Not your same old supermarket: Ethnic groceries expanding

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Niche international markets are the fastest growing food sellers.



(Photo: Anne-Marie Caruso/NorthJersey.com)

At a time when traditional supermarkets are struggling, a new breed of food retailer – the ethnic supermarket - has an appetite for expansion in North Jersey.

The latest entrant in the category – Gourmanoff, an Eastern European specialty store – is under construction on Route 4 in Paramus. It will join an international menu of supermarkets in North Jersey, including an Italian-themed superstore in Ramsey, a kosher supermarket in Clifton and new Asian stores in the works in Paramus and Hackensack.

Unlike ethnic grocery stores of the past, which typically were small, mom-and-pop operations, the new ethnic markets are full-size supermarkets, and often take over buildings vacated by traditional chains that have folded.

Salad bar and caviar bar

The Gourmanoff store coming to Paramus is an offshoot of a store that opened in the Brighton Beach section of Brooklyn in 2014, a store that the New York Times once described as "Vegas-meets-Volga." The Brighton Beach store has rows of steam tables with hot, prepared foods, a large salad bar, a caviar bar, bakery, and exotic imported packaged goods from Belarus, Uzbekistan, Russia, and other Eastern European and Slavic countries.



The Gourmanoff store in Brighton Beach features an extensive caviar bar. (Photo: Joan Verdon)

Many of the signs are in Russian, most of the employees speak Russian, and much of what it sells can't be found at your typical ShopRite, Stop & Shop or Acme.

The Gourmanoff experience is an Eastern European version of Uncle Giuseppe's, the 50,000 square foot Italian-themed supermarket that opened in a former Pathmark in Ramsey in November. At Uncle Giuseppe's, shoppers can watch fresh mozzarella being made and the countermen banter with customers and ask if you want a little more "gravy" on your takeout meatballs. Sinatra standards play over the sound system. The owners of the store, part of a growing chain based on Long Island, say they try to re-create the feeling of shopping in the "old neighborhood" in their stores.

Grocery shopping with a sense of theater, and exotic foods you can't find everywhere, is what consumers today are demanding, experts say.

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MARKETS: 8 great ethnic markets around North Jersey (/story/life/food/2017/05/03/8-great-ethnic-markets/100840290/)

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"The days of supermarkets that have no point of differentiation are fading away," said Jon Hauptman, senior director of Willard Bishop, an Inmar Analytics company that specializes in supermarket industry research. "You have to be known for something."

"What we're seeing is highly focused, niche markets opening," he said. "Ethnic supermarkets are a great example of that."

While ethnic supermarkets, Hauptman said, typically start out serving a local ethnic community, they often expand to attract other shoppers as well, "who are looking for either a unique experience or some specialized products."

Trade publication Supermarket News has reported that ethnically themed supermarkets are among the fastest growing small chains in the country.

Brighton Beach beginning

Gourmanoff was created by the company behind another Brooklyn-born chain, NetCost Market, which the company has described as a "Costco of European-style foods." Uzbekistan immigrant Sam Shnayder and his son opened the first NetCost Market in 2000, and in 2014 created Gourmanoff as a more upscale, luxury purveyor of Eastern European and European specialties.

There are nine NetCost Markets, and the chain opened its first New Jersey location last year, in Manalapan.

"They do very well. They're good at what they do," said Matthew Casey, of Matthew P. Casey & Associates, a New Jersey real estate analysis firm specializing in supermarket properties.

"They draw customers from a great distance because customers are looking for what they have," Casey said.

Gourmanoff conducted interviews for employees at the Paramus site last week, and a summer of 2017 opening date is posted on its website. Representatives of the company said they prefer to wait until shortly before the store opens to talk about it.

The company has leased a 30,000 square-foot space in a former Staples office supplies store on Route 4, at the intersection of Forest Avenue.

There are a number of smaller groceries and delicatessens catering to Russian and Eastern European shoppers in Fair Lawn. Owners of those stores didn't want to comment on whether Gourmanoff would impact their business, but said they believe stores would continue to thrive despite any new competition.

Mom and pop shops

"Usually there's enough room for many mom and pops to carve out their little niche," even when a larger ethnic supermarket comes to town, Hauptman said.

"What this really hits is the non-descript supermarket – your average run of the mill store," he said, adding that being too "run of the mill" contributed to the death of Montvale-based A&P, formerly the largest supermarket chain in America.

An appetite for ethnic supermarkets 6/2/17, 9:31 AM

According to U.S. Census figures, the Russian population in Bergen County was 28,524 in 2015, up from 18,515 in 1980. Other county residents of Eastern European descent counted in the 2015 census included Ukrainians, 7,284; Lithuanians, 2,425; Slovaks, 3,594; and Poles, 57,010. Italians were the dominant ethnic group in the county, at 167,679, followed by Irish, at 112,111.



Some of the prepared foods offered for sale at the Gourmanoff store in Brighton Beach (Photo: Joan Verdon)

Contributing to the growth of the ethnic supermarkets, both Hauptman and Casey said, has been demand for ethnic prepared foods and takeout meals.

Gourmanoff, and other supermarkets that offer prepared foods, Casey said, are almost like "a glorified restaurant when you talk about their prepared foods and their salad bar and their hot food bar. It's almost like an ethnic restaurant that also sells groceries," he said.

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