



# Celebrating A CENTURY OF ★ MODERN ★ GROCERY RETAILING

***Progressive Grocer Independent* looks back at how it all started, and where Piggly Wiggly is headed in the next 100 years.**

**By Katie Martin**

**O**n Sept. 6, 1916, Clarence Saunders set grocery retailing on end by opening his first Piggly Wiggly in Memphis, Tenn. The store allowed customers to enter the grocery aisles through a turnstile and actually select their own products, instead of handing a list to a clerk and having the order filled while they waited. The industry has never looked back.

The store that invented the modern grocery store didn't stop with self-service. Piggly Wiggly became the first

to introduce many things that have become ubiquitous in a modern supermarket. Perhaps most important, Piggly Wiggly was the first to franchise its name and model so independent operators could operate under this new self-service method.

In the 1920s, Saunders lost control of the company, but the Piggly Wiggly Corp. he had formed saw continued success as a franchiser. The franchise has gone through several owners, but in 2003, C&S Wholesale Grocers, based in Keene, N.H., bought the brand.

To ensure that all Piggly Wiggly stores lived up to the banner's brand image, the Agenda 2000 initiative launched in 1994 to create standards that Piggly Wiggly stores needed to meet by the year 2000 and to set criteria for new stores coming into the franchise. After the standards were developed, a checklist was created for all stores to be graded accordingly. Action plans were developed and a timetable was given to get the stores up to standards within five years.

The standards consist of two

categories: cosmetic and operational. Cosmetic standards comprise building, signage, parking lot, décor, lighting, flooring, cases and shelving. Operational standards encompass customer service, inventory level, profitability, departmental quality/variety, merchandising, point-of-purchase signage, competitive pricing and advertising. Stores that didn't meet all of the standards were reassessed quarterly to ensure that improvements were progressing.

By the time the year 2000 rolled around, 240 stores had made the necessary improvements to meet the Agenda 2000 criteria, and 120 stores had opted to exit the franchise. A base of quality stores was established to ensure that Piggly Wiggly would stand for quality in the years to come. Today, new stores joining the system must meet the criteria and won't be approved for the name until any deficiencies are rectified.

Currently, 80 percent of stores applying for a franchise license meet the criteria before application, and all Piggly Wiggly stores are visited on a quarterly basis to make sure they continue to meet the standards.

As of Sept. 20, 2016, a total of 538 Piggly Wigglys will be operating in 17 states. For an annually renewable licensing fee, stores can sell Piggly Wiggly's private label products and benefit from a name with a century of history behind it.

"It gives us an opportunity as an independent grocer to have a name brand," asserts Andy Virciglio, co-owner of Crestline Piggly Wiggly, in Mountain Brook, Ala. "I like seeing somebody walking around with water that says Piggly Wiggly on it. It's a really strong brand."

As for the next 100 years of the name? "Piggly Wiggly has always been at the forefront of innovation, and we continue to focus on improvements to better the customer experience," say executives at C&S.

## Piggly Wiggly Firsts:

- Provide checkout stands
- Price mark every item in the store
- Introduce high-volume/low-profit margin retailing
- Feature a full line of nationally advertised brands
- Use refrigerated cases in produce
- Require employee uniforms for cleaner, more sanitary food handling
- Design and use patented fixtures and equipment throughout the store
- Franchise independent grocers



Founder Clarence Saunders



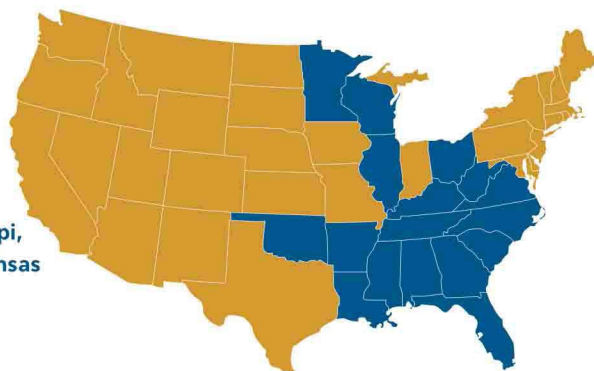
Above: One of the first Piggly Wiggly stores



Left: The turnstiles and checkout stands of the first Piggly Wiggly revolutionized grocery shopping for consumers.

## States Where Piggly Wiggly Operates

Wisconsin, Illinois, Minnesota, Ohio, West Virginia, Virginia, Kentucky, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Tennessee, Louisiana, Arkansas and Oklahoma







Piggly Wiggly Crestline

# WELCOMED *with* OPEN ARMS

**The Crestline Piggly Wiggly reopened in a new location nearly three years after the community protested its closing.**

**By Katie Martin**

**W**hile no retailer dreams of having to close a store, the best-case scenario would be to have a community rise up in protest if such a situation were to occur. That's exactly what happened when Piggly Wiggly was forced out of its Crestline location in Mountain Brook, Ala. Residents mounted a social media campaign to "Save The Pig." The store had been a part of the community for more than 20 years and was owned by Andy Virciglio and his father, Stanley.

Comments on a Change.org petition to protest the closing ranged from "The Pig is the ANCHOR of our village. It is more than a grocery store and business. It is what makes our village special and is truly the heartbeat of Crestline Village," to "The Crestline Village Piggly is an institution!" Most retailers can only dream of

such devotion from their customers.

Shortly after the store's closing, Naseem Ajlouny was in his real estate agent's office when the map on the wall caught his eye. He noticed several empty lots in the center of the neighborhood. While those lots together weren't big enough for the store he envisioned, he instructed the agent to try to buy the strip — a total of seven 150-foot-by-50-foot lots, three of which had houses on

them. After several months of negotiations, which included moving a house that had been placed in trust for the Girl Scouts of America, The Pig was on its way back to Crestline.

Naseem and his brother Basim had partnered with Andy on another Piggly Wiggly in the River Run neighborhood of Mountain Brook, and the three joined forces again for the new Crestline Piggly Wiggly.

The Ajlouny brothers also operate nine other Piggly Wiggly stores in the Birmingham, Ala., area, and Andy operates a store in Homewood, Ala.

## **Clearing Hurdles**

Nearly three years after the original store closed, the new Crestline Piggly Wiggly opened this June. While the neighborhood backed the new store, and the city worked with the partners to clear any obstacles, construction wasn't without its hurdles. The store was the target of arson on the night of the college football championship game, in which Alabama was playing. While the damage wasn't as extensive as it could have been — the lights were melted, so the partners switched fixtures and went with energy-saving LEDs, but luckily the sprinkler and air conditioner systems were not yet operational, or the damage would have been much worse — the fire delayed the store opening by six to eight weeks.

"We actually were worried about

**"It's really heartwarming to see the way the customers interact with the employees, especially the ones we brought back. It's just like family."**

—Andy Virciglio



### **PARTNERSHIP THAT WORKS**

**Naseem Ajlouny, Andy Virciglio and Basim Ajlouny partnered to reopen the Piggly Wiggly in the Crestline neighborhood of Mountain Brook, Ala.**

opening during school,” Naseem says. The store is located right next to the neighborhood’s elementary school. The fire actually relieved that worry by pushing back the opening and making the open-date decision easier. “We decided to not open until after school was out. I think this timing was better,” he adds. The delayed opening will also allow the store to work out any kinks during the slow summer months. Many of the resi-

dents leave for the summer, and sales can drop by about 15 percent.

Also, about a month before the store was slated to open, the fire alarms went off just as Naseem and Andy were leaving for the night. The freezer in the upstairs storage room had frozen and the contractor had set some heaters to melt the ice. One of the heaters was close to the sensor for the sprinklers in the freez-

er, and it set off the sprinklers. The mezzanine floor was flooded with about three inches of water, but luckily no groceries had been delivered yet and the water didn’t seep into the downstairs retail area. “It just cleaned the floors up here before we got any deliveries in,” Naseem jokes.







## PRODUCT SELECTION

Fresh departments, including deli and seafood, are key to drawing customers in from the mostly residential neighborhood.

## Open for Business

Once the doors finally opened to the new 26,300-square-foot store (the first floor is 23,000 square feet, with 18,000 square feet devoted to retail space, and the upstairs mezzanine is 3,300 square feet), the neighborhood flooded in — residents had been waiting three years to get their Pig back. “We had a soft opening, but it wasn’t so soft,” Naseem says. A grand opening is planned in August, after most of the customers have returned to town from summer vacations.

While the new store is located in the same neighborhood as the previous location, times had changed enough that the partners knew they had to take a hard look at the product offerings. (The new Piggly Wiggly also is significantly larger than the previous one, which featured only 11,400 square feet of retail space.)

“There’s a younger crowd now,” Andy says, “and they’re more conscious of what they’re eating.” The product line is focused on specialty items, including organic and gluten-

free, with a specific emphasis on local.

The store carries about 39,000 SKUs (the partners’ other Piggly Wiggly locations carry about 25,000 SKUs on average), and the philosophy behind the selections was to offer a little bit of everything to fit neighborhood demand. If residents could get enough of their groceries from the Piggly Wiggly, the partners knew they could get shoppers to make it their primary store.

## Product Mix

“We brought in what we do well in our other stores, just conventional groceries,” Andy explains. “We still had about 40 percent of retail space left, so we made sure we had an organic offering in every category, and a gluten-free option where it applied. Then, with whatever space was left, we wanted to pick up some unique items to round it out.”

For example, in canned vegetables, other stores may carry seven varieties, but the Crestline Piggly Wiggly carries only three conventional products to allow space for an organic



option and other unique choices. The conventional items on the shelves were selected because they’re the best-selling brands in the other stores. The partners knew the product selection would need to be tweaked, so if customers can’t find an item they want, they can simply ask for it and it’s added to a list of items that need to be sourced.

The opening of a new store also has allowed the partners to really pay attention to the product mix. “In the past, I got bogged down just doing what we’re doing,” Andy admits. “Now, we’re really looking at things.”

## Focus on Local

A lot of attention also is paid to bringing in local products when possible,





Piggly Wiggly Crestline

including items from a candle maker who created a scent called The Pig. All local, organic and gluten-free products feature shelf tags that call out those features to draw customers' attention.

The focus on local extends beyond the store's walls in different ways. For example, the Crestline location is down the street from a garden center. The partners decided not to bring any plants into the grocery store (even though they sell a lot of plants at their other locations) so as to not take sales away from another local business.

Similarly, since a variety store across the street sells a lot of balloons and greeting cards, those products aren't available in the Crestline Pig.

"It's not all about us," Basim says. "It's about the community, and that's what people like about us. We try not to hurt these other businesses."

Part of this is because only one chain has a presence in the village, and the rest of the businesses are locally owned, Andy notes. That one chain is the national drug store that assumed the lease of the original location of the Crestline Piggly Wiggly.

**"One man can't do it; it took a team, and we have a good team. We'd meet and discuss everything, and we just came together, like partners are supposed to do."**

—Naseem Ajlouny

In designing the store, one thing the partners knew was that the neighborhood would want a lot of perishables and fresh food. "We knew around the

perimeter had to be something special, with the space we had and because of the neighborhood," Basim explains. "We wanted to touch on a lot of things, but we wanted to do it right."

#### Freshness First

The produce section features a 16-foot organic section and sources as many products locally as possible. The store just

started a pilot program with a local nonprofit that operates a warehouse for local farmers to sell products to. The warehouse then sells and distributes the products to various local stores. The idea is to have one gathering and distribution spot to alleviate some of the hassles of multiple deliveries; however, the test for the Crestline Piggly Wiggly is whether the supply will be adequate.

The partners are hopeful, since local is so important to their customers. "They support local," Basim says. "Even if the local product isn't as 'pretty,' if



they know it's local, they'll buy it."

While the store had only been open a few weeks at the time of *Progressive Grocer Independent's* visit, the produce department was doing about 13.5 percent distribution.

Andy and Basim pushed to put in an extensive salad bar, while Naseem balked at the idea, since the area is more residential than business; he has since admitted he was wrong. The store also includes a deli that has proved popular, selling about 300 to 400 pounds weekly of chicken salad that's made fresh in-house. Plans also call for an expanded prepared food program that will likely be launched in the fall, once the store has been open for a while.

#### Cheers

The new store's expanded space also allows for a larger wine and beer department, something the partners'



#### SUCCESSFUL SALAD BAR

The extensive salad bar has proved popular with the residents of Crestline.



# CRAFT BEERS



## CRAFT BEER TAKES OVER

The large beer department is almost completely dominated by craft beer selections from small brewers near Birmingham, Ala., and around the country.

stores are known for. The department accounted for 22 percent of sales on opening day. Variety is the driving force behind product selection for the department. “In our old store, we didn’t have the variety,” Andy says. “That’s one thing we tried to focus on, was to give us enough space to give us variety.”

The wine department features everything from an \$8 bottle of wine all the way up to selections costing \$700. The wine director has worked with distributors to source bottles that are typically sold only to restaurants. “Our average sale used to be \$15 a bottle; we’re trying to get that sale up,” Andy says.

The beer department devotes the majority of its space to craft beer. “We are known to be a craft beer destina-

tion,” Basim says. “Everybody goes to The Pig to get their beer, because of our variety.”

Beer sales are broken down into craft, domestic, import, large-container and draft beers. “We’re really able to see what we’re selling the most of, and craft beer has become a big part of our business,” Basim adds.

### Relationships Work

The store is able to offer such a variety because the partners have worked to build relationships with small breweries, which like doing business with other small businesses. Also, the Crestline Piggly Wiggly, as a single store, is easier for

the smaller brewers to supply, because they can send just 100 cases of a variety. What’s more, the store has become a popular destination for the brewers’ specialty offerings or one-off brews.

For example, Westbrook Brewery, in South Carolina, sends the store its once-a-year Mexican Cake variety. “It’s gone within a week,” Andy notes. “Not everybody gets these things.”

And customers know they won’t get it again until next May. The store also has the brewer’s Grand-Mère on tap at its growler station; the variety is hard to find in Birmingham.

A prominent showcase in the beer department is the Featured section, which, as its name suggests, showcases the newest and latest offerings from the craft breweries. The section also allows the store to sell single

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—Basim Ajlouny





## Piggly Wiggly Crestline

### GROWLERS

**The growler station features beers on tap that are otherwise unavailable in the store, and varieties are often small-batch brews that are hard for consumers to find.**

bottles; customers can select different varieties to create their own 4-pack, which is especially beneficial for the higher-priced brews that can run upwards of \$20 for a 4-pack.

"We single them out so somebody would be more inclined to try one," says Andy's son, Andrew, who does most of the buying for the craft beer department. "Hopefully, we can upsell them a little later on and create a demand for it."

### Growlers Success

The Crestline Piggly Wiggly's growler station has eight beers on tap. The station features varieties that the store doesn't sell in bottles or cans, allowing brewers to send, and customers to experience, some items that would otherwise be unavailable in the store. Growlers, which are imprinted with the Piggly Wiggly logo, are available in 32-ounce and 64-ounce sizes, with the 32-ounce proving to be a hot seller. The smaller size allows customers to buy varieties whose prices might become prohibitive in the 64-ounce size, and are also more manageable to consume; once opened, the beer in the growler remains fresh for only about 24 hours.

Adding the smaller size offers more versatility and hasn't led to a lower sales ring. Instead, what many customers do is buy two of the



32-ounce size growlers so that they can sample more varieties.

Many of the craft brews are discussed on the radio during the "Craftly Beerly" (a play on the Piggly Wiggly name) hour once a week, sponsored by the partners. The host talks about all of the new craft beers available in the store. Craftly Beerly also is used in in-store signage to help brand the name.

The Crestline Piggly Wiggly has been welcomed back to the neighborhood with open arms, and much of the credit goes to the employees and the relationships they've built with customers within the community, Andy notes. "It's really heartwarming to see the way the customers interact with the employees, especially the ones we brought back. It's just like family," he adds. "I think it's a unique community." **PGI**