



New groceries-only Walmart opens in Santa Clara

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By David Louie



SANTA CLARA, Calif. (KGO) -- There's a movement afoot by a major retailer to speed up your grocery shopping. A new groceries-only Walmart that opened in Santa Clara on Wednesday is part of a wave of change in the supermarket industry.

This new store is part of what Walmart calls a "small format" store. It has only groceries and is just one fourth the size of a full-sized Walmart. By the measuring tape, it's just slightly smaller than a typical Safeway store, but it up's competition in the grocery business.

The opening of this and several more Walmart neighborhood markets comes at a time when Safeway is going through an ownership change and when shoppers' habits are changing. While a shopper might spend an hour during the week at a super Walmart, shoppers at this smaller store are expected to be in the store about 15 minutes.

"The mom that would like to make dinner, very fast after work and just come and buy the groceries and check out and go home, instead of waiting for somebody that is going to ring up a piece of furniture or carpet," said Karina Arizu, a store manager.

Retail analysts say Walmart is

capitalizing on a shift in the economy, even in affluent Santa Clara.

Kirthi Kalyanam, Ph.D., is a professor at Santa Clara University. He told ABC7 News, "That middle spot has thinned out, and you're seeing more and more consumers shopping at the deep discounters at the low end or going to a specialty retailer at the high end. And so the middle is getting rationalized. So is there a shakeout in middle? Absolutely, yes."

Walmart is offering opening week specials, slicing a \$1-\$2 off regular prices to lure customers.

"Nowadays you have to go where you can get bang for your buck. The store is gorgeous, the quality's good, the variety is unbelievable," said Dora Evatt, a grocery shopper.

While shoppers tell us the new Walmart market might have them shopping less at Safeway, but it depends.

"If it's a smaller store, they may not have what I'm specifically looking for, so I have to go to a larger store, but if I can get in and out fast, that's definitely a selling point," said Elaine Holt, a Santa Clara resident.

Walmart hired 95 full and part-time non-union employees for this store. On average, they're making \$13.75 an hour, while a journeyman union at Safeway, such as a checker or stocker, earns \$21 an hour plus \$9 an hour in benefits.

That gives Walmart a cost advantage, which it can pass along to shoppers.