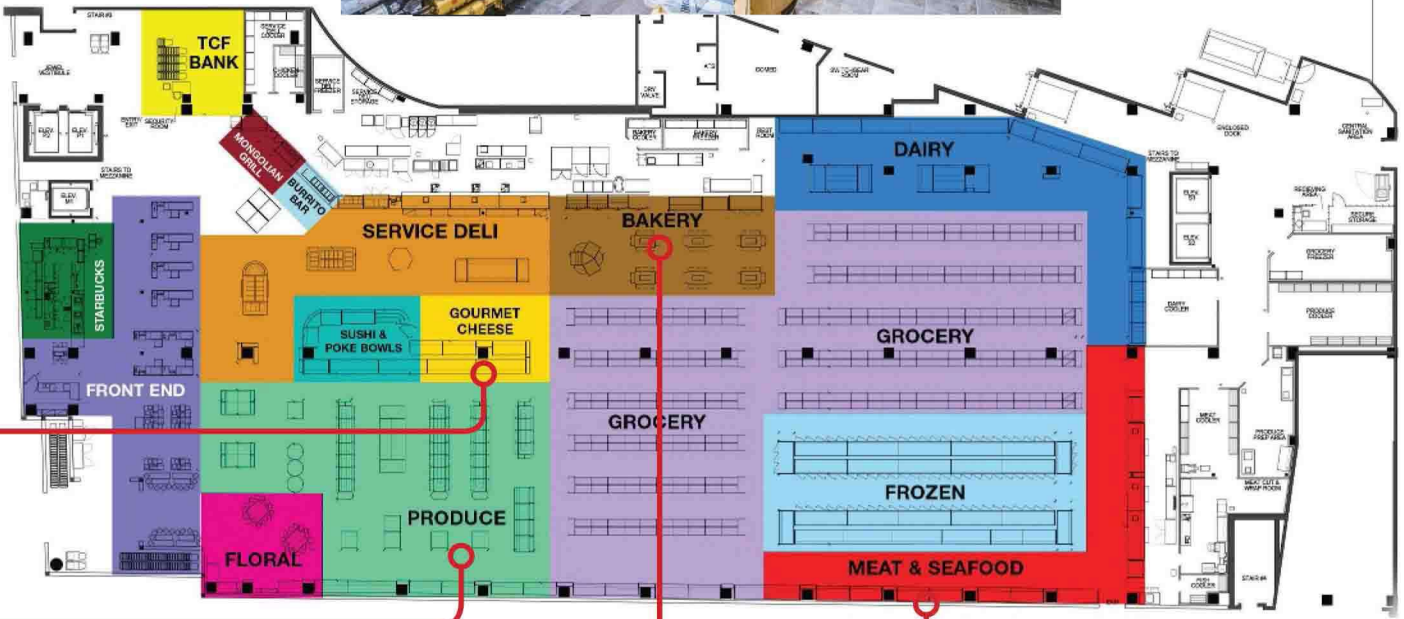
The burrito bar makes Mexican wraps to order, along with tacos and bowls featuring different proteins and other ingredients. Similarly, the Mongolian grill makes custom Asian dishes. There's a salad bar, a hot bar with wings, a sushi bar with the earlier mentioned poké bowls, and a variety of other meal solutions, including rotating featured items.

"We get a lot of movement here," Whitiker says. "This store brings a lot to the area to keep traffic moving. Our customers are fast-paced and looking to get in and out of the store."

Folks looking to stay for a while can take their eats to the upper-level mezzanine, where they can relax at a table in front of the fireplace or order a drink at the aforementioned bar, Division on the Rocks. There's a full liquor selection, wine,

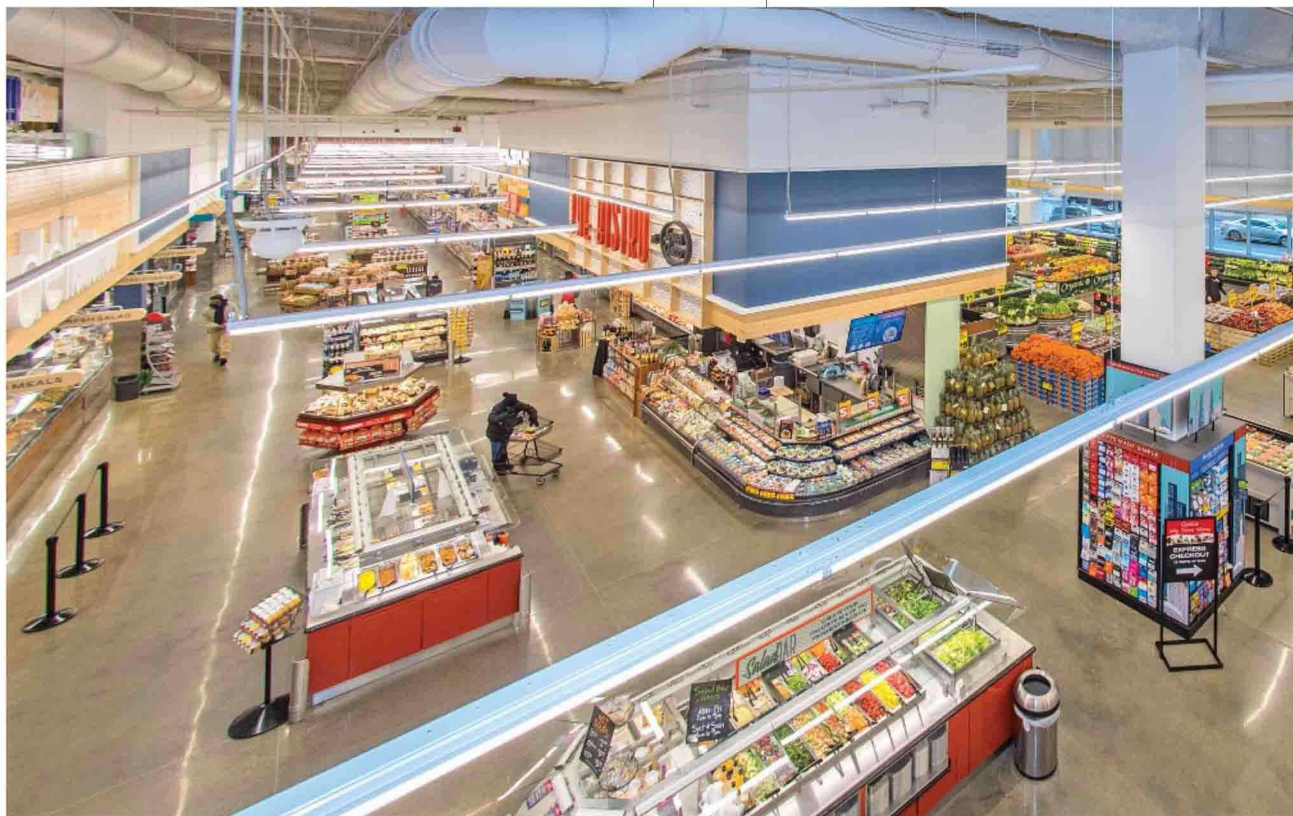


**SECOND FLOOR**



**FIRST FLOOR**





Extensive fresh prepared food and produce areas can be observed from the store's second-floor mezzanine (above). Noodle bowls and other Asian fare are made to order at the Mongolian grill (right).

and beers on tap, including local brews. Guests can also order food to be brought upstairs to their tables. Need libations to take home? The wine and spirits department is nearby on the same level, featuring craft beers, luxury spirits and a temperature-controlled wine cave with bottles for all price ranges.

Division on the Rocks “has allowed us to host events with live cooking demos and prestigious chefs while sharing wine- or beer-pairing ideas,” notes Tina Browen, director of marketing. “It is really fun watching our customers take part in these events.”

### Anything Customers Want

Back downstairs, the deli offers packages of pre-sliced meats and cheeses for faster service, along with signature items like in-house roasted turkey breast. The cheese counter features more than 400 specialty varieties from home and abroad. “We create party trays, anything customers want,” Whitiker says. “It’s a growing category.”

The bakery department makes a host of in-house scratch products, including many celebration cakes, with same-day service available for custom orders. The display case shows off many colorful designs, with popular characters from kids’ TV alongside Jewel-Osco’s own one-eyed mascot, JoJo, whose cakes “sell better than Cookie Monster,” Suggs boasts.



Smaller portions are popular bakery choices, including half cakes and individual slices, along with cookies trays. A large display offers more than 30 bakery items at \$5 apiece.

The dairy case features many organic choices, with alternative beverages like nut and rice milks, pegged as “one of our fastest-growing categories in fluid dairy” by Mark Laryea, district manager.



Ready-to-eat and heat-and-eat items abound for time-starved shoppers (left), while gourmet burgers are crowd-pleasers and food theater during lunch and dinner dayparts (right).



### Continuing to Grow

A daily count of organic items is posted for what Whitiker calls “the freshest produce department in Chicago.” On any given day, more than 100 organic items are available. In fact, the Jewel team reveals, about 20 percent of the store’s produce sales are from organic items, with fresh-cut items accounting for another 20 percent, or about 4 percent of the store’s total sales, “and it continues to grow,” as Laryea notes.

An island cooler features fresh-cut fruit bowls, while another display cross-merchandises berries with whipped cream. Snack packs offer fresh-cut veggies packaged with nuts and cheese, and yogurt parfaits, alongside pre-cut veggies for cooking, fresh juices and infused waters. Guacamole and salsas are made in house; trays include items like veggies, fruit and deviled eggs.

“We will custom-make anything for customers,” Whitiker says. “Our associates do this in-store every day. A lot of work goes into this, to feature it for our customers.”

Signage urging Jewel shoppers to “eat, live and breathe local” calls attention to the products of more than 100 area vendors. “We want to shout fresh every day,” Whitiker says. Local products include a case of condiments branded for former Chicago Bears coach Mike Ditka, as well as taco and guacamole mixes by Frontera, the brand of Chicago-based celebrity chef Rick Bayless.

The store’s street entrance opens into the floral department, highlighted with a large centerpiece to entice purchasers. Jewel has floral designers in all of its stores to work on custom orders.

Also up front for quick and handy shopping

Value-added, ready-to-cook items dominate the meat and seafood department, including stuffed Cornish game hens, stuffed pork chops and many seasonal items. Chicken breasts are hand-trimmed in the store, which gets good movement on Prime beef items.

“We have butchers in every store,” Suggs says. “You can customize and special-order.”

Laryea adds, “Our [video] menu boards provide different recipe options, from nachos to how to cook a brisket,” with videos shared on YouTube.

Seafood selections include wild-caught ocean and lake varieties, with the elaborate display case created by hand every morning, Whitiker notes.

Case-ready meats include grass-fed beef, natural meats like lamb and veal, air-chilled chicken, an integrated kosher meat section, and “expanded smoked meats that cater to the ethnic customer,” Laryea says. Plant-based burgers are “completely integrated” into the meat case alongside their beef-based counterparts, he adds.

“ The expanded fresh side of the store has allowed us to test several new concepts that have been very successful. This will allow us to continue to innovate and evolve to the customer’s needs.”

—Doug Cygan, Jewel-Osco president

## STORE OF THE MONTH

# Jewel-Osco

are seasoned take-and-bake items merchandised with vegetables and veggie noodles. Additionally, there are protein bars near the entrance for easy on-the-go grabs.

The store's 40,000 SKUs include some 6,000 organic items integrated into the overall inventory, including Albertsons-Safeway's popular O Organics line. "It makes the shopping experience more cohesive to the customer, easier to find what they're looking for," Laryea explains.

"We try to make it easy for the customer to shop — a nice easy flow," Whitiker adds.

In addition to the upstairs spirits department, the store merchandises some craft beers on the main floor. "We get a lot of movement in local craft beers," she notes.

Another "hot commodity," according to Laryea, is kombucha, a fast-growing category that includes O Organics SKUs as well as branded lines.

### Evolving to Customer Needs

By all accounts to date, the store is a hit with shoppers.

"The most rewarding aspect of this store is giving the neighborhood what they want and continuing to innovate as their needs change," Brown says. "It has been extremely rewarding to watch our customers walk out satisfied."

Suggs adds that locals' affection for the banner "is very humbling — it's always 'my Jewel,'" or, for old-school Chicago-area residents, "the Jewels." An extensive billboard campaign plays up the chain's century-plus longevity, along with the long tenures of many of its 32,000 associates. "They're what make the difference. We really try to embrace that," he asserts. "We wanted to show customers we're here to serve you."

That has made efficient space utilization crucial. "One of our biggest opportunities is the volume of people that frequent our store in such a small footprint," Suggs observes. "We maximized the square footage in this location as best as possible, but the area is so densely populated, so we saw an opportunity."

Replenishment and innovation are key areas of focus for supplier collaborations, Suggs adds: "We are prepared to test even more products in this store to see what works and to see if those items can get rolled to our other stores. Look for Plated meal kits in the near future."

And look for the most successful features at Clark and Division to start appearing at more of Jewel-Osco's suburban stores.

"The expanded fresh side of the store has allowed us to test several new concepts that have been very successful," Cygan says. "It also allows us to receive customer feedback to better prepare us for other stores and to understand the areas outside of what we've already done. This will allow us to continue to innovate and evolve to the customer's needs." **PG**



### About Jewel-Osco

Jewel-Osco was founded in 1899 by Frank Ross and his brother-in-law Frank Skiff, who were selling tea and coffee from a horse-drawn wagon. Today, Jewel-Osco has 187 locations, most in the greater Chicago area, with four in northwest Indiana and one in Clinton, Iowa. One of 19 grocery banners owned by Boise, Idaho-based Albertsons Cos., Jewel-Osco maintains its headquarters in Itasca, Ill., a northwestern suburb of Chicago.