

It's another world inside bigger Planet

Renovations nearly double size of organic grocer's flagship store in Old Strathcona

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Scott Bladon, Planet Organic's senior operations co-ordinator.

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It's fitting that one of the first things shoppers will notice at a store named Planet Organic is all the space - as in room to move.

The Old Strathcona flagship store of Planet Organic Markets has grown to 20,000 square feet, nearly double the 10,400 square feet it was before construction started seven months ago. Even though construction isn't quite complete, the store, along with the chain's Jasper Avenue location, is celebrating the \$2-million expansion with open houses and chocolate-dipped organic strawberries on Saturday.

"It feels better in here," said Scott Bladon, senior operations co-ordinator for the Edmonton-based natural foods supermarket chain, which has 10 stores in British Columbia, Alberta, Ontario and Nova Scotia. "It gives them more room to shop."

The market, at 7917 104th St., expanded south into space where the Sam Wok restaurant used to be and east into a former Chinese supermarket. The renovations also provided an extra 20,000 square feet of office space on the second floor for the headquarters of Planet Organic Markets.

Besides room to move, shoppers will notice other improvements like a bigger deli offering, for the first time, rotisserie organic chicken, sushi and fresh pizza. There's more room on the shelves, bigger freezers and coolers and nine tills, up from four for faster checkout.

Bladon says the expansion was needed at the company's first store -- founders Mark Craft and Diane

Shaskin opened at the 4,000-square-foot Terra Natural Foods store in Old Strathcona in 1993 and moved to the current site in 2002 with a new company name.

The 10 Planet Organic Market stores now do about \$64 million a year in sales, compared with \$1.7 million in 2002. In the last year, same-store sales will show about a three-per-cent increase, Bladon said.

"Our customers have been beside us since Day 1 and they keep coming back for more, so we needed more space," Bladon said. "It's a very profitable store and it's our Number 1 store."

But the expansion comes as shoppers are trimming their spending during an economic downturn. Planet Organic Health Corp., the umbrella company encompassing the markets, is also facing financial uncertainties. It replaced Ron Francisco as its president and CEO last week and is renegotiating with lenders because it breached debt covenants, although it has not missed any payments. Planet Organic Health Corp. also said it's exploring ways to raise capital such as selling assets to reduce leverage and provide liquidity.

Planet Organic's once-aggressive expansion has slowed, too. "Right now, during this economic time, we're going to grow what we currently have, take more internal controls and focus on what we have, but we're always looking for properties," Bladon said.

Planet Organic Market's Old Strathcona store hasn't been immune to the recession.

"Instead of, say, 10- to 15-per-cent growth, we've been seeing about three to six-per-cent growth now," Bladon said. "So yes, we're seeing a slight slowing down; however, we're seeing consumers are buying more bulk products, baking products. It appears they're making their own food."

On the marketing front, Planet Organic Markets is considering launching a loyalty program that would offer discounts and promotions to "Friends of the Planet."

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