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Grocery competition heating up as Wal-Mart market opens in Turlock

The grocery wars are about to begin across a half-block radius in Turlock as Wal-Mart Neighborhood Market prepares to open its doors next month.

The grocery offshoot of the megaretailer has moved into the old Mervyn's building at 2480 Geer Road. The 62,000-square-foot site sat empty for four years before work began in February to renovate the structure to accommodate the new 24-hour grocer. The store's grand opening will be Aug. 14.

Once its doors open, the chain will be in direct competition with Save Mart, which has a store right across the street, and Raley's, which has a location less than half a block away to the north, all along Geer Road.

The new kid on the block signaled its arrival Monday when it hung its Wal-Mart sign. Workers have been inside the store stocking the shelves for the past two weeks. Store Manager Everton Lira said the company has hired 95 employees, a mix of full- and part-time positions. The store will offer a variety of fresh and dry goods, produce, meats, dairy, household supplies and pharmacy services.

This is the second Neighborhood Market store in the area; the first opened in September along Coffee Road in Modesto. The Turlock location is nearly twice as large as the Modesto site.

"We are here because the community asked for us to be here and to serve them," Lira said. "There's a lot of excitement now and we can't wait to open the doors and let the customers in."

But not everyone is excited. Gary Worman, store director of the Raley's on Geer Road, said his company has a proven history of serving the community for the past 25 years. Raley's only Turlock location, at 2900 Geer Road, opened in November 1988.

"We're constantly focused on how we can best serve our customers and our communities, today and in the future," Worman said. "While competitors may also offer groceries, we offer an experience to our customers through the relationships we build in our communities."

Worman said the competition from nonunion stores like Wal-Mart has been fierce. He said more than 220 nonunion stores have opened or expanded to sell groceries in the Raley's chain market area.

"These nonunion stores have lower operating costs that make it challenging to compete on price alone. But we believe we stand apart. At Raley's, we give our customers overall value." said Worman, who has been with the store for 12 years. "We are truly part of the community and we care about what happens in Turlock."

Earlier this month, it was announced that a Dollar General Market grocery store will move into the old Sam's Food City building on Lander Avenue. The discount chain offers a mix of grocery items, general merchandise and pharmacy goods. The company is also opening new stores in Modesto, Livingston and Gustine.

Save Mart Public Affairs Director Alicia Rockwell agrees the tug-of-war for customers has gotten tougher. Save Mart has two locations in Turlock, one on Lander Avenue and the other across the street from the new Neighborhood Market. The Save Mart at 2595 Geer Road first opened as a Lucky Supermarket in 1978 and was converted to its new owner in 1997.

"Without question, the competitive landscape for the grocery business is intense. As a local, family-owned business for over 60 years in Northern California, our focus is on providing strong jobs with good benefits, high-quality, locally produced fresh foods, friendly, consistent service and sustainable community partnerships," she said. "The majority of competition today has an unfair advantage with labor costs far below traditional grocers like us; however, we take pride in being a responsible, supportive business and community partner."

The majority of Raley's and Save Mart employees belong to the United Food and Commercial Workers Union. Veteran workers at both chains make about \$21 an hour plus benefits, though most make less to start.

Wal-Mart Communications Director Delia Garcia said as of April, the average hourly full-time wage for the chain's California associates was \$12.99. Full- and part-time employees are eligible for benefits depending on hours worked.

Those who found work at the new Wal-Mart said they were excited to join the company.

"I've always wanted to work here. I shop here, so why not?" said Livingston resident Antwione Spive, 30, who was hired a month ago as a sales associate. "I love the atmosphere here and I love talking to people."

<http://www.modbee.com/2013/07/30/2836260/wal-mart-market-to-open-soon-in.html>