

Acme Slips, but Stays Atop Philly Market

PHILADELPHIA HAS long been Acme's town, but the Supervalu-owned chain is seeing sales and market share fall off like peppers on an overstuffed cheesesteak.

Under the new leadership of Dan Sanders, Acme is seeking to hold onto its No. 1 position — and healthy 16.8% market share, according to Tucson, Ariz.-based Metro Market Studies — against a tableful of hungry rivals, including new entrants Bottom Dollar and the P-fresh format from Target.



“Acme has been the last one in the market to make adjustments to their pricing,” said Bob Gorland, vice president with site selection and consulting firm Matthew P. Casey & Associates, Clark, N.J. “Even now that they are making adjustment on some items, it seems like too little, too late.

“When competitors come in with EDLP pricing, whether its Giant [of Carlisle, Pa., which has the No. 2 share at 12.3%] or others, Acme has taken some major hits.”

A recent report by Karen Short, a New York-based analyst with BMO Capital Markets, estimated Acme's average annual sales per store at about \$19 million, and Supervalu itself recently acknowledged that its Northeast division — which includes both Acme and Shaw's — helped drag down the company's comps to negative 5% in the most recent quarter.

Although Gorland said Acme has many excellent locations, the competition from stronger operators such as Rochester, N.Y.-based Wegmans Food Markets and Keasbey, N.J.-based Wakefern has taken its toll on Acme, which has seen its share slide 0.8 points in the last year.

Bottom Dollar, the 46-store “soft discount” chain owned by Delhaize America, Salisbury, N.C., made its debut in the Philadelphia region last year and quickly ramped up to 18 locations. It opened its first store within the city limits of Philadelphia, a 17,000-square foot location in the Olney area, just this month.

Benefiting local operators has been the deterioration of the legacy Pathmark and A&P stores in the region. A&P has closed several locations under the Pathmark and SuperFresh banners, including a handful that just shut their doors this month.

PHILADELPHIA

COMPANY	STORES	2011 SHARE %	2010 SHARE %	PT. CHANGE
Acme	82	16.8	17.6	-0.8
Giant/Martin's	49	12.3	10.9	+1.4
Wawa	305	8.5	8.9	-0.4
Pathmark	28	6.0	7.9	-1.9
Genuardi's	25	5.2	6.8	-1.6

Includes New Castle County in Delaware; Cecil County in Maryland; Burlington, Camden, Gloucester and Salem Counties in New Jersey; and Bucks, Chester, Delaware, Montgomery and Philadelphia counties in Pennsylvania.

SOURCE: Metro Market Studies

“I don't think Acme will benefit as much as other lower-priced stores in the area,” said Gorland. “The traffic will probably go to chains like Giant, ShopRite, Redner's, Wegmans.”

— Mark Hamstra