

Star-Telegram

La Superior stores in Fort Worth thriving in crowded field of Hispanic grocers

Posted Saturday, Jan. 07, 2012

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FORT WORTH -- Guillermo Sigala is not afraid of competition, which has grown increasingly fierce.

The Hispanic-oriented specialty grocery market in North Texas generates \$2.8 billion, drawing ever more entrants to the fray, says Ed Rincon, a Dallas business consultant who specializes in the Latino consumer.

The sizable market has clearly been shaped by the rapid expansion of Fort Worth's Hispanic community, which helped fuel the city's 38 percent population growth between 2000 and 2010, according to U.S. Census figures. Latinos now comprise 34 percent of Fort Worth's population.

Desiring a slice of this niche are such regional chains as Fiesta, La Michoacan, El Rio Grande, Monterrey and Terry's. The latest entrant in Fort Worth is El Rancho, a Garland-based chain that recently opened its 12th store -- and first in Fort Worth -- in a former Minyard's at East Belknap Street and Sylvania Avenue, just a few blocks from Sigala's La Superior grocery and meat market.

Despite the ever-crowded marketplace, Sigala's store on North Sylvania and another on Decatur Avenue and North 36th Street saw sales increase 10 to 15 percent in 2011, reaching \$7 million in gross revenue, he said.

His stores, at just about 6,000 square feet, are a fraction of the size of traditional, 55,000-square-foot supermarkets. But they may have far more people on the floor to provide service. Sigala has the equivalent of 30 full-time employees, having added two in the past year.

Most of La Superior's floor space is devoted to canned goods, freshly baked items and produce, not to mention the rafters of piñatas that obscure the ceiling.

But 70 percent of sales come from the long meat counter that lines the back wall, Sigala said.

"There are people who come here every day to buy meat," the 47-year-old merchant said. "They don't like keeping things in the freezer. It has to be fresh."

His regular customers may do most of their grocery shopping at the Hispanic-oriented chain stores, then go to specialty shops like La Superior -- or friendly rivals such as Los Arcos, Mi Tierra and El Paya -- for familiar cuts of beef, goat and pork, along with freshly made sausages and barbacoa -- marinated cooked meat.

These meat and grocery merchants would like to open more stores in Fort Worth, Sigala said, "but all the locations are taken."

Their sales may be below the radar of data-collecting firms. According to Rincon's 2010 Latino Trendline Study of the market, Walmart Supercenters have a 25.4 percent share of the Latino market, Fiesta 24.9 percent and El Rancho about 8.2 percent. And foreign-born Hispanics preferred Fiesta over Wal-Mart, it found.

Being overlooked doesn't faze these mainly first-generation entrepreneurs.

Several small meat-and-grocery merchants from Fort Worth and Wichita Falls plan to join together this year to create a wholesale warehouse store open not only to other shop owners but also to consumers able to buy in bulk, like a 60-pound box of pork ribs, Sigala said. It would stock large bags of rice, beans and charcoal as well as produce, Mexican sodas and laundry detergent.

Sigala did not grow up in the trade.

Born in Mexico, he spent part of his childhood in the United States, then moved back south of the border for high school and technical college, where he studied engineering. After working as a production engineer at a Nissan auto plant in Mexico, he moved to Southern California, where he found a job at a kosher-style deli and eventually became manager.

But he moved to Fort Worth, where he had relatives, after the deli's parent company became publicly traded and no longer a collegial place to work. Moreover, Sigala and his wife didn't want to raise their children in Los Angeles, he said.

His first venture, Mi Pueblo, was a restaurant-meat market with a partner -- "but there were too many owners." It closed after a year and a half.

La Superior was launched 10 years ago with a \$500,000 investment, including \$150,000 borrowed from friends whom Sigala said he repaid in six months.

"You have to understand the culture to know what the customer wants," he said, explaining why his enterprise has fared well.

Sigala figures that nearly all of his clientele is Hispanic -- 90 percent immigrants and 10 percent U.S.-born.

He is certain that the percentage of American-born customers will increase in coming years and that he will adjust his product mix accordingly.

"If I have to change the whole thing around for the U.S. kids, I'll do it."

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