2013 RETAILER OF THE YEAR
DOWN TO EARTH
Organic & Natural

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Inspired by Hawaii’s state motto, “The life of the land is perpetuated in righteousness” (Ulalima ke Ea o ka 'Aina i ka Pono), the staff at Down to Earth Organic & Natural envisions a Hawaii where all people “cherish the land and live in health and harmony” (E 'Ulalima i Ka ‘Aina E Ole Pono).

“These Hawaiian language messages are an important part of our culture, and reflect Down to Earth’s values,” explained Mark Fergusson, the store’s “Chief Organic Officer” and CEO/CFO.

Those lofty values had humble beginnings: conceived in 1977, a group of like-minded friends in Wailuku, Maui turned their enthusiasm and passion for organic and natural foods—and their vegetarian values—into a small retail store. “It had concrete blocks and wooden planks for shelves, beaten-up old second-hand equipment, low ceilings and painted concrete floors,” Fergusson explained. Since then, Down to Earth has grown and flourished to become an important part of Hawaii’s community with five stores throughout the Aloha State: Honolulu, Ka‘u, Pearlridge and Kapolei on the island of Oahu, and a newly renovated and expanded store in Kahului on Maui.

Renewal & Expansion
Over the 36 years since, the store’s growth has been ongoing and impres-
The image of the Diamond Head crater and a local farm scene convey our local Hawaii roots. Crates of produce reflect the store’s long-standing ties with local farmers and growers, and emphasize its ‘local and fresh’ message.

This year marked another major expansion milestone for Down to Earth. Our store in Kahului, Maui opened in 1997 with 6,000 square feet, Ferguson said. In June this year, we completed a major renovation and expansion that converted 3,000 square feet of storage space into retail space, for a total store size of 9,000 square feet. The bigger and renovated store has many new products and allows us to offer our customers a substantially wider range of local, fresh, organic and natural products. We more than doubled the chill and frozen department, nearly doubled the bulk food department, greatly improved our deli, and expanded the wellness, grocery and produce departments.

The upstairs dining area was remodeled, and also better accommodates customers attending the store’s frequent cooking classes. Along with a fully renovated exterior there is also a new outdoor dining area, better parking and new signage. To improve energy efficiency, the new store has state-of-the-art air conditioning, refrigeration and LED lighting systems.

In 2000, the owners opened two additional stores on Oahu. One was recently remodeled and includes an expanded vegetarian deli, new chill and frozen items, widened aisles and also features a new line of all-natural smoothies.

And 2011 was another big year for Down to Earth Organic & Natural, as it opened its newest store in Kailua. At 10,000 square feet, it is the largest location, and the first that was custom built. The Kailua store has the new look of the company’s remodeled stores in Honolulu and Kailua, Ferguson explained. The graphics feature our new logo, which emphasizes our local Hawaii roots and our universally appealing slogan, ‘Love Life! Eat Healthy. Be Happy!’

The decor also includes the prominent
display of a message the store staff developed with help from University of Hawaii Hawaiian language experts E M I Laia I Ka'ina, E Ola Pono, translated as, Cherish the Land, Live in Health and Harmony. Another message encourages Down to Earth customers to consider that the single most important thing an individual can do for their health, for the environment and for the sake of the innocent animals is to adopt a vegetarian diet, Ferguson noted.

Sales Floor Breakdown
From the start, Down to Earth Organic & Natural sold supplements, however, Ferguson said the store's differentiation lies in its food offerings. Depending on the definition used, we've never really been a health food store; we've always been an organic and natural foods store. We are unique because we've always been an all-vegetarian store as well.

The percentages vary from time to time and by store, but in general, the sales floor space is distributed this way:

- 15 percent natural and organic body care products, including a complete range of natural vitamins, supplements, herbs and homeopathic remedies;
- 10 to 15 percent fresh produce, locally grown and organic where possible;
- 60 percent organic and natural packaged grocery items, including an extensive range of vegetarian, vegan, gluten-free and raw food items; dairy and refrigerated and frozen products; truly green household items; and bulk foods, which include a wide variety of beans, grains and flours, cereals, candies as well as other goodies;
- 10 to 15 percent deli, featuring a hot table with delicious entrees, an acclaimed salad bar, fresh juices and smoothies, a made-to-order sandwich menu, fresh grab-and-go options and a wide variety of mouth-watering desserts made daily.

While Ferguson maintains that sales are good and the stores are busy, the arrival of Whole Foods to Hawaii in 2008 posed significant challenges for the local natural foods stores, he admitted. They have opened three stores in the same market areas as Down to Earth's stores.

But in this case, competition brought out the best in the local retailer. Down to Earth is an independent local, natural foods store, while Whole Foods is more of a gourmet store that also carries organic products; they have done a great job of execution, Ferguson pointed out. Having them enter the Hawaii marketplace has helped us to do a better job in all aspects of our operation. We work hard to satisfy our customers' needs and offer good service while ensuring we have the products they come to us for.

What keeps customers coming back, he added, first and foremost, the credit goes to our team members. They are professional, very knowledgeable and friendly, always eager to help. Another factor is that we sell what people want. We have been serving residents of Hawaii for more than 35 years, so we well understand the local market and our customers’ preferences. One example of addressing customers' needs: the store's website is offered in the Japanese language as well as in English.

Store Culture
In a land where Aloha Friday means even government officials and company executives show up to work in boldly colored Aloha shirts, Down to Earth stores also keep it sartorial casual. Our stores have a local, casual feel to them and our team members are very friendly, Ferguson said. Instead of uniforms, they wear their own clothing, safety shoes (team member safety is a huge concern of ours) and a Down to Earth logo apron or T-shirt. Quite a few of our team are college educated and/or have specialized training, particularly in our Wellness Departments. In an effort to attract and keep high-quality staff members, the store offers a range of benefits including a bonus program and health care.

Though the store's atmosphere is laid back, intelligent customers make education a high priority. It's very important to our customers, as many of them prefer organic and natural products based on information they have learned on their own, Ferguson said. Some of them have made the choice for health reasons, others for environmental, philosophical or ethical reasons. Regardless of the reason, our customers are well informed and are constantly looking for more information to help them make better decisions about what they eat and what they feed their families.

This is why Down to Earth places so much emphasis on education, the
added. The store’s website (www.down
to-earth.org) offers a great resource for customers, and the Love Life! Community Outreach Team conducts vegetarian cooking classes and nutritional and health seminars in all the stores, and in the community at local hospitals and schools. They also participate in health fairs and other events throughout the year.

One recent cooking class topic was on tacos, meat-free, of course.

Green Initiatives
To improve energy efficiency at the newly renovated store in Kahului, Maui, Down to Earth installed green state-of-the-art air conditioning, refrigeration and LED lighting systems. We have undertaken similar initiatives at all our locations. We decided to use LED lighting at the Kahului store after having had excellent results when we installed it at our Kapolei store two years ago, said Fergusson. Our lighting supplier refers to the LED lighting system at our Kahului store as a ‘pioneer, flagship operation.’ Most other retail stores in Hawaii use fluorescent for the main ambient lighting. Down to Earth’s prime environmental work, however, is by the products it sells.

The store has a 30-year history of supporting local farmers and each year purchases nearly $2.5 million in products from 400 local vendors, including 172 farmers and growers. According to its website, the store strongly supports local farmers through its policy of purchasing virtually all the produce the farmers are able to sell, even if it’s only a crate full.

We focus on local, organic and natural foods, and are also unique in that we are a vegetarian company, Fergusson added.

Organic foods grown sustainably are good for the environment.

Adopting a vegetarian diet is one of the single most important things an individual can do to reduce their environmental footprint. It is also good for health and, of course, good for the innocent animals. More than 10 billion animals are cruelly slaughtered each year in the U.S. alone; they live their lives in extremely unnatural and suffering conditions.

Supplements
The Wellness Department at Down to Earth is known for having the most complete range of all-vegetarian and natural vitamins, supplements, herbs and homeopathic remedies available in Hawaii. According to the Honolulu store's Wellness Manager Carmela Wolf, the retailer’s top brands and products include:

- New Chapter Bone Strength Take Care and Every Woman’s One Daily Multi
- Garden of Life Raw Protein and Raw Meal
- Vibrant Health Green Vibeance
- Nutrex BioAstin Supreme and Spirulina Pacifica
- Nature’s Way Primadophilus Optima, Coconut Oil, Alive MultiVitamin
- Source Naturals Wellness Formula and Wellness Herbal Resistance
- Amerifit Nutrition Ovega-3
- Spectrum Essentials Chia Seeds

All of these companies are great partners because they regularly participate in our monthly sale flyer program and provide us with great discounts that we pass on to our customers, Wolf explained. Most of them (first five) also offer ongoing everyday low prices (EDLPs) with daily discounted prices. This makes them much more affordable for our customers here in Hawaii, where most things are more expensive than on the mainland, mainly due to shipping costs. Good quality products speak for themselves, too, as customers keep coming back for more because they feel the difference.

Hawaiian residents have the highest healthy life expectancy at age 65 in the country, according to the results of a
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A study released in July by the Centers for Disease Control and Prevention (CDC), which noted that Alano State residents 65 years old can expect another 16.2 years of healthy living. But even Hawaiians have their share of health issues. “Our customers have a lot of the usual needs for a good multivitamin, bone support, immune support, digestion (fiber, probiotics, enzymes) and omega-3s,” said Wolfe. “Unfortunately, as people throughout our nation have reduced healthy lifestyles and gained weight, we see a lot of new customers coming in looking for products that can help support healthier blood pressure, cholesterol, blood sugar and weight loss. And with the modern lifestyle comes a need for stress and mood support, as well as energy and sleep aids.”

“Many customers want to try a natural approach and avoid going on medications if possible. We show them what is available to support their body’s needs,” she added. “We always remind them that these are lifestyle-driven health

issues. Eating a healthy diet, exercising regularly and managing their stress are truly the foundations to good health. We show them what we have that can support or ‘supplement’ a healthy lifestyle, and offer the best options.”

Island Issues

While Whole Foods Market’s arrival to Hawaii posed a steep challenge, one that the store meets with store renovations, customer service and by introducing new stores in under-served parts of the state, Down to Earth has also had to address major workplace safety issues and workers compensation problems. “We dealt with this by introducing a team member safety program that has been very successful,” Ferguson said.

And being located in Hawaii brings geographic obstacles. “We are challenged by shipping problems as getting our orders takes 10 days from order to receipt. It makes it much more difficult to receive orders in a timely way, and increases our out-of-stocks,” he added. Despite the challenges, Ferguson said there’s more work to be done at Down to Earth. “We will grow and expand, opening more stores in Hawaii and one day possibly the mainland or even internationally.”

2013 Retailer of the Year

Gene Bruno, MS, MHS, the dean of academics for Huntington College of Health Sciences, is a nutritionist, herbalist, writer and educator. For more than 30 years he has educated and trained natural product retailers and health care professionals, who have researched and formulated natural products for dozens of dietary supplement companies, and have written articles on nutrition, herbal medicine, nutraceuticals and integrative health issues for trade, consumer magazines and peer-reviewed publications.

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