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Big Bear Stores History Traced

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12/12-63 By MARDO WILLIAMS 12/12-63

"Big Bear has never been in a stronger financial position. We have bright prospects for future growth and development," company President Wayne E. Brown told the Columbus Society of Financial Analysts at a luncheon meeting Wednesday in the Athletic Club.

He traced early history of the almost 30-year-old Columbus-based chain, which consists of 38 supermarkets, affiliated Hart's Family Stores, independently operated drug stores in Indiana and Kentucky, and the Buckeye Premium Stamp center.

THE ONLY self-service mass-merchandising venture of its kind in the Midwest when it was established at 386 W. Lane Ave. in 1934, had early problems, Brown said.

It was boycotted by local suppliers for five years, operated at a loss for most of the first three years, and succeeded in surviving only because of "nerve and our creditors' money."

Brown said the company added a second store in 1934 and a third in 1935. Shopping carts made their appearance in 1937.

POSTWAR GROWTH became almost phenomenal with gross sales climbing from \$43,652,000 in 1952 to \$102,369,000 in 1962. A five per cent sales increase was noted this year in operations up to Nov. 30, Brown said.

Big Bear Stores Co. profit margin has hovered around 2 per cent for the last five years, compared to a national food chain average of 1.17 per cent. In the fiscal year ended March 2, 1963, for example, the local chain reported a net profit to sales of 2.04 per cent.

THE CORPORATION has followed a consistent dividend-paying policy. This year, Brown noted, payments will total 62 cents in cash on each common share, plus a 2.5 per cent stock dividend.

Expansion is financed largely with retained earnings. Land is acquired and buildings erected according to Big Bear requirements before being sold and leased back.

This frees needed cash for operational requirements and establishment of new outlets in other areas, the analysts were told.

The company soon will receive \$2,500,000 back from sale of two shopping centers in which it invested, Brown said.

BIG BEAR, in addition to development of new outlets,

has spent \$7,780,900 in the past five years to remodel and equip stores, or otherwise improve operations, he asserted.

The company currently is doubling its 100,000 square foot perishable foods warehouse at 770 W. Goodale Blvd., has 18 acres available for expansion of the 275,000 square foot grocery warehouse there, and has obtained sites for additional Big Bear marts and Harts' Family Store outlets.

The company and its subsidiary operations now employ 3000 persons, and has a \$10.9 million annual payroll, the supermarket pioneer commented.

HE SAID GROWTH was obtained through sound business principles, friendly service and well-trained personnel.

The successful merchant, he warned, must be prepared for continual change.

But, he insisted, "the opportunities for aggressive, efficient retailers in the food industry" are very good.