MEIJER V/F

50 THRIFTY YEARS 1934-1984

MEIJER

Wednesday, September 5, 1984

Thanking You for Fifty Thrifty Years!

The penny pony ride symbolizes family shopping at reasonable prices.
"...they make shopping fun, a joyful experience."
Fred Meijer.

SUPPLEMENT TO: The Grand Rapids Press, The Muskegon Chronicle, The Detroit News & The Royal Oak Daily Tribune, The Daily Tribune, The Ann Arbor News, The Ypsilanti Press & The Ann Arbor News, The State Journal, The Jackson Citizen Patriot, The Kalamazoo Gazette, The Enquirer & News, The Herald-Palladium & The Trade Lines, The Flint Journal, The Saginaw News, The Sliger-Livingston Publications, The Daily News, The Ionia Sentinel-Standard, The Holland Sentinel, The Grand Haven Tribune, The Traverse City Record-Eagle, The Daily Telegram and The Bay City Times.

Barber's gamble gave rise to one-stop shopping

The Meijer story began almost by accident half a century ago, when the desperate circumstances of the Great Depression led a 50-year old Dutch immigrant to give up his dream of becoming a farmer.

Since 1912 Hendrik Meijer had been a barber in the little town of Greenville, Michigan, northeast of Grand Rapids. That was the same year his fiancee, Gezina, joined him in America. Hendrik was a restless man who had worked in foundries and textile mills before becoming a barber. During the 1920's his barbershop prospered, and he slowly acquired a herd of dairy cattle. While he attended to the barbershop, his wife Gezina milked the cows. The Meijer children, Johanna and Fred, peddled fresh bottles of milk from door to door.

Not long before the stock market crashed in 1929, Hendrik had built a building with two storefronts next door to his barbershop. He hoped that rent from the storefronts would provide him with an income for his old age. But his plans backfired. Although a cafe had leased one of the storefronts, he could find no one to rent the other space.

By 1934 he still hadn't found a tenant, and couldn't afford even the interest payments on his mortgage. At the same time business in the barbershop dropped off as hard times forced people to cut their own hair or wait longer between haircuts. And then the bottom dropped out of milk prices, turning Hendrik's dairy business into a losing proposition. He invited the bank to take over the buildings and cancel his debt but the bank declined.

A friend suggested that Hendrik see if a grocery chain might be interested in renting the building for a store. Hendrik called on the big chains—A&P and Kroger—but without success. "No one wanted it," he recalled many years later. "At that time there were 22 groceries in Greenville, and they were hanging on by their fingernails."

At least they were hanging on, when many other businesses were failing. People had to eat, didn't they? In fact, across the country, desperate men and women used up their credit to obtain a few groceries and set up shop in vacant buildings or even in their parlors.

With his income from the barbershop dwindling and the price of milk barely supporting the cost of milk bottles, Hendrik was running out of alternatives. When a grocery wholesaler from Grand Rapids told Hendrik that he wasn't interested in leasing the building, but would be willing to sell the barber some groceries, Hendrik decided to take a chance.

When the wholesaler asked for a credit reference from a friend of the Meijers, the friend said of Hendrik, "He won't make it. That's for pretty sure. But whatever happens, he'll find a way to pay you back." In the spring of 1934, that was as good a reference as the wholesaler could hope for. Hendrik placed an order for $328 worth of groceries and traded his $10 violin to a plasterer who finished off the vacant storefront's interior.

Hendrik and Gezina Meijer posed for this picture in Greenville, Michigan, not long after they were married in 1912.

Hendrik Meijer's grocery store opened for business in June, 1934. His daughter Johanna, then eighteen years old, was the store's first manager. Fred, who was fourteen, painted weekly specials on the front window and waited on customers after school.

Hendrik still worked in the barbershop when he could. When Johanna was awarded a college scholarship a year later, Gezina put on an apron and helped run the store.

Hendrik had heard his customers in the barbershop talk about the big new food stores they'd seen in Grand Rapids, Lansing and other cities. In the depths of the Depression, "supermarkets" had begun to revolutionize the grocery business. These barnlike markets did away with credit accounts and delivery service, and because of their lower overhead were able to shave precious pennies off their prices.

In his little store, which measured only 21 feet wide by 70 feet deep, Hendrik had started out as a traditional grocer. Most of his canned goods were stacked behind the counter, where Johanna and Fred put together customers' orders. Many customers put their orders on account and did not pay until the end of the month.

Hendrik realized that to survive in the grocery business, he would have to compete with the new supermarkets on their own low-priced terms. He put baskets in

(continued on page 4)

Hendrik and Gezina Meijer's children, Johanna (left), and Fred, grew up on the farm outside Greenville where Hendrik had hoped to raise a herd of dairy cattle.

Hendrik Meijer, shown here in a 1915 photo taken in his Greenville barbershop, made a living as a barber for 22 years before opening a grocery store in 1934.

Barber's gamble

(continued from previous page)

the front of his store and invited customers to help themselves. He also eliminated credit. With Fred at his side, he searched out the best buys on peanut butter or potatoes, and the little Thrift Market, as it was called, was on its way to becoming a supermarket.

As the store attracted more customers, Hendrik expanded into the building next door where his barbershop had been located. He catered to his customers with a zeal and honesty that was infectious, offering everyday low prices and hot weekly specials. Early on, he displayed an instinct for providing the right product at the right prices.

With expansion came other innovations, such as "rolling carriages"—shopping carts. Hendrik boasted of the biggest meat counter in the county, and was often up before dawn to buy fresh produce from the market in Grand Rapids.

Fred graduated from high school in 1937 and began working in the store full-time. With his son taking on more responsibility, Hendrik opened a second store, in Cedar Springs, Michigan, in 1942, and the Thrift Market became "Meijer's Thrift Supermarket." Johanna gave up a teaching job to become its manager.

When World War II ended, a third store was opened in Ionia, Michigan. Johanna married Army Captain Don Magoon, who joined the company as treasurer and a partner. Fred married the former Lena Rader, a cashier who later would lay out the stores' newspaper ads on a card table in their living room.

Recovering from a fire in 1946 which destroyed the original Greenville store, the three-store chain was ready to grow in the booming post-war economy. In 1949 the company expanded beyond its small-town roots by opening its first store in Grand Rapids. More stores followed, and in 1952 the offices and warehouse were relocated in Grand Rapids.

Building on its reputation for low prices, the company during that decade opened supermarkets in Muskegon, Grand Haven, Holland and Battle Creek.

Low prices and courteous service were paying off, but a greater gamble was still to come. Although by now Hendrik Meijer was in his seventies, he was never afraid of change. And change was coming. A new type of store was revolutionizing the retail business much as the supermarket had transformed the grocery business a generation earlier. This new concept was called the discount store.

Born in New England, often in an old mill or abandoned warehouse, the early discount store was a bare-bones establishment that sold all sorts of goods cheap — and often sold cheap goods. But it also offered the convenience of self-service, and prices that were much lower than what could be found in traditional department stores or specialty shops.

As the discount phenomenon spread across the country, many of the big stores were built alongside supermarkets. Hendrik and Fred went that approach one better. In 1962, with Fred now guiding day-to-day activities, the company added 80,000 square feet to one of its Grand Rapids supermarkets. This huge new store was called, simply enough, Thrifty Acres.

This store combined a supermarket and a department store under one roof, behind one set of checkouts. For the first time, a shopper could buy lettuce and lingerie, a toaster or tomatoes or tennis shoes, and pay for all the purchases together.

It was an experiment that could have bankrupted the small supermarket chain. Company buyers had a lot to learn about buying toys and yarn and fashions, and customers were not in the habit of buying a jacket and a steak in the same store. Soon, however, the convenience and the values of a store which called itself "the discount department store with the 'hometown touch'" proved to have a powerful appeal. Contrasted with the sloppy stores of many early discounters, Meijer stores aimed for high standards in cleanliness, service and quality.

As the signs in the windows suggest, the "Thrift Market" was a thrifty place to shop. This is Hendrik Meijer's store as it looked in 1937, when it had recently been doubled in size. The original store occupied the right half of the building. With the expansion, Hendrik aimed to compete with the big chain stores and their shiny new "supermarkets." He proclaimed one of his competitive innovations in the sign at upper left: "Serve Self & Save."

In 1959 the company opened a store on Plainfield Avenue in Grand Rapids. Hendrik Meijer, in suit at center, cut the ribbon. His oldest grandson, Elbert Magoon, is at Hendrik's left, wearing the "Thrifty" costume that has become a regular feature of Meijer store openings.

The Meijer Employee Credit Union was established in 1958 with 23 members and opening assets of $157. Today the credit union serves about 13,000 Meijer employees.

Hendrik Meijer died in 1964 at the age of 80. He had lived just long enough to see the Thrifty Acres idea begin to catch on. Big new stores were built in Holland and Muskegon, and construction had begun in Kalamazoo.

As the company grew under the leadership of a younger generation of managers, it expanded east and south. Stores were opened in the 1960s and 1970s in Lansing, Flint and Detroit, Saginaw, Jackson and Ypsilanti. Others followed in Benton Harbor, Brighton and Adrian, Michigan, and as far north as Traverse City.

In 1981, the company departed from its tradition of store-by-store expansion with the acquisition of a group of 14 discount department stores in Ohio and Kentucky. Although only one of the stores—in Newark, Ohio, east of Columbus—offers a complete supermarket and department store under one roof, these stores introduced Meijer values to communities in the Greater Cincinnati area, Marion, Springfield and Middletown, Ohio.

1984 is the company's 50th anniversary year. New stores have been opened in Bay City, Grand Rapids and Lansing. A new produce distribution center began operating in Lansing, joining other distribution facilities in Grand Rapids, Lansing and Sharonville, Ohio.

Growth has been gradual. From Hendrik Meijer's Depression-era gamble to the combined efforts of today's Meijer people, progress has come from a continuing desire to meet the needs of Meijer customers. With that goal in mind, the unsinkable optimism of a middle-aged barber laid the foundation for a one-stop shopping experience that's as close today as your nearest "Why-Pay-More" store.

Meijer Deputy Chairman Harvey Lemmen joined the company as office manager in Greenville, Michigan in 1949.

Meijer President Earl Holton joined the company in 1952 as a carryout and stock clerk at the Meijer's Supermarket then located in Cedar Springs, Michigan.

A lucky customer rolled away this basket of groceries when Meijer opened its first supermarket in Grand Rapids in 1949. At left is Fred Meijer. Hendrik Meijer is at right.

Innovation accompanies store remodeling, expansion

Nineteen-eighty-four has been a colorful year for Meijer. It not only marks the Company's 50th Anniversary, it also ushers in Meijer's new image.

New Meijer stores in Grand Rapids and East Lansing emphasize convenience, with wider aisles to better accommodate traffic flow. They also feature a wider variety of merchandise and groceries. A contemporary new design with dramatic use of lighting, space and graphics makes shopping an appealing experience.

A number of stores will undergo remodeling to incorporate the new store design. Nearing completion are the Grand Haven, Michigan and Newark, Ohio stores. Also being remodeled are the Alpine and Plainfield stores in the greater Grand Rapids area. Major remodeling programs are expected to begin in Muskegon and Kalamazoo stores in 1985.

Meijer has also announced plans to open new stores in Waterford and Northville, Michigan and Findlay, Ohio in 1985.

Saddling up for savings

Riding the first herd of penny ponies in this 1962 photo were, among others, Hendrik Meijer (in suit) and two other Meijer executives: Harold Hans, second from right, now senior vice president of merchandising; and Fred Welling, second from left, now senior vice president of properties.

Helping chart the company's future are, from left, Fred Meijer, chairman; Harvey Lemmen, deputy chairman; and Earl Holton, president.