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Retailer looking for direct supply deals as it continues expansion

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PARAMUS, NJ — H-Mart, a Korean grocery chain that was founded in New York in 1982, has ambitious expansion plans and is looking to make deals directly with growers to supply the dozens of stores it operates nationwide.

Gi Moon, who works in the procurement department for Lyndhurst, NJ-based H-Mart, met with *The Produce News* Aug. 14 at the chain's location, here, to discuss the shift in its buying practices, which heretofore have focused on the use of brokers and distributors.

"We have plans to open four to five new stores per year, and along with that we are interested in making deals directly with growers as a way to get the freshest, best quality product at the best price," he said.

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For example, Moon said he has been recently working with ProComer, the export promotion agency for Costa Rica, to procure various products from that Central American nation. He hopes to connect with other similar organizations and directly with growers in the United States and abroad to help satisfy the demand by H-Mart shoppers for top-quality fruits and vegetables.

H-Mart's produce program, which features a plethora of specialty items popular with ethnic populations, is a big attraction for its clientele, who Moon said tend to be scrupulous when it comes to quality. As a Korean grocer, it draws a sizable number of Asian shoppers, but the Latino and

Caucasian communities are also well represented in its overall clientele.

Moon said most H-Mart locations tend to be mid-size supermarkets — the Paramus location is 25,000 square feet — and serve as anchors that draw people to a shopping center. The stores also are destinations, featuring food courts and independent vendors such as noodle shops and bakeries, which add to the overall shopping experience.

“It’s an added benefit for our shoppers, who can come and have lunch or coffee during a shopping trip,” he said.

Stores also carry numerous household items such as cookware, kitchen items, health and beauty aids, and even clothes.

Moon said with such a wide variety of offerings, H-mart store layouts must be well planned to efficiently use the space. As such, it employs a separate in-house design team when opening a new location.

But even with the myriad options offered to shoppers, produce remains the star attraction. For example, at the Paramus location, produce accounts for 22.7 percent of sales. At the nearby location in Ridgefield, NJ, produce commands an impressive 25.4 percent of sales.

Perusing the produce department, shoppers encounter pristine displays that are continuously manicured throughout the day by the produce team. Displays of ethnic fruits and vegetables, such as Bok Choy and Asian pears, are intermingled with more mainstream items, such as apples, cherries, bananas and grapes.

“We carry six or seven varieties of apples, and we actually have a direct deal with a Washington apple grower,” he said. “In addition to bulk product, we offer specialty packs, such as a box of Korean melons. It is a custom for Koreans and other Asian communities to give fruit as a gift, and this is a good seller for us.”

Moon said as part of the layout of the produce department, H-Mart has a proprietary display case developed by its design team that features a two-level bin with beveled corners that keeps produce well organized and enables easy viewing and access by shoppers.

H-Mart also offers pre-cut fruits and vegetables, which are prepared by staff on-site, ensuring freshness and quality.

In all, H-Mart operates 70 stores in the United States, 10 in Canada and two in London. The latest additions include a store in California (its 15th in the Golden State) and one each in Arizona and Hawaii — the first in each state. A location in Pennsylvania is set to open later this year.

And while Moon realizes that H-Mart faces stiff competition from larger retailers, he believes the chain will build on its dedicated clientele as it continues to expand.

“Even though we’re not the size of a Walmart or Target, we are looking to establish good business relationships with growers who can supply us with the high-quality produce our shoppers demand.”

Shippers who are interested in learning more about working with H-Mart can contact Gi Moon at 201.507.9900, ext. 2116 or gi.moon@hmart.com.

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