

4/25/2008 - 1:21:36 PM

**Gilliland finds receptive customers in
Boulder for his Sunflower store**
By Pam Martin

BOULDER - An irrepressible enthusiasm marked the early morning of April 16 when Sunflower Farmers Market opened in Boulder.

Aisles teeming with helpful staffers included a few imported extras on hand for the store's grand opening in the Village Shopping Center. A self-confessed "retail junkie," store founder Mike Gilliland's experience launching Wild Oats in 1987 with former wife, Libby Cook, and taking that chain to more than \$1 billion in annual revenues in 14 years before selling it, has given him the cache to re-establish himself in the industry.

A different take on the natural foods niche, he's fashioned a model similar to California-based Trader Joe's with heaps of private-label goods and plenty of produce.

"One third of our sales are in fresh fruit and vegetables, and we're just going to kill everybody with our prices there," Gilliland said, who spent April 16 bagging groceries and talking with customers at his new store in Boulder. Produce is the largest department in the store with organics playing a roughly 20 percent role.

"Our research on a standard cart of groceries shows that we're 5 percent cheaper than Wal-Mart, 20 to 30 percent cheaper than conventional supermarkets like Safeway and 30 to 40 percent cheaper than Whole Foods," Gilliland said.

Colorful bins stacked high with juicy fruit, coupled with end caps crammed with private-label items are allures that he hopes will get customers in the door and keep them coming back. Sunflower Farmers Market label coffee, for example, which includes organic and fair-trade varieties, sells for 6.99 per pound. Considering the rising cost of food due at least in part to rising fuel costs, it's a strategy that has paved the way for more than a dozen current locations concentrated in the southwest, with plans to expand into Utah this summer and Texas in the fall.

While Sunflower may beat the others on prices, it doesn't bother competing with the big guys in the prepared foods category. The deli department is considerably smaller than the one found at Whole Foods in Boulder, for example, with a sushi bar, soup and far fewer "to go" meals on display.

"We've kept the grab 'n' go section small, trying to keep labor out of the store's equation as much as we can," Gilliland said. A lack of breadth in product offerings also distinguishes the store. Gilliland summed up the difference when he said, "We don't carry 15 kinds of olive oil."

The Boulder store is the smallest in the chain measuring about 24,000 square feet. In part because of its size, but also thanks to aisles that end at eye level, shoppers get a better view of the overall space than typical supermarkets allow, providing a greater sense of manageability. Lower ceilings and skylights create an intimate, open feel.

"Sunflower is a very friendly place to work," said Kevin Lubovich, the natural living manager in the Scottsdale, Ariz. store on hand to help the staff in Boulder get up to speed. Employed with Wild Oats for seven years, Lubovich left soon after Gilliland. Lubovich has been with Sunflower since its Albuquerque, N.M. opening in 2002. On the company's corporate culture Lubovich claimed, "There's no hierarchy here, we're all the same so there's lots of good communication."

Standing in front of rows of greeting cards, shopper Lisa Shearer Cooper said, "I've never seen any supermarket with all recycled cards. They make it easier to be green."

Drawn in by a morning ad in the newspaper, she hoped the store would be a good cross between King Sooper's and Whole Foods, with a larger eco-friendly product selection than the former and cheaper prices than the latter. "There are more organic kinds of stuff that I like to buy without having to wade through so much junk," she said.

She found a lot of Seventh Generation products as well as Formula 409. "Maybe you really could get everything you needed here," she said.

Other shoppers peruse the meat cases, another big focus for the chain. Among the rows of cases customers can find atypical items like ground elk and sustainably farmed free-range chicken. Both are sourced from Colorado companies.

Jordan Paul wandered happily through the aisles, a few tomatoes, some fish and artichokes in his cart. "Ever since I left Los Angeles I've missed Trader Joe's," he said, sighting the Sunflower store as a close approximation. "The store is nicely laid out, it has a good feeling."