

Albertson's Inc., which Monday reported record sales of \$2.6 billion for the second quarter of its fiscal year, plans to introduce a warehouse grocery format to its expanded Dallas-Fort Worth operations.

The Boise, Idaho-based company will convert as many as 14 of the former Jewel Osco locations it acquired in April to **Max Warehouse** Food and Drug stores. An Albertson's official said the store will be similar to stores the company currently operates in Southern California and Colorado under the name of Grocery Warehouse.

Albertson's officials, who declined to provide additional details on local plans until the first store opens in early September, said the format will be "more responsive" to the consumers in the area.

The chain's California and Colorado stores are based on a "no-frills" concept similar to the warehouse approach already used by Sam's Club, Price Club and Pace Membership Warehouse in the Dallas-Fort Worth area. Warehouse retailing emphasizes low prices in appealing to consumers.

Although the **Max Warehouse** Food and Drug stores operate on a smaller scale, it will be the latest of many warehouse concept challengers to Sam's 9-year dominance of the local market. Analysts have expressed concern that Sam's, a company with the financial clout of Wal-Mart, may have too firm a foothold in the area for the challengers to overcome.

The addition of the 74 Jewel Osco combination food and drug stores in four states, including 41 stores in the Dallas-Fort Worth area, helped boost the company's bottom line. The extra volume increased its sales 18.8 percent for the 13 weeks ended July 30 from the same quarter last year.

Same-store sales for stores open at least one year increased 0.8 percent.

Net earnings for the second quarter increased 12.5 percent to \$66 million, or 50 cents per share, compared with \$58.7 million or 44 cents per share last year.

After opening the first warehouse store at Jupiter and Garland roads in Dallas, the company plans to open eight stores in the third quarter and 17 stores in the fourth quarter, for a total of 107 store openings nationwide for the 1992 fiscal year.

The chain also is expanding its distribution center in far south Fort Worth to serve its expanded local base of stores.

CITATION (APA STYLE)

Baldwin, P. (1992, August 25). Albertson's to open Max Warehouse units. *The Dallas Morning News*, p. 4D. Available from NewsBank: Access World News: <https://infoweb.newsbank.com/apps/news/document-view?p=AWNB&docref=news/0ED3D25F59860B9E>.

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