

THE BALTIMORE SUN

Mars Super Markets will close all stores July 31

While the family-owned Mars Supermarket chain is selling some of its stores to Weis, it is closing eight others. It ends the Baltimore-based chain's 70 year run. (Lloyd Fox/Baltimore Sun video)



Lorraine Mirabella Contact Reporter The Baltimore Sun

Mars Super Markets will close remaining eight stores July 31, after selling five to Weis Markets.

Mars Super Markets, a family-owned fixture in Baltimore's grocery landscape since the 1940s, will close its stores this summer, laying off hundreds of employees amid declining sales and intense competition.

While Weis Markets agreed this week to buy five of the chain's 13 stores, the eight remaining stores will close July 31, Rosedale-based Mars said Wednesday.

"As you all know, the company has been struggling with declining sales for several years," Chris D'Anna, Mars chairman and CEO, wrote in a memo to employees obtained Wednesday by The Baltimore Sun. "We have tried cutting costs everywhere we can while preserving jobs and benefits, but it has not been enough."

Competition is cutthroat in the razor-thin margin world of grocery sales, and analysts say Mars struggled to keep up with emerging trends.

"The industry has changed so much since 1943," said Jeremy Diamond, director of food brokerage company the Diamond Marketing Group.

"The grocers that don't evolve and don't change with the times won't

survive. You have to adapt and change, especially in the grocery industry."



Weis Markets will buy five Mars Super Markets stores

Analysts said the D'Anna family has been trying for some time to sell the chain founded by Joseph D'Anna in 1943, while cutting costs to keep its stores afloat. But the state of the company and the competitive environment left the company with no alternate course, D'Anna said in the memo.

Mars employs 1,102 people at its stores, including 519 at the locations in Arbutus, Carney, Dundalk and Essex that Weis is buying. Weis agreed to interview Mars employees for positions at the five stores and expects to hire most of them, said Kurt Schertle, Weis' chief operating officer.

The chain's remaining stores are in northeast Baltimore, Cockeysville, Edgewood, Ellicott City, Lutherville-Timonium, Rosedale, Reisterstown and Perry Hall.



How the Mars Super Market circular became a popular Orioles postgame highlight

The company also has 96 employees at its main office. D'Anna said all employees will receive letters by Friday with information about severance and benefits.

"It has been an honor to serve the Baltimore community since 1943, but with the changing competitive environment, this became our only viable option," D'Anna said in a statement released Wednesday. "We will always be grateful to our loyal customers and to our associates who serve them."

Shoppers at the Mars on East Northern Parkway had mixed reactions Wednesday to news of the chain's closing.

Tammy Johnson, 47, who lives close to the Northeast Baltimore store, said she would miss it.

"I like this market. It's not too far, and I love their prices," Johnson said as she unloaded a shopping cart with her two daughters and a grandson

in the store's parking lot. "I feel sorry for those who live nearby — the elderly mostly."

Randy Peaker, 67, said the closing would affect a lot of people who live nearby,

"There is a senior citizen complex next to this store," Peaker said. "They got nowhere else to go if this one closes. It's a long walk from here to the Giant."

Ben Carandang, 70, has shopped at the Mars for about six years, but said he would not miss the store.

"I think they are closing because they haven't handled their business well," Carandang said. "The lines are long. There will be one cashier and 10 customers and they won't open a second or third register."

While grocery sales were once largely the domain of small chains like Mars, today it faces competition from mass discounters like Walmart and Target, drug stores, club chains and dollar stores as well as online retailers like Amazon. Longtime competitors like Giant grew much larger and growing retailers such as [Wegmans](#) and Harris Teeter entered the Baltimore market. Other new rivals, such as Whole Foods Market and Trader Joe's, attracted a following in the fast-growing natural and organic food niche.

On the discount side, Aldi and others are growing with small-format, no-frills operations that emphasize store-brand products and low prices. On the upscale side, Wegmans differentiates itself with a vast selection and in-store restaurants that require significant investment and staffing. Across the spectrum, grocery retailers are investing in new stores or store upgrades and new ways to reach customers through social media.

"For independents, it's hard to stay up on all these trends," said Phil Lempert, editor of SupermarketGuru.

Younger shoppers, he added, "don't care about the family brand on the outside of the store. They want the most unique food at the best price."

Weis, also a family-owned but much larger chain with 167 stores, is better positioned to thrive, analysts said.

On Tuesday, Weis and Mars announced the sale of the five Mars stores to Weis for an undisclosed amount of money. The sale will close in late July. Weis chose the five locations because they're well-run and successful, said Schertle, the Weis executive.

Mars meanwhile is working to "backfill" the eight stores with other food retailers "to create as many re-employment opportunities as possible," D'Anna wrote in the memo to employees.

That won't be easy in a Baltimore market that already is considered "overstored," said Robert Gorland, a Harrisburg, Pa., -based vice president of Matthew P. Casey & Associates Inc., a consultant specializing in supermarket feasibility studies.

The future of the eight Mars stores to be shuttered depends on factors such as store condition and size, terms of leases, and proximity to other grocers, Gorland said. The locations could attract drugstore chains or other independent grocers, he said.

He said Mars stores "were well-run stores and served a niche of their marketplace, so there are other players that are local and regional chains that may be strongly looking at certain stores now that the first group is gone."

Dennis Graul, president of Baltimore-based Graul's Market, which has six stores in Baltimore, Annapolis and the Eastern Shore, said his company has looked at Mars locations for possible expansion sites in the past and at the Ellicott City site more recently, but none were a good fit. Some are too large for Graul's small-market format, he said.

Between the increased competition and escalating health care and labor costs, profits in the grocery business are either flat or falling, Gorland said. Mars, he said, found itself in a situation common to other family-owned regional grocers.

And like those of other longtime Baltimore retailers before it, the Mars name will be gone soon.

"They've had a long run, and in general for family business to go into the second generation and even into the third generation, it's rare," Diamond said.

Baltimore Sun reporter Jonathan Capriel contributed to this article.

lorraine.mirabella@baltsun.com

<http://www.baltimoresun.com/business/bal-mars-closing-remaining-supermarkets-july-31-20160525-premiumvideo.html>