

'PILE IT HIGH, SELL IT LOW'

the 30-second history

After years working in retail

stores A&P, Mutual Grocery and Kroger, Michael J. Cullen developed the idea of selling larger volumes at lower prices. He proposed the scheme to the owner of Kroger, but his letter went unanswered. He leased a large automotive garage in Queens, NY, and in 1930 he opened the first 'King Kullen'. His supermarket built upon previous innovations, such as Piggly Wiggly's 'self-service' shopping, but added the innovation of significantly lower prices and a huge level of choice. The store was an immediate hit, attracting customers from miles away, thanks to its car-friendly design. By launching in the early years of the Great Depression, Cullen capitalized on the need for cheaper foodstuffs. By 1936 Cullen had sixteen additional stores, devastating other grocery operators. Cullen embraced his chain's reputation as the World's Greatest Price Wrecker; unable to compete, most 'Mom & Pop' establishments went out of business. Existing chains, such as A&P (the Atlantic and Pacific Teas Co.) and Kroger, were able to adapt by adding larger stores that copied King Kullen's recipe for greater volume and profits. The process set in motion a commercial arms race of growing size and volume with lower prices that has continued to the present day.

RELATED TOPICS

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THE WALL STREET CRASH
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THE NEW DEAL
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3-SECOND BIOGRAPHIES

MICHAEL J. CULLEN
1884-1936
Entrepreneur and inventor of the American supermarket

GEORGE LUDLUM HARTFORD
1864-1957
Chairman and treasurer of A&P who oversaw the shift from small groceries to supermarkets

JOHN EDWARD COHEN
1898-1979
Founder of the Tesco supermarket chain

30-SECOND TEXT
Jonathan T. Reynolds

The first King Kullen, at 171st St and Jamaica Ave in Queens, New York, opened on 4 August 1930. Sales were cash only, and there was no delivery.

3-SECOND THRASH

Promising to 'pile it High, Sell it Low', entrepreneur Michael J. Cullen transformed how the world buys its groceries.

3-MINUTE THOUGHT

In the early 20th century, grocery stores tended to be small and to serve a neighbourhood. Many specialized, selling baked goods, or fruits and vegetables, or meat. Shopping meant visits to several locations and prices were high because operators needed to earn a living on relatively low volumes of sales. By launching a large establishment with a wide variety of foods and ample free parking, Michael Cullen invented the supermarket.