

Charlene Singleton

Company Report

Publix Super Markets

Privately-held company, Publix Supermarket, was found in 1930 in Winter Haven, Florida. George W. Jenkins continued to become successful as he approached an initial high in revenue in 1934. That year, Jenkins' store made \$120,000 in sales. Even as early as the 1930's the store had premium services to accommodate its customers. Music was played throughout the store. The temperature of the store was regulated with air conditioning. The store also had cases to store frozen and refrigerated items. Another addition of the market was the introduction of an in-house florist to departmentalize into a flower shop in the store. (13Ma)

Adversity arose in the market as fighting erupted in the second World War. Costs of living began to grow and prevented Jenkins from building additional stores. Even in the midst of the Great Depression, Publix continued to grow more successful. Popular store chain of its time, All American food stores became the interest of George Jenkins. He brought 19 of the stores and transformed them into Publix Super Markets in 1945.

In 1951 the supermarket centralized its headquarters from Winter Haven to Lakeland, Florida. There Publix built its first distribution warehouse. Competing store, All American stores, began closing. Publix built another distribution center in Miami and began to expand and extend deli services in 1963. By 1970, Publix's sales reach \$500 million and within four years, surpasses \$1 billion. In 1974 the supermarkets continued to grow to include Jacksonville.

The growth of the company made opportunities. As early as 1982, Publix integrated the stores with the Presto!ATM in every store. In 1989, the chain had exceeded \$5 billion in sales. 1991 was the mark of the first store opened outside Florida in Savannah, Georgia. Further expansion included South Carolina in 1993, Alabama in 1996, and Tennessee in 2002.

Another innovation made by the chain was an online service to sell grocery. The program was called PublixDirect. As its slogan "Online Shopping, Home Delivery" suggests, the service delivered grocery to the customer's homes. Just two years after its launch in 2001, PublixDirect was shut down due to low participation.

Publix marked its 75th anniversary in 2005. The store undertook a transformation to renovate its stores, change its employee uniforms and even its upgraded its payment terminals at the checkout. The new cash registers were equipped with software by Hewlett-Packard to better satisfy customers by saving them time and convenience. The new terminals included an LCD screen listing a running total of the bill, shopper savers, and recipe ideas. (Publix Super Markets Selects HP for Point-of-sale, In-store Processing and Pharmacy Systems, 2004)

In 2008, Publix bought 49 Floridian stores from competitor, Albertsons. With the additions of human resources to run the stores, Publix sought a way to organize its labor system. Oasis was introduced in 2011 to better forecast and schedule employees. The scheduler would allow employees to view their schedules on-line and request for time-off from the convenience of their homes.

Publix stores are currently operating in Florida, Georgia, Alabama, South Carolina, and Tennessee. The legal environment of Publix requires the company to practice fair policies and procedures to adhere to. Publix has many stakeholders and affects a host of people. Publix's legal history includes gender discrimination. In the past Publix reached a class action lawsuit

filed by employees. In these cases, Publix paid damages of \$81.5 million to female employees. Since then, the chain has modified its policies to be more fair and inclusive. (EOC, Publix Settle Gender Discrimination Suit, 1997)

Publix's social environment is diverse as the chain patronizes many charities such as the March of Dimes, the United Way, and the Children's Miracle Network. In its social goodwill, the chain implements a tuition reimbursement in which a program offers scholarships to degree-seeking employees that work a minimum of ten hours weekly.

In its own industry environment, Publix is a great contender against grocery competitors IGA, Kroger, and SuperValu. Warehouse chains that compete with Publix are Kmart, Wal-Mart, Costco, Sam's, and Target. Regional competing chains include BI-LO, Harris Teeter, Piggly Wiggly, Winn-Dixie, and Fresh Market. Publix strives to make its slogan, "Where Shopping is a Pleasure", a standard reality. (Facts and Figures)

Publix has been successful due to great enhancements of its internal competence. Each supermarket is made of different departments to make one store. The departments of each store include grocery, bakery, deli, produce, seafood, and meat. Some stores even provide cafes, sushi bars, pharmacy departments, and liquor stores.

Publix can also be counted on for having specialty products that may not be found in ordinary grocery stores. For instance, products sold only at health stores could possibly be found at Publix. Organic meats, vegetables, and fruits are surely found at any Publix grocery store.

Some other services provided by Publix include a small clinic, DVD and coin counter kiosks, gasoline and convenience stores. The clinic is staffed by nurse practitioners that are able to write prescriptions and treat minor injuries. The health facility offers vaccinations, screenings, and physicals. (Publix and the Little Clinic to Open Walk-on Medical Clinics, 2010) The DVD

kiosks vends one day rentals for \$1. The Coinstar kiosk counts the coins and for a small fee, gives the customer dollar bills in exchange for the coins. There are currently 11 convenience stores also selling gasoline.

SWOT Analysis for Publix Supermarkets

Strengths	Weaknesses
<ul style="list-style-type: none"> • Premium service • Offers specialty products 	<ul style="list-style-type: none"> • High prices • Past history of discrimination of employees
Opportunities	Threats
<ul style="list-style-type: none"> • The economy is growing • There are no Publix stores located in the western and northern states 	<ul style="list-style-type: none"> • Competing stores advertise lower prices • Economic challenges restrict maximizing profits

The analysis of the strengths, weaknesses, opportunities, and threats indicate that the company is doing well in serving its customer through premium quality and services. The high prices of the chain are frequently countered with special sales and multiple discounts in the form of store coupons. The company also doubles manufacturer coupons to fight the struggle of higher prices. One strategy that could assist the company’s growth is an expansion project. The company should strategically formulate a plan to expand its chain into states that are not inhabited by the chain. Although there will be more competition and the tolerance of ambiguity would be most useful, small advances in the areas of expansion is potentially profitable.

Publix offers premium customer service and specialty products. Publix also departmentalizes its stores so that each focuses on its separate obligations to customers. As a former employee of Publix supermarkets, it is very interesting that none of my findings have mentioned the company’s customer service strategy. I was very familiar with the “Publix Promise”. Publix promised that the customer would be satisfied, or return the product for a full return. Personal experience has also taught me how Publix strategically priced its products a little higher than its competing stores. To balance the prices, Publix had frequent sales that sold

products at half the regular price. New sales were introduced every Thursday at the store where I worked. Even when the store sold out all of a product, customers were able to redeem “rain checks” that would allow them to buy the product at the sales price when the store re-stocked the item. Pleasing the customers and taking care of its employees is a sure-fire strategy to maintain success.

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