

Loose in the Foothills

by Bob Ring

The Development of Bashas' Family-Owned Arizona Grocery Chain

Editor's note: This is the first in a two-part series.

Bashas' family-owned grocery chain has been in the news a lot lately as it fights for its economic life in today's very difficult business environment. Through their 75th anniversary in 2007, three generations of Bashas kept the company growing financially and steadily expanding.

But in July 2009 Bashas' was forced to declare bankruptcy due to mounting debts in a deep recession. Emerging from bankruptcy in August 2010, after streamlining its operation considerably, the company now has 132 stores, 130 in Arizona, with one in Needles, California and one in Crown Point, New Mexico.

Bashas' Inc. provides four distinct types of markets: regular Bashas' grocery stores, AJ's Fine Foods with gourmet and specialty items, Food City that is oriented towards Hispanic tastes, and Bashas' Diné that serves Native Americans on the Navajo Reservation.

Of the five Bashas' stores located in Tucson, Foothills Star readers may be most familiar with the supermarkets at 6900 East Sunrise Drive and at 3275 North Swan Road. Many of us patronize the popular AJ's Fine Foods at La Encantada Shopping Center. The closest of Tucson's eight Food City stores to our area are probably the markets located at 719 E. Fort Lowell or 3030 East 22nd Street.

Founding

The Basha family spent 48 years in business in the United States before the name Basha appeared on a building. In 1884 Tanuis Basha left the Middle Eastern country of Lebanon to come to New York City to set up an import and export wholesale store. Tanuis' oldest son Najeeb Basha joined him in 1886 and in 1901 Najeeb married Najeeby Srour, the daughter of another Lebanese immigrant. Najeeb and Najeeby began raising a family of seven girls and two boys. The boys, Ike and Eddie, would later found Bashas' Inc.

In 1910, after their business burned down in New York City, the growing Najeeb Basha family moved to Arizona to try to make a living at the mercantile business. Over the next ten years, the family survived incredibly difficult economic struggles and two more disastrous fires, living in Congress Junction (north of Wickenburg), then the mining towns of Ray and Sonora (south of Superior), until finally ending up in Chandler in 1920.

Najeeb established a store in Chandler that according to Bashas' Company Profile, "catered to the rural needs of its community, selling groceries, dry goods, and household

good such as furniture. Ike and Eddie Basha learned the retail trade from their parents at the Chandler store.”

In 1932, after Najeeb died from diabetes and with the family heavily in debt from his long illness, Ike and Eddie Basha looked for an opportunity to restore the family’s finances. They took over a general merchandise store in a small community on the cotton-growing Goodyear Ranch, five miles south of Chandler. (Note: The area is called Ocotillo today.) The brothers began to concentrate on groceries and put the Basha name over the front door for the first time. This was the start of the Bashas’ family of grocery stores.

Growth

For 20 years the Bashas’ chain of grocery stores grew steadily, transitioning from country stores to supermarkets, larger and stocked with a more diverse range of merchandise. Ike Basha’s death from cancer in 1958 left Eddie Basha as the head of the enterprise. Basha’s son Eddie Basha Jr. soon joined the business and helped his father expand the business further. When Eddie Basha died in 1968, Eddie Basha, Jr., then in his early 30s, assumed full control over the company. The Bashas’ chain then consisted of 17 retail outlets.

Bashas’ expansion continued under the aggressive leadership of Eddie Basha, Jr. According to Bashas’ Company Profile, “Like his father and uncle before him, Basha endeavored to create supermarkets that catered to the needs of individual communities.”

The most striking example of this occurred in 1981 when Eddie Basha, Jr. was asked by the Navajo Nation to open a grocery store in Chinle, Arizona. Since opening that store, Bashas’ has continued to serve Native Americans, now operating seven Bashas’ Diné (of the people) markets across the Navajo Reservation (one in Crown Point, New Mexico), providing Navajo-specific food and merchandise with 95 per cent of Bashas’ employees speaking the Navajo language.

Bashas’ also has two stores on two different Apache reservations - in San Carlos on the San Carlos Apache Reservation, and in Whiteriver, on the White Mountain Apache Reservation. Finally, Bashas’ services the Tohono O’odham reservation with a market in Sells.

By the end of the 1980s, Bashas’ had grown to approximately 45 outlets. Eddie Basha Jr. wanted to have at least one Bashas’ store in each of the 15 counties in Arizona.

In the 1990s Bashas’ embarked on an acquisition campaign. The first acquisition in 1992 was AJ’s Fine Foods, described in Bashas’ Company Profile as “an upscale, specialty chain offering prepared gourmet meals, a large wine collection, and specialty baked goods.” Today, there are 13 operating AJ’s Fine Food Stores, 12 of them in the Phoenix area, with the one in Tucson at La Encantada Shopping Center.

Bashas' also wanted to service the Hispanic community. In 1993, in Phoenix, Bashas' acquired a single Food City Store that for 50 years had catered to the particular needs of Hispanics. Then in 1996 Bashas' acquired the MegaFoods discount stores and by 1999 had completed the conversion of these stores and a few other specialty stores to the Food City format. In 2001 Bashas' bought 22 Southwest Supermarkets for conversion to the Food City format. Today Bashas' has 53 operating Food City stores, mostly in the Phoenix area, the seven in Tucson, and a few spread throughout the rest of the state.

To directly service its Arizona family of stores, Bashas' has a state-of-the-art groceries Distribution Center in Chandler. The Center includes over 16 acres of under-roof space, as well as a full mechanic shop. The perishables area of the Center is temperature and climate-controlled.

By 2004, as reported in Bashas' Company Profile, the company's "\$2 billion in sales (nearly half from Food City) ranked it third in Arizona's increasingly competitive grocery market, behind Safeway and Fry's (a unit of the Kroger Co.)." Bashas' was the only locally-owned supermarket chain in the state.

Progressive Grocer pronounced Bashas' its national "Retailer of the Year" in 2005. The trade publication praised the company's investment in its employees; community involvement, and Hispanic-oriented merchandising. Over the years Bashas' has been particularly noted for championing education and has donated more than \$100 million to Arizona charities.

In 2007 in a DVD celebrating their 75th anniversary, Bashas' stated that the company had surpassed 160 outlets with over 14,000 members. Bashas' calls its employees, members, in keeping with its "family" business orientation. And it certainly has been a family enterprise; starting with Najeeb and Najeeby Basha, generations of Bashas and their relations (including the women) have helped operate the company.

That first Bashas' grocery store (along with some associated original buildings and a few additions) became the company's headquarters. The location is south of Chandler, just west of Arizona Avenue, at 22402 S. Basha Road.

In 1992 the Zelma Basha Salmeri Gallery of Western American and Native American Art (named for Eddie Basha, Jr.'s Aunt Zelma). opened on the headquarters site, displaying over 3,000 pieces of art that Eddie Basha, Jr. has collected since 1971. The gallery is open to the public and - take it from Pat and me - is well worth a visit.

Next week: Bashas' Survives Bankruptcy and Reinvents Itself

Sources: Arizona Local News, azcentral.com; Bashas' History, bashas.com; Bashas' Company Profile, referenceforbusiness.com; Wikipedia.com; Bashas' 75th Anniversary DVD; Bashas' Public Relations Department; *Arizona Daily Star*; *Arizona Republic*; *Phoenix Magazine*.



The first Bashas' market in Mesa, Arizona opened in 1936. The man in front is store manager Don Cooper who later became Bashas' president. (Courtesy of Bob Ring)



This display at the Bashas' market at 6900 East Sunrise Drive summarizes the history of the Bashas' family-owned grocery chain. (Courtesy of Bob Ring)