

> United Supermarkets Expands Amigos to New Markets

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**PLAINVIEW, Texas** — United Supermarkets is gearing up to open its second and third Amigos Hispanic-format stores after seeing successful sales growth at the first Amigos here, which opened last year.

The stores are designed to serve populations with high numbers of Hispanics, as well as Caucasian customers looking for both mainstream and authentic Hispanic groceries, said Eddie Owens, a spokesman for the Lubbock, Texas-based company.

The first store was a conversion of the chain's former Super Mercado banner, but the name was changed to Amigos ("Friends" in Spanish) to make it less generic and to better connect with customers. The decor was also changed, to make the stores more fun and friendly.

"Super Mercado gave us the building blocks for what we have today," said Juan Enchinton, business development manager of innovation for United's international stores division.

Since it opened, the Plainview store has seen double-digit sales growth in most of its prepared food departments, United said. This success, in just six months, has been enough to encourage United to further the brand to stores in Lubbock and Amarillo, Texas, slated to open in May and September, respectively.

"There is a feeling that we'll grow the Amigos brand, either with new stores or by buying stores from other people and converting them," said Owens. "The potential is tremendous."

The 43,000-square-foot Plainview store has a much stronger focus on merchandising than Super Mercado, featuring "meal solutions" through all departments. "These are little sections to show what's for dinner," said Enchinton. A typical display might include pasta, tomato sauce, beans, jalapenos and tostadas.

Amigos also emphasizes produce, because Hispanic shoppers tend to shop more regularly than non-Hispanic consumers — often daily — searching for the freshest food.

This department, by the main entrance, offers more variety than Super Mercado. It showcases heavily used items such as avocados, jalapenos, tomatoes and onions, often displayed with Center Store items.

"It's hard to figure out what's for dinner seven times a week, so we're helping people think of what would make a good meal," said Enchinton.

Nearby are brand new prepared food stations — a taquería and a tortillería. The former features hot, prepared soft-shell tacos, burritos and fajitas, which can be either wrapped to take home or eaten in the adjacent dining area. The tortillería makes fresh corn and flour tortillas, which can be purchased hot or cold and are also used at the taquería.

In the store's perimeter there's a carnicería (butcher) that carries traditional cuts of meat like milanesa, a paper-thin sirloin tip that's popular in Mexico, and meats with four different seasonings.

There's also a panadería (bakery), expanded from the Super Mercado days to offer high-quality favorites such as bolillos (sandwich bread) and conchas (dome-shaped bread with colored sugars on top).

Amigos carries a full line of mainstream products and more than 700 authentic Hispanic items (double the

number carried in Super Mercado), all sourced from south of the U.S. border. Enchinton said he hopes to roll out a Hispanic private-label line from one of Mexico's top retailers by early May.

Center Store items include authentic items like Jarritos soft drinks, guava paste, and flour and sugar from Mexico. There are also more than 130 different dry herbs and spices, including cola de caballo, gobernadora and anise estrella.

Between 60% and 65% of Amigos' customers are Hispanic, and to serve the needs of these shoppers, the employee base is almost a mirror image, United said.

To introduce non-Hispanic shoppers to some of the foods, and to remind Hispanic shoppers of what the store carries, Amigos holds daily tastings throughout the store, including at its foodservice stations. It also has a demonstration/sampling station just inside the entrance, which often features dishes linked to holidays. Tastings were more sporadic before the conversion from Super Mercado, said Enchinton.

United seems to be on the right track with Amigos, said David Morse, president and chief executive officer of marketing consultancy New American Dimensions, Los Angeles. Hispanics, he said, look for stores that have the right product selection, Spanish-speaking workers and signs they can read, in order to feel comfortable and return to a store.

“These stores feel Latin, and these people are looking for a way to interject Latin into their lives,” he said.

And mainstream customers are looking for more authentic food, he pointed out, not just looking for tacos from the freezer. Even if you're not Hispanic, he said, “It's a fun shopping experience, and it's a trip to just go to the meat counter and see the different cuts of meat.”

The opening of Amigos is part of United Supermarkets' move, which began last June and is almost complete, to put its stores, all of which are in Texas, into three categories — traditional, specialty and international.

There are 16 international stores, and the remaining 13 will not be converted to Amigos, but will have a strong Hispanic or Asian focus in decor, signage, merchandising and product range.

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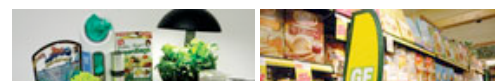
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