



*Family members staffed the original C.C. Butt Grocery Company. Front row, from left: John Hamilton, Hettie Hamilton Richeson, founder Florence Butt, and Howard Butt. Back row, from left: unknown, George Leland Richeson, Charles Butt Jr., and Eugene Butt.*

Photo courtesy of Joe Herring Jr. Collection, Kerrville, Texas.

# The Store That Does More: H-E-B IN HOUSTON, TEXAS

*By Miles Bednorz*

**B**egun as a small grocery, staffed by family members in Kerrville, Texas, H-E-B has grown into a massive company, operating more than four hundred stores throughout Texas and northern Mexico with more than 120,000 employees. H-E-B has adopted the slogan that “no store does more,” and it holds true. The store is a staple in Texas and has received national recognition for its disaster preparedness, community involvement, and outstanding products. For over 115 years, H-E-B has served communities in Texas and Houston in a way only it can: by doing more.

Founder of what would become H-E-B, Florence Thornton was born on September 9, 1864, in Buena Vista, Mississippi. In 1889 she married Clarence C. Butt and later moved to San Antonio, which had a better climate for her husband who suffered from tuberculosis.<sup>1</sup> Florence and her family lived in San Antonio for about a year before moving to Kerrville, where she worked for A&P Tea Company ordering and delivering groceries to customers. She soon built up a supply of groceries and saved enough capital to rent a building and invest in starting her own store. The C.C. Butt Grocery Company opened on November 26, 1905, in a two-story building on Main Street. Florence wrote of those days, recalling that the building had “rooms to live in” and that rent was nine dollars a month. The initial investment in the store was \$60, and it sold about \$56

*Howard Butt took over operations of the grocery store in 1919 and expanded the company, opening new stores throughout Texas.*

Photo courtesy of Joe Herring Jr. Collection, Kerrville, Texas.



in goods in the first month. She added, “every month was growth, but hard work.”<sup>2</sup>

The store operated under the charge and delivery method that was popular among grocery stores at the time. Customers came into the store, placed an order on credit, and someone – frequently one of Florence’s children – delivered the goods to their home. Howard, the youngest of Florence’s three boys, delivered the groceries, first in a baby buggy and, later, in a children’s wagon.<sup>3</sup> Upgrading from the baby buggy to a wagon was significant for the small store, as it cost three dollars and represented a large part of their capital. Later, when winter came and brought rain with it, the wagon proved useless in Kerrville’s muddy streets. The family soon purchased a horse and wagon so their customers’ orders could be delivered in all types of weather.<sup>4</sup>

Howard remained interested in the grocery business and helped his mother run the store during his teenage years. Florence allowed him to take over the store’s operation in 1919 when he returned from the U.S. Navy, but she stayed active in the community and her church, starting a trend of philanthropy that has persisted in the company to this day. Florence Butt died on March 4, 1954, at age eighty-nine.<sup>5</sup>

After taking over as manager of the small Kerrville store, Howard made a gamble in 1921 and changed the store’s service model – from charge and delivery to cash-and-carry – ending the wagon deliveries he had known as a child. He sought to expand the family’s company and tried several times to open new stores in new towns in South Texas, including Center Point, Junction, and Brownwood, but all failed. Finally, he opened a successful store in Del Rio in 1926 that was quickly followed by another successful expansion in Laredo. Howard continued to expand the company and increase the number of stores throughout South and Central Texas. The C.C. Butt Grocery Company became the H. E. Butt Grocery Company in 1935 and H-E-B in 1946. Under Howard’s leadership, H-E-B stores opened in Corpus Christi in 1931, Austin in 1938, and San Antonio in 1942. The first full-service H-E-B store in Houston opened in 2001.<sup>6</sup>

Howard Butt continued to grow the company and the number of services his stores offered throughout his time at the helm. The company bought the Harlingen Canning Company and opened a bakery in Corpus Christi to bake

fresh bread for its stores in 1936. In the 1950s, H-E-B launched its first supermarkets, bringing a bakery, deli, meat counter, fish market, and pharmacy under one roof at one store. A combination manufacturing and distribution plant opened in San Antonio in 1964, along with a retail support center. A milk plant began operations in 1976, also in San Antonio, and in 1980, H-E-B stores began selling bulk items along with fresh flowers. H-E-B was quickly becoming a trusted place for customers to find all the groceries they needed in one easy location. The company has continued to expand its offerings and now customizes the items each store sells to the needs and wants of the communities its stores serve. When Howard E. Butt died

in 1991, H-E-B operated 175 stores and had 30,000 employees.<sup>7</sup>

Over a century after the first store opened in 1905, H-E-B has expanded throughout Texas. It operates a family of stores that includes H-E-B, the traditional supermarket model and most common store, as well as H-E-B *plus!*, Mi Tienda, Joe V’s Smart Shop, and

Central Market. Each kind of store is marketed towards a specific customer base. Mi Tienda offers a more authentic Mexican grocery experience to better serve areas with a large Hispanic population. The first Mi Tienda store in Texas opened in Pasadena in 2006 after H-E-B identified one of its stores in need of revitalization was serving a community composed of 70 percent Hispanic residents. Joe V’s Smart Shop is a discount option for customers that offers a smaller selection of goods, selling about 9,000 different items compared to the average 37,000 offered at a traditional H-E-B store. The concept launched at a time of high unemployment during the height of the Great Recession and offered healthy and affordable food for those who were struggling economically. The prototype store opened in Northwest Houston in 2011 and has expanded to nine locations in the Houston area.<sup>8</sup>

H-E-B offers two other kinds of in-store shopping experiences to its customers: H-E-B *plus!* and Central Market. H-E-B *plus!* provides all the services of a traditional H-E-B store, plus electronics, party supplies, apparel, housewares, and other items. It provides a shopping experience similar to other big-box stores while also offering the same great



*Manager Marvin Nate (left) and assistant manager Jack Smith (right) inspect the new offerings in the San Marcos H-E-B store in 1961. H-E-B also added a new frozen food section and rearranged the checkout area and shelves.*

Photo courtesy of the San Marcos Daily Record, SMDR Photographic Negatives Collection, Texas State University.



*H-E-B opened the first Joe V's Smart Shop, pictured here, in 2011 to help customers struggling during the recovery from the 2008 recession by offering lower priced items and healthier choices.*

Photo courtesy of Miles Bednorz.

grocery options. The stores are generally located in larger metro areas like San Antonio, Houston, and Corpus Christi.

Central Market is the most high-end store that H-E-B operates. The ten Central Market locations in Austin, Dallas, Fort Worth, San Antonio, and Houston offer a large variety of specialty products and depart from the traditional supermarket themes. The stores offer fresh-from-the-farm produce and boast a fish counter that is seventy-five feet long, 450 types of cheese, and bakeries that make fifty kinds of bread fresh in the store. The Central Market concept was never meant to compete with larger, more traditional supermarkets that offer a wide variety of products. Instead, the concept narrows the categories of items offered, and then saturates each category to offer customers the most variety of a few select items, making the stores a food-lovers paradise.<sup>9</sup>

The first store H-E-B opened in Houston was not a full-service grocery store like those commonly seen in the city today. In an effort to build brand-loyalty in the Houston region, the company opened H-E-B Pantry in 1992. These stores offered a smaller selection of goods and had fewer of the services available at the larger H-E-B supermarkets in other parts of Texas. In 2000, H-E-B announced that it would shutter the Pantry concept and transition some of them into larger, more traditional H-E-B stores as well as open new full-service stores. The first store the company transitioned stood at Highland Knolls and Mason Road in Katy, and the first store built from the ground up to offer the traditional H-E-B

*At the corner of Westheimer Road and Wesleyan Street, H-E-B's Central Market offers a wide range of high-end goods alongside H-E-B staples.*

Photo courtesy of Miles Bednorz.



experience opened in 2001 at the corner of Fountainview and Westheimer. The same year, H-E-B opened a Central Market at the corner of Wesleyan and Westheimer. The store, located in between the high-end neighborhoods of River Oaks, West University, the Galleria, and Highland Village, was built on the former site of the Channel 26 television studios, and fills a narrow niche for upscale customers of the Inner Loop.<sup>10</sup>

H-E-B's early expansion efforts in Houston also led the company to design stores that cater to Houston's Hispanic residents before the launch of the Mi Tienda concept. The largest store H-E-B opened during this period was its 80,000-square-foot location in the Gulfgate Center. When the store first opened, H-E-B used its knowledge of serving Hispanic customers in San Antonio, the Rio Grande Valley, and Mexico to design a store that could meet the needs of the Hispanic neighborhood surrounding the Gulfgate Center while also breathing new life into the community, a goal of many H-E-B stores in Houston.<sup>11</sup> Later, H-E-B used expertise learned in the Rio Grande Valley and in the development of the Gulfgate Center location to launch the Mi Tienda chain, which caters to the Hispanic populations.

Nearly twenty years after the first full-service H-E-B opened in Houston, the company has expanded to more than one hundred stores in the region, which encompasses the Houston metro area and stretches from Orange in the east, south to Wharton, and north to College Station and Huntsville.<sup>12</sup> H-E-B Pantry stores, the expansion to full-service H-E-B stores and specialty stores, and heavy involvement in the community have allowed H-E-B to build enormous brand loyalty and a commanding presence in the Houston grocery market.

A major tenant of H-E-B's operations involves responding to disasters. The company holds the philosophy that its stores should be the last to close and the first to open. Martha Barrera, public affairs manager for H-E-B in Houston, explained that H-E-B takes pride in protecting





*This Mi Tienda, located in Pasadena, Texas, provides customers in the majority Hispanic area with traditional ingredients not sold at other H-E-B stores.*

Photo courtesy of Miles Bednorz.

the communities it serves, and that it just happens to sell groceries. The company does this by maintaining a dedicated disaster response team, based in San Antonio, that monitors any and all events that may threaten Texas communities, because “disaster relief is just part of the package” of serving Texans.<sup>13</sup>

The day Hurricane Ike made landfall on Galveston Island in 2008 and moved into Houston, H-E-B began to reopen Houston stores and launched into disaster response mode. Ike made landfall on September 13 and that same day, before the storm’s winds had calmed, H-E-B sent caravans of trucks from Houston to San Antonio to load up on supplies. Instead of having drivers wait for their trucks to be loaded, H-E-B flew them back to Houston on private jets to bring a second round of trucks to be loaded at San Antonio warehouses. By the time the drivers returned to San Antonio with the second caravan, the first trucks were ready to make the trip back to Houston. All H-E-B stores in the Houston region were in operation, except its former Galveston location, by the end of the day on September 13, less than twenty-four hours after Ike made landfall.<sup>14</sup>

After Hurricane Harvey slammed into the South Texas coast and dumped historic amounts of rain on Houston, H-E-B responded in the way only it could. The company distributed more than 75,000 bags of ice, 150,000 cases of bottled water, and provided more than 40,000 meals from its Mobile Kitchen. The Mobile Kitchen is a convoy of kitchens inside of trailers seventy-two feet long that can serve up to 5,000 meals an hour and can be set up wherever help is needed.<sup>15</sup>



*H-E-B operates all four of its store types in Houston and has more than 100 total locations in the Houston region. Marked on this map are the four H-E-B stores pictured in this article.*

Map created by Davis Bednorz and Miles Bednorz.

One challenge posed by Hurricane Harvey was where to send help, as communities from Corpus Christi to Beaumont were affected by the storm. Justen Noakes, director of Emergency Preparedness for H-E-B, said that the company looked at where the state and other organizations had already sent resources and chose areas that had not received help yet when deciding where to send its Mobile Kitchens and Disaster Response Units, which include a mobile pharmacy and business center. H-E-B also considers



*H-E-B partners help residents of hard-hit Rockport, Texas, clean up debris after Hurricane Harvey.*

Photo courtesy of H-E-B.

if there is a need to open after a storm, what the demand is from customers, and how safe opening might be for customers and partners. Before the storm hit, H-E-B had been monitoring Harvey for days and had moved large quantities of products to areas where it expected to need them the most. H-E-B understands its role in the community and

wants to best serve its customers. For H-E-B disaster relief is an important part of its service.<sup>16</sup>

H-E-B’s dedication to serving communities extends past disaster relief and often influences where the company builds its stores. One of the newest stores in Houston, MacGregor Market in Third Ward is an example of other ways H-E-B serves its communities. H-E-B began planning to open a store to serve the Third Ward about seven years ago but was held back by a lack of available land. One H-E-B Pantry store remained in Third Ward, but the company



had long recognized the need for a larger store to serve the surrounding area. When the site at North MacGregor Way and State Highway 288 became available, H-E-B wasted no time in making the purchase. The 90,000-square-foot store opened on December 18, 2019. On opening day, shoppers said that “it feels like we just got a Christmas present early,” that “it was the best thing to happen to us,” and that the store was “good for the entire community.”<sup>17</sup>

MacGregor Market serves a unique group of customers, attracting shoppers from Third Ward, the Texas Medical Center, and students from Texas Southern University and the University of Houston, and the offerings are customized to those customers. The store has the largest selection of H-E-B Meal Simple, premade heat-and-serve meals, of any store in the state, to serve a busy customer base. The location is also the local resource for healthy food, offering a large selection of produce, meat, fish, and bread, as well as a full-service pharmacy.<sup>18</sup> The neighborhood lacked many of these services before this store opened.

In addition, H-E-B has taken a stand on social issues to support Houston and Texas communities. In 2020, for example, H-E-B showed support for multiple causes. After the death of George Floyd, a former Third Ward resident, sparked nationwide protests for racial justice, H-E-B president Craig Boyd announced that the company “stands with the Black community and communities of color in the fight against racism, intolerance, discrimination and hate” and that the company was creating a \$1 million fund to address racial inequalities. In early September, as Harris County planned to send vote-by-mail applications for the general election to all its registered voters, H-E-B owner Charles Butt released a statement in support of the initiative, saying that more people voting makes our democracy stronger.<sup>19</sup> Businesses have a role in improving our communities alongside the role and responsibilities of residents. By



*MacGregor Market, one of the newest H-E-B stores in Houston, opened in Third Ward in 2019 and provides a convenient shopping experience for customers from Third Ward, the Texas Medical Center, and the campuses of Texas Southern University and the University of Houston.*

Photo courtesy of Miles Bednorz.

taking a stand, H-E-B shows that it is ready to do its part and help make our world better.

H-E-B’s legacy of philanthropy began with its founder, Florence Butt, who was heavily involved in her church and her community, and with her son Howard, who donated large sums to charitable causes. That legacy continues today, whether in the form of disaster relief or financial giving. H-E-B regularly makes donations to different causes, has annual food drives and fundraisers during the holiday season, and the company has been giving five percent of its pre-tax earnings to public and charitable programs since the 1930s.<sup>20</sup> H-E-B has been dutifully serving communities across Texas for more than a century through disaster response, community involvement, and by offering a variety of shopping options – the definition of doing more. □

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*The H-E-B Disaster Response Fleet is ready to respond when Texans need assistance. During Hurricane Harvey, even though its Kingwood store flooded, H-E-B had relief trucks on hand to provide ice to residents.*

Photo courtesy of H-E-B.