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2026 Midwest Retailer of the Year







Retailer of the Year



Embracing 88 years of grocery heritage while building for what's next

For Fareway Stores Inc. – *The Shelby Report of the Midwest's* 2026 Retailer of the Year – staying competitive in an evolving grocery landscape means honoring the company's rich history while strategically planning for its future.

Under the leadership of CEO Reynolds Cramer, the Midwest grocer strikes a deliberate balance between preserving core legacy values and executing forward-thinking operational strategies to meet shifting consumer demands.

Cramer describes his focus, especially the last 15 years, as a split – 50 percent on the company's heritage, history, culture, consistency and values, with the other half on the strategic vision for the future.

"The whole idea is saying that we're not 100 percent stuck in the past because I feel like if we had been, we wouldn't be where we are today," he said.

The 88-year-old, family-owned company, based in Johnston, Iowa, operates in seven states with more than 14,000 employees.



Reynolds Cramer

'The customer has to think we're the best'

For about 80 years, Fareway built its stores a certain way and dressed its employees in white shirts and black ties. Cramer wore the uniform himself for more than three decades. The company has since rethought its uniforms and storefronts, decisions he traces to a suggestion from Scott Beckwith, his cousin who retired as chief administrative officer.

Beckwith proposed a focus group. Cramer admitted his first reaction was skepticism.

"At first, my thought – and I think [that of] others – was why do we need a focus group? We know who we are. We know what we're doing," he said.

"But one of the things that's been different about me – not just company-wise, but personally in the last 15 years – has been to have an attitude of, I've always done it this way; maybe I should try it a different way."

Fareway ran two sessions, one in a small town and one in a larger city where the company operates. Cramer and about seven colleagues sat behind a one-way mirror while shoppers who had been sent to Fareway and its competitors reported back.

"Somebody would say something like, 'I went to this store, and I bought some meat and it wasn't the best, and then I went to Fareway and their meat was amazing.' Of course, we're in the room. 'Yeah, we're best. We know we are,'" Cramer said.



Fareway Stores Inc. is known for the high quality and customer service of its meat counters .

"And then someone says, 'I bought some produce, and I went to Fareway and bought produce, and their produce was terrible.' And I'm up at the glass, it's like my eyes are getting bloodshot, and I'm like, what are you talking about?

"But it was a defining moment because I realized that just because we think we're the best doesn't really matter. The customer has to think we're the best."

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Months later, Cramer took a team to a produce trade show in New Orleans. Fareway came back and retrofitted every produce section in the company with new shelving and added organic offerings.

"Things just took off in our produce department," he said.

The company applied the same approach to its shirts, storefronts and other long-standing practices, and Cramer said the process builds in feedback from employees and customers.



Based on feedback from focus groups, Fareway revamped the produce departments at all its stores several years ago.

"Let's come up with what we think we want to change, and then let's go and have some test areas, test stores, make some changes, get some feedback from the people that work for us, and get some feedback from customers," he said. "And then once we feel like it's 99 percent there, then we can move on and make it that big change."

Decisions, priorities, list of 10

Cramer's leadership comes back to a single principle. "I'm always focused on trying to do what's right," he said, adding that includes for the company, employees, customers and vendors. "Doing something at work shouldn't be much different than what you do at home in the community with people that you are involved with in life."

He described decision-making as the easy part.

"I can make 20 decisions every hour. I have no problem with that. What I have to do, though, is I have to make sure that the team is a part of those," he said.

"We're sticking to what is our business, why are we here, and what decisions can we make so that we're here five, 10, 50 years from now?" he said.

Rather than a formal multiyear strategic plan, Cramer prefers to set a five-year destination and then narrow the focus to the current year through a list of 10 priorities.

"Every year, when you get to the end of the year, you go to that list, and you're proud of the fact that you checked four of those off. You've got two in the hopper, and you've decided that three or four, maybe, aren't what you think they were," he said.

"What's the No. 1 thing you got to work on?" he said. "And sometimes people can get caught on the No. 8 thing. The eighth thing is important, but it's No. 8."

Building out distribution, constructing smaller stores

On the investment side, Fareway is adding about 100,000 square feet to the roughly 250,000-square-foot refrigerated building at its distribution center. Steel is up on the addition, which will add zero-degree space and minus-20-degree rooms for ice cream and similar products.

"When we get done with this expansion, we will be in an even better position to be efficient and also have more holding power," Cramer said. The company also has updated its ASRS towers with new technology to prepare for more automation and robotics.

Cramer said Fareway's investment philosophy starts with sticking to what it knows.

"We try not to be everything to everyone, and we invest in partners that perhaps are better at doing things than we would be," he said, citing leased pharmacy space as an example.

On new markets, Cramer said many areas are oversaturated. Fareway is instead targeting growing communities and rural towns, using a smaller footprint and sometimes lower-cost building materials.

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Fareway has begun expanding the refrigerated building at its distribution center, a project that will increase the size to 350,000 square feet and adding zero-degree space and minus-20-degree rooms.



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Fareway is targeting growing communities and rural towns, using a smaller footprint store model.

"We're working with some great communities that are open to our thought process when it comes to more housing, more services, so that we can put a store there to have a destination," he said.

'Second city council'

Cramer said his view of community impact was shaped by the COVID-19 pandemic, when grocery employees were designated essential workers.

"I always like to think that the second mayor, the second city council, if you will, is our Fareway store. It's our management team, and it's our employees that are there every day," he said. "They are a part of the community. Fareway is a part of that community."

The day before this interview, Cramer was at a store in Norwalk, Iowa, where he lives, presenting a check to the fire department and another organization after an apartment building burned to the ground. One of the displaced residents worked in a Fareway meat department. The company ran a roundup campaign and matched what customers raised.

The same day, he attended the Stars and Strikes Charity Classic, a softball event with area firefighters, police and EMTs organized by Fareway AVP of Marketing Taylor Blanchard, along with Anheuser-Busch and Doll Distributing of Des Moines. The game was played on a field cut from a cornfield on the Moeckly family farm north of Polk City.





Fareway's Stars and Strikes Charity Classic was played on a softball field cut from a cornfield at a family farm north of Polk City, Iowa.

Cramer said much of the money goes to help families in crisis. A local fire chief told him about a friend, an Army Ranger who died of pancreatic cancer, whose family's mortgage had been paid off by Folds of Honor Iowa, a group Cramer said is new to the state.

Cramer noted that he once was the one taking the lead and participating in charity events, often manning the grill. Today, many Fareway team members sit on local boards of nonprofits.

"I was so proud of the fact that I didn't do anything to set this up," Cramer said of the softball event. "Twenty years ago, I would have been doing all this stuff. The team has risen to the occasion, and that's where I feel really proud."

'One spoke on the wheel'

Asked about his own legacy, Cramer pointed to a management meeting of more than 300 people. He asked who in the room knew Bill Beckwith and Bob Cramer, the uncle and father who led the company as CEO and president more than 20 years ago. About 15 raised their hands.





Fareway Stores Inc. Board of Directors is shown here before and during (top photo) a group meeting.

"It's not that people are forgotten; it's just that they're not in the game anymore," he said. "I'm not doing this for legacy, nor does it really pop into my mind. What I'm doing it for is so next generations can have the same opportunity and the benefit that I received."

Fareway reaches its 100th anniversary in about 12 years. Cramer said he expects to be retired by then but plans to attend the celebration and see the company's new 100-year history book, knowing he "was just one spoke on the wheel that helped pedal us to that point."

"My true legacy is making sure that the people are in place when I leave, that it just keeps going, and they raise the bar," he said.

Cramer counts off the people who make it work: the truck driver up at 3 a.m., the warehouse worker building pallets at 11 p.m., the shop employee painting a produce table, the IT staffer fielding a 2 a.m. call, the 14-year-old carrying groceries to the car.

"We've got a pretty good thing going, and I just am so happy that people get up every day and enjoy coming to Fareway," he said.

"We must be doing something right to have a great customer experience because we've got some amazing customers that keep coming back. And then to have a great employee experience, we're keeping employees," Cramer said.

"People like myself can look really good in an article, on TV, getting an award; none of that would happen without those amazing people."



Fareway prides itself on offering great experiences for both its customers and employees.

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Industrywide recognition achieved on 'shoulders of 14,000 people'

When Fareway opened on May 12, 1938, it was one of 30-some grocery stores in Boone, Iowa, a town of 12,000 people. Eighty-eight years later, the company operates 144 retail locations in seven states with nearly 14,000 employees, and President Garrett Piklapp said the qualities it took to start are still the ones that matter.



Garrett Piklapp

"To do that, it took being courageous. It took winning experience. It took modeling a certain standard. It took holding yourself accountable. It took protecting and defending the brand that Fareway is," Piklapp said. "And I think, 88 years later, we still do those things really, really well."



Those same traits, he said, are the ones he holds himself to as a leader.

"I challenge myself to model the standard to win the experience. And it could be an experience that is very conversational. It could be an experience with an employee," Piklapp said. "I push myself hard to defend the brand and to always put the brand first. I try and hold myself accountable, and I try to lead with courage. And Fareway allows me to do that."

He added, "I've matured in this journey. Believe me, I've matured a lot, but I feel like I work hard to embody those principles."

On being named *The Shelby Report's* Midwest Retailer of the Year, Piklapp said the company is proud of who it is and what it does internally, "and I think rightly so."

"But when there is a recognition like this from a publication like this, it legitimizes what we're doing and how we're doing it, and who's doing it, and it's super impactful," he said. "I'm very, very thankful."

'Recruit on benefits, retain on culture'

Piklapp describes himself as a process guy. His approach to empowering others starts with surrounding himself with people who buy into that process.

"It's easy to sit down with people and talk about where we're going, what the process and strategy is to get there, and then emboldening these individuals to go get there," he said. "And with almost 14,000 people doing that, it is important to trust your team to go execute."

Promoting from within, he said, is "the fabric of who we are today, and who we will be tomorrow, and 10 and 50 and 100 years from now."

"Our people are an important ingredient of our secret sauce, and we have an institution full of them," Piklapp said. "Empowering them and seeing them succeed and then rewarding them by way of promotion or other recognition is an important reason why we've been so successful."





People are an important part ingredient of Fareway's "secret sauce," and promoting from within has been a key factor in the company's success.



Asked how Fareway competes for talent, Piklapp offered a formula: "I'm a believer that you recruit on benefits and you retain on culture."

Fareway's benefit package – wages, work flexibility, retirement and health care – is competitive, he said, but culture is what keeps people, whether the store is in a town of 1,900 or a metro area of more than a million.

Piklapp said it's common to see the CEO or other members of the executive team spending time at a retail location with employees ranging from a 14-year-old carryout kid or 25-year-old part-time employee to a 40- or 60-year-old full-time employee or the manager. "It's a pretty special part of our company."

That extends to the hardest moments. Piklapp said CEO Reynolds Cramer, some shareholders and the board chair reach out to people when they are going through family, medical or life-and-death issues and also celebrate their successes.

"Reynolds does that really well," he said. "Our ownership and executive team also do that well, but Reynolds sets the standard."

Cramer has been and continues to be a mentor for him, said Piklapp, and the effect of that mentoring across the organization is "immeasurable."

"If I could bottle up Reynolds' leadership, Sue's [P. Sue Beckwith, Fareway Board of Directors chair] thoughtfulness, Bret's [Bret Wiltse, EVP of merchandising] confidence, Mike's [Mike McCormick, CRO] steady hand and other strong traits from our ownership and leadership team, this would be the secret potion to our identity and success."

Bottling Fareway language

Preserving that culture as the company grows has become a more deliberate effort since the COVID-19 pandemic, Piklapp said, in part because of who is leaving.

"We have people retiring with 40-plus years of service, it seems like weekly, and the institutional knowledge that is leaving our company at any given time is a lot," he said. "We have made a more intentional effort to bottle the Fareway language and what separates us from our competition and what makes us unique and special. This is a genuine part of who we are."

The company has put together a more intentional plan for how to continue, scale and implement that knowledge as veterans retire and as Fareway expands.

"It will be an important part of our future success," Piklapp said.

'First, better or different'

Asked where Fareway will be in five to 10 years, Piklapp said the question can be overwhelming, but a clear identity brings clarity.

"We know exactly who we are. We know exactly what we do well. We invest in what's proprietary to us. We go to market and invest in ways that we know what we do is either first, better or different than how others do it," he said. "It is uniquely Fareway, and all of that said, we will continue to do what we do."

Borrowing a line coined by Freddie Johnson at Buffalo Trace – that Fareway honors tradition and embraces change – Piklapp laid out what that looks like: continued growth in markets from about 2,000 people up to major metropolitan areas, an ongoing look at an eighth state, investment in the supply chain and distribution center with a focus on protein and fresh, acquisitions when they make sense and continued investment in e-commerce and other digital initiatives. "We will continue to do all of these things at a pace that makes sense for us.

"And we will continue to be closed on Sundays."

On the digital side, the goal is to replicate the in-store experience as closely as possible. Piklapp said it is important for the company that it continues to raise – and set – the bar digitally the same way it does in-store.

As for what he hopes employees take from the Retailer of the Year recognition, Piklapp said the answer is pride.

"This award is won on the shoulders of 14,000 people in seven states, in 144 retail locations, in a distribution center, on our campus, at our HQ, and it will be important that they feel a sense of accomplishment for this award," he said. "They deserve to feel recognized. They deserve to feel a badge of honor."





Fareway plans to continue growing in markets from about 2,000 residents up, as well as in major metro areas.

In some areas, IT focus is more on the 'HI' than AI



Nathan Kerns

Ask Nathan Kerns to name Fareway's biggest recent technology initiative and the answer is not artificial intelligence. It is the new e-commerce platform the company launched earlier in 2026 after a couple of years of work.

"That is probably the most impactful customer-facing technology change we had, which is a full digital initiative and enablement for our customers," said Kerns, EVP of IT for Iowa-based Fareway Stores Inc. "Artificial intelligence certainly has its components with that, but I wouldn't say that's been the mainstay."

The platform is Instacart, and Kerns said the partnership solved a scaling problem while preserving something Fareway was not willing to give up.

"The way we approach e-commerce, we want to have it be a uniquely Fareway experience, which is challenging because right now e-commerce is a commodity, right?" he said.

"We are a service-focused organization. We are full-service if you're at a brick-and-mortar [store], and we are full service in the digital space as well, and so that creates a lot of unique challenges, especially when you look at different large-scale e-com platforms," he said.

The previous platform offered customization but was not scaling, Kerns said. "The partnership with Instacart has been refreshing in a lot of ways because we've been able to have more of that custom journey with our customers on a larger platform, and some of the capabilities that Instacart brings does give us more opportunity to better service those customers as well."

Kerns, who has been with Fareway for 17 years after coming from Best Buy, oversees all technology for the company – stores, distribution facilities, offices, data integration, software and AI. He described the company's approach to technology as pragmatic and deliberate, historically more planner than early adopter.

"Our approach to technology is two-part. First, we support and provide technology input on business strategy and objectives. Second, we lens this work with where we see technology moving."

Click and collect, faster

Fareway's e-commerce is click and collect only; the company does not deliver. Customers order online and pull into a designated slot, and employees bring the groceries out and load the vehicle. Kerns said Instacart has capabilities Fareway is not using, and the company is exploring delivery.

Where AI helps now is behind the scenes. Kerns said it lets stores pick orders earlier and more concurrently, which opens up more collection windows and tightens the gap between ordering and pickup.

"We're always trying to get more touch points and a faster response to our customers," he said.

The company also is rolling out a digital coupon program through Inmar Promotions, integrated with Instacart, after a pilot. A customer with an e-commerce account will be able to identify themselves at the check stand, and the platform will use that data for personalized offers. The base coupons will be available to everyone.

Kerns drew a line between that and a traditional loyalty program, which Fareway does not have.



Fareway is in the process of rolling out a digital coupon program.

"When we say loyalty programs, sometimes it's people with this program get this coupon. If you're not in the program, you don't get that. We've not wanted to have that different dispa-rate pricing where we're giving some customers more preferential treatment," he said. "Now, when it comes to personalized offers, that changes it a little bit, and anybody's welcome to have access to that, and that's at no cost."

Fareway has been slow-rolling capabilities on the new platform and will continue to for the next couple of months, Kerns said.

Less data, by design

The absence of a loyalty program is tied to how Fareway thinks about data. Kerns said Fareway prioritizes information security because it is a brand people trust, and part of that is choosing what data not to hold.

"A lot of retailers have loyalty programs where they collect a lot of data on their customers, and that data, they can drive value from it. They can also sell that. They can monetize it," he said. "At Fareway, we don't have a loyalty program. We don't collect that data.

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Smaller formats are opening doors previously not available in past



Mike McCormick

Fareway's store in Ogden, Iowa, is 8,500 square feet. Rockwell City's totals 11,000. Not long ago, Mike McCormick said, the company had no model that fit communities that size.

"Over the last several years, from a growth standpoint, we've gotten very strategic about the size of our building or the format of our building that has opened up opportunities that weren't available in the past in some smaller communities," said McCormick, chief retail officer for Johnston, Iowa-based Fareway Stores Inc.

The same thinking, paired with the company's meat market format, took Fareway into Kansas City in 2020 with a smaller footprint. The company has since added stores in Olathe, the north end of Liberty and a full store in Basehor, Kansas, and rebuilt the original building it bought in Kansas City.

McCormick works with the regional VPs, supervisors and meat coordinators across Fareway's 144 stores on operations and personnel. He also oversees EVP of Merchandising Bret Wiltse and the category team, works with marketing and e-commerce and handles store design, construction, maintenance and real estate from new stores to remodels.

Fareway has a 10-year real estate plan, he said, and the work is a balancing act.

"It's a balance of building the infrastructure along with the growth and making sure you do it in a way that you can support your stores and markets," McCormick said.

The plan flexes. Last year, Fareway bought two independent stores that were not on it.



The Fareway Meat Market in Kansas City

"We know that those opportunities may come up, so we are nimble in the fact that we are able to shift a few other projects to slide those in," he said.

"That's some of what I think makes Fareway really special is that as big as we are, still we're pretty nimble, and we're all kind of connected at the hip," McCormick said.

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That's what we call PII – personal identifiable information. And there's some liability to that, and we don't keep that."

On payments, the company uses a more expensive system that encrypts at both the software and hardware levels, end to end. "I couldn't get access to those keys if I wanted to," Kerns said.

Even with digital coupons, he said, the intent is to gather only what is needed. "Our intent is never to have excessive data. We don't monetize or sell data."

Fareway also is not building its own retail media network. In the digital space, it gets advertising through Instacart, and it uses a grocery media service for in-store displays over the meat counters and produce sections that carry national and local promotions.

Human intelligence

Fareway does not use auto replenishment or fully automated predictive ordering, and Kerns said that is a choice.

"In our organization, there's artificial intelligence and there's human intelligence. So, some areas we focus more on the 'HI' than the AI, which sounds like a buzzword, but it is meaningful to our culture," he said.

"When it comes to a lot of those, the order itself, we don't do the auto replenishment because we feel like it would actually create more out of stocks," he said. "So we are deliberate on where we do and do not solution with any sort of automation."

Instead, the company gives store employees analytics – last week's sales, a year ago, the season – to inform their orders.

"We give them a lot of relevant data so they can make a more informed and accurate decision on what to order. But to be clear, we do not automate these through technology, and we have chosen that path," Kerns said. "I would say that a lot of other companies have seen value in automating it. We feel this gives us an advantage and better suits our customer base to do it the way that we do."

The same analytics feed Fareway's vendor relationships, which Kerns said remain heavily people-driven. Data on past orders, holidays and seasonal events supports predictive modeling so the company can order more accurately and stay stocked without carrying excess inventory. "Technology certainly aids in that, but it's still led primarily by our human experts here," he said.

Store managers are now getting broader access to that back-end data. Kerns said the company spent time centralizing and validating the numbers before opening them up and recently began a wide expansion of access.

"Ultimately, we want to maintain a lot of store autonomy for our managers," he said. "And so while we've helped them with a lot of our promotion [and ordering] guidelines, we always have that balance, and now we're equipping them with data that we feel very confident in," Kerns said.

Meeting customers where they are

Fareway was later than many grocers to add self-checkout, Kerns said, and not because it lacked the technology. The company is full service by design. Employees put the groceries in the cart, take them out and load the vehicle.

"How do you do that with a self-checkout? But we found, once again, that there are customers that are not looking for that type of interaction," he said.

"You have to acknowledge that if you truly want to meet your customer where they are, you need to have different types of interactions available to them and let them choose," he said. "And our online e-com presence is an extension of that."

The company had assumed its customers would stick with full-service lanes.

"We were surprised. A lot of people prefer to just do it their way," Kerns said.

That principle guides Fareway's channel strategy. The company is not trying to push shoppers toward e-commerce or into the store, he said, but to offer the same level of service in every channel.

"We're trying to offer experiences that have the same high degree of customer service, customer journey and get that loyalty across all the channels, which is hard to do," Kerns said. "That's another reason why we really strive to have our online experiences be a differential



Fareway is not trying to push shoppers toward e-commerce or into the store, instead offering the same level of service in every channel.

experience to emulate our full service in-store service as much as possible."

Separate from the core stores, Fareway also operates a ship-to-home business, formerly Fareway Meat Market and now rebranded Heartland Steak Company.

Lean team that doesn't shrink

Fareway's IT department has never had a downsizing event, Kerns said, which sets it apart from departments that scale up and down with market conditions. The company invests in its employees, who manage outside resources when needed, and grows the team steadily rather than rapidly.

"On the whole, we run incredibly lean, and this is true of all departments at Fareway," he said. "We are a company that thrives on getting a lot out of lean teams, and that helps us with operating costs, and that helps us remain competitive."

The trade-off is long tenure and low turnover, which Kerns called both good and bad in a field that moves as fast as technology. "We spend a lot of time on training and upscaling and challenging ourselves to make sure … we can work even more efficiently together" and are looking at new technologies and solutions.

Looking ahead 10 years, Kerns said Fareway will be deliberate about how, where and when it deploys AI.

"We don't want to implement new technology just because it's new. We want to be implementing technologies where it makes sense and adds value for our customers and for us as an organization," he said.

"I see augmenting a lot of our employees with artificial intelligence but not replacing them. That's not what we're trying to accomplish. And through that, I feel like we're going to be able to have more personalized customer journeys, quicker turnarounds, better products. Hopefully, fuller shelves."

After 17 years, he said the company is "light years ahead of where we were" and has struck a balance it did not always have.

"I feel like right now we strike the right balance necessary to make sure that we're optimizing and we're the most efficient we can be now. But we're also setting ourselves up for success for the future," Kerns said.

He added that the amount of technology in grocery tends to surprise people.

"A lot of it is behind the scenes, but it does drive so much of that customer experience, so much of the organization to get that food onto that shelf at that price, at that time," Kerns said. "I think that grocery is a really exciting place to work in technology, even though it's probably not what people think of very often."

Meat and grocery, service with gratitude

Through the format changes and a refreshed store look, McCormick said the company has stayed true to meat and grocery. "We haven't added banks. We haven't really got outside of meat and grocery. We do that. We do it really well, and that's continued to be the focus."

The other constant is customer service, which McCormick said has been at Fareway's core since 1938.

About three years ago, the company started asking how to carry that forward and teach it to a 14-year-old part-timer the same way managers understand it. Focus groups with high-performing managers produced the themes behind Service with Gratitude, the program that now standardizes how Fareway talks about and trains service.

One piece is the 5-foot rule. "If I say five-foot rule to an associate in the store, they should know somebody was within 5 feet and you didn't acknowledge them or you did, vice versa," McCormick said. "We've created that so it's standardized.

"That is a foundational piece of Fareway, and we were good at it, but the consistency wasn't where we wanted to be, and we didn't all say the same things," he said. "And now when I say 'Service with Gratitude' in any store, any meeting, instantly people know what we're talking about, and then we just continue to layer on pieces of that year after year after year."



Customer service has been a foundational piece of Fareway stores since the Iowa-based company was founded in 1938.

Fareway redid its entire onboarding around the program, McCormick said. Half of onboarding is now about service, with a video message from the president and a playbook that walks through store-level scenarios. The company also is installing BrightSign monitors in every store break room, as it has at its headquarters in Johnston and its campus in Boone, to carry corporate announcements, service and engagement messaging and content that local managers can add themselves – work anniversaries, town events, store meetings.

Customer feedback comes through social media, email, the website and e-commerce ratings, and Fareway scorecards it monthly and sends results back to stores, including wait and pick times.

Produce overhaul – and meat counter's next step

McCormick was in the room for the focus group that changed Fareway's produce department.

"That was maybe one of the two most painful days of my Fareway career," he said, noting that the meat department scored well but produce was "hit-and-miss, at best."

The response was staff and fixtures. Fareway added a produce team and coordinators and a director of retail operations for the department, a role it already had for the meat market. It redid every retail produce case in the company, either replacing the case or reworking the racking to carry less inventory with better presentation and faster rotation.



Several years ago, Fareway redid every retail produce case in the company, which changed customers' impressions and resulted in a pleasing transition.



"Now it's amazing the transition that we've had," McCormick said. "The feedback is much different at this point ... and we're much more on equal footing on market versus produce."

He dated the focus group to about 2017, with the rebrand following as part of Fareway's 80th anniversary in 2018. The design elements that spread through the chain came from the first meat market, opened in 2016 in a leased space in Omaha with an outside design team.

"I remember standing in the building and talking to our construction team and saying, this floor, this meat case, this stuff will be in every Fareway at some point," said McCormick, who opened that store as a supervisor.

"And now all those elements, all those things are part of every new store, every remodel that we've done basically since then."

Produce, he said, has become table stakes. The meat department is still the differentiator.

"It's especially fun to take somebody that's either new to Iowa or to Fareway – or go to a completely new community like Basehor, Kansas – and have them walk in and see 12 people behind the meat counter with hats on, ready to cut and wrap your meat exactly the way you want it," he said.



One of Fareway's "most obvious" advantages is the meat counter at any of the grocer's stores.

"So no matter what we do in the rest of the store, that is still by far our most obvious advantage."

The counter still has to evolve. Younger customers who did not grow up visiting it with a parent or grandparent can find it intimidating and would rather order from a phone. Fareway is testing kiosks internally that would let a customer order and then pick up.

"As proud of that as we are, we also know that may not be what everybody wants," McCormick said. He compared it to self-checkout: "I've seen people with a whole cartload of groceries wait in line to go through a self-checkout because that's their preference.

"It's hard for probably any grocery person to imagine wanting that type of experience as your first choice. But every customer's got different expectations."

Instacart, EBT and delivery on horizon

Fareway moved its e-commerce to Instacart in mid-March after outgrowing its previous platform. The company is on the Instacart Marketplace alongside other retailers and uses Instacart's Storefront Pro as its own white-label platform.

The switch unlocked EBT online, which Fareway had not been able to get done. The first store went live in Kansas in early July, and every store followed by the end of the month.

Digital coupons and personal offers, built with Inmar and Instacart, are in an employee preview and will launch to customers in a basic form this fall, with more layered on next year. Special offers for employees will be built in.

Delivery is next. McCormick said Fareway hopes to test it in at least some markets by the end of the year through Instacart, and it will look different from most of the Marketplace.

"Right now, I think we're the only one on Marketplace that doesn't offer delivery," he said. "We also are one of the few that [still picks] all of the

Please see page 32



At Fareway, company officials say it's all about the people – both customers and employees.



2026 MIDWEST RETAILER OF THE YEAR

FAREWAY® MEAT & GROCERY

From page 31

groceries ourselves. We're not allowing Instacart gig workers in our store because we feel like the expectations of our customers are different than others.

"Even when it comes to delivery, our plan is to self-pick, hand off to an Instacart delivery person, and go from there," he said.

Behind the scenes, Fareway is updating the Dematic automation in its warehouse as it builds a frozen addition. Fareway looked at automating the new frozen space entirely and decided no one in the U.S. was doing it the way the company wanted yet, so the building is designed to be retrofitted later.

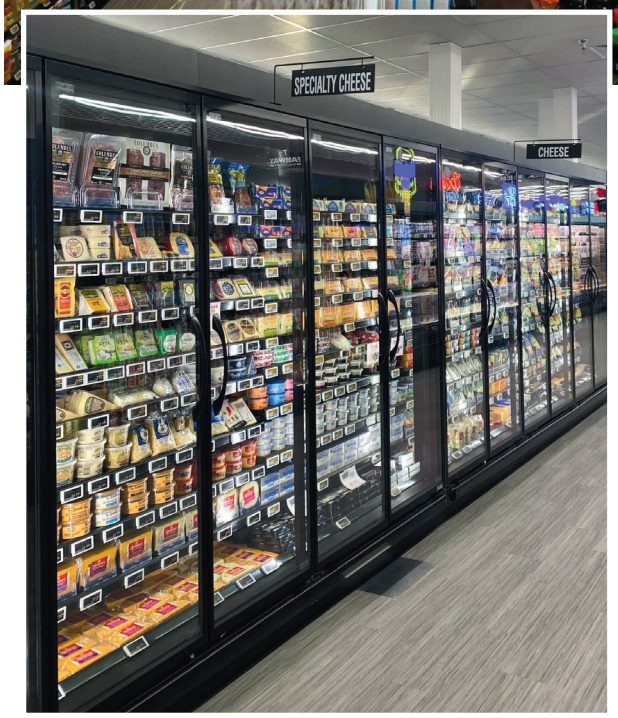
That caution is deliberate.

"Some of our competitors ... went all in on whatever the new technology [was], and they don't always pan out, as we know, and so we've always taken a little bit of a watch-and-see approach," McCormick said. Electronic shelf labels are in a handful of stores as a test; he said they ease life for managers and associates, but the customer impact is not fully understood.

Managers who know Mrs. Smith

In smaller communities especially, McCormick said Fareway's competitive advantage is relationships. Managers often stay decades.





Full shelves, clean stores, friendly people and community involvement have long been differentiators for Fareway.

"They know that Mrs. Smith will be here Tuesday at 9 o'clock. If she's not, they might call her house to make sure she's OK," he said.

McCormick said full shelves, clean stores, friendly people and community involvement are the differentiators for the company's core customers. "I think those are the biggest things."

Communication is key, and McCormick noted he had heard from five or six managers by text that morning, and that CEO Reynolds Cramer sets the tone.

"Reynolds leads that charge, and as a CEO probably spends more time in the stores and out with our people than in a boardroom or behind his desk," he said. "He's really always stressed that with all of his leadership team – everything happens in the stores."

Community involvement starts with the store manager. New locations begin with the chamber of commerce and the schools, and community leaders are invited to the VIP event before opening.

After that, McCormick said, there is no prescription – managers follow their passions. He recalled a watermelon feed for the football team in Orange City, Iowa, when he managed that store, the kind of small event that repeats at every Fareway every year.

At the corporate level, Fareway works with Variety – the Children's Charity and the Principal Charity Classic in Des Moines, where McCormick sits on the board and which he said raised about $10.8 million this year, with Fareway being a part of that total.

Volunteers, when requested, always show up.

"No matter what the event is, everybody's all in on making it work and giving it our all," McCormick said.

Every store runs its own social media account, mixing chainwide content with local posts. McCormick pointed to the ALS ice bucket challenge Cramer took outside the office, which he then extended to every store manager, alongside a roundup.

One store let the community vote on which of its six managers and assistant managers got soaked and drew hundreds of comments.

"I remember when we first started talking about that, we had a lot of managers like, 'Are you kidding me? I'm going to do a video on Facebook? What are you even talking about?'" he said. "And now they see how impactful that can be."



As part of the company's long-standing community involvement, Fareway CEO Reynolds Cramer recently took part in the ALS ice bucket challenge.

Team built from stores and beyond

McCormick, Cramer and Wiltse all came up as store managers. President Garrett Piklapp is a lawyer by trade who worked his way through the company and brings a passion for public and government relations. EVP of IT Nathan Kerns never worked in a store but "has a very Fareway approach to things," McCormick said.

For years, everyone in the office had run a store, he noted. Over the past 15 or 20 years, the company has been more intentional about hiring outside talent for roles like marketing and IT while keeping the store perspective: new hires travel with the supervision team and work a few days in the warehouse.

"It may be a great idea in your office, but what happens when it gets out to the stores? And we've all done that. We've all made that mistake," he said. "Nobody's exempt from that."

Asked what he is proudest of, McCormick came back to people.





Fareway plans to continue growing, expanding throughout seven states and remaining true to the company's origins.

"This is a people business. We sell groceries, but it's all about people, whether it's your customers or your employees. And that is, I think, the key to our success.

"Continuing to grow, continue to expand to now seven states and being part of that while remaining true to who Fareway is – that is by far the thing I'm the most proud about," McCormick said.



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Analytics, supply chain strategy fuel company's merchandising

At Fareway Stores Inc., merchandising operations rely on a combination of customer-focused sourcing, hyperlocal flexibility and advanced data analytics.



Bret Wiltse

Overseeing this operational strategy is Bret Wiltse, EVP of merchandising, who manages procurement, vendor relationships and how product reaches the stores across all departments.

He summed up the company's merchandising philosophy in a sentence: "to follow our customers and deliver the products that they are looking for, and to have them in value when they want to buy them."

That customer has changed. For the first time, Wiltse said, the youngest generations of shoppers are influencing how their parents, grandparents and great-grandparents shop and eat – and Fareway is following them there.

"We're having to follow younger trends in order to even serve older demographics because they're driving what that customer wants to buy, wants to put in their body," Wiltse said. "We're following those clean label trends. We are following portion control trends. The additives, whether it's food dyes or that type of things, are a big concern."

Wiltse said how a product is sourced and developed, and what its suppliers' practices are – from sustainability to fair pay to treatment of the land – has become very important to customers.

"Not just on the label, but an expectation from the consumer that what we're putting in front of them is wholesome," he said.

Smaller box, hyperlocal shelf

Fareway operates a smaller-format store built for a quick trip, Wiltse said, where customers can find what they need where they expect to find it. Because the company cannot carry everything, it packages deals to match the pack sizes a club store would offer while still running single price points for smaller households or shoppers who are not stocking up.

"Having a smaller format keeps us hyper focused on our space, which is very important to us," he said. "So that way, we're trading things in and out and watching those sales."

The category management team builds a base planogram, and store managers have room to flex within it for local suppliers or for a more spicy, healthier or portion-controlled mix that fits their geography.



Fareway operates a smaller-format store built for a quick trip, where customers can find what they need where they expect to find it.

"They have a product selection that is adequate and sometimes better because we're focused on a hyperlocal strategy, too, to allow our managers the flexibility to put in local products that a customer is looking for that other, larger stores may not be able to do," Wiltse said.

Innovation is key to staying on trend. "The speed of the world has changed since I started my career over 30 years ago," he said. "Those trends are going direct to customers, and we have to watch those consumer trends in order to make sure we've got those products they're looking for."

Protecting meat counter

Fareway's full-service meat counter and carryout service are both on display, Wiltse said, in a model built around what the company calls Service with Gratitude. For a first-time shopper, that can be unfamiliar.



Fareway's full-service meat counter and carryout service are on full display at every one of the company's locations.

"We have training modules now to help our employees understand how to identify those customers that may be a little reluctant for their first time," he said, adding that a great experience can quickly build loyalty with shoppers, who learn "we are there to serve them in a way that they don't get at other retailers."

Keeping the service model economically viable is a challenge Fareway meets "head on all the time," Wiltse said. The first tool is structural: The meat department has its own manager in the store.

"They are definitely focused on that customer specifically when they're in the store versus a general obligation to take care of all customers," he said.

"Those employees are trained in a way to deal with just those products, so they're very knowledgeable when it comes to helping a customer figure out the cooking techniques or dishes or things that go along with it that pair well," he said. "That allows our customer to tap into things that you just can't get at a self-service counter where you don't have an expert standing there."

The same emphasis on training runs through all the fresh departments. "We truly want to live up to our reputation as being best at fresh, so we talk about it all the time," Wiltse said. The focus, he added, is taking employees with 40 years of experience and passing that knowledge down to "make our newer employees veterans that much quicker."

More weeks on deal

As Fareway has incorporated more data analytics, it has tracked when customers buy – on sale or off, and where they are in their budget cycle. The conclusion was to put products on discount more often.

"Out of the 52 calendar weeks, our goal has been to increase the number of weeks of discount on almost every item by working with all of our suppliers to make sure that we are offering that so it is available when the customer wants to buy it, and so they don't have to stock up necessarily," Wiltse said.

"Affordability can be a few things. It's the price per item, it's the frequency of when those products are offered, and frequency becomes something that is not talked about in our industry all that often because it can be controlled by the manufacturer a lot," he said.



"We talk with our suppliers about frequency of discounts to hit that customer when they need it."

Private label is a key piece of that value equation, though Wiltse said the largest retailers' scale makes it harder for regional grocers to hit supplier minimums. Fareway's answer has been long-standing partnerships and investment in regional players – through contracts, acquisitions or transportation synergies – that let smaller manufacturers and regional grocers focus on the customer together.

"If we're going to put our name on it, it's going to be of the utmost quality, name brand standard versus necessarily value," he said. "We think quality is one of the most important things to our customers, and we're going to plan on that above all else."

In more recent years, he said, private label has shifted toward convenient pack sizes and portion control, with protein and fiber content becoming increasingly important.

Suppliers as family

Wiltse said Fareway treats supplier partners like family, "and even that means the good and the bad."

"Making sure that we treat them with fairness, honesty and understanding – that it is a real partnership, that we can't ask them to do something that's not good for their business as well," he explained. "The same way we would expect them to do the same. So if we're both winning, that means we're both serving the customer in the way that the customer expects."

His advice for manufacturers and solution providers looking to work with Fareway: Think about the whole category.

"Many times, we will have suppliers that focus on their lineup and maybe forget that it may not be a value add to the overall category, because trading one product for another didn't really grow us another customer," Wiltse said.

Because space is at a premium in a smaller format, he said, suppliers succeed when they can show how a new line will attract new customers and grow the overall business.

That upstream relationship also is where Wiltse sees innovation in fresh – keeping an open line on new recipes and customer trends, "and sometimes that means vertically integrating within your supply chain to make sure that you are protecting categories that are important to your customers and important to the overall business."

Treating stores like customers

On sustainability, Wiltse said the merchandising team's contribution is freshness. Fareway no longer asks individual stores to book product weeks or months in advance. That job has shifted to the warehouse teams, leaving stores free to order what they need only hours ahead of business.

"We've really taken the approach of treating our stores like the customer, the same way we would expect our stores to treat their own customers," he said.

The data analytics team supplies the ordering data for both stores and the warehouse.

"We found it reduces food waste by having one warehouse to manage, rather than thinking of all of our locations as also being warehouses," Wiltse said. "That keeps dates fresh across our system and takes out any spikes in business that way."

Asked what accomplishment he is proudest of, Wiltse pointed to communication. Any Fareway employee, part time or full time, can reach anyone in the company, including the CEO, and the merchandising team has built the same direct line to the stores.

What excites him most about the future comes back to the same thing.

"Our culture has always been one of our biggest assets. Over the last few years, we have done a lot of things to make sure that that culture continues forward and be focused on how [we] hand it down and protect it," Wiltse said. " I feel like we've knocked it out of the park, and we will continue our culture going forward, which means serving our customers with gratitude."



Over the last few years, Fareway has taken many steps to ensure its culture continues foward, which means serving customers with gratitude.

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At Fareway, community involvement starts with the store manager. New locations begin with the chamber of commerce and the schools, and community leaders are invited to the VIP event before opening. After that, managers follow their passions, supporting various local schools and nonprofits.

At the corporate level, Fareway works with Variety – the Children's Charity and the Principal Charity Classic in Des Moines, which raised about $10.8 million this year, with Fareway being a part of that total. Among the many causes and activities are Giving Tuesday, Habitat for Humanity, an MDA fundraiser, meal packing events, reading at schools and turkey giveaways at Thanksgiving.






















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