## **Coborn's Store Razed** For Parking Stalls



The Coborn's Super Market store on Benton Drive and First Street South was demolished Saturday for parking space for their new super store located just South of the old structure. The old store is being replaced by a new 70,000 sq. ft. thing which will also

food products such floral arrange-



ments, and pharmacy as well as other gift items. The old building was only 30,000 sq. ft. in size, less than half the size of the new store. Demolition work on the site is finishing up this week with blacktopping to follow which will put the finishing touches on the new addition to the downtown area. The store was constructed in the 1970'

#### Dave Meyer, Employee since 1985

The current Sauk Rapids Superstore was built as a replacement for a Coborn's Supermarket that had been built in the 1970s. The new store was built behind the existing store. There was only a vacated street separating the old store from the new store. The new store was completed in November of 1994 just as winter approached and asphalt plants were starting to shut down until spring. We were really up against the clock as the old store was sitting on what was to be the parking lot for the new store. The Coborn's team has a long tradition of getting things done with

our backs against the wall, but what happened over the next couple of days was amazing. Our partners at Rice Construction were able to convince the asphalt plant to stay open a few extra days so we could get the parking lot in. But for that to happen, we had guickly empty and level the old store. We planned to close the old store at about 5 p.m. and began to move inventory and equipment into the new store across the vacant street on a chilly November evening and then open the new store the next day. We knew we had support from the store staff, office and warehouse, but given the magnitude of the move, we needed more help. Bob Thueringer contacted the Sauk Rapids schools and arranged for a team of teachers to come in that evening to help with the move. In exchange for the teachers' help, Coborn's made a donation to the school as appreciation for their efforts. With the help of everyone, including the teachers, we were able to make the move cart by cart across the vacated road to the new store. Crews in the old store filled carts with product. The teachers then moved the carts to the new store where a crew worked to stock and put away the carts of product. We were able to vacate the old store, open the new store and level the old store to make room for the parking lot in just a couple days. Stories like this are abundant in Coborn's history. The employees of Coborn's working together with our business partners and our communities is one of the things that has made my career with Coborn's so rewarding.

ion Off cive a copy.

elebrate Opening apids Superstore with the dedication the teachers and staff

Webster said Hillside is a former Junior

The first Cohorn's store was opened in Sauk Rapids in 1912 by Chester Cohorn. Sauk Rapids as a produce market, where customers would bring their containers and serve themselves. A few years later, the business expanded and dry goods and gocery items were added. Chester's con-Chester Jr. and Duke, followed their father's passion for the grocery business

Chester 5r. and Duke, followed field father's passion for the grocery business as managors in the Sauk Rapids store. In 1936, Chester Jr. left the business to page 6 report in Northern Minnesote In 1936, Chester Jr. left the business to open a resort in Northern Minnesota, while Duke carried on the family legacy.

Chester's grandsons (Dan, Bill, Ron and Cnester's grandsons (Dan, Bill, Kon and Bob) assumed management in the 1960s. Dan and Bill Coborn currently own the

roday, Coborn's, Inc. operates a number

company employs 2,420 persons.

of saying 'thanks.'

As he walked through the Cobom's



with the dedication the teachers and staff displayed toward making their school better for the children " Thueringer said the school will receive a \$1,000 donation in grocery on Wetter, from Coborn's. Webster said Hillside is a former Junior high School facility that was converted into this overcrowed classrooms. "We don't baye playground equipment or elementary aged students and we thought that by helping Coborn's, we could raise some funds. Coborn's has always done a lot for this community."

new Coborn's Sauk Rapids Sentin November 9), access to tts and services have Vol. 139, No. needs. A wide eeds. A wide ms, small ap-ents and gifts

Middle Schlegements and entre (the Magazine & oos square feet). New full-service pharmacy. Drive Succetaring office, one-hour ad a cafe.

School Principal, ices for video rentals, ports that the sixt greeting cards - includ-cighth grade student program - are among again successful the new store. Donna cluded their annur part ten years, boats sale. We would like arrices available for cus-opportunity to that superstore. "We will pre-loyal customers chinese take-out foods, and subscription orde chinese take-out foods, and dents cach fall, tion devoted a chicken, ribs The Sauk For video rentals, School Principal, vices for video includ-Proceeds from herse take-out foods, and foods such as chicken, ribs loods such as chicken, ribs nual, as well a dents each fall.

sale are used

related projects Magazine subscierdmann, a Coborn's employee of begin to arrive bits, is also excited about the new and Feb. 15, 1994 "Even though I'm a little sad in John K. & the other store, I know can offer John K. & the other store, I know can offer more space and that we can offer the space and that we can offer the space and that we can offer your space and that we can offer the space and the space and the space and the space of the space and the space and the space and the space of the space and the space and the space and the space and the space of the space and the space an

Today, Coborn's, Inc. operates a number of businesses, including Cash. Wise Foods, Coborn's Supermarkets, Cash Wise Liquor, Little Dukes, Coborn's Central Bakery, Dran Design, DBC Foods and tops Cleasers, There are 22 grocery and convenience scores located throughout Minnesota, North Dakota and Jowa. The company employs 2,420 persons. and they care hey have always ork hours around my

the old site to began Sunday evening 120 workers moving to store. More than 20 to store. More than 20 represented teachers de Elementary School pecial education teacher she contacted Coborn's a she contacted Coborn's offer assistance from a exchange for a donation and equipment fund. The ertaken as part of American being observed Nov. 14-Webster. Webster

executive vice presithe offer. "I was impressed



Teachers and staff from Hillside Elementary School Teachers and staff from Hillside Elementary School moved products to the new Coborn's Superstore Sun-day algebt in preparation for this week's openine. Above firm 1. to r.), teachers Judy Johnson and Monica Ericksen helped Dan Cohors more wickles. from 1. to r.), teachers Judy Johnson Brickson helped Dan Coborn move pickles.

Harry Scott, 79, was director of Public works for the City Of Sauk Rapids from 1946-79. He inspected the oliginal plumbing in the old buildings. Employed with Cohorn's since 1980, Scott is in charge of ear and general maintenance, "I love working for and general maintenance, "I love working for in's," he said. "The people are swell!"

As he walked through the Cobom's Superstore prior to its opening, Dan Gobora beamed with pride about the prog-ress Coborn's, Inc. has made through out the years. "it's great poople, the said. "I can not say have throughout our organ inployees we have throughout our organization," the chief executive officer said.

"We live our motio to "Be the Best" in all we do for our valued customers. That means responding to their needs with impecable customer service and providing high quality, affordable products." Dan is proud of his company's latest venture. "Sauk Rapids will always hold, a special place in the Colorn's family," says Dan Cohorn, chief executive officer. "This community has been very good to This community has been very good to
This community has been very good to
The Cohorn's Superstore is our way
of sense whose to



About 120 workers from other Coborn's stores and About 120 workers from other Coborn's stores an and staff from Hillside Elementary School helped mor store to the new store. store which opened Tuesday

### Chapter 10

# Thinking Outside the Brick

At the turn of the 21st century, the business climate crunched and crippled many independent grocers. Even some of the largest independent retailers in the nation gave up the fight by 2000, signing purchase agreements with grocer giants. Safeway bought Genuardi's, a family-owned chain of supermarkets in the northeastern United States. Kroger took over Baker's from Fleming Companies Inc., a food wholesaler that acquired the family-owned grocery chain in 1992. That followed a series of acquisitions by Kroger, including merging with the fifth-largest grocery company, Fred Meyer, in 1997.

Coborn's had to rely on the relentless spirit that had carried the company through two world wars, the Great Depression and three generations of family ownership. Times had changed Coborn's and required the company to look at itself differently. The industry demanded both growth and diversification.

It was in a world driven by technology and unforeseen competitors that Don Wetter served as the company's caretaker and prepared the business for the family's fourth generation of leadership. Under his direction as chief executive officer, the company solidified systems it needed as a mature, growing company and made calculated moves into major markets along Minnesota's I-94 and toward the Twin Cities.

"It grew way past my expectations," Wetter said. "There was a time when 30 stores seemed like a stretch. Once we got started in the growth process and saw the opportunities, it was hard to stop."

The company opened its first Coborn's Superstore in 1993 in Sauk Rapids.

1990

1993 Opens first Coborn's Superstore in Sauk Rapids Store Manager Dave Meyer (center) is greeted by the St. Cloud Chamber Top Hatters at Coborn's in Sauk Rapids - 19

### First Superstore

Coborn's opened its first superstore in 1993 with the opening of a new, expanded store in Sauk Rapids. The format was first introduced by Kroger in the 1960s and boasted additional amenities. The feeling that those amenities drove up prices led the model to fail and eventually give way to discount retailing. The superstore model re-emerged in 1990 with Walmart and Kmart seeing considerable success as a "one-stop shop." For Coborn's, the superstore brought not only an expanded layout for food and general merchandise, but also the addition of common services, such as banking, dry cleaning, photo and eventually, walk-in medical clinics. Coborn's spent much of the 1990s remodeling many of its traditional Coborn's stores to superstores. The superstore format became the company's new Coborn's store model.

Fall 2004 - Minnesota Grocer magazine featuring Chris Coborn as the new Minnesota Grocers Association Chairman

coboMeeting Things Head on and Building Consensus Background President of Coborn's, In since 1999, Chris started nd solve problem at age 14 in his hometown of what's worked red. After grad ing a long I egree, Chris joine me. He held mak en's full ti

Meet the New MGA (

DI 603

superior 4 Sav

pany has 21 Coborn's lets, 9 Cash Wise Foods



### 2000

1999 Dan's son, Chris, becomes president

Chris Coborn receives the National Grocers Association's "Spirit of America" award

It also grew its store footprint with the acquisition of six stores from Holiday Companies in 1996. They were located in Austin, Bismarck, Long Prairie, Mora, Morris and Princeton. The company integrated its first banking services and then walk-in medical clinics into its stores by 2006.

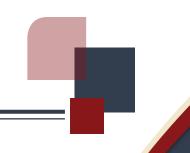
2001

By 2007, it may have seemed like nothing was off the table for Coborn's. It was in that spirit that Chris Coborn took on the expanded role of Coborn's president in 1999 and chief executive officer eight years later - becoming the fourth generation family member to lead the company.

November 2010 -Minnesota Business magazine featuring the Coborn family business brief



January 2001 - Chris & wife Becky Coborn with the National Grocers Association's prestigious "Spirit of America" award



## COBORN'S INCORPORATED

MANY COMPANIES HAVE MOTTOS they hang their hats on, carefully crafted words touting this virtue or that philosophy by which they claim to operate. St. Cloud-based Cohorn's doem't just give lip service to what they call their "Golden Rule," they

"Treat all with dignity and respect" is their philosophy, and one truly embody it. areat as with dignity and respect is user principally and one that was first put into play in 1921 when company founder Chester Coborn opened a small produce market on Broadway Avenue in the

"From Chester Coborn's first store in Sauk Rapids with a handriver town of Sauk Rapids. fold of employees, to our present-day company with more than 6,700 employees, we consider them all part of the Coborn family and legempty year, we consider mean an parcel are countrianny and reg-acy," says Chris Coborn, president and CEO, who started out bagact, says cause conour, pressure and core, into an action on the ging groceries and now oversees the employee-owned organization Sing glocenes and now oversees use employee owned organization that includes 39 grocery stores, convenience stores, liquor stores, pharmacies, a central bakery, dry cleaning facility, central commisown grocery distribution center and CobornsDelivers, the

emphasis on local non-profit organizations helping youths in need, specifically local food shelves and cancer research, each year the specifically rocal most survey and cancer research, each year me company donates \$2.5 million and thousands of volunteer hours aring these programs are continued.

The Coborn family has donated \$3 million to the Coborn Cancer Center in St. Cloud, has donated and helped raise millions for the Boy Scouts of America, and several family members serve as volunteers on the boards of non-profit organizations. Additionally Coborn's is a corporate Leader in Giving for the United Way, and has implemented programs whereby groups can raise funds through

Not surprisingly, with all they do, their penchant for philanspecial promotions and sales. when in the state and the Midwest, and was recognized nationally when, in 1999, George magazine dubbed them "One of the 10 Most Generous Companies in America" from a

cache of 400 nominees. But to Chris Coborn it's just how they roll. a business and family," says Coborn, "we consider it esse

LEADER PROFILE Chris Cobort Title: Presider

112

### 2005

### 2010

#### 2007

Chris Coborn named chief executive officer, becoming the fourth generation to lead the business Coborn's, Inc. recognized by Grocery Headquarters magazine as Independent Retailer of the Year

2011

As a senior leader, Chris readily took an active interest in the industry, serving on boards and as a member of numerous industry associations, including National Grocers Association and Food Marketing Institute.

In 2001, he received the National Grocers Association's prestigious "Spirit of America" award, which honors distinguished individuals for their active involvement and participation in community service and public affairs. This award has been presented to more than 500 individuals, including former Presidents George Bush and Gerald Ford, former Vice President Dan Quayle and numerous U.S. senators and representatives.

From 2009 until 2012, Chris served as chairman of the National Grocers Association, during which time he testified in front of the Supreme Court on behalf of the industry regarding interchange fees and provided advocacy on key issues for the grocery industry.

In 2011, Coborn's, Inc. was recognized by Grocery Headquarters magazine as its Independent Retailer of the Year.

> Members of the Coborn's team with the cover of Grocery Headquarters February 2011 issue, featuring Coborn's, Inc. as Independent Retailer of the Year.

#### Left to right:

Mark Coborn, Executive Vice President Sue Wendt, Vice President of Advertising Andy Knoblauch, Senior Vice President of Center Store Dan Coborn, Chairman of the Board Emily Coborn, Communications Manager Chris Coborn, President and Chief Executive Officer Bob Thueringer, Chief Operating Officer Center Store PRIVATE LABEL TRAILBLAZERS

Focus on Fresh 2011 Meat Conference Preview

Selling Wellness A BETTER BREAKFAST

Nonfoods for Profit ENERGETIC VITAMINS Tech Solutions IT CHECKLIST

Equipment, Design & Operations

SIZZLING MERCHANDIS

DBORN

independent retailer of the year

2008 **Acquires SimonDelivers** and launches online grocery named CobornsDelivers

#### Delivering Groceries to Customers' Doorstep

2005

While the fundamentals of staying focused on the customer had not changed, the old ways of doing business were beginning to fade. Amazon had made its debut as an online bookstore and, in less than a decade, became a powerhouse that began transforming the way consumers bought and received goods.

"You cannot be complacent in this business," Chris said. "You have to take risks and try new things to continue to serve the customer."

In 2008, Chris made one of the boldest moves in the company's history up until that point, when he announced plans to buy SimonDelivers, an online grocer and home-delivery service based in the Twin Cities. Coborn's renamed it CobornsDelivers.

CobornsDelivers was the way of the future but it was far from a profitable business model under its previous ownership. "I knew it was risky," Chris said. "But I thought it was a move we needed to make to get into the emerging online grocery ordering and delivery business."

Coborn's was on the leading edge of the trend and it would take time to see if the investment paid off.

### Spotlight

Opening a New Market?

Though it bought SimonDelivers, the Coborn's supermarket chain plans to keep its focus on Greater Minnesota.

CEO Chris Coborn's supermarket company is celebrating its 80th anniversary this year.

home grocery delivery

xecutives at St. Cloudbased grocery chain Coborn's, Inc., want to make something clearthey currently have no plans to expand into the Twin Cities.

Sure, Coborn's made news in August by purchasing New Hopebased online grocer SimonDelivers, which had folded just a month before. But Coborn's says it's doing just fine in its outstate locations.

"We probably will continue to expand in the non-metro rural areas," says Dan Coborn, chairman of the board and grandson of the company's founder, Chester Coborn, who along with his two

company still has stores in both municipalities; both were later

Lower prices. Bigger smiles.

rebuilt at other sites.) Today, the fast-growing chain has nearly \$1 billion in annual revenues from 26 Coborn's stores, nine Cash Wise stores, and dozens of convenience, video, liquor, and drug stores under a variety of names. The majority of Coborn's holdings stretch along the I-94 corridor between St. Cloud and the Twin Cities. (The stores closest to the Twin Cities are in Albertville, Ramsey, Buffalo, Hastings, and Delano.) The stores under the Coborn's

name are full-service operations; the Cash Wise Foods chain, which the family founded in 1979, con-

gas stations, and liquor stores. "In many cases, we are a one-stop shop," Dan Coborn says. "We were one of the first to have an offering this comprehensive in our part of the world," the Upper Midwest. In 1972, Coborn's became Minnesota's first grocer to use optical scanning equipment at the checkout. In 2007, Coborn's made its first stock distribution under its new employee stock ownership program (ESOP). The Coborn family

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(25) 410

(95)

2000

still retains majority ownership, but now nearly half the company's more than 6,000 employees also own a share of the company under its ESOP.

February 2009 - Twin Cities Business article

"We wanted to shift the culture to grow the organization from the



# COBORNS Delivers



#### New Take on Groceries

The online grocery world is far from what Coborn's had known. CobornsDelivers distributes groceries from a 190,000 square-foot warehouse facility that is divided into seven different temperature zones, including four separate coolers and a walk-in freezer that gets down to 20 below.

While the operation doesn't resemble a traditional grocery store, customers find the same vast assortment and high-quality products they would find at a Coborn's store – from the convenience of a computer or mobile device.

Customers have until 11 p.m. every day to place a grocery order online for next-day delivery. It's after 11 p.m. that the CobornsDelivers warehouse comes alive with the company's personal shoppers filling up to eight orders at a time. They load customers'

bags that are already preassembled in green totes by product category. They use a computerized "pick to light" system, sophisticated computer tracking and barcode scanners to ensure they pick the right items at the right quantities.





## This is no luxury. It's a lifesaver.

Grocery store prices

Shopping done in minutes

Free delivery for first 90 days (New customers only. \$25 minimum order. Next-day delivery only.)



Among CobornsDelivers' differentiators in this online world is its ability to provide fresh dairy, frozen food, meat and produce items. It's a feat even retail giants like Amazon and Walmart have been reluctant to take on. The company's fleet of trucks deliver the goods in specially designed refrigerated or freezer totes on carefully calculated geographic routes to ensure freshness.

A demand for online shopping and home delivery services led Coborn's to expand CobornsDelivers to serve both residential and business customers in the Twin Cities and St. Cloud areas.

CobornsDelivers is one of only four larger-scaled online grocers operating in the U.S. today, including Fresh Direct in New York and New Jersey; Peapod, headquartered in Chicago and Amazon Fresh in the Seattle area.

The trend continues to receive significant trade buzz as younger consumers are adopting online grocery shopping as a standard. More and more national players continue to test targeted areas to gauge interest and a return on investment.

Purchase Rewards Friendly Drivers

763-971-4900

763-971-4900

home grocery delivery

0

151

Delivers

116

#### Understanding the Customer

The addition of CobornsDelivers has been a lesson in understanding the modern-day consumer and has challenged Coborn's to consider a new core customer, one who is even more interested in convenience than in cost.

"CobornsDelivers has helped us better understand the customer," Chris said. "Our sophisticated database gives us greater insights into the types of customers we serve and their buying habits. Leveraging data allows us to do much more targeted marketing and reach our customers much more effectively and efficiently with more relevant offers, based on their past purchase history."

#### Freshness

### Selection

With a propensity to adopt technology, CobornsDelivers' core customers complete orders valuing upwards of \$140 a week in less than ten minutes. It's not all about groceries. Pet supplies, diapers and baby food are top sellers in this virtual world.

The core of CobornsDelivers' primary customer base is younger, time-starved families. Whether it's young children at home, or active teens that put significant stress on family time, CobornsDelivers' customers appreciate the convenience of shopping from home and making their lives easier. With tools on the website like personalized shopping lists, the ability to add items to their cart frequently or find a recipe to plan a quick meal, convenience is a very appealing benefit of being a CobornsDelivers customer.

The convenience of CobornsDelivers also has made the online grocer appealing to a growing base of commercial customers, from daycares and schools to small businesses. The company identified early opportunities for these key market segments and has paid great attention to it by providing offers, rewards and other programs to earn their business and ongoing loyalty.

Track **Expenses** 

Amazing Customer **Service** 

OBORNS belivers Grocery Delivery

### CobornsDelivers' Core Customer Traits

Age: 35-54

Household: 2-4 adults with children 0-3 or 13-18 years of age; 18 percent with infant or toddler in the home

Pets: 37 percent own a pet

Length of residence: 16+ years

Annual household income: \$75,000-\$125,000

Interests: Gourmet cooking, home décor, sports, computers, technology and online purchasing, including a high propensity as early adopters of technology

Shopping frequency: 40 percent shop weekly; 60 percent shop bi-weekly

Average duration of placing online grocery order: Less than 10 minutes

Coupon usage: 71 percent

Loyalty club participation: 17 percent, varying from pet and baby to wine and beer clubs

Average order size: \$140

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ND MORE

iousands of Recipes

Online Coupons

VISIT: WWW.Coborns.com

Email Updates

Weekly Ads

118

#### Marketing in a New Millennium

The CobornsDelivers operation and customers are not traditional and so the marketing cannot be either. Coborn's has developed new ways to market to this new tech-savvy core customer, who in some cases has never walked into one of the company's brick-and-mortar stores because they enjoy shopping from the convenience of their home.

That has led the company's marketing to become highly personal and almost exclusively digital. CobornsDelivers has focused on leveraging several specifically targeted marketing channels to reach both existing and potential customers and given way to some of the company's most progressive uses of technology for marketing.

Instead of a highly visual Sunday ad, CobornsDelivers generates sales through sophisticated e-mail marketing campaigns. The e-mails, directed personally to customers, communicate weekly specials and special offers and serve as the foundation for a strategic habit-building program to foster ongoing loyalty.

CobornsDelivers also led the company with the development of its first mobile app. The app focuses on making online grocery ordering even easier - and accessible - allowing customers to review weekly specials, view their order history and shop from customer lists.

"We know our customers want a quick and easy online grocery shopping experience," said Dennis Host, vice president of marketing for Coborn's, Inc. "The majority of CobornsDelivers customers (85 percent as of 2014) own a smart phone and roughly one-fourth of all CobornsDelivers orders are placed from a smart phone or tablet device. The shopping app helps give customers time back into their day so they can focus on what matters most to them."



#### Business in the 21st Century

As consumers continue to use mobile and tablet technology as their preferred information platforms, Coborn's, Inc. has been right there with them. Today, mobile apps on iOS and Android platforms have been developed for Coborn's, Cash Wise and CobornsDelivers.com. Customers can find recipes, view the weekly ad, make a shopping list and even grocery shop and arrange delivery from their smartphone or tablet device. Additionally, customers can redeem digital coupons from their phone as they check out. They can have their order delivered to their home or business or choose to place their order and pick it up at their favorite Coborn's or Cash Wise store.

"Mobile is the new laptop," said Host. "We need to be in the aperture of today's consumer with offers, content, information and the tools they need to access us, wherever they are, on the platforms they're using, 24/7. Our digital, mobile and e-comm strategy is an ongoing process as we transform how we interact with our customers."

Social media has made customers more engaged than ever before. Coborn's has leveraged the strengths of several social media channels, including Facebook, Twitter, YouTube, FourSquare, Pinterest, Blog and Instagram, to interact and engage with customers. Social sharing, including customer conversations on Facebook, using video to share a recipe or food preparation tip on YouTube or sharing delectable recipes and ideas on Pinterest, are now part of our everyday practice in engaging and staying connected to our customers.