A Cornell graduate, unclear about my future, and broke after my hippie wanderings abroad, I drifted into the family supermarket business in New Jersey in the early 1970s. It was a struggling, twelve-store grocery chain trading under the Foodtown banner, a business founded by my father’s family after World War II. My grandfather, a Jewish immigrant, had opened his first butcher shop in Perth Amboy, New Jersey, in 1920. A photograph of it hangs on the wall over the sink of my own shop today: my grandparents are outside the front door wearing their aprons, and my father, a little boy of five, sits in front of them on the stoop.

By the time I started working in 1972, the family business had staved off bankruptcy a number of times, as had so many others in metropolitan New York. Raised during the Depression, the Jewish, Italian, and Greek immigrant retailers were desperate to succeed in the postwar years when national chains, led by A&P, dominated most American markets. These entrepreneurs survived by sheer tenacity in a fiercely competitive environment. I remember Cousin Melvin collecting the cash from our stores in paper sacks, then rushing to the bank to cover the checks he had written to our suppliers.

On the New Jersey side of the Hudson, small-scale grocers banded together in the 1950s to compete with A&P. In north Jersey, the Wakefern buying cooperative traded under the ShopRite name. In central Jersey, my father and a few other men founded Twin County Grocers, operating as Foodtown. In New York City, Gristede’s, Sloan’s, Bohack, and D’Agostino’s, all family businesses, carved up the neighborhoods of Manhattan. Herbie Daitch ran a small group of stores under his own name that grew out of his father’s butter-and-egg shops. The Rosengartens ran Shopwell, which merged with Daitch, and later converted to the groundbreaking Food Emporium chain.

A few merchandisers in New York City paved the way for the modern specialty foods store. In 1975 Louis Balducci and his son, Andy, turned their tiny Greenwich Village greengrocery into a full-service Italian gourmet store. The Zabar brothers transformed a small Jewish deli on the Upper West Side into the city’s largest fine-foods market. Later, Giorgio DeLuca’s little cheese shop in SoHo became Dean & DeLuca. These retailers introduced European products and merchandising to the mainstream marketplace: extra-virgin olive oil and aged balsamic vinegar, spices, coffee beans ground to order, exotic tea blends, bottled water. Their shop windows displayed prosciutto and provolone, whole fresh fish, dark, crusty breads, and mouthwatering pastries—a visual feast for passersby. They made you want to spend money!

This kind of merchandising was a revelation to me. Here were retailers whose main concern was for the food itself, its flavors, traditions, and craft-oriented methods of production—the antithesis of the staid, sterile markets we ran then. I pointed out to my father and uncle all the things they were doing wrong. But despite my protests, they had the good sense to put me through the old-fashioned training program known as “sink or swim.” My food retailing career began at a distant outpost in East Windsor, New Jersey, and continued at a succession of stores where I progressed from assistant manager to store manager to district manager to director of operations, each job more demanding than the last. Many nights, long after closing, I built displays or took inventory. Daytimes I spent in the courtesy booth, cheerfully handing out refunds, once for a turkey an irate customer had deemed unacceptable, but whose carcass was nonetheless picked clean as a whistle.

These activities hardly befitted an Ivy League graduate—or so I felt. One summer in the mid-1970s, as I drove...
up to a Cornell food executive program in my old Ford Pinto, my roommate arrived in his Mercedes convertible, with golf clubs in the trunk. The son of a Manhattan grocery chain owner, he lectured me about his vision for a new type of grocery store that would offer fabulous food and service, quite the opposite of the boring stores we’d grown up with.

I’d been thinking along the same lines. But it wasn’t until I became president of our family firm in 1980 that I finally got my chance to try out the ideas that had been brewing. We had acquired an old Stop & Shop in East Brunswick, New Jersey, where my sister lived. She helped me lobby for a total transformation of the space, something more than our usual Foodtown makeover. We designed a beautiful new store with a unique forced traffic flow and pin lighting to highlight theatrical displays of fresh pasta, sauces, and imported cheeses. We created a butcher shop with prime meats; an open-air-market-style seafood display; and an in-store bakery with fresh croissants, bread, muffins, and chocolate chip cookies. We staffed a kitchen with a chef to cook delicious prepared foods for harried housewives to take home and heat for dinner. We sprayed the fresh fruits and vegetables with a fine mist and built impressive displays of arugula, stem strawberries, porcini mushrooms, and a hundred other items hitherto unavailable in our market. We added a huge salad bar and put into play all the ideas we’d pilfered from Manhattan, Toronto, and Paris.

Several months into the renovations and a million dollars over budget, my father pointed out that I was in the advanced stages of analysis paralysis and told me to open the store immediately—or else. It was already well into the holiday season, and I had to “stop fucking around.” By this time I had come up in the world and had a BMW. One sleety morning, on my way to work, my car skidded under a flatbed truck, and I spent the next few months recovering from all my broken bones. My staff seized upon my incapacitation as an opportunity to go ahead with the grand opening.

The store was a resounding success, yielding triple our projected sales. To prove that it wasn’t a fluke, we set out to transform other stores in New Jersey. We succeeded again in Westfield, an old colonial town, where we “did colonial,”
and in Fort Lee, a flashier town by the George Washington Bridge, where we did chrome and mirrors. We began to make deals with local developers for bigger models in the new strip malls popping up all over New Jersey. Our store would anchor one end and Kmart the other, with a pet shop, dry cleaner, and pizza parlor in between. We remodeled the old store in Metuchen, where my uncle lived. That’s where we all hung out on Saturday mornings, when we could go to work without suits and ties.

Now we finally had our own market position: quality and service. Our main competitor, ShopRite, owned the low-price niche, while Pathmark, a ShopRite spin-off, dominated the Jersey market with its enormous superstores. Wal-Mart was just beginning to develop its mammoth stores; Costco had yet to enter the market with its radically new warehouse club. Although the supermarket industry would eventually suffer from the pressures these corporate giants brought to bear, for the time being we were part of a revolution in the retail food industry. Soon everyone began adding new departments and services: sushi, donuts, pizza, a whole profusion of dubious delights (though the donuts were admittedly tasty). Over the next twenty years, virtually every chain in America went upscale, and specialty departments, once groundbreaking, became commonplace.

The more I learned, the more I wanted to pursue my own course. After five years as company president, I left the supermarket industry to open my own specialty food store, Kaufelt's Fancy Groceries—the same name my grandfather had used for his original butcher shop in Perth Amboy. The first store, in Summit, worked brilliantly, but the second, in Princeton, flopped. It had never occurred to me that my business model would not work in every market, or that my food preferences would not be universally shared. I was shocked when the developer who had promised money backed out, and utterly dismayed when the stock market crashed in 1987. Around the country, others were running into trouble, too. J. Bildner & Sons in Boston and Irvine Ranch Markets in California both folded. I sold the Summit store, moved to my brother’s recently vacated apartment in Greenwich Village, and vowed to pursue any career except food retailing. But when I couldn’t find any other work and the pain of my failed enterprise had subsided, I approached Andy Balducci to ask if I could run his store. He looked at me like I was crazy. I went jobless for two years.
One day, just before Christmas 1990, I was standing in line at Murray’s Cheese Shop, a tiny but popular neighborhood shop in New York City’s Greenwich Village. I overheard Luigi, the Italian proprietor, telling another customer that he’d lost his lease and was heading back to Calabria. Murray’s had been in business since 1942. Luigi had clerked for Murray Greenberg, the original owner, who had come to this country after the Spanish Civil War. Murray’s Communist principles didn’t seem to interfere with his street-smart capitalist talents, and his business thrived. When Murray retired, Luigi bought him out, but by now he’d had enough. Retail in New York was killing him, he said. Buying the shop appealed to me for two reasons: first, I’d have a job; and second, I’d be rescuing an old-time neighborhood business. So Luigi and I made a deal. In May, 1991, I moved the shop across the street to the vacant Durando Meat Market on the corner of Bleecker and Cornelia, where it remains to this day.

I had finally discovered my niche. The cramped shop was even smaller than my grandfather’s, but I was content. I wore jeans and a T-shirt to work, waited on customers from behind the old counter, and watched the passing Bleecker Street parade out the window. My experience with both conventional groceries and fancy foods served me well, and I enlisted the help of Steve Jenkins, then manager of the cheese department at Dean & DeLuca. Together we swapped lies, made signs, played squash at the gym, and occasionally harassed the women running the American Cheese Society office around the corner on Downing Street. Not long before my father retired to Florida, he intimated that buying an old cheese shop, when everyone had given up eating the stuff, did not mark me as a shrewd businessman. But, miraculously, cheese became popular again, and the store prospered—despite my mistakes.

By the 1990s, a few specialty grocers had become established growth businesses. Sutton Place in Washington, D.C., Dean & DeLuca in Manhattan, and eventually the venerable Balducci’s became takeover targets for venture capitalists who wanted to make a quick profit. In the supermarket industry, huge chains swallowed smaller ones across the country, and New York City’s regional chains felt the squeeze. Many retailers sold out and saw the family-owned companies they had worked so hard to build changed, or even ruined. But the smart ones knew it was time to cash in. Some once-great chains followed a different route. After a leveraged buyout, Pathmark, the market leader, succumbed to the lure of investment bankers before going bankrupt. (It is only now reemerging.) The old-timers shook their heads and said that this would never have happened if founder Herb Brody were still alive, but what could you expect once the business got turned over to the Harvard MBAs? One of my father’s colleagues, who ran an upscale chain in northern New Jersey, sold out to a British group for a tidy sum, but that company is now in the process of trying to unload it.

It was especially bitter for everyone in the industry when Balducci’s turned. In 1999, Andy Balducci sold out to Sutton Place Gourmet, owned by a local venture capital group, for a reputed seventeen million dollars. The money men wasted no time losing twenty-three million dollars in the once-profitable mail-order business by turning it into another failed dot-com. Then, annual retail store sales dropped from over twenty million dollars to less than half that within two years. Sutton Place put Balducci’s on the market, but there were no takers, not even among the successful grocers who survived in New York’s specialty food business, including the owners of Eli’s, Fairway, and Grace’s. The real estate became worth far more than the business itself, and a few years after the sale, Balducci’s flagship store on Sixth Avenue closed. The property sold to a big developer, and Citarella, a fancy-foods chain that grew out of an Upper West Side fish shop, moved in. And so an era ended.

My family’s business was sold six years ago to Ahold, a Dutch multinational company, one of the largest food retailers in the world. By the time they got to us, a relatively peanut-sized chain, they had already taken over the market-dominating Stop & Shop in Boston, founded by the Rabb family, and Giant in Washington, the Cohen family business. But Ahold was recently involved in an Enron-style accounting scandal, booking supplier allowances and profits that were never received, and their stock has plummeted.

A couple of summers ago, my dad, then eighty, came into my shop on a visit to town. With him was a guy who looked familiar. He had been the manager of the delicatessen in that first store we’d upscaled in East Brunswick more than twenty years before, and I’d promoted him to deli supervisor. Now here he was handing me his card as the new CEO of Sutton Place/Balducci’s. He told me about his plans to roll out a national chain of Balducci’s. The specialty food business isn’t the supermarket business, I warned him. Later, I asked my father if he thought a large corporation like Sutton Place could turn Balducci’s into a chain and run it successfully. “It’s a problem,” he said, “because most companies aren’t willing to maintain high standards of quality products and trained staff. At the first sign of difficulty, the cuts begin, and they never stop.”

Of course, the old-time merchants also knew about the bottom line. Driving a hard bargain with suppliers was part
of the game, but always within bounds. After all, the supplier had to make a living, too. In a business that measured profits as a couple of pennies on the dollar, squeezing the milkman became the benchmark for tough deal-making, and it was practiced as a form of low art. Since milk is the number-one sales category in a grocery store, buying at the right price has a big impact on the bottom line. The story goes that on his deathbed, the old grocer calls for the milkman who comes to his bedside. While the family looks on, aghast, the old man beckons the milkman to lean in closer and whispers in his ear in a heavy accent, “So, tell me, what was your best price?”

But the practices of yesteryear have gotten out of hand. Product selection and quality take a backseat to extracting every last dollar from suppliers: slotting fees, entry fees, promotional allowances, reverse billing, extended credit, you name it. Every shelf has its price, as does the endcap on every aisle, and every checkout counter with its magazines and gum. The health and beauty department, the hosiery rack and greeting card displays—all come at a price. Many companies earned more from these extras than from actual store operations, and many buyers took a little extra for themselves on the side. The time and effort needed to pursue these additional revenues have removed the buyer from his primary function of buying excellent merchandise at the best price. Today, new products, including the hundreds that debut every year at fancy-food shows, have almost no chance of landing on a supermarket shelf.

The small retailers who do survive still insist on a direct connection with their products and the people who supply them. Sourcing great cheeses and turning my customers and staff onto them are my driving passions. I enjoy nothing so much as a trip to a small mountain farm in the French Savoy or the Italian Piedmont, or sampling an artisan cheese from Spain’s Asturias in my own walk-in cooler. My funky old store hasn’t changed much from Murray’s original shop: a real person still waits you on, you get to taste before you buy, and your cheese is cut to order.

But such quality and service rarely prevail in food retailing. Once it was the merchant’s job to select the very best products for his customers. Today, corporate-owned chain stores are driven by efficiency of operations and the need for cost control. For instance, following Wal-Mart’s lead, many chains sell case-ready, pre-packaged beef, so there’s no longer any need for an in-store butcher. To keep the beef from turning brown during shipment from the meatpacking plant to the store, it is injected with saline solution. This practice, which seems to have raised no regulatory protest, not only adulterates the beef, but also forces the customer to pay more for less. The food industry rarely questions the quality of the products it sells, or asks how things are made, or where they come from. When I worked in supermarket retailing, it didn’t even occur to us to ask. Even if it had, if we’d discovered something unpleasant (like the way factory-farmed chickens are produced), we would have kept our mouths shut.

The founders of the retail food industry in America were greengrocers, butchers, fishmongers, and wholesale butter-and-egg men. Some built great family-owned supermarket chains, others concentrated their efforts on one unique shop. But all were merchants who understood their product and service; they catered to their customers. Then, a generation ago, the best supermarket operators learned from the fancy grocers and transformed food retailing in the United States. When the entrepreneurs sold out and retired, corporations took over, sacrificing quality for cost, taste for convenience, and industrialization for craft. They killed the goose that laid the golden eggs.

In Manhattan, the specialty-foods section of Macy’s Cellar is long gone, the once-revolutionary Food Emporiums are now just &p; by another name, and the original carriage-trade Gristede’s is a downtrodden Sloan’s. Small stores like mine close daily as the large chain stores finally invade the city, as they have everywhere else in America. Ordinary supermarkets are losing their identity. With their huge stores and low prices, discounters Wal-Mart and Costco dominate the mass market, while the Whole Foods chain siphons off the trade in specialty and organic foods.

Still, what a pleasant surprise that an old-fashioned store like Murray’s has some life left in it. With luck, creativity, and tenacity, it may hang on until one day a passionate young person bursting with energy hears an old counterman say that he’s ready to move on, and they’ll make a deal. ❖