

AMELIA'S GROCERY OUTLET

Smaller store aims for bigger savings



The grand opening of an Amelia's Grocery Outlet in Mechanicsburg was on Sept. 30.

PROVIDED PHOTO

PENNSYLVANIA

The New Holland-based company recently opened its 12th store and second in the Harrisburg area.

BY M. DIANE McCORMICK
For The Patriot-News

At 18,000 square feet, one Amelia's Grocery Outlet could probably fit in the cheese section of a super-sized grocery store.

But what Amelia's lacks in size, company officials try to make up for in price.

"If you shop here, on average, you save 45 to 50 percent," said President Michael Mitchell.

A new Amelia's opened in Hampden Twp.'s Gateway

H.J. Heinz Co. in Pittsburgh. Today, the two run the business together.

Amelia's is "one of the larger closeout grocery retailers in the Northeast," said Michael Mitchell. The company employs 325 people, with about 30 at each store.

Overall sales rose 25 percent last year, while same-store sales — which measure activity without the skewing impact of store openings and closings — rose 12 percent, he said.

Nationally in 2008, identical-store grocery sales grew by 4.45 percent, and overall sales increased 4.67 percent, although company performances ranged from negative numbers to double digits, reported the Food Marketing



PROVIDED PHOTO

From left are Michael Mitchell, Amelia's president; Jeff Good, executive vice president and chief operating officer, and Melvin Mitchell, chairman and founder of Amelia's. The three attended a Lancaster Barnstormers baseball game.

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A new Amelia's opened in Hampden Twp.'s Gateway Square on Oct. 3, marking the New Holland-based company's 12th store and its second in the Harrisburg area. Store number 13 will open in York in February.

The family-owned Amelia's first entered the Harrisburg area in 2005, on Mountain Road in Lower Paxton Twp. Officials opened the Mechanicsburg-area store because customers wanted a West Shore outlet, said Mitchell.

Mitchell's father, Chairman Melvin Mitchell, founded Amelia's in 1989, after retiring as chief operating officer of Weaver Chicken, in Lancaster County. He bought two Weaver outlets and discovered that grocery manufacturers often had excess products they couldn't sell through regular channels.

Melvin Mitchell's son-in-law, Chief Operating Officer Jeff Good, joined the business with a grocery background, and Michael Mitchell joined after seven years with H.J. Heinz Co. in Pittsburgh. Today, the two run the business together.

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The average grocery store carries almost 47,000 items, according to the FMI. Each Amelia's carries about 4,000, Mitchell said.

Amelia's operates a 70,000-square-foot warehouse in New Holland, but a 150,000-square-foot warehouse is scheduled to open in Denver, Lancaster County, in 2011.

Warehouse capacity helps Amelia's buyers snag bargains and maintain a healthy inventory, Mitchell said.

Amelia's gets discounted, name-brand products that are dented, nearing sell-by dates, or promotionally packaged to feature last summer's blockbuster movie or a disgraced athlete, Mitchell said.

"We had Michael Phelps on a box of Corn Flakes," he said, adding with a glance toward the cereal aisle, "I see 'High School Musical' over there now."

Other products include frozen chicken filets produced for chain restaurants, \$5.99 for 10 pounds; unlabeled, 30-percent protein cat food, \$8.19 for 20 pounds; or brand-name cereals, two for \$5.

Amelia's has the trust of major manufacturers such as Kellogg's and General Mills because the company doesn't dilute brand names by reselling any products, he said.

"We retail everything we buy," he said. "We've established the operations of a regular supermarket."

In a survey of customers last year, about 25 percent said that Amelia's is their primary grocery store, Mitchell said. Most are families, and many others are retirees on fixed incomes who "love the treasure hunt aspect," he said.

Market researcher Bob Gorland questioned the decision to put a store in Hampden Twp., where family income is high, and in Gateway Square, invisible to passing motorists on Carlisle Pike.

"That center has visibility issues, access issues," said Gorland, vice president of Matthew P. Casey Associates, Harrisburg. "Weis failed there many years ago. You've got dense competition. You're sitting on a hotbed between Karns and Giant, and Wegmans and Target having groceries, and Wal-Mart Supercenter."

Amelia's is a destination store, and executives picked the Hampden Twp. site for its accessibility to Interstate 81, Mitchell said. Melvin Mitchell said that one of Amelia's better-performing stores occupies a higher-income neighborhood in Rohrerstown, Lancaster County.

"The concept of who our customer really is went out the window," he said.

\ INFOBOX: \

All\ about Amelia's\ HOW IT WAS NAMED: The middle name of founder Melvin\ Mitchell's wife, Dorothy Amelia Mitchell, and her grandmother's\ first name. \ \ MIDSTATE

LOCATIONS: 105 Gateway Square, Carlisle\ Pike, Hampden Twp. \ Clemont Plaza, 600 North Mountain Road, Lower\ Paxton Twp. \ \ HOURS: 8 a.m. to 9 p.m. Monday through Saturday.\ \ \

PAYMENT ACCEPTED: Credit cards are not accepted. Amelia's accepts\ cash, checks (with ID), ATM cards, PA EBT and Quest. \ \ FOR MORE\ INFORMATION:

www.ameliasgroceryoutlet.com or 877-263-5427