

Grand Opening Ceremonies Set

Mervyn's Opens Its Doors For Business

By TOM HONIG

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Years of discussion, political battles and even court action have gone by the boards; Mervyn's Department Store at Capitola Mall on 41st Avenue has opened its doors for business.

Mervyn's itself was not embroiled in the battles — it was Santa Cruz City, Santa Cruz County, Capitola City, the Local Agency Formation Commission and the developer of the shopping center, Sutter Hill Ltd. of Palo Alto.

But all that activity is in the past, and Mervyn's is now in business.

The store is planning Grand Opening ceremonies this weekend and next weekend, although it actually opened on Wednesday.

Gino Fabbicatore, the store manager, explained Thursday that "we ran a dry run yesterday and today" in preparation for the festivities this weekend.

All the store's advertising pointed toward the grand opening, but big signs placed in front of the store this week noted that Mervyn's is "Now Open." Fabbicatore said that not too many people realized that the store was opening Wednesday, so there were not many shoppers. Thursday, however, the word had been passed around, apparently, and the shoppers had arrived. "I had been during the afternoon," Fabbicatore explained, "and when I came back, the parking lot was full. There were people all over the place — I couldn't believe it."

"People have been looking around at the store, and they have been buying, too. They seem to like the merchandise and the atmosphere. Most of the comments have shown that they think the store is a classy place with the atmosphere of a very elegant department store, but they look at the prices and are surprised."

He said that many of the employees at the store are local persons who have never worked in retail stores before. Yet the lack of experience has not caused any problems. "I've opened a couple of other stores, and the opening is going much more smoothly this time."

He said that training sessions with the employees have been

The celebration will begin at 9:30 a.m., or 30 minutes before Mervyn's usual Saturday opening time.

Many shoppers will look at a Grand Opening sale at the store as the highlight of the activities. Fabbicatore said the sale will begin Saturday and continue throughout the following week, offering "substantial price reductions on merchandise in every department."

That means that items will be on sale in all departments, including clothing, linens, yardage, costume and fine jewelry, shoes, toys and draperies.

On top of the sale, a Dixieland band will entertain opening-day visitors, while a clown will present free balloons to youngsters.

If you plan on being out of town this weekend, don't fret that you will miss the last sale Mervyn's will offer. Fabbicatore said that the chain store has founded and nurtured a successful retail business by offering its fastest moving merchandise at special prices. Every week, a portion of the store's regular stock is marked down to levels below the usual prices. Following a week-long promotion period, the goods return to regular price, while other fashion items and household goods become available on sale.

He explained that "Mervyn's method of business relies on fast-moving merchandise. The company has concentrated on soft goods — fashions for the family, linens and yardage — which sell more rapidly than high-ticket items such as furniture and appliances. Our goal is to move our inventories quickly. We are eager to take a smaller mark-up in order to sell additional goods. The result is a bargain for the customer."

Mervyn's promotes its sales through a weekly publication which is distributed with newspapers — including The Sentinel. The production of this tabloid edition, usually from 16 to 32 pages, makes publishing a significant sideline of Mervyn's mainstream business.

In addition to its on-going special promotions, Mervyn's has more traditional sales once each month.

Along with Sears, Mervyn's is one of the big stores that stands at either end of Sutter Hill's total project for the area northwest of the 41st Avenue and Capitola Road intersection. The entire project is known as the Capitola Mall, and the rest of the stores will be welcomed at another grand opening celebration April 14. Mervyn's will join in that celebration, along with Sears.

Joining the two big stores at Capitola Mall are several other businesses: Anita Shops, B. Dalton Bookseller, Carl's Jr., Carousel Snack Bar, Earrings Plus, Foxmoor Casuals, Gergen's Hallmark, Granny's Real Ice Cream Bars, Hartfields, Hebert Athletic Shoes and Apparel, Hickory Farms, House of Fabrics, Jackson's Bootery, Just Because, Karl's Shoes, Keepsake Diamonds, Kinney's Shoes, Peter's Formal Wear, Radio Shack, The Flair, The Men's Room, Thom McAn, Topps and Trowers, Toy World, Up Trends and Zales Jewelers.

That development isn't the end of it, either. Sutter Hill is currently before the Capitola City government in order to receive final permission to go ahead with its second phase of the shopping center, which would include a supermarket and small stores.

The developing company has received tentative approval by getting the go-ahead from the Capitola City Planning Commission. The new shopping center would not be a mall, like the one under construction between Mervyn's and Sears, but instead a regular shopping center. It would be located just north of the mall.

The development of stores going in at the mall has caused one source of concern for Capitola and persons using 41st Avenue — traffic.

The 41st Avenue Businessmen's Association is currently studying the traffic situation on the big street, and has asked Capitola city councilmen to listen to proposals as they come up with them. Nothing concrete has been proposed as yet, but at least two councilmen have promised to listen to plans that the businessmen's

group comes up with.

The Capitola Mall area, before it was developed by Sutter Hill, had lain in the county's jurisdiction. But when the company's plans got bogged down in the county planning machinery, it reached an agreement with the City of Capitola in which the land would be annexed to Capitola and the development allowed.

That process touched off one dispute after another, including a lawsuit by the City of Santa Cruz against the Local Agency Formation Commission for allowing the annexation. The issue was settled quickly, however, and work on the mall began in summer of 1976. Construction got under way on Mervyn's 75,000 square foot store last August. The Capitola store is only one of seven stores that Mervyn's is constructing as part of a \$30 million expansion program.

Besides the Capitola store, there will be three new Mervyn's stores in Orange County and three in the Central Valley. The expansion will bring the total number of Mervyn's stores in California and Nevada to 42.

Also, Mervyn's is planning to open stores in Fresno and Bakersfield next spring, a store in Stockton in the fall of 1977 and stores in Anaheim, Tustin and Westminster in 1977 and 1978.

Also, construction has begun on a \$7 million, 300,000 square foot distribution center near its Hayward headquarters to support the future expansion of up to 54 stores.

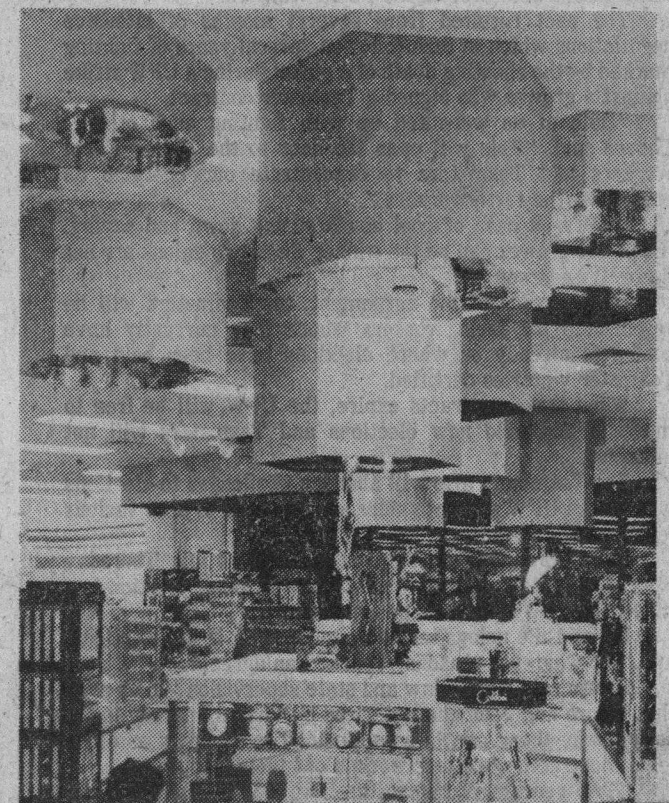
The Capitola store, which cost about \$3.25 million, employs some 150 persons with an annual payroll of about \$1 million. The Capitola store is the 38th store in the Mervyn's chain. The chain passed its silver anniversary in 1974 with more than 4,000 employees. It is a publicly-held California corporation. Its common stock is traded in the over-the-counter market: NASDAQ symbol MERN, Ultronic symbol, MEV.

The store will be open from 9:30 a.m. until 9 p.m. Monday through Friday, and 10 a.m. to 6 p.m. on Saturday and Sundays. Its telephone number is 476-8801.



The new Mervyn's department store on 41st Avenue in Capitola opened its doors this week in final preparation for its grand opening celebration Saturday and Sunday. Mervyn's is

the biggest new store to open in the new shopping center, known as the Capitola Mall. Other shops in the mall will open next month.



continuing for weeks. Operating a department store is not as simple as it might appear — especially in the computer age.

The employees underwent a crash course in using the computer and its terminals at what used to be called simply cash registers.

During 12 hours of classroom study, the sales personnel learned to work with the cash register-terminals. Mervyn's replaced traditional cash registers in its stores six years ago when it installed a computer communication network that ties every Mervyn's store to the company's bank of computers in Hayward. That way, the company's buyers can keep a daily watch on sales in all stores and find patterns in customers' purchasing.

The computer also extends to the fashion world.

The columns of numbers of lengthy computer printouts are being used to develop fashion trends.

Reading between the lines of figures which trace the daily movement of merchandise in Mervyn's 35 stores in California and Nevada, buyers employed by Mervyn's see customers' tastes in color and style emerge from their buying habits.

"Based on this information," Fabbriatore said, "our merchandisers develop an ever-changing profile of customers' fashion interest."

The store officials actually make analyses daily when it comes to reading customers' preferences. Every time a customer makes a purchase, he or she sends a message — through the cash register-terminals — to Mervyn's merchandising managers through the company's computer.

The salesmen run a pencil-like electronic wand over color coded tags attached to most garments at the store at the time of purchase. That information is instantly captured in the computer's memory banks.

Although the computer is a major part of the running of the store, this weekend's activities — along with Grand Opening celebrations the following weekend — will be much more visible.

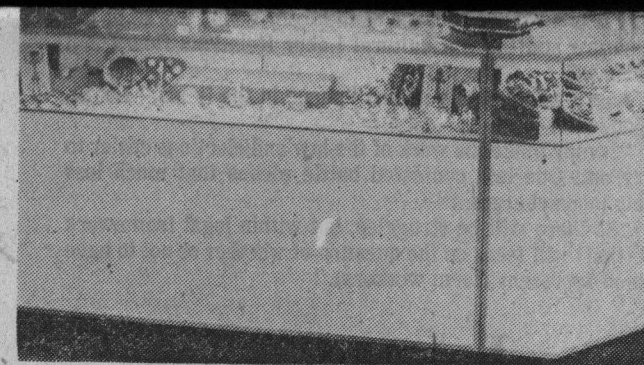


One whole corner of the 75,000 square foot store is devoted to toys and sporting goods. Grand opening ceremonies at the new Capitola

Mall store are scheduled this weekend and next.



Stock is plentiful in Mervyn's sportswear department — as it is in all the other departments. Records of all purchases in the store are kept in a large computer at the store's headquarters in Hayward, and the stock is constantly replenished as it is needed.



Fine jewelry and costume jewelry alike is on display under shimmering lights at Mervyn's department store. The jewelry department features sales of all kinds of adornments — even Indian jewelry — along with watches, watchbands and clocks.



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