

Date and Time: 20 July 2007, 10:50 a.m.

Steven is the owner and manager of Stewarts. I met him briefly before this scheduled interview which took place in his office at Stewarts and was not recorded. He seemed like the kind of person who was all about marketing and maximizing profit, while creating a friendly atmosphere and local feel.

Allegra Gordon began by asking what Steven Stewart's role is at Stewarts. Stewarts is a family owned and run store started by his grandfather. SS bought the store two months ago from his father and now is the owner as well as manager. Between supervising from 2001 to 2004 and buying the store from his father who was ready to retire, SS worked with Stewart's Firefighter catering which was started in the nineties. The catering service has a five-year contract with the government to feed First Responders, the Red Cross, the Military, etc, and can feed 70 people at a time. They travel all over the United States; for example, they spent six months in Louisiana after Katrina, and three months in Texas.

When SS wasn't living in Lakeview, he worked as an analyst who specialized in grocery stores, doing site analysis and development. Doing that, he consulted demographic makeup and did operational consulting work, what he calls the "image factor." The image factor takes into account the local population and caters to their wants and needs. For example, in Utah where there is a large Mormon population, it is beneficial to stores to be closed on Sundays.

Bringing this background knowledge to Lakeview, SS is working on "getting back down to basics." He is aiming to be constantly improving customer service and providing a fresh and clean environment. When AG first arrived, he joked about "bringing it up to the 19<sup>th</sup> century."

SS identified his primary shopper as low to mid income and he does "cater a little bit to Hispanics." Stewarts has a Mexican section bigger than stores its size would normally have. Meat is also cut on custom basis and on holidays like Cinco de Mayo because Mexicans tend to like more thinly sliced meats.

Lakeview also has a heavy percentage of retirees. There used to be vibrant ranches, but SS believes that when the wood industry went down hill, so did everything else. He doesn't know if Lakeview still holds this position, but it was once one of two Sustained Yield Units in the United States, meaning that all wood from Lakeview had to be processed in Lake County.

There is also a heavy percentage of government people, whether BLM, Forest Service, State, or Prison workers.

SS attributes the small population in Lakeview at least partially to family size. "Persons per household has decreased over the years... changing the face of Lakeview from a marketing standpoint."

“Leakage” was brought up next. “80% of the things at a grocery store are things everybody has.” Because of that, when people travel to places like Klamath for whatever they need that they can’t get in Lakeview, they make a day of it and buy the things that are available in Lakeview as well.

“In the food industry, three things rotate in priority: Service, Selection, and Pricing.” Pricing is usually at the top in Lakeview especially because of the economy. When the economy is booming, service and selection might come into play a little more, but generally service stays near the bottom while selection and pricing are big factors in choosing a grocery store. There is also a “substantial food stamp business in Lakeview.” Along with pricing, both Safeway and Stewarts sell their milk “at or below cost.”

SS knows that people want certain products, especially products that are fresh. That’s why Stewart’s tries to “concentrate ads and merchandising” towards their clientele who like fresh products as well as meals that consist of meat and potatoes. Typically with higher income, healthier foods are in more demand. “The higher the income the healthier you eat.” According to SS, “lower income want their fat.”

With that said, the produce sales at Stewarts are “not on low-end, not on high end,” they’re in the “middle of the road.” They did try organic produce for a short period, but they didn’t sell, so Stewarts stopped carrying them. According to SS, that is “very reflective of my shopper.” Stewarts does still carry certain organic products like bananas and beans. They do have limited space, though, and other items sell more, so they do what they do to be able to turn inventory.

[Interview interrupted to hand-write a check to someone who is leaving for the weekend.]

As far as meat products, Stewarts “used to buy local, but now you have 9/11.” Buying and selling local meat has become a liability situation with all of the USDA regulations and guidelines. In that situation, “ranchers and retailers have the most financial responsibility.” Then there’s the middle man. “If you could take the middle man out you could do wonders” in terms of buying and selling local meat, but that isn’t an option, so Stewarts no longer deals with local meat.

Next we started talking about Lakeview’s economy. SS said that the prison has been a good economy booster, but “it’s never going to come close to hay day,” referring to all of the mills that Lakeview used to have. In SS’s opinion, if the prison were larger, like a 1600 bed prison, there could be enough shopping dollars generated from the jobs created that a bigger store like a Bi-Mart could be brought in. Right now, “Lakeview’s missing about 10 good shops.”

In 10 or 20 years, SS sees the current trend holding through, with a higher percentage of retirees and a fairly cheap cost of living. Otherwise, “you’re probably not going to see too much more in 10 years than you see now.” A lot of the younger people who are being brought in by the forest service and the prison just do their time until they can

move elsewhere. SS knows people who work at the prison who say they'll put their time in and then they're going to get out. According to SS, "the Mrs. don't like it here."

We're all "investing in the future" and "as a business owner [SS] would like to see growth," but Stewarts is still very accommodating to their customers. During the interview, a couple came into the office to ask if SS would give them a charge account that they could pay every month. "Like anything in life it's what you make of it."

He gave them something temporary until they could set up a more permanent solution and they really appreciated it.

To sum up how SS felt about Lakeview, "Lakeview is just Lakeview and it's not going to change a whole heck of a lot."