

A STUDY OF THE ASPECTS INVOLVED  
IN THE MANAGEMENT OF A SUPERMARKET

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Caryle J. Sherwin  
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A STUDY OF THE ASPECTS INVOLVED  
IN THE MANAGEMENT OF A  
SUPERMARKET

By

Caryle J. Sherwin

AN ABSTRACT

Submitted to the College of Business and Public Service of  
Michigan State University of Agriculture and  
Applied Science in partial fulfillment  
of the requirements for the  
degree of

MASTER OF ARTS

Department of General Business  
Curriculum in Food Distribution

1956

Approved by E. A. Brand

# ABSTRACT

The food industry is the largest industry in the United States. At the present time, this industry is characterized by progress, expansion and success. The key factor contributing to these three elements is the supermarket. Regardless of whether the supermarket is chain, voluntary, cooperative or independently owned, it is the most effective retail food device in food distribution today.

The early supermarkets boomed onto the distribution scene in dynamic fashion and started a trend towards supermarket retailing which has increased annually in popularity. The early supermarket resembled overgrown combination stores and offered low prices, mass displays of merchandise and variety as its three main attractions. The modern supermarket has transformed so greatly that it now is beginning to resemble a junior department store. Variety has increased, mass displays of merchandise are still prevalent, self-service has permeated the entire store, sales volumes have reached unparalleled peaks, prices are still relatively low and customer service after customer service is being offered to the supermarket's patrons. As a result, the modern supermarket is doing the lion's share of today's food business.

The supermarket has an outstanding record of success. It is the most effective retailing device ever developed. Food companies can justly be proud of the achievement they have made in the name of progress in the last twenty-five years. There is no doubt that they have made a significant contribution to modern civilization. Yet,



history records that when each civilization has become satisfied with its technological growth and sat back to gloat, that civilization failed. The supermarket is a success but it is undergoing a strain caused by the changing pattern of retailing. If it is to remain successful, eternal vigilance is essential to determine whether or not this strain is impeding the effectiveness of this fabulous retail food distribution center.

This eternal vigilance program entails a study of all present methods of operation to determine whether or not these methods are attaining optimum efficiency and effectiveness. The attainment of optimum results, not just any results, is one of the main objectives of the supermarket. A close study and evaluation of every element involved in the supermarket process is the only safeguard the store has so that it can continue to achieve the success that it has attained in the past.

This study was intended to be a contribution to that program. It has examined three integral elements involved in the supermarket operation, (1) customer services (2) store organization and (3) the supermarket manager. No attempt has been made to criticize present methods of operation in the industry, nor to suggest improvements upon these methods. The writer merely attempted to depict the situation as it exists in the industry in the hopes that responsible people may utilize this study in the evaluation of operation methods peculiar to their companies.

Operational methods used on all organizational levels, store level, branch level and headquarters level, are involved in this eternal vigilance program. Each is interdependent, for whereas no one method will solely determine the success or failure of the supermarket, each may offer a significant contribution. This study was limited to three integral operational elements merely to keep it to a manageable size.

"The Food Distribution program at Michigan State University  
is under the sponsorship of the National Association of Food  
Chains"

TO

MY PARENTS

JOHN AND MELVINA CZERWINSKI

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Words have not yet been devised which could adequately express the amount of gratitude and appreciation the writer feels for the assistance, encouragement, criticism, thoughtfulness, and secretarial work offered by his patient wife, Betty, throughout the entire school year, as well as during the preparation of this thesis.

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## INTRODUCTION

### PURPOSE

The supermarket is the most effective retail food device in food distribution today. Regardless of whether it is chain, voluntary, cooperative, or independently owned, the supermarket is doing the lion's share of today's food business. Its success has been associated with an expansion movement which is unparalleled in the food industry's history. More of these food retailing giants are being built than ever before, and they are increasing in size with each passing year.

This paper is designed to examine the make-up of the modern supermarket. It intends to discuss the many customer services which are so characteristic of today's supermarket. These customer services are numerous, varied in nature, expensive, and are the main factors which make the supermarket the glamorous mecca of food distribution that it is. When viewed in this light, some picture of the expense, magnitude, complexity, and value of the supermarket can be formulated.

After this frame of reference has been established, this study will examine the organization structure of the supermarket. Much stress has been placed on the traditional store organization patterns by the increasing size and magnitude of the modern supermarket. Many companies feel that the traditional dual-line store organization structure can continue to be used successfully. Other firms advocate a

correspondingly enough. Services selected to please customers shopping in medium-sized supermarkets may not please customers patronizing the retailing giants of today. Organizational plans designed for stores realizing an annual sales volume of one-half million dollars may be entirely unsuited for stores attaining a sales volume of two and three million dollars. Finally, the concept of a store manager that was held in the food industry yesterday may be entirely out of proportion today.

There is a great need for the food industry to recognize these changing patterns and to judge whether or not present methods of operations are competent enough to meet the pressures exerted upon a modern supermarket. The objective of this study is to offer a contribution towards fulfilling that need.

#### LIMITATIONS

Every facet of a supermarket's operation is being affected by the changing patterns of the times. If an attempt were made to discuss all aspects, the resulting study would be much too large to be handled ~~comprehensively~~ in a report of this size. Consequently, ✓ three main areas were selected for study and the study will concern the supermarket at the retail level as pertains to these three areas, which are: (1) Customer Services, (2) Store Organization, and (3) The Supermarket Manager.

#### MATERIAL PROCUREMENT PROCEDURE

The material for this study was gathered from a number of sources. Personal interviews with many men prominent in food industry circles provided much insight to the writer as to why various



companies were utilizing certain methods pertinent to this study.

Many years of personal observation as an active participant in the food industry have proven of valuable assistance in the preparation of this report. During that time, the writer watched the grocery combination store replaced by small supermarkets, which have since evolved into the modern retailing giant, the supermarket.

A major source of material was the various pamphlets, textbooks, newspapers, magazines, and other periodicals, utilized by the writer in the preparation of this report.

Most important, however, are the three hundred odd reports concerning pertinent topics submitted to the food distribution office by present and past students of the Food Distribution Curriculum of Michigan State University. Many interesting comments, ideas, and facts which were presented in these reports, have been included in this study.

## CHAPTER II

### THE SUPERMARKET

#### INTRODUCTION

Dynamic food retailing began with the advent of the Supermarket on the food distribution scene. "In the early thirty's, two distribution bomb shells burst around New York, with the opening in 1930 of King Kullen (Jamaica, New York), followed in 1932 by the opening of Big Bear (Elizabeth, New Jersey)."<sup>1</sup> Although there is evidence which indicates that neither of these Supermarkets was the original Supermarket, it can safely be said that "without question, the opening of King Kullen and Big Bear stimulated the imagination of the food world as their predecessors had never done."<sup>2</sup>

The early Supermarkets opened in the midst of a depression. After a post-war boom, the United States found itself at its lowest ebb financially. "Our national income was 41 billion dollars, total employment was 36 million, and the unemployed numbered 14.5 million."<sup>3</sup> "Our entire grocery and combination store volume was 5 billion dollars."<sup>4</sup>

Food distribution at that time was divided among chains, independents, and voluntaries. Although competition was keen among these retailers, they had failed to greatly decrease the food budget

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<sup>1</sup>M. M. Zimmerman, The Super Market, (New York: McGraw-Hill Company, Inc., 1955), p. 16

<sup>2</sup>Ibid, p. 54

<sup>3</sup>Ibid, p. 1

<sup>4</sup>U. S. Department of Commerce, Census of Business, 1933

of the average family. Their operations were characterized by many customer services and rising costs resulting in relatively high prices. There was a need for someone to demonstrate that lower prices could be offered to the consumer. At no time in our history perhaps, was there ever a greater need for stretching the food dollar of the nation's consumers. The Supermarket answered this need and thus dynamic food retailing was born.

#### THE EARLY SUPERMARKET

Success of the early Supermarket revolved around the factors of self-service, high volume of sales resulting from great variety and mass display, culminating in the desired low prices for consumers. These were the four main services performed by the early Supermarket operators. Glamorous buildings, service grocery departments, lavish furnishings, delivery service, and many other customer services were by-passed in an attempt to get more goods to the consumer at lower prices.

The Supermarket of the 1930's was lodged in buildings which had previously housed production firms which had failed and gone out of business. Big Bear opened its first Supermarket in an automobile plant, while the King Kullen market started in a garage in Long Island. The fixtures in these markets were of a "cheap construction giving the lay-out a temporary bazaarlike appearance. Cheap pine tables were built and loaded with mass displays of merchandise."<sup>5</sup> Many of the main services customers were accustomed to receiving were conspicuous by their absence.

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<sup>5</sup>Zimmerman, Op. Cit., p. 40

Yet for all the glamor the supermarkets lacked they compensated by creating a picnic or festive atmosphere. Huge displays of merchandise were prominent in all parts of the store. Customers viewed a variety of goods such as they had never experienced before. Most of the supermarkets had adjacent parking lots. Banners and pennants were strung throughout the stores. Prompted by this atmosphere, the displays, and most of all the low prices of the goods, "people came to handle the bargains, to sift the values, and to buy."<sup>6</sup> The services rendered to the customers were widely accepted. Their success can be substantiated by the following statements covering Big Bear's opening in 1932. "The opening day made history in food distribution. All records were shattered for attendance and volume."<sup>7</sup> Dynamic food retailing had answered the call to offer more goods at lower prices to the consumer.

#### THE MODERN SUPER MARKET

"The story of the supermarkets, born in crisis, tested through war, and maturing in prosperity is, in a very real sense, the story of America."<sup>8</sup> This king of the food industry is not great because of any unified power or monopolistic control. It has not attained its greatness through governmental aid. It is great because it answers a need, has for its purpose the satisfying of that need, and because millions of people are working towards the achieving of this purpose.

Today's supermarket represents the last word in ultra

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<sup>6</sup>Ibid, p. 19

<sup>7</sup>Ibid, p. 40

<sup>8</sup>Paul Sayres, Editor, Food Marketing, (New York: McGraw-Hill Book Company, Inc., 1950) p. 6

modernization of the nation's largest industry, the food industry. It is housed in the most modern and expensive buildings feasible. These buildings were designed and erected especially for the supermarket. The outside of a supermarket is characterized by adjacent parking lots, attractive pylons and distinctive store fronts. Customers entering the store pass through a door which opens "magically" without manual effort. The decor of the interior store contains the quality of pastel colorings of walls and fixtures, low gondolas making all parts of the store visible, and wide aisle space.

Much electrical and refrigerated equipment has been installed for convenience of the customer. Meat cases, dairy cases, and in some stores, produce cases are completely refrigerated. Frozen food cases have been supplied to meet the changing pattern of food retailing which is proceeding through the cycle from fresh and canned foods to frozen foods. Fluorescent lighting and spot lights are utilized to illuminate the store to a pleasant brilliance. Cash registers and special check stand conveyor equipment have been installed to speed the customer through the greatest bottleneck of the store, the check out line.

No expense has been spared to keep the products fresher, display them in more accessible and appealing ways, and to provide convenience upon convenience to the customer. The typical supermarket opened in 1955 cost somewhere between one hundred and fifty thousand dollars and two hundred thousand dollars to build and required an average investment somewhere between two hundred and fifty thousand dollars

and four hundred thousand dollars.<sup>9</sup> Perhaps a better idea of what these figures represent can be formulated by viewing the cost figures of an individual supermarket which was erected in 1955.<sup>10</sup> This supermarket was built to handle an estimated volume of seventy thousand dollars per week. It was twenty thousand square feet in area with a selling area of twelve thousand four hundred square feet.

<u>BUILDING COST</u>		<u>EQUIPMENT COST</u>	
Excavating - Footings - Cement		Coolers	19,160.00
Masonry - Parking	75,775.00	Meat & Dairy Case	11,400.00
Plumbing	13,933.00	Frozen Food Case	9,800.00
Heating - Ven. - A/C	31,244.00	Produce Counters	6,100.00
Electrical	21,300.00	Grocery Counters	7,430.00
Steel - Insul. - Roof		Check Stand Oper.	21,600.00
Ceiling - Canopy	45,975.00	Meat & Dairy Tools	5,900.00
Doors	1,962.00	Stock Trucks and	
Floors - Tile - Glass		Carts	5,750.00
Hardware - Lumber - Misc.	20,982.00	Office & Equipment	1,150.00
Painting	3,450.00	Sign	12,500.00
Total	214,621.00	Interior Decor.	2,800.00
Overhead and Supervision	8,962.00	Refrigeration Ins.	9,750.00
TOTAL	223,583.00	Electrical Inst.	2,500.00
		Door Operators	4,700.00
		P.A. - License	
		Miscellaneous	2,300.00
		Compressor, Coils,	
		etc.	10,250.00
		TOTAL	133,140.00
TOTAL BUILDING COST	223,583.00		
TOTAL EQUIPMENT COST	133,140.00		
OVER-ALL INVESTMENT	356,723.00		

The sales volume of the supermarket has increased steadily over the years. In 1936 the Super Market Merchandising Magazine defined

<sup>9</sup>Facts About New Super Markets Opened in 1955", Study conducted by The Research Department of Super Market Institute, (Chicago, Illinois: Super Market Institute, Inc., 1955)

<sup>10</sup>Wrigley's Stores, Inc. Figures presented during address by Mr. I. Lewis before Food Distribution Class, Michigan State University, Fall Term 1955



a supermarket as a "highly departmentalized retail establishment, dealing in foods and other merchandise, either wholly owned or concession operated, with adequate parking space, doing a minimum of \$250,000 annually. The grocery department, however, must be on a self-service basis." This original definition has had to be constantly revised to keep apace with the increase in volume that the supermarket attains with each passing year. In 1954 the minimum volume for a supermarket was five hundred thousand dollars annually. As large as this annual volume figure seemed to be, in January 1955 the Super Market Institute Board of Directors adopted a new definition in which a new sales volume minimum requirement was used to define a supermarket. The minimum volume figure had risen to twenty thousand dollars per week, or an annual volume of one million dollars. Most of the new supermarkets opened in 1955 enjoyed sales considerably higher than minimum.<sup>11</sup>

Two out of three new supers	(64%)	do over \$30,000
One out of three new supers	(37%)	do over \$40,000
One out of four new supers	(23%)	do over \$50,000
One out of six new supers	(15%)	do over \$60,000
A few new supers	( 6%)	do over \$75,000

Obviously, the public is well pleased with its fabulous retail food distribution centers.

Some of the credit for these increased sales must go to products which have been called new for twenty-five years. These products can be grouped under the title of "frozen foods". Chain Store Age first commented on frozen foods as far back as 1930. Frozen foods have come a long way since then. "Despite the fact

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<sup>11</sup>Super Market Institute Study, Loc. Cit.

that frozen foods have been sold for twenty-five years, it is essentially the period since 1948 that counts in their present position."<sup>12</sup> In that year, frozen food sales reached an all-time high of forty million dollars. By 1954, the sales had more than doubled and in the period 1955-56, even higher frozen food sales have been reported. The biggest thing about this "new" line of products is the fact that it is still growing--and rapidly.

Health and beauty aid sales in food stores are now running at an all-time high of seven hundred million a year, equal to total sales of all canned vegetables, nearly double the volume of 1952. . . .<sup>13</sup> Much of this volume is done in supermarkets. Rack jobbers are handling a large percentage of this business but there has been much activity in the past year by companies who realize the advantages of handling the warehousing, ordering, and stocking of this type of merchandise themselves. The trend has been to concentrate on bigger and better health and beauty aid promotions. At the same time, the tendency of the supermarket operators has been to concentrate this activity on a few top moving items. Many items have proven to be excellent impulse items and business getters while, on the other hand, the slow movers are constantly being weeded out. The high gross profit involved in the retailing of this type of merchandise is becoming increasingly important to supermarket operators in the face of increasing costs. "Sales are climbing but--even more important--so is the contribution to net profit that health and beauty aids can make."<sup>14</sup>

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<sup>12</sup>"Frozen Foods On The March", Chain Store Age, Vol. 31, No. 5, (May 1955), p. 97

<sup>13</sup>Robert W. Mueller, "Health and Beauty Aids Sales and Merchandising Through Rack Jobbers" (New York: Merchandising Executives Club, August 10, 1955) (Mimeographed.)

<sup>14</sup>"Health and Beauty Aids: Fewer Items, More Promotions", Chain Store Age, Vol. 31, No. 11, (November 1955), p. 115

The impact of non-food retailing in the supermarket has been extremely powerful in the past few years. These departments which had been "previously non-existent in the food retailing orbit,"<sup>15</sup> were introduced as emergency methods and stayed on to help combat the rising costs which faced modern supermarkets. Housewares, hosiery, safety goods have proven so successful in many supermarket operations that, as of this date, the horizons are unlimited as to how deeply into non-foods the supermarket industry will go. Illustrating what is in the future for this valuable profit department are the plans of the Grand Union Company (East Paterson, New Jersey). According to Lansing P. Shield, the President of that company, "Grand Union will invade the provinces of the hardware and the drug stores, push forward into the catchall domain of the dime store, turn the modern supermarket into a junior self-service department store."<sup>16</sup> Non-foods are not only big business to the supermarket, they are a highly profitable business.

The original supermarkets utilized self-service in their grocery departments and since 1936 a self-service grocery department has been one of the conditions of the supermarket definition. The modern supermarkets not only have continued to use self-service as an integral part of their merchandising scheme and store operation; they have improved and extended this factor to other parts of the store. A survey in 1954 found that ninety-four per cent of all grocery departments and practically all dairy departments were completely self-service.

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<sup>15</sup>Zimmerman, Op. Cit., p. 127

<sup>16</sup>"The Super Supermarket", Time, Vol. LXVII, No. 21, (May 21, 1956), p. 98

The percentage of meat departments with complete self-service has risen to sixty-two per cent, double the percentage of just four years ago. Almost one-half of all produce departments (forty-seven per cent) were self-service.<sup>17</sup> While these figures were taken from a survey of the stores belonging to Super Market Institute (comprising less than two per cent of all grocery and combination stores in the United States), "the findings of this survey should be valid for the entire Super Market Industry, as the membership of the Institute is fairly typical of all super market operations. . . ."<sup>18</sup> These figures indicate that the utilization of self-service is on the rise and another survey indicates that they are going to continue to rise.<sup>19</sup> The number of meat departments which are completely self-service in the new stores opened in 1955 was seventy-eight per cent. This is a good indication that more and more self-service is being used in supermarkets today, and especially in one of the greatest bottlenecks in the store, the meat department.

There is no denying that each passing year finds the super-market industry more deserving of the title, "One Stop Shopping Meccas".

The number of items handled in supermarkets has increased from four thousand to from five to seven thousand items in the past five years.

Not only are more items being handled, but many different types of items have been added to increase the variety of merchandise handled.

"The average super market today includes the basic food departments:

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<sup>17</sup>"The Super Market Industry Speaks", The Sixth Annual Report by the Members of Super Market Institute, (Chicago, Illinois: Super Market Institute, Inc., 1954), p. 19

<sup>18</sup>Ibid, p. 2

<sup>19</sup>Super Market Institute Study, Op. Cit., P. 11

groceries, meats, produce, dairy, frozen foods, delicatessen, baked goods. In addition, there may be such other departments as a fountain lunch, department for precooked foods, and many new departments recently introduced in the non-food field, such as health and beauty aids, housewares, children's books, stationery, magazines, toys, hardware, soft goods.<sup>20</sup> With such a selection to choose from, it is no wonder that more and more housewives are concentrating all their household shopping in the supermarket.

### SUMMARY

The preceding is a thumbnail sketch of today's retailing giant. Still awesome, still large, still dedicated to self-service, variety, mass display, high volume, and relatively low prices, yet almost as unlike its predecessors as they were unlike their ancestors. The main factor which makes the modern supermarket so unlike its predecessors is the great number of customer services which have been added to its operation in recent years. Not only are more personal services being rendered to customers in a retailing device dedicated to self-service, but a large number of other customer services of many different types are being utilized. The supermarket has become a complex array of heterogeneous customer services, each of which is dedicated to adding more pleasure and comfort to Mrs. Consumer as she goes about her daily shopping tour, and, at the same time, these services have been installed to encourage Mrs. Consumer to spend more money in supermarkets.

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<sup>20</sup>Zimmerman, Op. Cit., p. 178

## CHAPTER III

### CUSTOMER SERVICES

#### WHAT ARE CUSTOMER SERVICES

The main function performed by a food retailer is to offer goods and services for sale to consumers. Since these goods are produced, for the most part, in other facets of the food industry and not in the retailing facet, this function is basically a service function. With this thought in mind, it can be stated that almost everything a food retailer does he does as a service to his customer.

Customer services are, therefore, herein defined as everything a company does, consciously or unconsciously, which imparts comfort, pleasure, or satisfaction to its customers. The term "customer services" includes many devices, techniques, methods, policies, and personal contacts, instigated or utilized by the company and its employees which have for their objective the affecting of consumer reaction. This definition is intended to be general in nature and to practically define a supermarket as a series of interrelated customer services.

#### NATURE OF CUSTOMER SERVICES

The nature of customer services may vary greatly. A customer service may vary from the actions of a supermarket manager who orders his clerks out to the parking lot to close the windows of his customers' cars during a sudden thunderstorm,<sup>21</sup> to the actions of a food company's

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<sup>21</sup>Lawrence Drake, "Store Talk at Closing Time", Chain Store Age, Vol. 31, No. 9, (September 1955), p. 4



president who issues a memorandum to his architects on behalf of the customers of his company stating: "Forget everything we have done up to now. We want a big store, but we don't want the housewife overwhelmed with the feeling that she has a cavernous area to traverse. Let's give her an intimate, colorful atmosphere, which will make it a pleasure for her to shop in our market."<sup>22</sup>

On one hand customer services may be something relatively new, such as the installation of an electric check out booth, or on the other hand it may be something as ancient as marking the sale price of an item legibly on the surface of that item. It may be as simple in nature as thanking customers when they pay for their purchases, or it may be as complicated as operating a savings and loan service for customers. Customer services may be appreciated and acknowledged as a service by customers, as in the case of the installation of a "kiddie korral" for their children, or may be something which a customer feels a store must do in order to stay in business, such as the provision of bascarts. Finally, customer services may be that intangible something termed "good will", or it can be as tangible as a new air-conditioning unit.

#### OBJECTIVES OF CUSTOMER SERVICES

There are many reasons why customer services are important to the success of a supermarket. Companies are aware of the fact that most customers prefer to shop in a lavish, modern structure, all other things such as price and quality being equal. Customers enjoy the convenience which one stop shopping affords them. Therefore, each

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<sup>22</sup>Robert Sheehan, "Grand Union's Super-Supermarkets", Fortune, Vol. LI, No. 6, (June 1955), p. 112

customer service has as one of its main objectives the making of the weekly shopping tour less of a "bore and chore" and more of a pleasant interlude for Mrs. Consumer.

However, the desire on the part of food companies to offer their customers a more pleasant place to shop is not entirely altruistic in nature. Customers who enjoy their shopping tours may be encouraged to visit supermarkets more often and spend more time during each visit. This extra amount of time will be a period during which the housewife will be exposed to a huge variety of merchandise. Since impulse buying is such an important factor in consumer purchasing, this exposure may result in many extra sales.

Finally, customer services can be viewed as a competitive device designed to lure customers from competing firms as well as to hold present customers. The food industry is characterized by an extremely keen competition. Nothing approaching a monopoly exists. Even the few large national chains have to compete aggressively in any local community to remain successful in the face of competition.

The main competing factors of the early market with its neighbors were lower prices and larger variety. Today, supermarkets find themselves in competition with other supermarkets. Prices among food retailers today still vary enough so that it is an important competing factor, but the tendency of the past few years has been for the prices of the various food retailers to reach a levelling point. It is almost a certainty that this levelling point will never be completely reached, because uniform prices and competition in a free enterprise system just do not go together. Yet, as this levelling point is approached, the

forcefulness of a price advertising campaign becomes less and less. Other factors must be found to induce customers to choose one store over another. Many companies have found the answer through improved customer services.

#### TYPES OF CUSTOMER SERVICES

There are a countless number of customer services being utilized in supermarkets today. No one supermarket includes in its operation all the customer services being utilized in the industry. Each supermarket provides the types of customer services which the owners of that supermarket feel are justified for that particular store. Therefore, upon compiling a list of customer services used in one supermarket, a person should not be too surprised to find that another supermarket does not offer these same services.

This study has divided customer services into seven main groups. They are:

1. Appearance of store and special facilities
2. Courtesy booth
3. Merchandising services
4. Check out services
5. Meat department services
6. Personal services
7. Miscellaneous

The main customer service which belongs to each of these main groups will be discussed. The list is not meant to be all inclusive and only the main customer services within each group will be mentioned.

#### APPEARANCE OF STORE AND SPECIAL FACILITIES

The first group of customer services to be discussed is concerned mainly with the physical factors involved in the appearance of a modern supermarket. However, the non-physical factor of cleanliness

will also be included in this section of the study, since modern fixtures which are not kept in an orderly, clean fashion will tend to hurt rather than help the success of a supermarket. The following services will be discussed under this main group:

1. Parking lots
2. Cleanliness
3. Lighting and color
4. Air-conditioning and music
5. Rest rooms and lounges
6. Store layout
7. Miscellaneous accessories

Parking Lots: The importance of adequate parking facilities cannot be over-emphasized. In the past, grocery stores were built in crowded downtown areas or in the center of a neighborhood district. Most customers patronizing these stores either walked to the store or utilized bus services. Parking facilities were not considered an essential customer service under these conditions.

The parking lots of the supermarkets have attained much importance in recent years. A recent survey found that the majority of customers interviewed who shopped in supermarkets used automobiles to reach the supermarkets they patronized.<sup>23</sup> What makes this statistic even more significant is the fact that 77.6 per cent of the people interviewed in this survey rated adequate parking facilities as the most highly desirable service a supermarket could offer its customers.

Many factors have combined to bring about this condition. The automobile has reached an unparalleled peak of popularity. Our national population has increased phenomenally in the past five years.

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<sup>23</sup>"The Super Market Customer", Super Market Merchandising, Vol. 20, (August 1955), p. 161

In fact, the 1954 birth rate of 4,100,000 constitutes an all-time record for the United States.<sup>24</sup> The nation is experiencing a suburban movement and more than sixty per cent of the population of our country today now lives in the suburbs.<sup>25</sup> The downtown areas of our nation's cities are having extreme parking problems. Finally, most of the new stores being opened in the midst of the present expansion movement in the food industry are being located in shopping centers.<sup>26</sup>

The housewives of today patronizing a supermarket arrive in automobiles. If that supermarket does not have a parking lot in which she can park her car, or has a parking lot which is constantly filled, or one in which the parking stalls are so narrow that she has to squeeze out of her car door, that supermarket has missed an opportunity to provide the housewife with a service which she prizes very highly. Times have changed and the welcome mat which used to lie in front of the door now rests in front of the supermarket's parking lot.

Cleanliness: The old adage that cleanliness is next to Godliness holds as true today as ever before. Housewives are highly conscious of cleanliness in their own homes. They are judged by their friends and neighbors according to their ability to keep their homes neat and clean. It is not strange, therefore, that these housewives use the same measuring stick to evaluate the quality of the supermarket they patronize. If the supermarket is clean, neat and attractive, it will possess an important customer service. On the other hand, supermarkets huge in size with lavish

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<sup>24</sup>S.O. Kaylin, "Are We Building Too Many Shopping Centers?", Chain Store Age, Vol. 31, No. 5, (May 1955), p. 219

<sup>25</sup>Ibid

<sup>26</sup>"Checking the Chains", Chain Store Age, Vol. 32, No. 1, (January 1956), p. 9

decorations and fixtures which are not kept clean and orderly, will not appear wholesome to Mrs. Consumer. Therefore, the customer services effect of these factors will be greatly negated.

Cleanliness begins in the parking lot and the exterior of the store. The entrance of a store also must be kept neat and orderly. "The least attractive spot in many a modern store during rush hours, when most of the customers come in, is in the entrance where that vital first impression is formed."<sup>27</sup> Stores that allow this condition are not maximizing the effect which could result from cleanliness being offered as a customer service.

Although shelves, gondolas, windows, and floors should be kept clean and free of debris, cleanliness should not be allowed to stop with these things. The personal hygiene of the store's employees is just as vital to the success of the store as how clean the selling area is kept. Customers do not examine anything more closely than the cleanliness of the personnel they encounter during their shopping tour.

Cleanliness is one of the oldest stories in the supermarket, but regardless of its vintage it still has not lost its punch. A group of customers questioned by an Eastern chain felt that they were influenced in their shopping habits by the visual impact of the store, particularly its cleanliness.<sup>28</sup> Over one-half of the people interviewed felt that cleanliness was a highly important customer service. Since so many people feel that cleanliness is so important, food stores

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<sup>27</sup>"How Welcome Is The Customer?", Managers' Training Course, Chain Store Age, Vol. 32, No. 1, (January 1956), p. 58

<sup>28</sup>"Keep It Clean! Say The Customers", Chain Store Age, Vol. 29, No. 7, (July 1953), p. 258.

have a special reason to keep their stores clean, neat and attractive.

Lighting and Color: Although lighting and color have always been used in supermarkets, these customer services have increased in importance in recent years. "Good lighting is one of the most valuable tools for an aggressive retailer."<sup>29</sup> Improved lighting facilities provide today's retailers and customers with greater illumination, less glare, combined with a better distribution of light. What makes this customer service even more valuable is the fact that most lighting fixtures are so attractively constructed as to contribute significantly to the lavish decor so characteristic of the modern supermarket.

The overhead domelike fixtures of the early supermarkets are a thing of the past. Today's supermarket owner can satisfy his lighting needs by selecting a system which ranges "from individual units to complete illuminated ceilings,---some of which are structural in nature."<sup>30</sup> Many of these lighting systems are designed to fit the pattern of acoustical ceiling tiles.

Most of the central lighting of stores is accomplished through the use of fluorescent fixtures. The perimeters of the supermarket are being illuminated by improved valance fixtures. Auxiliary lighting is usually necessary regardless of the amount of general lighting that is used. Spotlights and floodlamps of both the incandescent and fluorescent type. are utilized to attract attention to special features and displays. Meat cases are generally supplied with incandescent spotlights because fluorescent lighting has an adverse affect on the appearance

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<sup>29</sup>"Latest In Lighting", Nargus Bulletin, Vol. XLIII, No. 2, (February 1956), p. 67

<sup>30</sup>Ibid, p. 68

of a meat display.

Good lighting arrangements are complemented by good color arrangements in today's supermarkets. The pastel shades, light greens, yellows, and pinks, reflect more light, are more attractive and add to the general appearance of the store. Light colored floors, gondolas, walls and ceilings not only reduce the amount of artificial light needed, they contribute to the spell which supermarkets cast over their shoppers. This spell, which causes customers to go glassy-eyed (into a trance) and results in their purchasing fifty per cent more than they intended to, has been called "the supermarket trance" by James M. Vicary, a pioneer in psychological supermarket research.<sup>31</sup>

Air-Conditioning and Music: A few years back, air-conditioning was considered a lavish luxury which only the largest of stores could afford. Since that time, supermarket operators have come to the conclusion that they pay for air-conditioning whether they have it or not. "Loss of sales volume, and increase spoilage of perishable foods during the hot months, are direct business losses resulting from lack of air-conditioning."<sup>32</sup> Often times these business losses exceed the cost of an air-conditioning unit. Consequently, this customer service is receiving such wide acclaim and acceptance today, that air-conditioning is now a part of 81 per cent of supermarkets.<sup>33</sup> Customers have come not only to appreciate air-conditioning, they have begun to take it for granted.

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<sup>31</sup>"The Super Market Trance", Nargus Bulletin, Vol. XLII, No. 9, (September 1955), p. 29

<sup>32</sup>"What You Can Do About Air-Conditioning and What It Will Do For You", Nargus Bulletin, Vol. XLII, No. 9, (September 1955), p. 46

<sup>33</sup>"Nargus Reports To Retailers", Nargus Bulletin, Vol. XLII, No. 11, (November 1955), p. 3



The installation and maintenance of an air-conditioning unit in a supermarket is a very expensive process. However, many compensating benefits accrue to the supermarkets in which units are installed. Employees as well as customers will feel more comfortable as a result of the reduced temperature of the store. Customers may be induced to shop more leisurely. Perishable merchandise on display in open self-service cases will benefit greatly from the reduced temperature of the store. Stores remain cleaner and do not have to be redecorated nearly as often because dust and dirt are shut out.<sup>24</sup> Suffice it to say that a supermarket enjoying the benefits of an air-conditioning unit may hold an advantage over a competing supermarket which does not have air-conditioning.

The same research study mentioned above discovered the fact that fifty-six per cent of the supermarkets have music furnished throughout the day. In some instances, "canned" music is relayed into the store from a central station. Other stores assign an employee the duty of playing records during the day. Through the selection of proper records, this customer service may prove highly successful in creating a pleasant, relaxed atmosphere for the supermarket.

Rest Rooms and Lounges: Two relatively new customer services are the installation of rest rooms and lounges in supermarkets for the customer's convenience. These are new services in the sense that they are slowly gaining prominence in the industry as a whole. No doubt there have been many instances of isolated cases in the past of supermarkets

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<sup>24</sup>Nargus Bulletin, (September 1955), Lpc. Cit.

who had these facilities, but for the most part this situation was uncommon. Even as late as 1954, only twenty-one per cent of the stores included in a Super Market Institute research project had rest rooms.

Many companies have continually maintained that customers do not need this service and that its usage could not be justified. On the other hand, other companies feel that rest rooms can be a very valuable service which will be highly appreciated by the customer, especially those bringing children with them when they shop.

The lounges furnished in some supermarkets consist of a warm furnished room, which is generally located near the entrance or exit of the store. A few assorted soft chairs grouped together in the same general area serves as a lounge for other stores. In either case, a customer is able to sit down and relax either before or after her shopping tour. Magazines, newspapers, and in some cases television sets, are provided for her convenience.

Store Layout: Many customer services are first formulated on the drawing boards of the designers, architects, and layout specialists who plan the supermarket. These men know that the store has to be laid out so that it may be most efficiently operated, and must be conscious of the cost involved in building a supermarket. Within this framework, however, everything is done to provide the customer with the most modern and comfortable structure possible.

The exterior of the store is designed and laid out for the convenience of the customer, as well as to portray the personality of the store. Parking lots are located in convenient areas. Windows are

provided which allow the customer to view the activity which is taking place within. "Magic" automatic doors allow the customer to enter and leave the store with minimum effort.

Wide entrance aisles, convenient bascart areas, as well as wide interior aisles and low gondolas, provide the customer with freedom of movement. Merchandise is centralized into departments according to nature. Every modern piece of equipment which will improve the displaying of this merchandise is utilized. These departments are located in a set pattern (although the pattern used will vary from company to company).

Most companies have located the gondolas in their stores so that they will be perpendicular to the front of the store. In this manner, the aisles between the gondolas will run from the check out stand to the rear of the store. Although there are exceptions,<sup>25</sup> this is the "normal" pattern. Through creating this pattern, the layout specialist hopes to channel customer traffic in a definite pattern, and when this pattern has been established the supermarket's operators will be in a better position to locate merchandise in the store. Impulse sales, as well as customer satisfaction, may result.

Every technique and device is used to improve the shopping comfort offered by the supermarket. The final judge of how well the layout specialist succeeds in performing his function is Mrs. Consumer, and there is no appeal from her verdict. Consequently, food companies are constantly on the alert to make some contribution to their industry

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<sup>25</sup>Albers Division of Colonial Stores "run" their aisles parallel to the front of their stores.

in the form of a new store layout pattern which will prove more pleasing to Mrs. Consumer. An indication of how customers radically influence the design of a market can be illustrated by examining three examples of companies which have departed from the "normal" layout patterns.

The first illustration is concerned with examining a market which was developed by the Grand Union Company, East Paterson, New Jersey, and which has become a mecca for supermarket operators throughout the country. In his book Zimmerman wrote:<sup>26</sup>

In planning the layout of this market, Kelly and Gruzen, architects, New York, produced a design similar to that of a wagon wheel squared off at the ends of the open spaces. Numerous aisles fan out from a focal point, as do the spokes of a wheel. However, these aisles are cut by several main aisles which run across the wheel spokes. Thus, the shorter aisles tend to disperse the shoppers in a manner designed to allow a maximum number to shop at one time without any confusion or crowding. The food departments have been organized on a department store theory, whereby all similar merchandise is placed together. The assembling of related merchandise stimulates suggestive selling, since it is more closely tied in with the requirements of well-planned menus. Despite the fact that there is 24,000 square feet of floor space, the market has been able to preserve an intimate and relaxed feeling. This atmosphere is accomplished in part by the fact that all the departments are arranged almost like a series of separate small shops under one roof.

A few other companies in the food industry feel that the present store layouts being utilized in the majority of supermarkets are not adequately designed to serve as an effective customer service. Most companies under the standard layout pattern, locate their meat department, dairy cases, and other departments requiring electrical equipment, along the back and side walls of the supermarket. "As a matter of fact, 81 per cent of companies favor the rear-wall location,

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<sup>26</sup>Zimmerman, Op. Cit., p. 184

for the meat department according to a recent survey."<sup>27</sup>

The Empire Super Markets (Schenectady, New York) have developed a new form of store layout which they consider more suitable to their customers, and which will serve as the second illustration of a radical departure from "normal" layout patterns.

In one of their markets, Empire has located all the refrigerated meat cases in the center of the market, moving its groceries against the wall. Among the reasons given by Henry Schaffer, President of Empire Super Markets, for this radical departure, was that:<sup>28</sup>

The new arrangement permits the customer to select her entire grocery needs with a few minor exceptions, from the wall benches. The entire line is exposed to her view at all times. This makes for quick, easy selection for wanted items, from department to department, without shopping cart congestion, and for quick 'back' selection of items overlooked in the first instance.

The third radical store layout pattern is of the most recent vintage and perhaps the most controversial in nature. This design has been created to build circular stores in place of the rectangular shape which is so prevalent today. Although engineers admit that they could be the most efficient, and mathematicians have long known that a circle encompasses the greatest interior area with the least amount of exterior wall, food men for the most part scoff at the idea of a circular store.

The Thriftway Food Markets, Houston, Texas, was erected in a circular structure containing 2,800 square feet. This building was designed by an architect with the idea of creating a completely functional

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<sup>27</sup>Zimmerman, Op. Cit., p. 185

<sup>28</sup>Ibid, p. 186

building which would also be inexpensive. One of the main advantages advanced by this architect for this type of structure was that it would be a more comfortable place in which to shop since, "customers can see 70% more of the merchandise on a circular shelf. . . ."29

Store layout patterns of the traditional, as well as the relatively new types, have as their purpose the laying out of the store in the most efficient manner possible. Although there is no single pattern which is best for all companies, each company attempts to construct for its customers that which it considers to be the optimum layout pattern. Enough cannot be said about the satisfaction which this customer service provides the housewives of the nation.

Miscellaneous Accessories: The customer services included in this sub-group are rather obvious in nature and will be mentioned but briefly. Public telephones are installed for customer convenience. Basketcarts (bascarts, carriages, etc.), although an accepted device, are a highly important customer service. Illustrating this fact are the figures of a recent survey which revealed that ninety-two per cent of the sales of a supermarket were accounted for by sixty-nine per cent of the customers who took shopping carts.<sup>30</sup>

The last factor of this sub-group is the installation of refreshment vending machines in supermarkets. Some companies report that "automatic vending machines for hot coffee, hot soup, and cold drinks increases sales directly by refreshing and relaxing the

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<sup>29</sup>"Are Circular Stores The Ultimate?", Nargus Bulletin, Vol. XLII, No. 2, (February 1956), p. 22

<sup>30</sup>"The Super Market Customer", Op. Cit., p. 163

customer, inducing them to spend more time within the store."<sup>31</sup>

#### COURTESY BOOTH SERVICES

Many companies have found that it is to their advantage to install courtesy booths in their stores. These booths are generally located just inside the entrance of a supermarket and are designed to provide a central location for the handling of a number of customer services. Some of the services which are handled in these booths are:

1. Cashing of checks
2. Handling of trading stamps
3. Redemption of coupons
4. Handling of bottle returns
5. Handling of return merchandise and  
customer complaints
6. Miscellaneous services

The services listed above are generally provided by the supermarket whether or not it has a courtesy booth. Although they have been grouped together for the convenience of this paper, their discussion will consider both stores having courtesy booths and those which do not.

Check Cashing: Check cashing is a customer service which has become an integrated part of the supermarket operation. Personal checks made out by customers for the amount of merchandise purchased, as well as other personal checks, travelers checks, government checks, and payroll checks, are cashed by supermarket operators. In many ways the supermarket today resembles a medium size bank. When one considers the volume of checks cashed in the stores of one company, some idea

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<sup>31</sup>"Automatic Selling", Chain Store Age, Headquarters Executive Edition, Vol. 32, No. 4 (March 15, 1956), p. 75

may be presented as to how widely used this customer service has become. The First National Stores in New England reported that they handled the average of one hundred thousand checks a year, which amounted to five million dollars.

Many companies today feel that "check cashing courtesy. . .has now grown passed the bounds of customer service. . . ."32 Police departments of eighty-nine cities reported the fact that seventeen per cent of last year's bad check victims were supermarkets, further adding to store's cost and losses.33 Many companies have had to rent or purchase protective identification devices, such as photo-electric machines which take single shot pictures on movie film to identify every check casher, the date, the hour, and the number of checks cashed. These devices are an added expense to the supermarkets. These companies feel that this customer service should be turned into a "community facility" and justifies a ten cent charge on every check cashed.

This movement has not been widely adopted. Other companies feel that although it costs approximately seven cents to handle each customer's check, the return in customer satisfaction more than overcomes the expense. They point out that customers may spend more money in the store that cashes their pay checks. The customer will be prompted to buy something in the store even when her sole purpose for coming to the store is for cashing the check. Finally, they maintain that the proper equipment and an efficient check cashing system within

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32"10¢ Check Cashing Charge Spreading", Nargus Bulletin, Vol. XLII, No. 6, (June 1955), p. 66

33Ibid



the supermarket will keep the losses from check cashing down to a reasonable minimum.

Regardless of which of these attitudes supermarket owners hold, check cashing must be looked upon as a highly desirable customer service. A survey of customers revealed check cashing was rated fourth among the services the customers desired most to receive in supermarkets.<sup>34</sup>

Trading Stamps: One of the most popular customer services being performed in supermarkets at the present time is the issuance of trading stamps. One survey conducted in a midwest city revealed that ninety-six per cent of the housewives in that city were saving trading stamps.<sup>35</sup> Of the people interviewed, 96.5 per cent indicated that they enjoyed saving stamps.<sup>36</sup> A private research organization found that in the St. Louis area, ninety-four per cent of the people interviewed saved trading stamps.<sup>37</sup> A study of the Denver area, conducted by the University of Denver, showed that 70.1 per cent of all Denver families were buying groceries at stores giving stamps.<sup>38</sup> Although the percentages vary, most surveys seem to agree that trading stamps have a wide use and are popular with the people who save them.

Besides being popular, trading stamps can be considered one of the most effective customer services. The major benefit which a

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<sup>34</sup>"The Super Market Customer", Op. Cit., p. 161.

<sup>35</sup>Harvey L. Vradenburg, "Trading Stamps", (Indiana University: Bureau of Business Research, School of Business, 1956), p. 21

<sup>36</sup>Ibid

<sup>37</sup>Ibid, p. 20

<sup>38</sup>Ibid

retailer seems to attain through the use of stamps is an increase in sales volume. The majority of retailers using trading stamps in recent years have not been disappointed. A Super Market Merchandising survey showed that stores which had adopted stamps in 1952 and 1953 reported an average increase of 27.5 per cent.<sup>39</sup> After conducting a study of the food industry in 1955, Progressive Grocer reported that "stamp-using super markets, according to the study, showed an average sales gain of 25 per cent, compared with a 13 per cent gain for super markets not using stamps and 6.9 per cent gain for the retail food industry as a whole."<sup>40</sup>

Regardless of the success which this customer service has attained in 1955, many disadvantages have been claimed of trading stamps by people who do not approve of their use. The cost of the stamp program; the danger that the store might have to increase its prices as a result of the cost; the fact that benefits of the stamp program will be neutralized when competitors adopt stamps; the difficulty of discontinuing stamps once they have been initiated; and the problem of controlling the stamps (just as cash must be controlled); have all been offered as possible objections to trading stamps.

Another main disadvantage advanced by people who object to stamps is that it slows up the check out operation of the supermarket. Some companies feel that they have helped alleviate this problem by issuing the stamps at a central location, the courtesy booth. In this

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<sup>39</sup>"Industry Revives Premium Plans", Super Market Merchandising, (August 1953), p. 37

<sup>40</sup>Robert W. Mueller, "Food Store Sales Up 6.9% in Year Marked By Sharp Competition, Mergers, Stamp Plans", Progressive Grocer, Vol. 35, No. 3, (March 1956), p. 47

manner, stamps are issued after the customer has passed through the check out lanes. On the other hand, some supermarket operators feel that stamps should not be given at a courtesy booth. These companies feel that the important thing in issuing stamps is to make absolutely certain that every customer receives every stamp entitled them. Since they believe that many people will leave the store without bothering to collect the stamps from the courtesy booth, these companies prefer to issue them at the check out stand even though it slows down the check out operation. Although there are various methods of handling stamps and although they have not been universally accepted, their importance as a customer service should not be denied.

Redemption of Coupons: Another service performed in supermarkets is the redemption of food coupons. These coupons are premium offers made by food manufacturers to the consumer in return for patronage. There is much labor involved in the receiving, sorting, counting, and recording of coupons. The grocery manufacturers have attempted to alleviate this situation by paying food retailers a fee for each coupon redeemed.

Through the concentrating of coupon redemption in a courtesy booth, companies have done much to help combat one of the greatest disadvantages of coupon redemption, the slowing down of the check out operation. A courtesy booth not only relieves some of the strain of that operation, but it greatly simplifies the cash control of the store.

An indication of the importance to the food industry of the popularity with the consumer that this customer service has attained

over the years, may be found in the statement made by the President of the Grocery Manufacturers of America, Mr. Paul Willis, who said: "This is one of the most successful promotion gimmicks in the industry and as long as the customers keep wanting them, just that long we're going to keep giving them."<sup>41</sup>

Handling of Bottle Returns: Receiving empty bottles and refunding deposit money to customers is one customer service that has been greatly improved in recent years. In the past, many supermarkets performed this service at the check stand. In keeping with the trend of removing as many extraneous functions from the check stands as possible, this function is now performed in other parts of the store.

Some supermarkets have a bottle return area adjacent to a backroom work area. Customers ring a bell when requesting service and an employee, who will usually be performing a function in that work area, services the customer. Other companies have located conveyors inside their courtesy booths to handle bottle returns. The empty bottles are lowered into a basement area which provides a temporary holding space. "Thus, employees working in the basement handle empties only occasionally when necessary, or when it can be fitted into their work schedules."<sup>42</sup>

Returned Merchandise and Customer Complaints: If it is properly staffed, the courtesy booth provides the supermarket with an excellent

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<sup>41</sup>Food Distribution Club address, Michigan State University, Spring Term, 1956.

<sup>42</sup>"Conveyor Inside Courtesy Counter Zips Empty Bottles To Basement", Nargus Bulletin, Vol. XLII, No. 6 (June 1955), p. 22

means of receiving returned merchandise and handling customer complaints. Although in the past it was considered one of the manager's most important functions, the handling of complaints may be delegated to responsible employees with little or no loss of effectiveness. Centralizing complaints and returns in one area has the advantage of presenting a uniform manner of handling such problems.

Although each complaint should be handled according to company policy and in line with the timeless adage "the customer is always right", each case should be given individual consideration. Although people performing this customer service will be confronted by habitual "grippers" and "complainers", for the most part customers complain because they have a legitimate reason. A complaining customer is a customer who has been dissatisfied and, therefore, is one whose patronage the company may lose. Therefore, employees performing this customer service are performing a vital function for the supermarket.

Miscellaneous Services: Several other customer services are performed at the courtesy booths. People have the privilege of paying their utility bills and buying travelers checks and money orders at some of these booths. Other supermarkets offer film developing services to their customers. In Houston, Texas, savings and loan association transactions are handled at various local supermarkets.<sup>43</sup>

#### MERCHANDISING SERVICES

Another group of customer services is filled with factors which are not generally thought of as customer services. This is the merchandising service group. A merchandising service is herein defined

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<sup>43</sup>Grant Sorrell, "Houston Supers Offer Saving Service", Super Market News, 4: 1, 20, (October 3, 1955)

as any planned activity on the part of a retailer which is designed to implement the presentation of goods to consumers. Among the many factors implied in this definition are:

1. Price identification techniques
2. Label and packaging methods
3. Grouping of related items
4. Displays
5. Price
6. Quality
7. Variety
8. Special promotions
9. Aids for locating merchandise

Price Identification Techniques: Surveys have shown that customers desire to have the merchandise which they purchase legibly marked as to price. This customer service not only aids the customer in her shopping tour, but it is an aid to people who like to check their order when they get home. "Grocery chains have found that there is a large turnover of goods with a minimum of questions, tieups, and congestion at check outs, when effective pricing techniques are used.<sup>44</sup> Price marking of merchandise and self-service retailing walk hand-in-hand, and it is difficult to envision either factor being successful in the absence of the other.

There are varieties of price marking techniques. The sale price of a unit of merchandise may be legibly marked upon that item in crayon, or through the use of a rotary stamp. Shelf price mouldings indicate the price of goods displayed on the shelves. Talking cards pinpoint prices of special displayed merchandise. Normally, a combination of these methods will be used to facilitate the customer's

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<sup>44</sup>"Efficient Price-Marking for Easier Buying", Chain Store Age, Vol. 32, No. 2, (February 1956), p. 62

shopping tour and to encourage her to purchase more merchandise.

Label and Packaging Methods: Food manufacturers are responsible for providing consumers with much convenience through the methods which they use to label and package food products. This same customer service can be offered by retailers in improved package and labelling methods of merchandise packaged in the store.

Self-service produce, dairy, and meat departments are manufacturing operations carried out in the supermarket. Cellophane wrapping, legible price marking, as well as descriptive labels, may all be used to effectively serve the supermarket's customers. Greater satisfaction for the consumer, as well as increased impulse buying, will result.

Grouping of Related Items: The proper utilization of this customer service can greatly improve the presentation of merchandise by the food retailer. "There are many natural relationships between the foods that can be exploited in the modern supermarket and building displays so that these relationships can be pointed out has been a sure path to extra sales."<sup>45</sup> Customers appreciate any aids which their retailer offers them in the locating of merchandise. There are many different ways to group related merchandise, since there are many different types of relationships. All cake mixes may be grouped together; all the products of one company may be grouped together; or related items, such as cake and frosting mixes, may be integrated in the same display. Regardless of the method used, as long as it has some logical basis and as long as this basis can be

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<sup>45</sup>"Related Items: An Old Reliable That Still Pays Off", Chain Store Age, Vol. 31, No. 10, (October 1955) p. 80

made apparent to the consumer, she will appreciate this customer service.

Displays: One of the most valuable merchandising services a supermarket can offer to its customers is the proper displaying of merchandise. Supermarket operators believe that displays "not only give the store a personal touch, but tends to break up the shopping monotony"<sup>46</sup> for the customer. Displays not only please the customer, however, they are "the most effective single force in selling more merchandise."<sup>47</sup>

There are many different forms of displays, but for the purpose of this paper they can be divided into two groups. Shelf displays, although they are the most commonplace form of merchandise presentation, continue to sell the greatest percentage of goods. Only "five per cent of total store sales are the result of special displays."<sup>48</sup> However, special displays, including end and aisle dump displays, carriage displays, and wire basket displays are a very effective force in capturing customer interest for the store. The key to success for all displays is mass building. "Mass displays have a dramatic quality that stops the customer and makes her take a second look just because they are mass displays."<sup>49</sup> Much customer convenience, therefore, is offered consumers through the utilization of this merchandising service.

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<sup>46</sup>"Aisle Displays Break Up 'Shopping Monotony' At Giezentanner's", Progressive Grocer, Vol. 35, No. 3, (March 1956) p. 192.

<sup>47</sup>Ibid

<sup>48</sup>"The 1955 Chain Store Age Display Manual", Chain Store Age, Vol. 31, No. 2 (February 1955) p. 76

<sup>49</sup>"It Takes Mass To Move Mass", Chain Store Age, Vol. 31, No. 10, (October 1955), p. 76



Price: Perhaps the most sought after merchandising service is the price of the merchandise itself. Food customers have always been price conscious, although the intensity of this feeling varies with the economic conditions of the nation. During the depression this customer service was of critical importance to Mrs. Consumer. In times of prosperity, such as we are experiencing at the present, the emphasis on price is somewhat reduced.

Supermarket operators who offer fair prices to their customers are performing a valuable customer service. Price competition has not passed from the food retailing scene, and there is every indication that it never will. However, people today do not expect the supermarket in which they shop to have the lowest prices in the town. Fair prices commensurate with competitive conditions are more characteristic of the food industry today. Customers who believe that their supermarket offers the lowest prices in town have only to consider the facts that competing retailers are operating supermarkets, and that the food advertisements printed in daily newspapers boast of a galaxy of "lowest prices", to see the fallacy of their thinking.

Quality: Supermarkets desiring to get the optimum effect from their merchandising services must make sure that the quality of their merchandise is in line with the prices they charge for that merchandise. In the past, many supermarket operators sold low quality goods at the same prices that their competitors were retailing high quality goods. Many bad impressions were created for the consumer which resulted in poor customer relations for the supermarket.

Experience, the passing of time, advertising, and customer

relations programs, contributed greatly to overcoming this impression. People today expect to get high quality goods when they shop in supermarkets. They expect to receive, and do receive, food products as good as those sold in any other retailing device. Supermarkets must offer quality goods if they are to maximize the effect of their entire customer relations program.

Variety: Outside of self-service merchandise methods, nothing characterizes a modern supermarket better than the variety of goods it offers to its customers. One-stop shopping is at the top of almost every housewife's convenience list. Companies are aware of this fact and know that implied in this statement is the fact that the more items they offer for sale to the customer, the better chance they have of making extra sales. Consequently, almost every household item which may be required by Mrs. Consumer may be found in the one stop meccas, called supermarkets.

Special Promotions: Special mention should be made of the many merchandising services performed in a supermarket under the title "special promotions". This form of customer service is not only very vital to the sales volume of the store, but provides interest and savings to the consumer. The types of special promotions which are carried on within the supermarket are almost endless in number. A special promotion may be a simple weekend leader special, a seasonal promotion, a manufacturer's promotion, or promotions designed to introduce a new store to a community. For the purpose of this study, the methods of special promotions are not important. What is significant is the fact that this merchandising service is offered to consumers in unique, interesting, and eye-appealing manners to effect a consumer reaction. As such special promotions

qualify as an important customer service.

Aids for Locating Merchandise: The last merchandising service to be discussed consists of devices which are used in supermarkets for the purpose of helping customers locate merchandise. Not only do greater sales result from the use of these devices, but they have a positive psychological effect on the housewives of the nation. Frustration and irritation are greatly reduced when customers are able to quickly locate the merchandise they desire.

There are many various devices in use today. One of the main techniques is to have every store employee indoctrinated to such a degree that they can intelligently direct customers to merchandise within the store. Signs placed over gondolas to identify the merchandise presented, also aid customers in their search for merchandise. Store directories and direction indicators on bascarts are other types of this merchandising service. Since these devices afford pleasure or satisfaction to the customer and can help sell more goods to her, they are performing the function of the customer services.

#### CHECK OUT SERVICES

The customer services performed at the check out operation are among the most vital performed in the entire supermarket. "One mistake in checkstand operation in the modern grocery store can ruin every effort that has been made to satisfy the customer."<sup>50</sup> Customers may spend much time leisurely strolling about the store, passing the time of day with employees and friends, spend many minutes deciding even the smallest purchase, but they just do not want to wait after they have reached the check out stand. "Survey after survey has shown that the checkstand is

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<sup>50</sup>"The Checkstand: The Trend is Toward Pleasant Paying", Chain Store Age, Vol. 30, No. 12 (December, 1954), p. 40.

the customer's greatest source of dissatisfaction,"<sup>51</sup> and "this is so in spite of the fact that more thought, careful planning, and effort have gone into the checkstands than almost any other part of the store."<sup>52</sup>

Many factors help to make check out operation of the modern supermarket more efficient and faster. Each of these factors, therefore, is contributing to the comfort of the consumer and, as such, may be termed customer services. The main services performed at the check out stand which have been selected for discussion are:

1. System
2. Removal of extraneous activities
3. Trained employees
4. Express check out lanes
5. Specialized equipment
6. Parcel pick-up station

System: The customer's entire shopping trip should be made as comfortable as possible. "While buying food in a modern store may be pleasant, paying for it is rarely so."<sup>53</sup> Everything must be done to systemize the check out operation to increase its speed and efficiency. A great amount of cash, coupons, trading stamps, merchandise, and customers, must be handled in check out operations. Although customers should be provided with the *quickest service possible*, an equally important objective must be to *maintain* an adequate control over the other factors involved in the operation. Everything from the cashing of checks to the refunding of money for returned merchandise, should be performed in a pattern which is *uniformly* adhered to by all the store's employees. Quicker, more effective and efficient service, will then be possible. Consequently, both

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<sup>51</sup>Ibid, P. 40

<sup>52</sup>Ibid, P. 41

<sup>53</sup>Ibid, P. 40

the customer and the supermarket will profit by the installation of this customer service.

Removal of Extraneous Activities: Most complaints heard at the checkstand are based on the time it takes a customer to get checked out. Operators have refined their check out operation by removing as many activities from the checkstand area as possible. Each store, however, operates under a unique set of circumstances which will dictate how far the general rule of having as few things done at the register as possible can be followed.

Many stores have removed the refunding of bottle deposits and accepting of empty bottles from the checkstand altogether. Other have found it to their advantage to concentrate the handling of many services in courtesy booths instead of at the check out stand. "The trend is now away from selling at the checkstand, except for items like single packs of cigarettes and candy bars."<sup>54</sup> Everything feasible is being done to get the most from the check out services offered the customers, in terms of increased sales and patronage, and shopping comfort.

Trained Employees: The most effective weapon any supermarket has for combating the evils of its number one bottleneck, the check out operation, is trained personnel. The better training that employees of a supermarket have the better they will be able to service the customers. This is especially true in regard to check out operations.

Managers, assistant managers, and head cashiers should be able to supervise the check out operations properly. They should be trained to spot defects and catch trouble spots before these defects and trouble spots become serious. These responsible people should know when to open

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<sup>54</sup>Ibid, P. 41

additional check out stands, when to add additional bag-boys, and how to take additional measures to prevent the check out lines from becoming too long. A little preventative action may go a long way to making sure that the customer spends as brief a time as possible at the checkstand. Checkers (cashiers) should be trained on how to fulfill their responsibilities and indoctrinated into the system being used at the checkstand.

There are various methods of accomplishing this training. Many companies prefer to train their employees in central locations. Others desire to use in-store training methods. Worthy of special mention are the efforts of an Eastern chain which has a training trailer, called a "class-room on wheels", which circulates among the stores of the company and which is equipped with a check out operation. Any method, regardless of its nature, which results in better trained employees, is an aid to the check out services offered by supermarkets.

Express Check Out Lanes: A fairly controversial service provided by some companies in association with their check out operations is utilization of express check out lanes. These lanes are designed for the use of customers who purchase a small number of items during a rush period. A sign over the checkstand invites such customers to use the express lane so that they will not have to wait in line to check out a small number of items.

The advantages of this customer service are manifold. Customers wishing to purchase a small number of items will be encouraged to shop in the supermarket even at its busiest hour. Part-time checkers can be efficiently utilized, since most supermarkets normally have their busy

periods at the same hours each week, and therefore, can plan when they will need to provide this service. Much appreciation has been expressed by customers shopping in stores offering this customer service.

On the other hand, express check out stands are not without their disadvantages. Sometimes customers with large orders resent the fact that people who buy less merchandise are privileged to use an extra check out lane. Some of these customers with large orders go to the express lane to be checked out. This creates a problem. If they are refused service there is a danger that they will become dissatisfied, and if the checker begins to ring their order there is a danger that other people with large orders will follow. Under such conditions, the benefit which might have been derived from this customer service is greatly negated. Companies opposing the use of this customer service say: "for one reason we do not have room for additional check outs, and besides we feel that in check out, service should be for the benefit of all customers."<sup>55</sup>

Specialized Equipment: The specialized equipment which is utilized in modern check out operations greatly improves the value of this form of customer service. Cash registers which total up the amount of purchases of the customer, as well as those which denote the amount of change, perform a valuable function. The many varieties of check out stands such as the push-pull, split counter, belt, disc, redi-chek, and "no-wait" types, are being utilized to great advantage in the supermarkets across the nation. Other special equipment, such as bottle refund conveyors, carry-out carriages, and special conveyors which transport customers' orders to the pick-up station, also contribute

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<sup>55</sup>"The Express Check-out: Pros and Cons", Supermarket Merchandising, (February 1954), p. 81.

to improve check out service.

Parcel Pick-up Stations: Parcel Pick-up stations (areas located at the side of the building or in the parking lot) are becoming more common as a customer service. This convenience has been provided to customers in an attempt to service them even after they have passed through the check out stand.

The customer's order is transported to these areas either by carry-out bascarts or automatic conveyors which go direct, overhead or underground to the pick-up area. Each order is tagged with a number for identification purposes. The customer is given a tag bearing a corresponding number. Mrs. Consumer drives her car to the pick-up station, where a bag-boy places her order in the car. The advantage of this system is that it prevents the need of having to push carry-out baskets, or to manually carry orders all over the parking lot. Much effort is saved and the bag-boys' time is more productively utilized.

In some areas, parcel pick-up stations have proved only moderately successful. Customers from these areas prefer to have their orders brought directly to their cars or prefer to use the shopping cart to transport their groceries to their homes. This is especially true for some supermarkets which are located in the center of a housing project area. These customers have made use of this type of service to such an extent that, in some cases, the supermarket's owners find it necessary to send pick-up trucks on tours through the housing areas periodically, to gather up carriages which customers brought home with them.

There are, therefore, many various methods and devices which



can be used to perform the service of transmitting the customer's orders from the checkstand to her car, or home. Regardless of which particular method or device the supermarket uses, these methods and devices represent an effort on the part of the supermarket operators to offer service to their customers.

### MEAT DEPARTMENT SERVICES

Although the meat department and the check out operation used to be the two main bottlenecks of the store's operation, this condition in the meat department has been greatly relieved. Today, it is not any more difficult to purchase meat than it is to purchase merchandise from any other department. Many individual services performed within this have contributed to this state of affairs. The more important individual services which have contributed to improving the customer services affect of the meat department in supermarkets today, are:

1. Self-service
2. Hostess and special order devices
3. Layout techniques
4. Merchandise services
5. Miscellaneous services

Self-service: The outstanding factor which has enabled meat departments to become an effective customer service group, is the transformation of that department from service to self-service. Although this transformation has not been universally adopted, statistics indicate that people who feel that "There's A Place For Service Meat"<sup>56</sup> are definitely in the minority.

As late as 1952, only 5,363 stores (not entirely supermarkets)

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<sup>56</sup>"There's A Place For Service Meat", Chain Store Age, Vol. 31, No. 9, (September 1955), p. 93

in the nation had one-hundred per cent self-service meat departments.<sup>57</sup> However, by 1955 that figure had risen to fifteen thousand.<sup>58</sup> Although these figures do not apply solely to supermarkets, they do indicate a trend. Other figures substantiate the fact that this trend applies to supermarkets, only with a greater intensity. Nearly four out of five supermarkets built in 1955 had one-hundred per cent self-service meat departments, whereas only two per cent had one-hundred per cent service meats.<sup>59</sup>

The main reasons for the popularity of self-service meats are:<sup>60</sup>

1. Increase meat sales
2. Increase meat sales as per cent of total store sales
3. Speed up shopping time in department and store
4. Increase average customer meat purchase in dollars and in number of items
5. Reduce congestion in meat department

Since self-service meats offer such great advantages to companies, as well as customers, it should be considered as a significant customer service.

Hostess and Special Order Devices: Through the utilization of a hostess, customer acceptance of self-service meats in supermarkets has greatly been enhanced. The hostess greets customers and is responsible for seeing that their individual idiosyncrasies are catered to. This blending of personal service into a self-service device has greatly increased the popularity of self-service meat departments.

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<sup>57</sup>"The Retail Meat Business--Past, Present, and Future", Progressive Grocer, Vol. 31, No. 10, (October 1952), p. 266

<sup>58</sup>Mueller, Op. Cit., p. 51

<sup>59</sup>"1955's 'Typical' Super 18,000 Square Feet", Progressive Grocer, Vol. 35, No. 3, (March 1956), p. 153

<sup>60</sup>Mueller, Loc. Cit.

Other devices have been used to great advantage for accomplishing the same purpose. Bells are placed at strategic locations above the meat cases, which may be used by customers to summon meat department employees when these customers require special service. A few companies have even installed telephones in their meat departments so their customers will be able to talk directly to meat cutters in explaining the special cut they desire.<sup>61</sup> All these things combine to make the customer feel more comfortable when she shops a self-service meat case.

Layout Techniques: Various meat department layout techniques deserve special mention as customer services. Windows, through which customers can view meat being freshly cut and wrapped, have been installed in many cutting rooms. Low, open at the top, refrigerated cases, have been provided for maximum customer convenience and product presentation. Finally, some supermarkets have "rolling cold" meat departments. These meat departments have refrigerated conveyors which allow the meat wrapping operation to be performed in view of the customers, instead of inside the refrigerated cutting rooms. Not only does this system have the advantage of allowing the customer to see how freshly wrapped the meat in the case is, but it also places wrappers, scalers and hostesses directly behind the meat case in position to aid customers, should this service be required.

Merchandising Services: The group of customer services which has already been discussed under the title "Merchandising Services", was intended to include the meat department as well as every other part of the store.

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<sup>61</sup>"Quiet! No Shouting Needed", Nargus Bulletin, Vol. XLIII, No. 2, (February 1956), p. 62.

Merchandising service is again listed under meat department services to reiterate the importance of the merchandising program of any department as a means of servicing customers.

Miscellaneous: Many small miscellaneous services have also helped to make customers more satisfied with supermarket meat department operations. These range from offering free bones for dogs, to setting up small gourmet sections in the meat case for displaying such items as "beef tenderloin, individual filet mignons, two and three inch cuts of sirloin and T-bone steaks, squabs, turkey breasts, and seasonal items."<sup>62</sup>

#### PERSONAL SERVICES

Customers enjoy the advantages which mass marketing affords them but, regardless of this fact, most customers would like to be treated as individuals when they shop. No matter how much they enjoy the convenience of self-service in the supermarket, they still value the "personal touch" of employee-consumer contacts. Through these contacts, a store can develop a personality for itself which will materially implement the success of its operation. Although this is true, "even the most friendly and helpful personnel have a hard time making the customer feel welcome in a sloppy operation."<sup>63</sup> Therefore, an efficient operation and effective personal contacts are both necessary before the supermarket can achieve optimum success.

Every personal contact which occurs between customer and employee should be made as meaningful as possible. The success of these personal

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<sup>62</sup>"Gourmet Section in Meat Case Scores a Hit", Nargus Bulletin, Vol. XLII, No. 10, (October 1955), p. 37.

<sup>63</sup>"How Welcome Is The Customer?", Loc. Cit.

contacts will often be the determining factor as to whether or not the other customer services offered by the supermarket will be able to achieve their objectives. Customers involved in a check out operation should be offered something besides efficient check out service. "Careful checking, efficient money-handling and proper bagging get her in the mood for that 'Thank you -- come again'"<sup>64</sup> that proves she has been welcome. When Mrs. Consumer purchases produce, it may be the pleasant "Hello" or "May I help you?" uttered by the produce clerk that guarantees return sales, rather than solely the quality of the merchandise. Supermarket employees would do well to follow the old adage, "the customer remembers what you say long after she forgets what she had to pay."

Someone in the store must assume the responsibility of making sure that employees uniformly offer pleasant personal service to customers. "Putting the warm personality into the store is one of the most important functions of the manager."<sup>65</sup> How well the manager is aware of this fact may affect the entire supermarket operation. Dissatisfied customers affect much more than just the customer relations program of the supermarket. Sales volume and profit figures may also be materially affected. The manager should use every technique possible to establish congenial relationships with his customers. Some methods which he may use are:<sup>66</sup>

1. Try to know personally as many of your customers as possible, and also their requirements.
2. Try to have relationships with your customers in the store as well as outside the store.
3. Be courteous to all customers and try to be as helpful

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<sup>64</sup>Ibid

<sup>65</sup>"Check-outs: Focal Point of Control", Chain Store Age, Vol. 31, No. 8, (August 1955), p. 45.

<sup>66</sup>"How To Develop A Profitable Customer Following", Regional Super Market Institute Managers Meetings, April 5-6, 1954, p. 1.

- as possible.
4. Find out what the customer's viewpoint is toward your operation
  5. Strive for improvement of store personnel.

It is not enough that the manager of the store is aware of the importance of maintaining effective personal contacts with consumers. Through indoctrination, training, and experience, this knowledge must be transmitted to all the personnel in the supermarket. Customers make little distinction between the titles of the people who are nice to them and the people who treat them discourteously. The bag-boy on duty in the parcel pick-up station can cause as much damage to the personal relations program of the store as the general store manager.

Mrs. Consumer generally wants three things in the way of personal services from the employees of her supermarket: courtesy, friendliness, and information. Courtesy may be defined as formal politeness. Customers as a whole do not expect employees to "bow and scrape" when they are servicing them. They do expect, however, that the clerk will speak politely when addressing customers. Over-talkative employees, as well as employees who refuse to say anything, do little to afford the courtesy desired by the average housewife.

Friendliness, another quality which the consumer desires to receive from the store's personnel, does not cost the store money. Intelligence, patience, and common sense may be expended by the employee, but the rewards are great for the supermarket.

The greatest number of personal contacts made between customers and employees are in the form of questions from the customer to the employee concerning information. Mrs. Housewife may ask about the location of merchandise, the store's refund policies, the week-end specials, as well as

a countless number of other questions. In each case, the employee has an opportunity to exhibit friendly and courteous service. Handled in the correct manner, therefore, customers seeking information about a prospective purchase of merchandise may be sold on the store itself.

### MISCELLANEOUS SERVICES

There are scores of miscellaneous customer services being offered in the supermarket. The variety and number of these services encompasses an almost unbelievable scope. This study will list briefly some of the miscellaneous services which have been fairly widely adopted, as well as some which are uniquely interesting. Some of the miscellaneous services offered are:

1. For Children:
  - a. "Kiddie Korral's" - area within the store furnished with television sets, comic books, children's books, magazines and chairs.
  - b. Play Pens - areas outside the store supervised by a responsible person, furnished with swings, slides, and sand boxes.
  - c. "Bobby Bascarts" - miniature shopping carriages.
  - d. Seats in regular shopping carts.
  - e. Free lollipops.
  - f. Free candy bars for "a's" on report cards.
  - g. Free live chicks for children at Easter.
  - h. Sending cakes to parents of new born babies.
  - i. Taking pictures of children during shopping tours and showing them in colored slides on holidays.
2. Snack bars and lunch counters.
3. Coffee grinding machines.
4. Insulated bags for frozen food items.
5. Freezer wrapping of items purchased for freezer.
6. Cooking schools for customers.
7. Business education days - tours through store for school teachers or students.
8. Swap bulletin boards - for exchanging goods.

9. News bulletin boards - posting of club news.
10. Menus and recipe bulletin boards.
11. Drinking fountains.
12. Shoe repair, dry cleaning and laundry service.
13. Providing waiting rooms for bus passengers.
14. Lost and found departments.
15. Sending fruitcakes to couples on first wedding anniversary.
16. Suggestion boxes.
17. Cleaning windshields of customers' cars in parking lots.
18. Sending a rose to new mothers while they are still in hospital.
19. Rent store's floor polisher to customers at low rates (increased sales of wax products considerably).
20. Announcing week-end specials periodically during the day over public address system.
21. A store located in rural community purchases city Sunday newspapers for customers.
22. Allowing organized clubs and churches to use portion of the store's weekly newspaper advertisements to announce meetings and special events.

#### SUMMARY

When the supermarket is viewed in light of the massive number of multi-natured services which it offers to its customers, some impression may be formulated as to the magnitude and scope of the store's operation. A staggering number of ideas, devices, techniques, methods, activities, and policies are required to implement that operation. A huge financial investment is represented in these factors. Many new products and departments, greater numbers of employees, larger amounts of equipment and materials, are required. Increased strain is being placed on everyone and everything connected with the supermarket's operation.





Somehow this mass of customer services must be channelled into a harmonious system. All these factors are interdependent and must be fitted into an organized pattern which will maintain a balance for the supermarket's operation. This is the job of the store organization plan of the supermarket. How well this plan will be able to utilize each customer service, how effectively it can cause the various services to complement each other, as well as how efficiently store organization can mold all these factors into a smooth functioning system, may well be the determining factor as to the ultimate success or failure of the store's customer services program.

## CHAPTER IV

### STORE ORGANIZATION

#### WHAT IS STORE ORGANIZATION

When housewives enter supermarkets, they expect to view neat and attractive displays of merchandise, to be able to purchase this merchandise at fair prices, to be afforded prompt and courteous service, and to have their shopping tour surrounded by an atmosphere of ease, comfort, and convenience. The owners of the supermarket expect that the store will supply these services and, at the same time, they expect that the store will realize a net operating profit. A highly complicated system is required to attain these objectives, even though Mrs. Consumer may be unaware of the presence of such a system.

The supermarket is a vast complex array of heterogeneous activities, functions, departments and personnel, which is oriented to serving the consumer and has as its main objective the attainment of a net profit. Store organization is the relationship which exists among these activities, functions, departments and personnel. Good store organization may be defined "as the arranging or putting together of mutually connected and dependent parts into a systematic whole so that they will work together with the least possible friction and the greatest harmony."<sup>67</sup> Implied in this definition are: (1) process,

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<sup>67</sup>Norris Brisco, Retailing, (New York: Prentice-Hall, Inc., 1947), p. 59

- (2) the assignment of responsibility and delegation of authority,
- (3) the provision for control.

Store organization is a process because it may be defined as an occurrence which never has a time boundary. The organizing of a supermarket will never be completed. It will always be arriving at the desired pattern but will never actually have arrived. As quickly as the organizing pattern is being formulated, it is in the process of being altered. Supermarket operators should be aware of the dangers involved in attempting to operate today's stores in accordance with yesterday's plans.

The organization plan of the store should facilitate the assignment of responsibility, and the delegation of commensurate authority to personnel. Organization should establish clearly defined lines of communication which run from top management to the store manager, and which then permeate the store's personnel down to the lowest status worker. Every person in the store should be aware of his responsibility and to whom he is subordinate. Organization formulates a pattern which has as its objective the elimination of the guesswork and indecision involved in the operation of a supermarket.

Store organization is the formation of an effective machine, which should provide control of the store's operation. The supermarket is composed of many actions and functions which are performed by individuals. To control these individuals is to control the store. Store organization accomplishes this by removing (or reducing) friction between management and employees and making all personnel feel they have a common interest in the success of the store. Store

organization plans contribute to successful operation by facilitating "a systematic connection and cooperation among the constituent parts so that all may work for the interest of the store as a whole. In its simplest form organization may be said to be the fixing of responsibility for performing or accomplishing particular jobs or functions."<sup>68</sup>

#### NEED FOR STORE ORGANIZATION

It is erroneous to think that store organization results only through deliberate, planned efforts on the part of management. "Every store is organized in some way, but not every store is well organized."<sup>69</sup> "Only too often in business concerns there is no real plan of organization, or at best, only a faulty one."<sup>70</sup>

It should be acknowledged that there are many degrees of organization, passing from excellent to good, to fair, and finally to poor. When the factors of operation are allowed to form their own pattern unguided, organization will be evidenced. Under these conditions, the factors will combine to form a system which will arrange the factors involved into some pattern to attain some kind of results.

Supermarket operators are not interested in formulating simply a system which arranges the factors in some pattern to attain some kind of results. The small operating net profit ratios and the keen competition present in the food industry, prohibits such an attitude. The results attained from the supermarket's operation must necessarily be

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<sup>68</sup>Ibid, p. 51

<sup>69</sup>Donald K. Beckley and John W. Ernest, Modern Retailing, (New York: The Gregg Publishing Company, 1950), p. 97

<sup>70</sup>William B. Cornell, Organization and Management in Industry and Business, (New York: The Ronald Press Company, 1936), p. 35

as close to the best results as possible. Such results occur only when good store organization has arranged the activities, functions, departments and personnel in the proper relationship and balance, so as to create the optimum system. Good organization is characterized when:<sup>71</sup>

1. Each employee knows what he is expected to do and performs his work quickly and pleasantly.
2. Employees know whom to consult concerning matters beyond their line of duty.
3. Each division or department functions smoothly in cooperation with the other divisions or departments.
4. Trouble spots can be quickly located and responsibility fixed.
5. The general manager (or managers) controls the supermarket's operation through competent department heads and has time for planning the broader policies.

"Poor organization establishes an under or an overemphasis of certain phases of the business and, thus, opens the door to waste and inefficiency."<sup>72</sup> Poor organization is present when:<sup>73</sup>

1. No one seems to know what he is expected to do.
2. No one can be assigned the blame when something goes wrong.
3. Certain departments or divisions of the business hampers the functioning of other departments or divisions.
4. The managers spend a great deal of their time settling disputes or handling minor details and have little time for the important decisions of over-all policies.
5. There is an inadequate supervision of employees.

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<sup>71</sup>Beckley and Ernest, Loc. Cit.

<sup>72</sup>Preston Robinson and Kenneth B. Haas, How To Establish and Operate A Retail Store, (New York: Prentice-Hall, Inc., 1946), p. 70

<sup>73</sup>Beckley and Ernest, Loc. Cit.

Store organization is vital to every supermarket. The importance of organization was aptly stated by Andrew Carnegie, who once commented: "Take away all our factories, our avenues of transportation, our money, but leave our organization, and in four years I will have reestablished myself."<sup>74</sup> Regardless of the size of an operation it needs to be properly organized. Perhaps the following anecdote may serve to illustrate that this need does exist, even in a small unit:<sup>75</sup>

A man stated at his breakfast table one morning that he would like to have the sleeves of his shirt, which he had left on the chair in his room, shortened one inch. Mother, wife and daughter, each supposing that the other would accomplish the task, neglected to work on the shirt. Next morning the man again commented that he would like the sleeves of his shirt shortened one inch. This time mother, wife and daughter, each without knowledge of the others efforts, shortened the sleeves one inch.

#### ORGANIZATION IS NOT MANAGEMENT

To say a store is well organized is not the same as saying it is well managed, for organization is not management. Store organization provides the plan, the structure, the suggested way the store should be operated. Job titles, job assignments, lists of duties, lines of responsibility and authority, the number of personnel required, as well as many other factors, are determined by the store's organization plan. However, there can be no operation, and these plans are worthless until they are implemented with the human element of the operation. Store organization provides the plans, and management executes these plans.

#### ESSENTIALS OF GOOD ORGANIZATION

"As each business enterprise has conditions peculiar to itself,

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<sup>74</sup>Brisco, Op. Cit., p. 50

<sup>75</sup>Wayne L. McNaughton, Business Organization, (Iowa: Littlefield, Adams and Company, 1952), p. 65

a set of rules cannot be laid down that would be applicable to the organization of all enterprises."<sup>76</sup> Although each supermarket is organized in an individual pattern, in order for these individual organization structures to be considered sound, the structure should meet the following basic requirements.<sup>77</sup>

1. It should provide for the most efficient accomplishment of the purposes of the business.
2. It should fit the needs and conditions of the specific business for which it is created.
3. It should combine flexibility with stability and set the base upon which the business can grow.
4. It should contain a statement of purpose, and these objectives should be well-known.
5. It should provide a practical plan of control of everyone who directs the work of others.
6. It should describe in writing every position in the organization.
7. It should ascertain that the formal authority and responsibility are commensurate.
8. It should provide a clear and well understood line of authority from the top to the bottom of the organization.
9. It should confine the performance of every unit and every unit manager to the performance of a single leading function.
10. It should organize the store around the functions performed and not around the people performing these functions.

#### THE EVOLUTION OF STORE ORGANIZATION IN THE FOOD INDUSTRY

Store organization patterns which are being utilized in the modern supermarkets are not newly devised instruments created especially

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<sup>76</sup>Cornell, Op. Cit., p. 39

<sup>77</sup>Robinson and Haas, Loc. Cit.; and Thomas Spates, "Personnel Economic", Proceeding of 12th Annual Meeting of Super Market Institute, 1949, p. 29



for the supermarket. Rather than being new or revolutionary, these organization systems are time-honored and evolutionary in nature. The business of food retailing is ever-changing and the industry "is so large, so clumsy, and includes so many different units that changes never come suddenly. It is not a business that lends itself to a revolution."<sup>78</sup> The evolution of store organization in this country has taken place over two centuries and it is still in the process of changing.

The evolution of store organization has herein been separated into four main eras. Although none of these eras existed in an absence of portions of other eras, it would be well to study each individually. The eras have been entitled according to the retailing device which developed and predominated during the greater part of that particular era. The four main steps involved in the evolution of store organization in the food industry are the:

1. General store era
2. Specialty shop era
3. Combination store era
4. Supermarket era

#### GENERAL STORE ERA

The earliest stage of food retailing in the United States culminated in the development of the general store. The general store, in spite of its handicaps, served the public successfully and was to dominate the food distribution scene for over a hundred years. Although it is not a common sight to view a general store today, it has not passed from the distribution scene entirely. "Today in rural districts and in

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<sup>78</sup>Carl Dipman, "Food Retailing - A Restless, Ever-Changing Business", Progressive Grocer, Vol. 31, No. 10, (October 1952), p. 64

sparsely settled parts of the country the general store is still an important retail outlet. In small outlying communities where there is not sufficient business for a separate grocer, hardware dealer, shoe merchant, and the like, there may be enough business and a need for a general store."<sup>79</sup>

The factors involved in the development of this early stage of organization evolution are:

1. Trading posts
2. Itinerant peddlers
3. General stores
4. Organizational characteristics of the era

Trading Posts: The earliest retailing was carried on through inter-tribal trade among the Indians. Eventually, white men set up trading posts at strategic locations along waterways and at crossroads. Trading posts were originally established to trade with Indians and with those venturesome whites who went into the wilderness of the frontiers to hunt and trap. Both private ownership and chain management (the Hudson Bay Company, which established a majority of these trading posts, is without a doubt the oldest chain organization in the western hemisphere<sup>80</sup>) were involved in these operations.

Itinerant Peddlers: Another sign of the times were peddlers who wandered from settlement to settlement in picturesque wagons, or carrying packs on their backs. "Although these peddlers were shrewd and in many cases dishonest, they provided merchandise that was otherwise unattainable and

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<sup>79</sup>Brisco, Op. Cit., p. 4

<sup>80</sup>Theodore N. Beckman and Herman C. Nolen, The Chain Store Problem, (New York: McGraw-Hill Book Company, 1938), p. 14

filled a definite need in serving pioneer communities."<sup>81</sup> As a result of the efforts of these peddlers, goods reached even the most remote settlements on the frontier.

General Stores: The development of railroads, waterways, and roads caused the decline of the trading post and itinerant peddlers. The next step in retailing history was the developing of towns and settlements around locations which had previously been the private domains of trading posts. General stores were erected and were to become the predominant retailing device for the next one hundred years.

These stores were so named because of the wide variety and assortment of merchandise which their proprietors offered for sale. "Usually independently owned and operated, these general stores sought to meet the complete buying needs of their customers."<sup>82</sup> The usual pricing procedure was to "charge what the traffic would bear" and to charge different prices to different customers. The economic history of this period, just as in all history, is substantially a record of new improved systems displacing old outmoded ones.<sup>83</sup>

Organizational Characteristics of the Era: Formal organization plans for the earlier food retailers were for the most part conspicuous by their absence. The owner, manager, or peddler gave little thought as to whether or not they were using the best system possible to operate their business. These people knew little about efficient organization (as we know it today) and they did not concern themselves with these

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<sup>81</sup>Beckley and Ernest, Op. Cit., p. 10

<sup>82</sup>Ibid

<sup>83</sup>John P. Nichols, The Chain Store Tells Its Story, (New York: Institute of Distribution, Inc., 1940), p. 54

things.

"In this day when caveat emptor reigned supreme in America the trade 'rule of thumb' was to levy on consumers what the traffic would bear."<sup>84</sup> Success was not measured by a neat set of operating figures but consisted simply of a comparison of the amount of cash on hand at the same time the previous year. "Judged by modern retailing standards the general store was woefully inefficient. Usually little if any effort was made toward departmental organization. . . ."<sup>85</sup> "It seems likely that the general store will continue in operation in those localities where it serves a definite need, just as the earlier trading post and the peddler have continued in some areas long after their period of greatest prominence."<sup>86</sup>

#### SPECIALTY SHOP ERA

The seed of modern retailing was planted during the specialty shop era. It was during this period that store organization first received concerted attention by the managers and owners of food outlets. Many factors combined to bring about this interest in developing a planned system of operating retail establishments. Among the main highlights of this era are:

1. Origin of chain stores
2. Specialty shops
3. Organizational characteristics of the era.

Origin of Chain Stores: The chain store organization as a method of distribution of food began in the year 1859 when a little store opened

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<sup>84</sup>Ibid, p. 55

<sup>85</sup>Beckley and Ernest, Op. Cit., p. 12

<sup>86</sup>Ibid

its doors on Vesey Street, New York City.<sup>87</sup> The first of the important chains began on that day when George H. Hartford and George F. Gilman were induced to buy a cargo of tea which was then selling at one dollar a pound and opened a red front store under the name "The Great American Tea Company". Eventually a second Gilman-Hartford unit was started, then a third, and so on until in the year 1869 these men gave birth to another company, the Great Atlantic and Pacific Tea Company.

Other individuals became interested in chain store organization. In 1872, the Jones Brother Tea Company opened its first store. "Following the Gilman-Hartford philosophy of concentrating on bringing necessities of life to consumers at the most economical prices possible, the Jones store so thoroughly fulfilled this purpose by the practice of efficient operating methods in a retail field, where the opposite was, during this era, more common, that it prospered exceedingly."<sup>88</sup> This chain has since evolved into one of the nation's strongest regional chains, The Grand Union Company. The Jones Brothers were followed in 1882 by Bernard H. Kroger who opened his first store under the impressive name, Great Western Tea Company. This company has since evolved into the Kroger Chain organization, as the food industry knows it today.

"The most significant point to remember in connection with the advent and growth of these companies, is that in a maze of inefficient and quick-passing individual retailing outlets, these stores succeeded because they were following up-to-date scientific merchandising methods

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<sup>87</sup>Nichols, Op. Cit., p. 57

<sup>88</sup>Ibid, p. 61



and were concentrating on bringing new values, new services, and new conveniences to American consumers."<sup>89</sup> Although their methods would not be considered very up-to-date today, they were very progressive for the times.

Specialty Shops: The prominence of the general store ended with the emergence of a new type retail outlet upon the food distribution scene. As communities grew in size, demand grew for a larger variety of goods in each line of merchandise. Many more roads were being constructed. Towns were continually developing and had grown large enough to support more than one store. "To answer this need and serve ever-growing communities, there arose one-line specialty stores, such as grocery, drug, dry-goods stores, and so on."<sup>90</sup>

Tea and coffee shops added grocery items and became grocery stores. Produce stands had already achieved much popularity. In 1870, modern refrigeration methods were invented which greatly aided the establishing of meat specialty shops.<sup>91</sup>

Organizational Characteristics of the Era: The competition between independents and chain stores, and technological and economic developments, paved the way for the evolution of specialty shops. For the first time in the nation's history, store organization on a wide scale was instituted into retail outlets. The owners of the chain stores and independent stores were forced to organize their retail units. Competition was keen and only the efficient retailer could expect to progress

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<sup>89</sup>Ibid

<sup>90</sup>Brisco, Loc. Cit.

<sup>91</sup>"Important Food Developments and Their Dates", Progressive Grocer, Vol. 31, No. 10, (October 1952), p. 162

and expand.

Efficient methods of buying, displaying, receiving, and selling of merchandise, contributed to the development of the food industry.

Nothing, perhaps, was of greater significance than organizing the retail outlets. With little past experience to guide them, independent and chain store owners tried their best to develop efficient store organization.

Although the systems which were installed in the retail outlets varied as to specific details, in general, they had many common elements. All goods were allowed to remain in one department. The store was managed by one man who was responsible for the entire operation. The methods used to control these stores would be considered crude today, but it was in this era that modern retailing began and that store organization was born.

#### COMBINATION STORE ERA

The pattern of retailing moved very slowly until the turn of the century. From that point to the present, retailing has accelerated at a frightening pace. The specialty shop enjoyed a period of popularity and then evolved into the combination store. It was this type of retailing device that was to remain popular up to the time of the supermarket era. During the combination store era, a definite pattern of store organization developed. This was the dual line type of store organization which is popular even today. Some of the factors to be discussed in connection with this era are:

1. Chain stores become more powerful
2. Developments in the meat industry
3. Combination stores
4. Organizational characteristics of the era.



Chain Stores Become More Powerful: From 1900 to 1930 and reaching a peak around 1917, chain store systems "were leading the retailers and threatening to take over the food business from the independent store-keeper, who lacked the imaginative leadership to hold or regain his former position."<sup>92</sup> These independent grocers were small, unorganized units, who operated in an inefficient manner. Many joined the anti-chain legislation movement. Others chose more wisely and began to adopt chain store methods.

"In an effort to capture a greater proportion of the food buying public's trade, chain store experts introduced the combination food store, a market which immediately won public approval, where the price-conscious wife could buy the majority of her food needs,--meats, vegetables, and dairy products, as well as groceries."<sup>93</sup> The chains were quick to see the advantage of integration. Many independents were involved in the early combination store movement but "the fact that independents so often compete successfully with chains on almost every point does not detract from the fact that it was possibly the competition of the chains that induced improvements in the methods of the independents."<sup>94</sup>

Developments in the Meat Industry: During this era, progress was made in the meat industry which helped in the development of the combination store. Refrigeration methods which had been developed in the 1870's had improved steadily. In the late 1890's, modern meat packing became a

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<sup>92</sup>Zimmerman, Op. Cit., Preface

<sup>93</sup>Ibid, p. 2

<sup>94</sup>Beckley and Ernest, Op. Cit., p. 31



strong force on the distribution scene. "Availability of commercially dressed meats later led to the establishment of one-stop markets and decline of butcher shops."<sup>95</sup> The development by the packers of pre-packaged products, such as ham, bacon, and sausage, and the establishing of branch houses in the leading cities of the nation, all contributed to the development of combination stores.

A final contribution was the passing of the Meat Inspection Act in 1906. During the years preceding the passage of this act, many books and newspaper articles had been written about the unsanitary conditions prevalent in meat packing and meat retailing establishments. Many grocery store owners hesitated to combine with meat store owners due to this bad publicity. The passing of the Meat Inspection Act plus the other factors mentioned, contributed greatly to elevating the status of the meat industry in the eyes of fellow businessmen as well as consumers.

Combination Stores: During this era, specialty shops were undergoing an integration process which transformed them into combination stores. As late as the 1920's, when Mrs. Consumer wished to buy her groceries, meat and produce, she generally had to visit three different shops. "It was only when a butcher and a grocer (they were usually located next to each other) decided it would be to their advantage to cut a hole in the wall between them and combine forces, that a certain consolidation of food stuffs took place."<sup>96</sup> During this era, it became fairly common to see a young grocer and a young meat cutter join forces to open up a

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<sup>95</sup>"Important Food Developments and Their Dates", Loc. Cit.

<sup>96</sup>Zimmerman, Op. Cit., p. 9



combination meat and grocery store. Other types of retailers followed suit and soon one stop markets became popular.

The influence of the chains and many independents was the primary motivating factor in this evolution process. Other economic factors were also involved, however. A growth of population, improvements in transportation and communication facilities, and later the advent of the automobile, all contributed greatly to bring about this change in the retailing pattern. Finally, it should be pointed out that one-stop markets were successful because customers liked them and considered them a convenience. These combination stores were the forerunners of the supermarket which was soon to boom on the distribution scene.

Organizational Characteristics of the Era: In the preceding era, the specialty shops were generally operated by one man. The organization plan of the store was generally developed around one department. When a grocery store and a meat store combined, the combination represented the uniting of two specialty shops and two separate organization plans.

During the combination store era a very definite form of store organization developed. Although the products had been integrated under one roof, the store's operation was directed and controlled by two men. The meat manager retained control of his organization and the grocery manager retained control of his organization. This is the dual line type of store organization.

The dual line form of store organization has continued in popularity and is being used at the present time. Although there are

strong indications that the dual line is being replaced by another form of store organization, its popularity remains.

### THE SUPERMARKET ERA

The exact date of birth of the supermarket era is debatable but the record is clear that it began somewhere in the late 1920's. One author states: "The first supermarkets are reported to have been started in the Los Angeles area in the year 1929."<sup>97</sup> A food journal registers the birth date as early as 1927.<sup>98</sup> Still another author writes: "In 1930 Michael Cullen in Jamaica, Long Island, New York, set off the spark which actually started the (supermarket) revolution."<sup>99</sup>

The date of the inception of this era is immaterial. The fact which is significant, however, is that the supermarket is the closest thing to a revolution the food industry has ever known. During this era, the dual line form of store organization has slowly evolved into the single line form of store organization. There are four factors which have contributed significantly to making some companies in the food industry feel that the supermarket should be operated under the single line form of organization. These four factors are:

1. Economic conditions
2. Competition
3. Size and complexity of operation
4. Organizational characteristics of the era.

Economic Conditions: An earlier chapter was devoted to pointing out that the supermarket was born amidst a depression, blossomed during a war period and is now maturing in a post-war expansion period. As the

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<sup>97</sup>Beckley and Ernest, Op. Cit., p. 53

<sup>98</sup>"Important Food Developments and Their Dates", Loc. Cit.

<sup>99</sup>Zimmerman, Op. Cit., Preface

nation proceeded through these three economic periods, it witnessed the supermarket being greatly affected by these conditions. Supermarkets which began in bare, dimly-lit garages and factories, moved into specially designed buildings during the war, and have developed into the lavish palaces described in Chapters Two and Three.

People were very happy with the supermarket of the 1930's. They needed to stretch their dollars and the supermarket answered this need. During the war the nation became prosperous but found that it had become addicted to shopping in giant one stop markets. Although the nation was very prosperous, the glamorizing of the supermarket moved at a slow pace due to the war effort and the shortage of materials.

The modern supermarket is a joy to behold in the eyes of many customers. The economy is fairly prosperous today. Materials are abundant. Food companies are proceeding on the apparent thesis that the larger the store the more successful it will be. Economic conditions over the last quarter of a century have dictated that large, barren one stop centers be transformed into super-large, luxurious one stop meccas.

Competition: There can be little doubt that the supermarket has been very successful in competing with the other retailing devices of the nation, such as "mom and pop" stores, grocery stores, and combination stores. This success is heralded in page after page of statistics in every food periodical. The supermarket is entering a new phase of competition which has been called "the growing struggle among supermarkets". Progressive Grocer states that "of all the trends operating in 1955 there were none more pronounced than the struggle shaping up

among supermarkets, regardless of whether they were chain or independently owned.<sup>100</sup>

As we proceed into the second half of the twentieth century, a new era of competition is facing the food industry. Giant retailing device will be pitted against giant retailing device in the most intense competitive struggle the industry has ever known. Every customer service which can possibly be used as a lure to attract customers will be utilized. It is almost certain that in this struggle some supermarkets will fall by the wayside due to inefficient operation, just as some of the other forms of retailing devices have been pushed to the wayside by the supermarket.

Size and Complexity of Operation: The pattern of retailing is changing.

Most of the nation's food business is being conducted in large supermarkets. Many "foreign types" of products requiring special equipment and technical knowledge have been included in the modern retailing operation. Established departments have grown larger and more complex as the self-service concept is being integrated more and more in the store's operation.

All of these factors combine to give better service to the nation's consumers. Each contributes to the material success of the supermarket. Each, however, when included in an operation that is already complicated, helps to make the supermarket more difficult to manage.

Organizational Characteristics of the Era: The economic conditions, competition, and size and complexity of the outlets of the supermarket

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<sup>100</sup>Mueller, Op. Cit., p. 46



era hold many implications for store organization. Economic conditions call for larger, more expensive retail outlets. Competition dictates that inefficiency is tantamount to inability to compete. The size and complexity of the retail outlets have produced a store organization which is far more complicated than the organizational structure of the supermarket's ancestors.

The question which is on the minds of the leaders of the food industry today is "can the dual line form of store organization adequately serve as the basis for controlling the fabulous food retailing device called the modern supermarket?" A corollary to this question would be whether or not some other form of store organization might better serve the purpose of the modern supermarket.

Some food companies have responded affirmatively to the first question and have decided to continue using the dual line form of organization in their stores. Others have responded affirmatively to the second question and have decided to install the single line form of organization in their stores. The record seems clear, however, that in the supermarket era the single line type of store organization is on the uprise in popularity.

#### TYPES OF STORE ORGANIZATION

The supermarkets of this nation are organized in many different patterns. "A survey of the type of organization in leading stores does not provide a conclusive decision as to a standard type."<sup>101</sup> Some stores have one over-all manager, others have as many as three or four managers. The managers in some stores report to a line supervisor, and in others

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<sup>101</sup>Brisco, Op. Cit., p. 59

they are under the jurisdiction of several functional staff assistants. Some supermarkets have been divided into three departments, other companies use as many as ten departments in their stores. Each company seems to have developed a unique pattern of store organization adapted to conditions and circumstances peculiar to that company.

Two Basic Types: There is no standard type of store organization.

However, underlying the numerous patterns are two basic types. A close scrutiny of the myriad of organization patterns scattered throughout the food industry reveals that these patterns may be considered as merely variations of the two basic types of store organizations. These two basic types, as discussed herein, will be termed single line and dual line types of store organization.

Which Type Is Most Effective: The dual line form of store organization has long been established and well accepted. The single line on the other hand is a relatively new form of store organization. Some companies have been utilizing the single line form of organization for many years but it has only recently been given wide acceptance.

The final word is not yet in as to which of these basic types is considered the most effective. Recent trends, however, seem to favor the use of single line over dual line store organization. The Sixth Annual Report of The Super Market Institute disclosed that forty per cent of the supermarkets included in their membership have single line store organization plans.<sup>102</sup> A later survey conducted among the new supermarkets which were opened in 1955 reported that eighty-two per cent of the new supermarkets are using the single line form of store

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<sup>102</sup>Super Market Institute Study, Loc. Cit.

organization. Most figures seem to agree that the single line form of store organization is being installed in the majority of the larger supermarkets being built.

Some companies have accepted the single line form of store organization to the extent that it permeates their entire organization. Others are utilizing it only in their larger supermarkets, allowing the dual line form of organization to guide the efforts of their smaller stores. Other companies have remained steadfast and resolute in their assertion that the dual line is effective enough to cope with modern situations.

This issue is confused even further by the actions of some companies like the Jewel Tea Company of Chicago. The dual line form of organization was installed in their markets when they integrated meat departments into their grocery stores. According to Mr. Merrill Morse, Vice-President of Jewel Tea, "we felt that a combination of departments called for a combination of managers."<sup>103</sup> After a period of time the Jewel Tea Company began installing the single line form of organization in their stores. This proved to be an unsuccessful experiment and the company returned completely to the dual line form of store organization. Regardless, therefore, of present statistics, the issue is far from being settled.

#### THE SINGLE LINE FORM OF STORE ORGANIZATION

The single line form of store organization, by the very nature of its title, implies one-man rule. One person is assigned

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<sup>103</sup>Personal Interview with Mr. Morse, Michigan State University, Spring Term, 1956

the complete responsibility for the store's operation. This person is delegated corresponding authority and is the chief executive of the store. Companies call this person the "general manager", "store manager", "store supervisor", or simply "manager". Regardless of title, this man represents the top level of management in the supermarket.

The store is sub-divided into many departments. The heads of these departments are responsible for the internal department operations but they are subordinate to the general manager in a direct line of command. The line of authority generally descends from upper levels of management to the store manager. It then proceeds downward through the department heads and their assistants.

Normally, the department heads will receive financial compensation (generally consisting of salary plus bonus awards) based on the success of their individual departments. The general manager generally receives his financial compensation based on the success of the over-all store operation. In some cases, the department heads also share in the over-all awards.

Variations of the Single Line: There are an infinite number of variations of the single line form of store organization. Many of these variations are evolutions from the dual line form of organization. Some of these still contain some features of their dual line ancestors.

Many of these variations when viewed objectively may appear to have structural defects. It should be remembered that the organization structures in use in the majority of supermarkets were formulated through an evolution process spanning two hundred and fifty years. The history and tradition involved in the evolution of store organization



in the food industry prevents many companies from viewing their store organization plans objectively. Men who are accustomed to operating under one plan for a long period of time, in many cases will not immediately adopt a plan which looks more structurally sound on paper. These men may be top executives or they may be personnel and managers at store level. The result of this situation is that an organizational structure which may appear to have defects on paper, may be the only feasible compromise, under existing conditions, between the dual line and single line forms of store organization.

This study has separated the numerous variations present in the food industry into two groups. The first group concerns itself with intra-store variations, variations which concern positions solely within the store. The second group deals with upper level variations, variations between upper levels of management and the store level. It would be more common to find a mixture of these variations present in any one supermarket's organization plan. However, for simplicity sake, this study will discuss each separately. No attempt has been made to characterize every variation of the single line form of store organization. The most common and interesting variations of both groups have been selected for discussion.

Intra-Store Variations of the Single Line: This group of variations of the single line form of store organization will be discussed in conjunction with the organization charts on pages 82, 83, and 84.

Figure One depicts an organization chart of a "pure" single line form of store organization. The general manager is responsible for the over-all operation of the supermarket. His store has been

sub-divided into five departments each under the jurisdiction of a department head. All department heads have complete authority within their departments, except that they are all subordinate to the general manager in a direct line of authority. None of the department heads is subordinate to any other department head. The store manager normally designates the grocery manager (many companies term this position assistant manager) to assume command of the store in his absence. He may choose any of the other department heads to perform this temporary function if he so desires.

Figure Two represents a similar variation of the single line form of organization. The difference between figure two and figure one is that the grocery manager has been awarded the full-time position of assistant general manager. He is second in command in the store and is superior to all other department heads. The grocery manager remains responsible for the grocery department. He is responsible to the general manager both for his department and the over-all operation of the store.

Figure Three represents a single line variation much the same as figure two. The difference is that the grocery manager does not have authority to supervise the operation of the meat manager. These men are considered as having equal status on the organization chart. This situation is a carry over from the dual line heritage. Meat managers are required to take orders from the over-all manager but the owners of the stores using this variation hesitate to subordinate him to a grocery manager also.

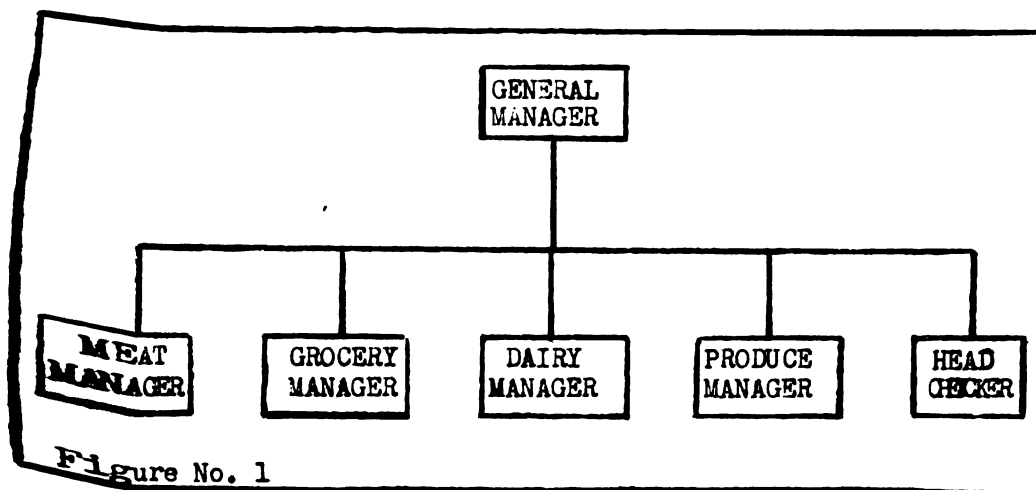
Figure Four depicts a situation which exists in many stores. Companies using this variation have strong overtones of their former organization plan, the dual line. The meat manager is considered as

second command in the store although he does not supervise the rest of the store's operation. The grocery manager performs that function.

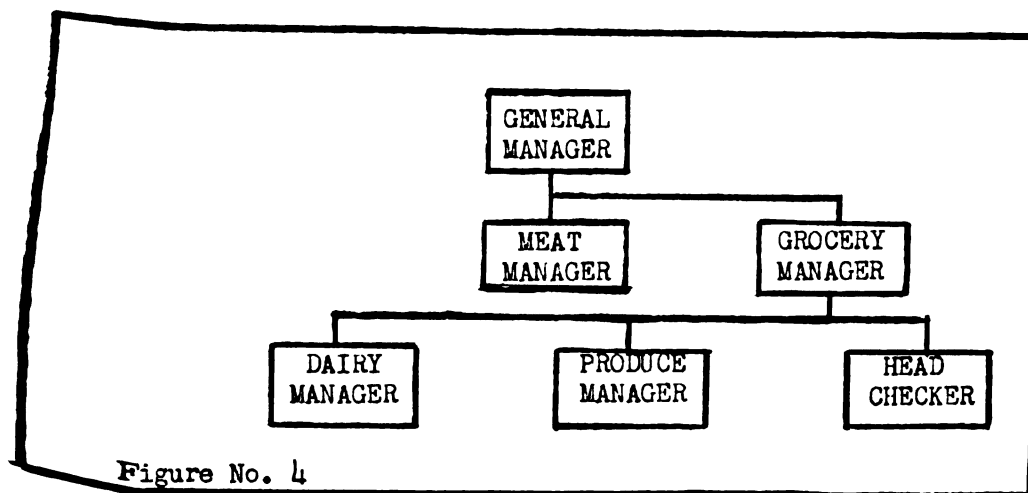
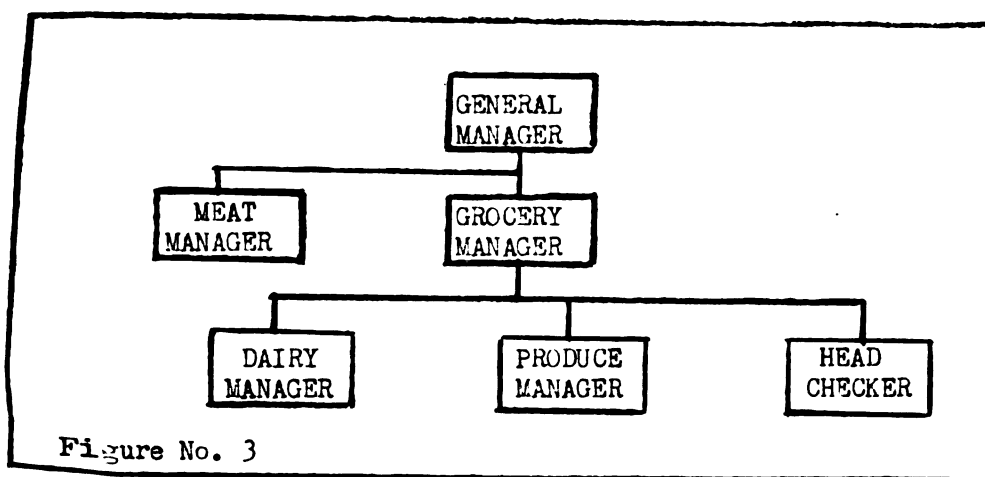
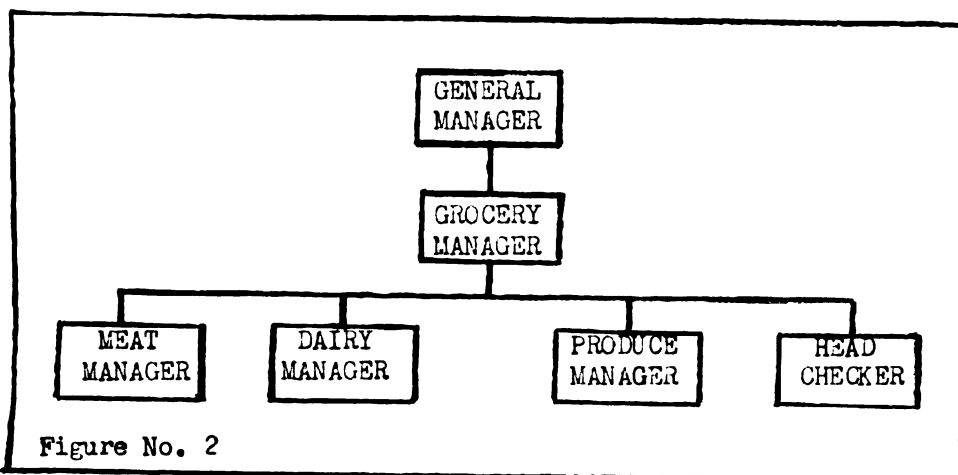
This form of store organization does not appear to be too sound in the sense that it does not clearly define how the meat manager is to assume command of the over-all store's operation if the general manager should be absent. It should be pointed out, however, that the single line is an evolution. During this evolution process this variation represents a compromise between the "old" dual line and the "new" single line. In time the evolution process may refine itself further to correct this situation.

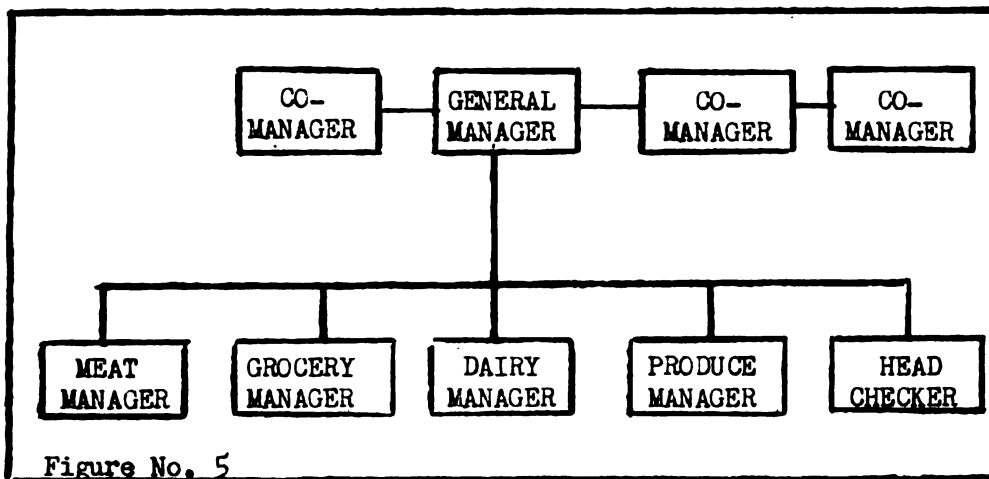
Figure Five is a rather unique form of single line store organization. The general manager is still the over-all manager but he has a number of co-managers to help him execute his responsibilities. This group represents a collective leadership as, although the store manager remains the superior among the co-managers, each co-manager is superior to every department head in the store. All other department heads in the store are equal in status and subordinate to the general manager and his co-managers.

#### INTRA-STORE VARIATIONS









Upper Level Variations of the Single Line: This group of variations of the single line form of store organization will be discussed in conjunction with the organization charts on pages 85, 86, and 87.

Figure Six represents the organization chart of a supermarket which is supervised by a district supervisor. The district supervisor has line authority and is directly responsible for the success of the over-all store operation. The district supervisor may supervise all department heads but should work through the general manager.

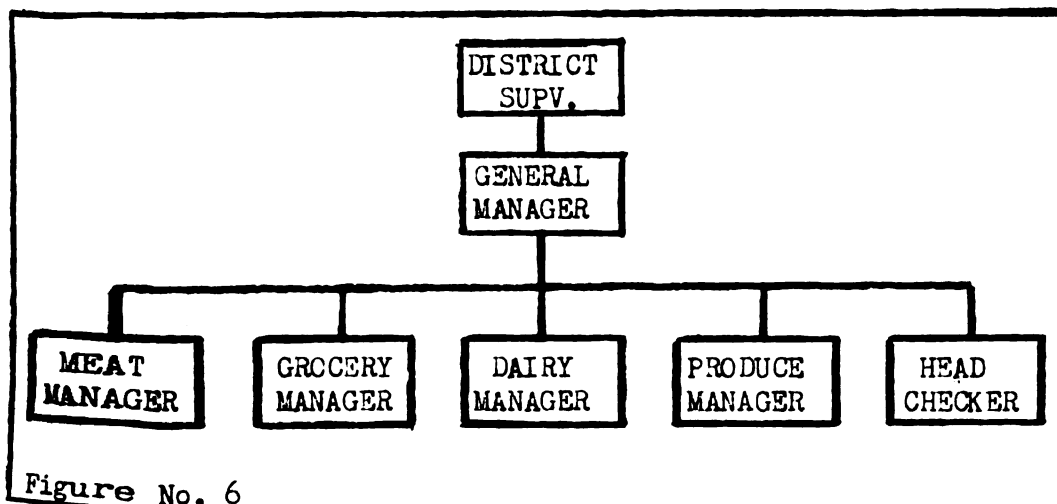
Figure Seven portrays an organization chart similar to the one depicted in figure six. The main difference between the two is that the district supervisor in figure seven has two staff assistants to help him perform his responsibilities. These specialists offer staff assistance to the produce and meat department and are responsible to the district supervisor in a direct line of command.

Figure Eight represents the organization chart when the district supervisor has only one staff assistant, the meat supervisor. This dual line supervisor is a carry over in many cases from an organization which formerly had a dual line system of store organization.

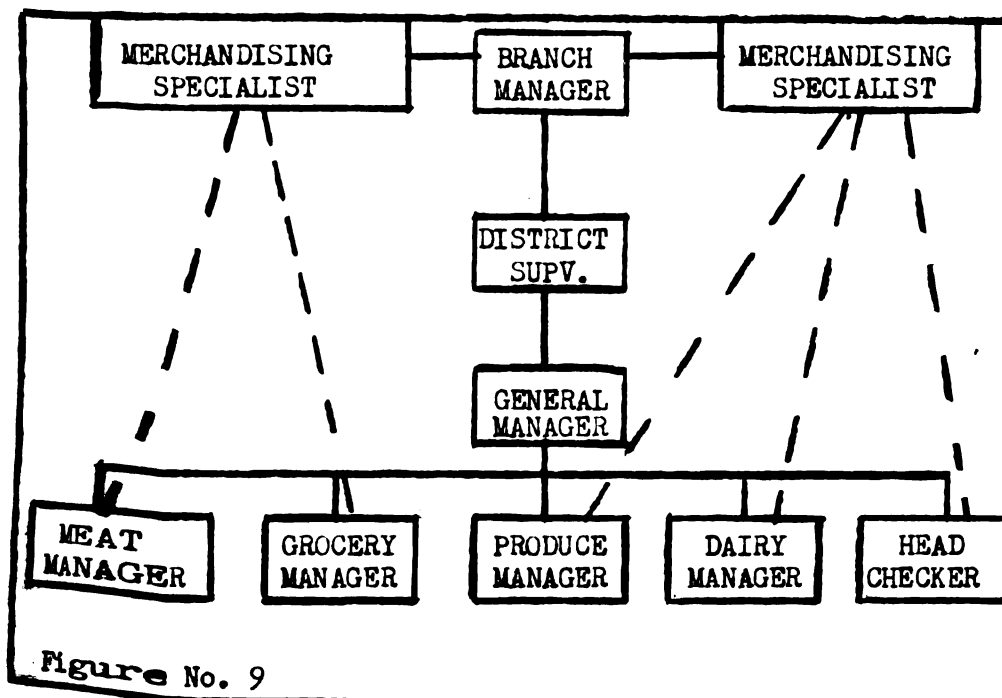
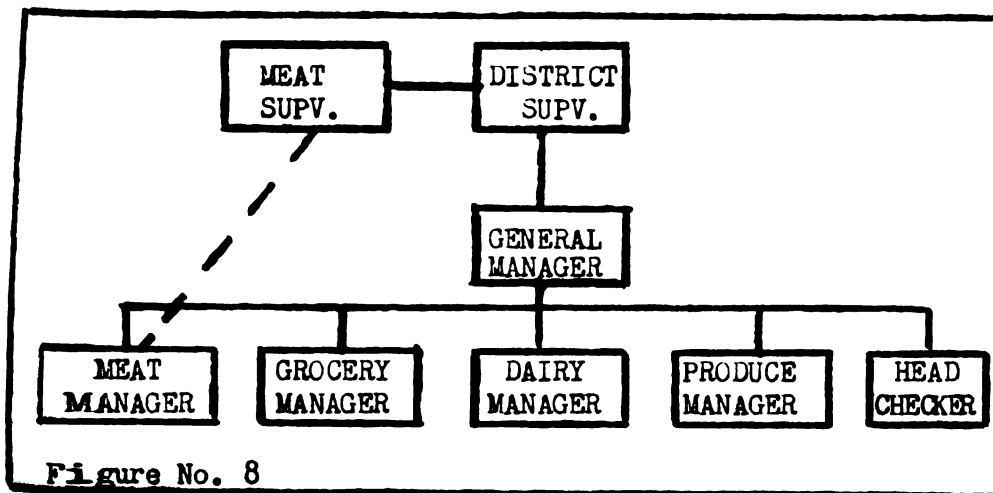
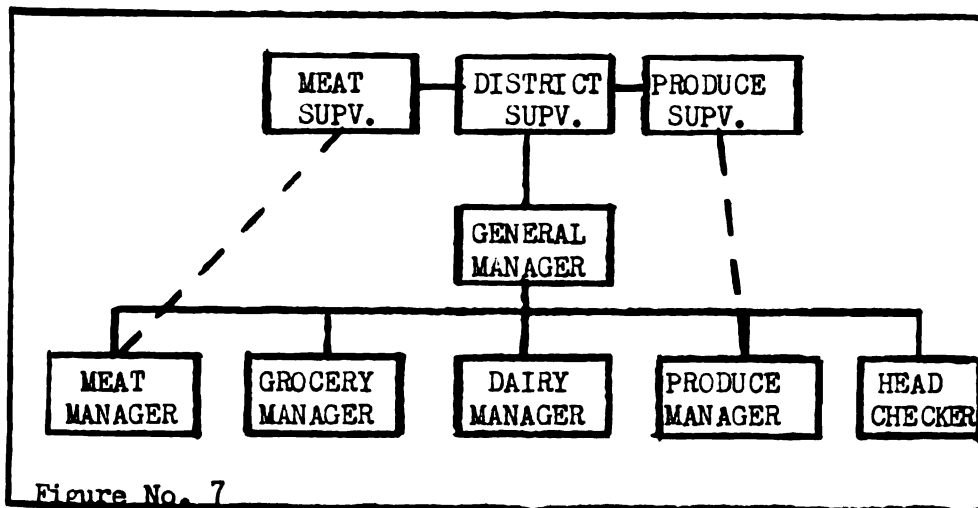
Figure Nine portrays the organization situation in which the district supervisor is still the line supervisor for the store. The store receives staff assistance from merchandising specialists who report to the next level of authority above the supervisor.

Figure Ten portrays a situation unique in chain store organization plans. This form of organization pattern is being used in the Cleveland Branch of the Kroger Company (the chart has been simplified for purposes of clarification). The general manager does not report to a district supervisor. He reports directly to the branch manager. Merchandising specialists offer staff assistance to the general manager. Kroger also uses the collective leadership depicted in figure five to help make this unique single line variation work successfully. According to Mr. Charles Arnold, Personnel Director of the Kroger Company this form of organization plan increases in effectiveness in correlation to the increase in the size of the supermarket.<sup>104</sup>

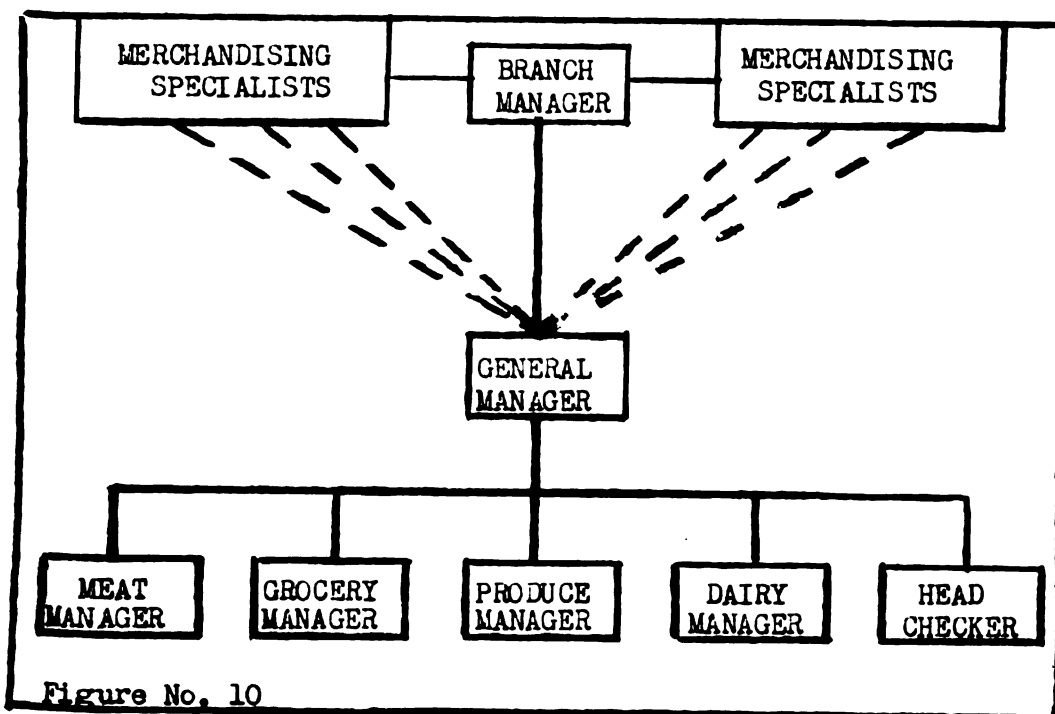
#### UPPER LEVEL VARIATIONS



<sup>104</sup>Personal Interview with Mr. Charles Arnold, Michigan State University, Spring Term 1956.



Note: Dotted lines represents lines of staff assistance.



Advantages of Single Line: Many advantages are claimed by supermarket operators who utilize the single line form of organization in their stores. The main advantage, of this form of store organization is that it pinpoints responsibility and centralizes authority into the hands of one man, the store manager. One of the most important principles of store organization is the principle of centralization of authority and responsibility.<sup>105</sup>

The principle of centralized executive control with delegation of authority and responsibility provides the establishment of definite lines of supervision and a tapering of authority from the store manager down to department heads and their subordinates. In many cases, the owners of the supermarkets are far removed from their stores. Many functions such as planning, buying, merchandising and accounting, are carried on in central locations, away from the supermarket. Operating

<sup>105</sup>Cornell, Op. Cit., p. 45

under these conditions many companies feel that they must have at least one executive at store level who can plan, merchandise, direct and coordinate the store's operation.

Another advantage of the single line form of store organization is that it organizes the store in such a manner as to free the general manager from much of the detail work of the operation. The store is divided into departments and the details of these departmental operations are supervised by department managers. The store manager has more time to plan, direct, coordinate and supervise the over-all operation. He will be in a better position to pinpoint areas of operational weaknesses. He will have more time to assist in the operation of any department which is having serious operational problems. Under the single line the manager can more easily apply the exception principle of management. This principle states that the manager should allow his subordinates to operate all routine activities as long as they perform their functions well. When they fail to do so the manager should be free to step in and apply corrective action.

The single line form of store organization allows the manager to spend much more time executing his financial responsibilities. The financial responsibility involved in operating a supermarket has attained enormous proportions in recent years. Each day of the week a miniature banking operation is performed in the supermarket. The manager is solely responsible for the finances of the store. He needs to spend much time supervising this vital operation.

The single line form of organization provides another advantage to supermarket operations so organized. Under the dual line system

many times poor coordination developed within the store due to departmental feuds. Sound organization requires that every interdependent part of the system is working in harmony with every other interdependent part. Many times an imbalance occurs under the dual line system. A meat manager may operate his department at the expense of the efficiency of the rest of the store. Since he has equal authority with the grocery manager, that grocery manager may feel helpless to prevent a "wall" from developing between the meat department and the rest of the store. Other grocery managers may look to upper levels of management for corrective action. In either case, harmony will not be promoted.

Advocators of the single line form of store organization feel that the authority it has invested in the store manager will enable him to alleviate such situations as described above. He will have the authority necessary to coordinate all departmental efforts into an over-all store program. If this authority is accepted by all department heads, it may be the basis for the formulation of cooperative effort throughout the organization of the store.

Another advantage advanced by advocates of the single line form of store organization is that it represents a more realistic and up-to-date organization plan. These people feel that the allocation of dual authority to the meat manager and grocery manager, represents an inequality. The number of personnel, the scope of the financial operation, the amount of merchandise, the size of the store area encompassed, and the number of departments involved, in the grocery operation have all increased tremendously over the past fifteen years. It is true that the meat department has also increased in size and

complexity, but to a much lesser degree.

Disadvantages of the Single Line: One of the main disadvantages of the single line form of store organization is that it places too much responsibility on the shoulders of one man. Some companies feel that the supermarket is too large a retailing device to be controlled by one person. They feel that the store can be better supervised if two men share the responsibility for the over-all operation of the store.

Even companies which are intense adherents of the single line form of organization seem to be cognizant of this disadvantage. They are using many techniques and methods to alleviate this situation. The Kroger Company is utilizing the services of co-managers who help the store manager in the performance of his functions. Bookkeepers are used in a great many supermarkets to give staff assistance to the store manager in the execution of his financial responsibilities.

The store has been further sub-divided in recent years with the creation of many new departments. Non-food, food-o-mat, (Grand Union Company, East Paterson, New Jersey), and frozen food managers are becoming increasingly popular. Areas of responsibility have been formulated and assigned to individual clerks to aid the manager in pinpointing the areas of weakness in his operation. It is fairly common to see clerks being assigned areas of responsibility, such as magazine and candy racks, health and beauty aid departments, etc. The job of the over-all store manager has a tremendous scope, but many steps have been taken to allow him to successfully perform his duties.

A second disadvantage of the single line form of store



organization is the difficulty which companies have of training men to become general store managers. The magnitude of the responsibilities involved in this position requires that the incumbent have many executive qualifications. Leadership ability, many positive character traits, as well as human, technical and conceptual skills should be possessed by people filling the position of store manager.

Companies who are aware of this disadvantage have done much in recent years to minimize it. The position of store manager which the single line creates does have considerable breadth of scope. Training will prepare almost any intelligent person for the fulfilling of the management function of the supermarket. The problem facing the industry in regard to this disadvantage is that more store managers are needed and they are needed now. If the industry is to wait for a natural training process to prepare men for the position of store manager, it may suffer many consequences.

Consequently, many companies are utilizing on-the-job training programs to speed the training process so critically needed to prepare men for the assumption of the role of store manager. Management training programs have enticed many college students to the food industry. Job rotation, special company training programs in other phases of executive development, have helped alleviate the shortage of trained personnel. The institution of a Food Distribution Curriculum at Michigan State University should be considered a significant contribution to reducing this disadvantage of the single line form of store organization.

A highly debatable disadvantage of the single line form of

organization is the fact that the store manager will not possess the necessary technical skill which will enable him to properly supervise such a technical operation as the meat department of the supermarket. The executives of many prominent companies agree wholeheartedly that this is a valid disadvantage. A spokesman for the Jewel Tea Company recently said, "The main reason our company switched from having one over-all store manager back to a dual line store supervision setup, is because our store managers could not properly supervise our meat departments."<sup>106</sup>

Other companies, though cognizant of this situation, have taken steps to improve the amount of technical knowledge their store managers possess. Each store manager of the Kroger Company, for instance, is required to attend a meat school for a short period of time. The basic fundamentals of meat cutting may be acquired through this method and may improve the store manager's ability to supervise the operation of the meat department.

Other companies, however, deny the validity of this disadvantage. Executives of these companies ask the question as to whether or not Harlow Curtice, President of General Motors Corporation could be expected to assemble an automobile. A general manager is an executive and he should be able to coordinate and supervise the meat department efficiently in spite of a lack of technical knowledge.

Companies who adhere to this type of reasoning feel that they have taken the "mystery out of meats" a long time ago. If the

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<sup>106</sup>Personal Interview, Mr. Merrill Morse, Vice President of Jewel Tea Company, Michigan State University, Spring Term 1956.

store manager simply uses a customer viewpoint in supervising a meat operation he will be able to properly coordinate its efforts into the over-all store program. Viewing these different opinions concerning this situation it can be seen that the issue is very debatable.

The last disadvantage to be discussed is the fact that the single line form of organization is conflicting with tradition. Many executives find fault with this form of organization because it means replacing the dual line which has been in existence for a good many years. The men are not convinced that there is a need for the single line. They feel that "the true test of value is time itself".

Managers who have become accustomed to working as equals may not fully support an organization system which suddenly proclaims one the superior and the other the subordinate. Meat managers who have taken years to learn their trade and who have held respected positions in the store because of their technical knowledge, may resent being given a lower place on the organization chart. The company may be using single line in their stores and dual line in the next level of management, which is often confusing to the store manager.

All these factors may tend to impede the effectiveness of a single line organization. Charts, tables of organization and management communiques may not be influential enough to make executives, supervisors and managers accept formally and informally something which uproots tradition.

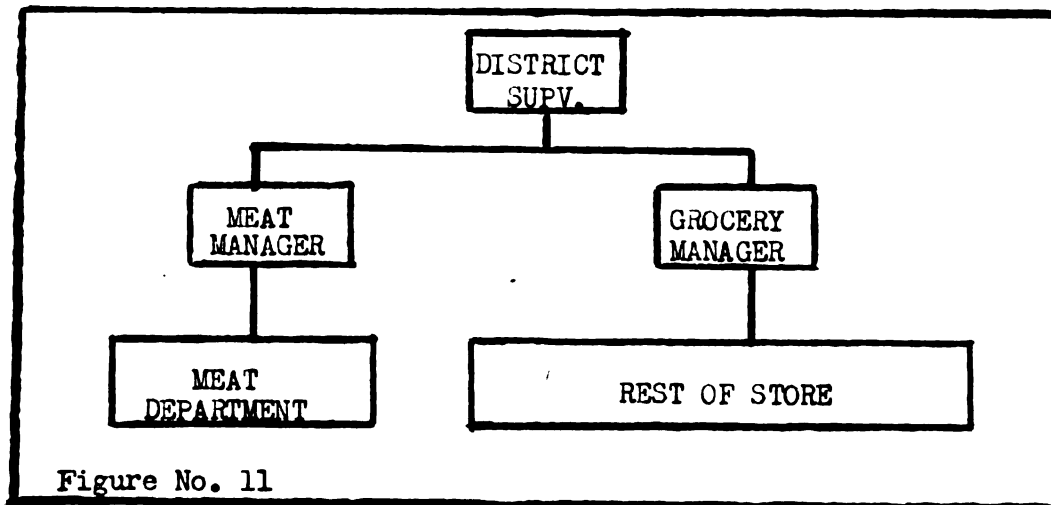
#### THE DUAL LINE FORM OF STORE ORGANIZATION

The main difference between the dual line and single line forms of store organization is that the dual line results in the store being managed by two managers instead of one over-all manager. Under the

dual line form of organization, generally the store will be divided into two departments, the meat department and the grocery department. Each department will be the responsibility of a manager, and these managers will have equal authority and responsibility for the over-all store operation. Neither manager has the authority to interfere with the other department during normal operation. Each manager answers individually to their collective immediate supervisor, the district supervisor.

The dual line is a well established traditional form of store organization. There are countless numbers of variations of this basic form of organization. Although it has been the most popular form of organization for many years, its popularity has been receding in recent years.

#### DUAL LINE



Advantages of Dual Line: Most of the advantages and disadvantages pertaining to the dual line form of store organization have already



been discussed in connection with the discussion pertaining to the single line form of store organization. Consequently, advantages and disadvantages of the dual line will be listed only briefly.

The main advantage of the dual line form of store organization is that it utilizes specialization and division of labor to divide the responsibility of the store between two men. Many people feel this is the most feasible way to operate such a large retailing outfit as a supermarket.

Since the amount of responsibility is reduced, the dual line does not require men of the same stature required in the single line form of store organization. Of course, this is not to say that managers operating under the dual line are not as capable executives as those operating under the single line. The important thing to remember is that lesser areas of responsibility causes a reduced requirement of executive talent.

The training required by a dual manager should be considerably less than the training which is required by an over-all manager. Hence, the training process need not take as long and it can be more simply executed.

The final advantage to be discussed involves the tradition of the dual line form of store organization. The dual line has been thoroughly tested and has proven its ability to effectively organize the retail outlets of the food industry. The personnel of the industry have been well indoctrinated into the tradition of the dual line system. The past record of the efficacy of the dual line form of store organization appears very formidable when compared to the conjecture being

advanced in recent years, that possibly this form of store organization is not efficient and effective enough to be used in the modern supermarket.

Disadvantages of Dual Line: The main disadvantage of the dual line form of store organization is that it fails to centralize the authority and responsibility of the store's operation. Often times under such a set-up departmental feuds are allowed to develop and impede the over-all store operation. As has already been pointed out, it is difficult to coordinate the operation of a supermarket when one man does not have absolute authority over the entire operation.

Under the dual line form of store organization, the grocery manager suffers a disadvantage of being responsible for the detailed operation of the grocery department. The direction and control of the over-all store program may suffer as a result.

Finally, the dual line sets up an imbalance in the supermarket's operation. The grocery manager and meat manager are considered equals but their responsibilities are far from being equal in scope.

### SUMMARY

Store organization is the process which establishes the relationship among the many factors involved in the operation of a supermarket. Good store organization is required if maximum productivity is to be attained from every factor involved in the supermarket process. Optimum results, not just any results must be achieved if the supermarket is to continue to show a profit in spite of the many expensive customer services it offers the nation's consumers.

The dual line and single line forms of store organization are

the two main basic types being used in the food industry today. Each was developed by an evolution process which has been going on for over two hundred years. While the dual line has long been the most predominate form of store organization recent statistics indicate that this popularity is on the wane.

One of the most important issues facing the leaders of the food industry today, is whether or not either of these basic forms of store organization is capable of providing adequate control for their giant retail outlets. Some companies are experimenting with newer forms of store organization, others are patiently watching these experiments, while still others seem satisfied with the methods they are presently using. Only time will tell which of these attitudes will pay the greater dividends.



## CHAPTER V

### THE SUPERMARKET MANAGER

#### Introduction

The pattern of retailing has become so dynamic in nature that it is in the process of transforming the supermarket into the most lavish and complex food retailing contrivance the nation has ever witnessed. A host of high priced customer services are embraced in the supermarket process. An intricate labyrinth of functions and activities must be synchronized if the supermarket is to continue to attain the success it has achieved in the past. Store organization, however, is merely a plan, a structure, a suggested way in which the supermarket should be operated. The actual operation does not begin until the human element involved in the operation enters the picture.

The two most important phases of supermarket management, therefore, are good organization and good personnel. There can be no operation in the absence of either. It is true, however, that the store can survive with a deficiency of either factor. The store "can succeed on the basis of good people, inefficiently organized or it can be supported by only average people, well organized."<sup>107</sup> Many authors have engaged in useless debate trying

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<sup>107</sup>Ezra W. Moscrip, "Organizing for Effective Store Employees Performance," Super Market Merchandising, (June 18, 1955) pp. 214-216, 218-220.

to determine which is more vital to the success of the store, good organization or good personnel. The truth of the matter is that a combination of both is required.

The human equation involved in the supermarket operation has two integral components; the store manager and his employees. The key component in this process is the store manager. This study will proceed with the thesis that lower level employee attitudes are always a reflection of upper level competence."<sup>108</sup>

An organization may be expected to be efficacious when it is supervised by a competent, capable manager. Lesser results will prevail if the manager is less capable and less competent. "A good manager will do more business in a good location than he will do in a poor one, but a good manager will do more business in any kind of location than a poor manager in the same spot."<sup>109</sup> No doubt there are supermarkets which are being operated successfully in spite of being controlled by inept managers. Generally, however, the success of the operation may be correlated to the amount of intelligence, skill, common sense and judgment exhibited by the store's chief executive, the store manager.

The discussion of the supermarket manager has been divided into three areas considered vital by the writer. These areas involve:

1. The functions of the manager
2. The duties of the manager
3. The qualifications of the manager

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<sup>108</sup>"Training From Top Down", Chain Store Age, Vol. 31, No. 4, (April 1955), p. 189.

<sup>109</sup>"What's Worrying You?", Chain Store Age, Vol. 26, No. 10, (October 1950), p. 13

## THE FUNCTIONS OF THE MANAGER

The modern store manager has been relieved of the responsibility of performing many functions which were considered routine by his predecessors. These tasks, such as buying and advertising, are for the most part executed in centralized offices, located away from the supermarket. It would appear, therefore, that the responsibilities involved in the art of store management should be considerably reduced. Nothing could be further from the truth.

In fulfilling his vocation, today's manager must execute six main functions. Each function is monumental in scope. The size of the store, the intricacies of its nature, the number of persons implicated in the process, as well as the enormity of the financial investment involved, have all contributed to magnifying that scope. Managers who are called upon to perform such prodigious functions should no longer be looked upon as merely "Head Clerks". They should be viewed as executives performing executive functions at the store level.

In fulfilling his managerial responsibilities the store manager must assume the roles of a:

1. Planner
2. Personnel Director
3. Merchandiser
4. Materials Handling Engineer
5. Human Relations Expert
6. Public Relations Representative

Planner: The supermarket represents a million dollar enterprise. The values involved in its merchandise, sales, property, personnel and equipment represent a massive financial investment. Companies cannot afford to have these mammoth markets operated by people who

put faith in hunches, guesswork, or accidental maneuvers, as guideposts to good management.

Every employee should know exactly what is expected of him. Regular routines and work schedules should be prepared by the store manager or by assistants under his supervision. The organization pattern of the store should be well known and every employee should be aware of how his job fits into that pattern. Planning is a time-saver and can add materially to the success of the store. Managers should "practice the old saying: Plan your work and work your plan."<sup>110</sup>

The main objective of the store's operation is the attainment of a net profit for the company. The food industry is currently characterized by rising costs and expenses, and diminishing net profit ratios. The store's management, especially in light of these conditions, cannot afford to be less than scientific, and the manager should qualify as the "head scientist". Concise plans, intelligent ideas, calculated methods and skillful techniques are the guideposts which the manager should apply to his organization.

Every company has over-all objectives which guide its every move. These objectives are embodied in the policies of these companies. These policies determine the organizational structure of the supermarket. Within this framework, the store manager must coordinate and direct the efforts of the other half of the human equation, his employees. His objective, of course, should be to plan their efforts in such a

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<sup>110</sup>The Grand Union Meat Manual, Grand Union Company, East Paterson, New Jersey.

manner as to attain optimum success for the store.

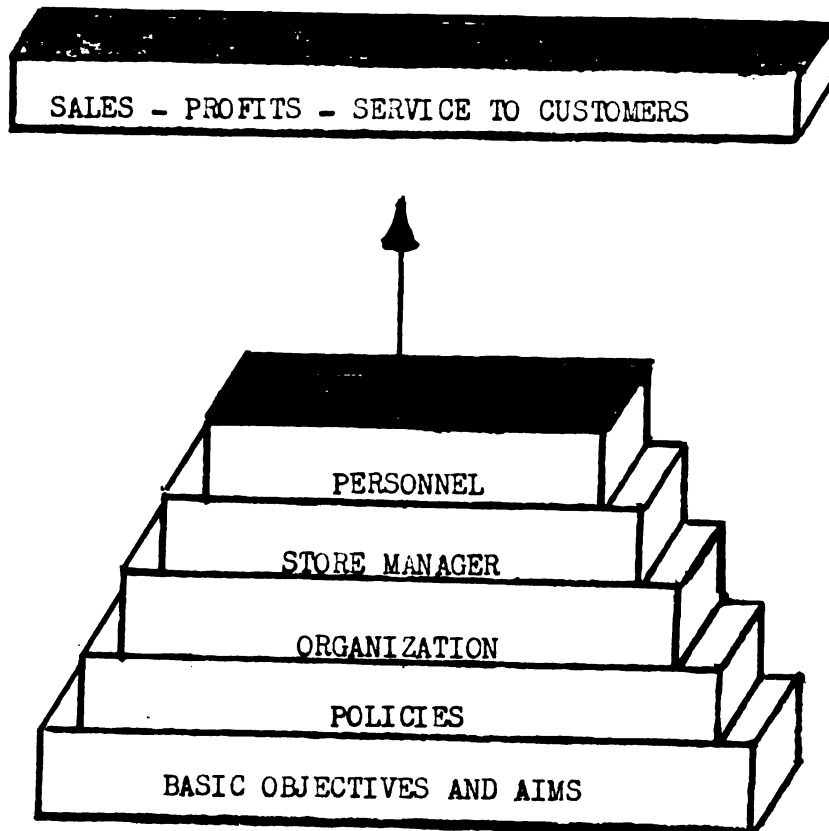


Figure 12

#### FOUNDATIONS OF GOOD PLANNING

Many of the decisions affecting the store's operation are initiated within the above-store level organization framework. On the other hand, many vital decisions are made by the store manager as he goes about performing his daily activities. The establishing of a work plan which schedules the work procedures of the store's employees, can significantly affect the net profit of the store. The manner in which the manager communicates policy changes to his personnel may seriously affect their morale. Proper planning may greatly enhance the efficacy with which the manager directs the receiving, storing and marking operation. Planning is one of the most vital functions

the manager performs and his skill at performing this function will be revealed in the store's operating figures. Thus the most feasible way to operate a store is to have a sound knowledge of the make-up of the above-store level organization framework, and plan every store level decision in accordance with the objectives of that framework.

Personnel Director: One of the most vital factors the manager has to handle during the course of a working day is people. Many gears must mesh in order for the supermarket process to continue its accelerated race to progress and success. Sales must be transacted. Materials must be manipulated. Finances must be managed. Nothing is more important, however, than the handling of the people involved in the process. Lloyd Moseley, Vice-President in charge of Personnel, Grand Union Company, crystallized this situation when he said:<sup>111</sup>

The handling of people should always come first. Everything in our business, or in any business for that matter, depends on how the average man or woman is treated, whether he or she is happy on the job. We cannot emphasize this too strongly.

"The most important item in retail operating expense is salaries and wages. Indeed, in most retail businesses salaries and wages amount to more than 50% of the total operating expenses."<sup>112</sup> The proper handling of the human factors involved in the store's operation can result in many tangible profits. Other benefits, although intangible in nature, may accrue to supermarket operators who practice good personnel administration. Proper attitudes, high morale and good will can be developed among employees through the efforts of a skilled store level personnel director. The manager has the responsibility of acting as the store

<sup>111</sup>"How To Be A Supermarket Manager", Part II, Super Market Merchandising, (December 1952), p. 82.

<sup>112</sup>Paul H. Nystrom, Retail Store Operation, (New York: The Ronald Press Company, 1937), p. 226.

level personnel director.

There are many factors which conspire to make the store level personnel program an intricate process. An expansion movement is affecting the food industry as a whole. Pertinent to this section of this study is the influx of new personnel into the industry and in and out of established stores, which this expansion movement is causing. The long store hours (the average store hours of all United States supermarkets is seventy-two hours per week)<sup>113</sup> have resulted in special personnel and labor problems. The fact that both male and female employees must be supervised complicates the process further. The mixture of youth and experience, skill and lack of skill, training and lack of training of various employees, further accentuates the intricacies of the personnel program. The utilization of part time as well as full time employees, contributes to the problem. The concentration of sales activity during certain days of the week, when added to the fact that sales during these few days are concentrated during a few hours, help to reveal the enormous problem which faces the store's personnel director.

Many of these problems are alleviated by the assistance of the company's personnel department and line supervisors. However, much of the work of managing, coordinating and directing the efforts of store employees is left up to the store manager. His chief concern as store level personnel director is that he executes his planning function adequately enough to transform the aggregate of heterogeneous workers into a homogeneous group.

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<sup>113</sup>Super Market Institute Survey, Op. Cit., p. 12

Good personnel administration begins with the selection of the right type of people.<sup>114</sup> Interviewing of prospective employees should never be conducted in a haphazard manner. The interview should be conducted in a quiet location without interruptions. Application forms should be filled out by the prospective employees. Applicants must be selected in correlation with company needs and specifications. "A great deal of unnecessary wasted time and money can be eliminated by a careful analysis of each employment situation."<sup>115</sup> A manager should be aware of company policies. Beyond that his decision should be based on three considerations.

1. The job to be filled
2. The type of person required to fill the job
3. Whether or not the person being interviewed is the right person for the job

During the interview the manager should attempt to win the confidence of the applicant regardless of whether or not he is eventually hired. Employee relations is involved if the applicant is hired, and customer relations is equally involved if he is rejected. A rejected prospect need not become a future disgruntled customer.

The manager should continually be "sizing up" the applicant to determine whether or not he meets the physical, mental and social specifications of the company.<sup>116</sup> The applicant has a right to know:

1. What his pay will be

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<sup>114</sup>Many store managers are not allowed to hire personnel. The main function of the manager in such cases is to cooperate with the personnel department or line supervisor who performs the selection process.

<sup>115</sup>The Grand Union Meat Manual, Grand Union Company, East Paterson, New Jersey.

<sup>116</sup>Further interviewing and testing will determine the accuracy of the manager's deductions in borderline cases. Many times, however, the manager is able to detect some serious defect which disqualifies the applicant early in the interviewing process.



2. What hours he will work.
3. Just exactly what his job will be and what it requires.
4. The opportunities for advancement and promotion.
5. Something about the history of the company and its policies covering personnel and personal benefits, such as vacations, sick pay and leaves of absence, group insurance, and many other fringe benefits.

Interviewing should never be a rushed process. A manager is a man of many responsibilities. His time is valuable and he cannot afford to waste it. Interviewing a prospective employee, however, should never be considered as a waste of time. A good man may be passed up or a poor one hired. Neither situation is conducive to good supermarket management.

The indoctrination process involves introducing a new employee to his new job, company, store, and fellow employees. The proper orientation of employees may be an extremely pregnant process. At no time is an employee more malleable than during his first few weeks on the job. Impressions formed during this period may determine whether an employee will be guided towards a career in the food industry or will consider his job in the supermarket as merely an interlude until "something better comes along". Managers should be aware of the golden opportunities afforded by an efficacious orientation procedure.

Indoctrination involves the following procedures:

1. A thorough introduction to company, history, objectives, policies, and operating procedures.
2. A knowledge of what responsibilities have been assigned to the new employee.
3. An explanation of the store's organization plan including an exact delineation of to whom the new employee is responsible.
4. An introduction to every employee in the store, not just in the department in which he will work.

5. An indoctrination session concerning the particulars of the job the employee will be expected to perform.
6. A follow-up session on all these factors after a short period of time.

Every store level personnel director should be aware of the necessity of developing and training personnel. Training should involve new and old employees. There are seven main reasons for training personnel. They are:

1. To break in the new employee
2. To introduce old workers to a new job
3. To bring employees up-to-date in new methods and techniques.
4. To decrease spoilage
5. To reduce labor turnover
6. To decrease accidents
7. To increase productivity, capacity and interest.

Training involves a change in behavior or performance. The new employee cannot be expected to know how to do his job. Old employees need to be kept up-to-date. Competent assistants need to be developed. The manager must constantly ask himself if he is training at least one man to take over his duties in the event that he is promoted. Many companies will not promote a store manager who has not developed a replacement. Improving employee performance should be ever foremost on the manager's list of daily duties. He should be constantly aware of the training needs of his team and perceive of himself as "chief trainer" of the team. As a manager develops and trains others he helps to develop and train himself.

Self-development is perhaps the most important phase of personnel administration in which the store manager should engage. In line with the thesis that lower level employee attitudes are always



a reflection of upper level competence, the manager should be aware that his skill and ability limits the success of the store operation. Self-development is a necessary and desirable process, especially in an industry characterized by rapid growth, change, and development. The methods being used today may be outmoded by tomorrow. The progressive store-level personnel director, the store manager, should be cognizant of this situation and should determine that he will take steps to prevent his "falling behind the times".

Many avenues are available for store managers seeking self-development. Self-development as a result of training and developing others has already been mentioned. Company training programs may be available. High schools and universities offer evening courses for interested persons. Many books on pertinent subjects are available in municipal libraries. There is a wealth of current information in food journals and periodicals such as Chain Store Age, Super Market Merchandising, Progressive Grocer, Food Topics and Super Market News.

The avenues are available, it is up to the store manager to utilize them in his pedestrian trip to progress and self-development.

Merchandiser: "The objective of merchandising goods from the operator's viewpoint is to make a profit. The objective of merchandising from the social standpoint is the performance of desired and satisfactory services in connection with the distribution of goods to ultimate consumers." 117 From these statements it can be seen that when the store manager performs the function of the store's chief merchandiser he is serving both the consumer and the owners of the supermarket.

Merchandising may be defined as strategic action taken to implement the presentation of merchandise to consumers. Since this is the purpose for which a retail store exists, all work carried on in the name of merchandising may be considered vital. The responsibility for the effective coordination and consummation (if not the formulation) of the supermarket's merchandising program, rests with the store manager and it is an important responsibility.

The merchandising program of many supermarkets is formulated in upper levels of management. Other companies allow their managers to participate in the promulgation of the weekly merchandising plans. In either of these cases, the success of the program will be in correlation to the skill of the store's chief merchandiser, the store manager. "The best merchandising promotion ever outlined in a manager's bulletin can fall flat without proper coordination and cooperation all down the line. Key figure in any such promotion, of course, is the store manager."<sup>118</sup> He is the person who must activate the program by determining his store's potential and estimating the time and personnel that should be allotted to the program. He must order the merchandise, know how to display it and should know how to locate it for maximum effectiveness. Regardless of where the merchandising program was formulated, its success depends on the in-store efforts of the store's merchandising team.

As captain of that merchandising team the store manager should take the "lion's share" of credit for a merchandising program well executed. The manager knows of what the program consists. He knows how

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<sup>118</sup>"It's The Manager Who Makes The Difference", Chain Store Age, Vol. 32, No. 3, (March 1956), p. 71

much merchandise is routine in nature and how much will be included in special promotions. He should have a sound knowledge of the meanings of such terms as gross profit, net profit, margin markup, price, leader items, advertised items, special advertised items, fair trade laws and federal pricing laws. Finally, this team captain should be able to organize his merchandising team into a homogeneous unit, oriented to the goals of profit for the store and service for the customer. The manner in which he is able to accomplish this may either "make or break" the merchandising program of the store.

Materials Handling Engineer: The materials handling operation of the supermarket involves the receiving, storing, stocking, displaying and control of the store's merchandise. Many man hours are involved in the processes of the materials handling operation. The store's chief source of profit is from the sale of merchandise. The chief source of operating expense is the labor expense of the store. Since these two factors are the main factors implicated in the materials handling operation, the profit of the store must be materially affected by the efficiencies of the program. The chief materials handling engineer for the store, the store manager, through his guidance of this operation, has an excellent opportunity to make a significant contribution to the store's operating profit.

It is the duty of this chief materials handling engineer to continually study, evaluate and then reevaluate his materials handling operation. Inefficient methods and systems must be discontinued and supplanted with more effective and efficient procedures. All activities involved should receive adequate supervision to pinpoint areas of

operational weaknesses. Bottlenecks and troublesome practices (be these objects or humans) must be eliminated. A continual process of checking must be executed to keep the materials handling operation as efficient and effective as possible.

Efficiently integrating the use of materials handling equipment and personnel into an effective system, is a monumental task. Merchandise must be ordered, received, stored, price-marked and eventually displayed in all departments. Each operation calls for an adequate associate control system to be put into operation. These activities must be carried out within certain financial limits if the store is to show an optimum operating profit.

In ultra-modern supermarkets, these activities are not too difficult to perform because of the latest materials handling devices which are on hand. All supermarkets are not as fortunate, however. Many stores were erected years ago before many modern materials handling devices were popular. Some have been built as multi-story units. Others have outdated equipment, cramped storage spaces and irregularly shaped backrooms. Still others have narrow backdoors and some lack loading platforms.

Irrespective of these conditions, store managers are responsible for constructively channeling the efforts of a materials handling system towards greater productivity. In spite of the lack of ideal operating conditions, an effective system must be developed. Backrooms may have to be rearranged, night crews employed and central marking procedures instituted. Regardless of the tools and conditions available the store's materials handling engineer should do what he can to reduce

operating costs so the store can show a higher operating profit.

Human Relations Expert: Human relations is herein defined as the day to day contacts which occur among the human elements involved in the operation of the supermarket. The human elements in the process are the manager and his employees. Good human relations can be said to exist when the day to day contacts which occur between the human elements are executed in a satisfying manner. Poor human relations exist when these contacts leave one or both of the parties involved in a state of dissatisfaction. When the store manager perceives of himself as the human relations expert for the store, he is enacting his most important role. His function is to engender a good human relations "climate" for the supermarket. Manager-employee relations should be executed with the greatest harmony and creative satisfaction possible under existing conditions.

Too often managers are ambitious workers, eager to perform the detailed duties of the store's operating process. They efficiently observe the policies and operating procedures stated in their company manuals. They cooperate vigorously with upper levels of management. Their stores are well stocked and well controlled.

Yet, many managers neglect to consider their worker as human beings, entitled to dignity, recognition and pride, by speaking "down" to them. Managers issue unnecessary orders to employees concerning routine duties. When this happens the manager fails in his attempts to elicit cooperation from his employees. Bad human relations exist. Improper attitudes develop and good will turns to ill-will. A cool atmosphere envelops the operation; result: nervous tension, complexes,





aggressiveness against others and inability to cooperate with others.<sup>119</sup> Obviously, the actions of a skilled human relations practitioner are lacking under these conditions.

A manager attempting to develop a "good human relations climate in a supermarket should realize that tantamount to improving the human relations situation in the store, he must first develop the proper attitude towards his employees. A man should scarcely hope to succeed in the performance of the role of human relations expert who does not first look upon his employees with the correct presence of mind.

Arthur Rosenberg, Vice-President of Food Fair Company, characterized the proper presence of mind thusly:<sup>120</sup>

Working at the accelerated pace demanded by modern industry we often unknowingly begin to regard our co-workers as vital, but impersonal gears necessary for the smooth functioning of an operation. If we have lost sight of the fact, its about time we remembered that first and foremost we are human beings with the same basic wants and desires. We can't afford to overlook the human equation so important to the success of any undertaking. We can't afford to have 'unknown soldiers' for our associates.

After a manager has ascertained that he has attained the frame of reference conducive to good human relations, his next problem is to determine how to cause this attitude to permeate the organization. Attitudes which workers develop towards their company or their store managers essentially find their expression in terms of zeal, confidence or loyalty--or a corresponding lack of these things. This

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<sup>119</sup>Elwin Kleihowe, "People, Personnel and Profits", Super Market Merchandising, (June 1953), p. 220

<sup>120</sup>"How To Be A Supermarket Manager", Loc. Cit.



group of attitudes which a working force develops for itself, this intangible thing, this esprit de corps, is called "morale". Simply stated, it is the feelings which a worker expresses or which are expressed by his work or attitude about his company or its management.

The morale of the supermarket is determined by an inter-relationship of many factors. What an employee thinks of his company, its policies, its management, his job, himself, his position in the organization, his co-workers, and his community, all play an important part in determining the psychological field of an employee. (Psychological field is stated to be the presence of mind an employee has at any certain time resulting from what he has experienced in the past, is experiencing in the present, and expects to experience in the future.) Some of these factors will have a positive effect on the employee's psychological field. To others he will respond negatively. A utopian situation would exist in the case of an employee who found subjective satisfaction in every factor connected with his job. Chaos, naturally, would evolve from a situation where an employee could find no subjective satisfaction existing in any factor connected with his job.

Normally, neither of these extreme cases exist. There is usually a balancing of positive job factors against negative job factors. The degree of excess of one type factor over the other type factor will be the determining influence as to whether any employee can be said to have good or bad morale. If he experiences more positive factors than negative factors, his morale can be said to be "high". If the converse is true, the worker would possess "low" morale. In any event, how a man feels towards himself, his company and his co-workers largely

determines the frame of reference with which he works.

Managers should perceive communication as the answer to the problem of how to improve the morale of the store's employees. "Communication is actually applied human relations, a seemingly intangible subject. Really, however, it amounts to little more than the judicious use of common sense and good will in letting folks working for you know what is going on."<sup>121</sup> In previous years, communicating with employees merely meant sending management communiques to these employees. Today this situation has been transformed greatly. "The wisest store operators recognize that the proper definition of communication involves the interchange of thoughts and opinions."<sup>122</sup> Employees as well as management representatives should be allowed to initiate communications within the store.

The purpose of communication is to improve the human relations of the supermarket by allowing an interchange of ideas and opinions to erect rapport between the store manager and his employees. Workers desire knowledge concerning their status, security, promotion possibilities and future working conditions. Companies desire their employees to know about the objectives, policies and interest of the company. A basic communication program involves the manager creating a "state of mind" situation in the store whereby every employee feels free to voice an opinion about pertinent matters.

Although an adequate communication system is the best method

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<sup>121</sup>Charles Martin, "Communications--The Shortest Distance Between Top Management and the Customer", Super Market Merchandising, (June 1954), p. 149

<sup>122</sup>Ibid

of improving the human relations climate of the store, managers should realize that communication is not a quick panacea. Properly handled it can be a very effective weapon but it needs to be developed over a period of time. Much has been accomplished through scientific research and systematic thinking on the subject of communications. Literally thousands of articles and books on the subject continue to flow from the pens of people in all walks of life. Still, communication remains a slow-moving, continual process which, rather than proceeding by leaps and bounds, is being constructed step by step. Elton Mayo of Harvard University has made this observation about the process of communication.<sup>123</sup>

Effective cooperation then, is the problem we face in the middle period of the twentieth century. There is no ism that will help us to a solution. We must be content to return to patient, pedestrian work at the wholly neglected problem of the determinates of spontaneous participation.

The function of the human relations expert of the supermarket is to develop the proper attitude on the part of the employees after he has first developed it himself. Irrespective of the techniques or methods used, morale and human relations should be improved within the store whenever possible. Much is to be gained by an effective human relations program and much is to be lost through an ineffective program, because;<sup>124</sup>

You can buy a man's time; you can buy a man's physical presence at a given place; you can even buy a measured number of skilled muscular motions per hours per day. But you cannot buy initiative; you cannot buy loyalty; you cannot buy devotion of hearts, minds and souls. You have to earn these things.

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<sup>123</sup>Elton Mayo, The Social Problems of An Industrial Civilization, (Cambridge, Mass: Harvard University Press, Graduate School of Business, 1945), p. xvi

<sup>124</sup>Charles Martin, Loc. Cit.

Public Relations Representative: The store manager is the leading public relations representative of the supermarket. Some managers are not fully aware of this responsibility. They may feel that the public relations department, personnel department, or some other staff department, should be responsible for this function. While these departments may formulate and direct the over-all company public relations program, their efforts can be largely negated at store level.

How many customers would recognize the president of the supermarket's company? Which housewife would be able to call the manager's supervisor by his first name? Not more than one in a hundred would be a good guess. In the eyes of the customer, the store manager is the company. He is the highest company executive that most customers know. What people think of the manager will determine what they think about the company he represents. "The company can carry the story of the way they operate to the consumer in many ways, but always it is the store manager that determines whether or not the consumer will believe the advertising claims."<sup>125</sup>

"Public relations is good performance publicly recognized."<sup>126</sup> The presence of an effective customer service program, good housekeeping practices, fair prices, honest presentation of goods and services, and friendly personnel, are all implied in the term "good performance". Operators that lack these conditions in their stores should not expect to merit recognition by their publics. The store manager should be

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<sup>125</sup>George W. Jenkins, "Personality Through Public Relations", Super Market Merchandising, (June 1954), p. 196

<sup>126</sup>Lawrence Drake, "You Are The Company", Chain Store Age, Vol. 26, No. 10, (October 1950), p. 88





conscious of this fact and work diligently to conscientiously channel the operation of his supermarket towards the execution of good performance.

The store manager is in contact with four main publics daily. Employees, suppliers, customers and the community in which the store is located, constitute the publics involved in the supermarket's public relations program. These groups are interrelated in that members of one public may at the same time be members of other publics. For instance, employees could also qualify as customers. The success which the manager attains in his relations with one group, therefore, may be reflected in several of the other groups. Good employee relations greatly complements good customer relations. Poor supplier relations may lead to poor community relations, etc.

These various publics are affected by many factors which are beyond the jurisdiction of the store manager. Management may decide the amount of employee fringe benefits, donations to community organizations and authorization for manufacturers' demonstrations. These decisions may all have a positive or negative effect on the public relations of the store. This in no way releases the manager from doing everything within his power, under existing conditions, to formulate and maintain good public relations.

The employee public represents the team mates of a store manager. The manager must plan, merchandise, and direct the various other functions. Involved in each of his six main functions are people. A manager should realize that he manages people, not things. The performance of his managerial responsibilities is such an overwhelming task

that it is doubtful if one man could accomplish it. Through good human relations techniques, fair personnel policies and amiable working situations the manager should develop "teams" to assist him in the performance of these tasks. A good planning team, a good merchandising team, a good materials handling team, and many other functional teams, can be developed if the manager is successful in his employee relations efforts. One man can be responsible but many men are required to execute these responsibilities.

The supplier relations of the supermarket are also important. This public is composed of delivery men making drop shipments of merchandise, manufacturers' representatives, manufacturers' display experts, and suppliers' demonstrators. These men visit the store periodically to perform a follow-through of their employer's merchandise. They represent more than just a group of human beings, they represent many companies.

Supplier relations may be a valuable asset to the company's buying department. Technical assistance and market information are generally offered by manufacturers, in a greater degree to companies with which they have good relations. The manager can either build up or break down the company's supplier relations program by his actions at the store level.

The most important public with which the manager has contact, is the customer public. The importance of customer relations has long been an established precedent in the intensely customer-oriented food industry. As was stated earlier in this study, almost everything a food retailer does he does as a service to his customers. The final judge therefore, as to whether or not the retailer has successfully performed his function, is Mrs. Consumer.

The customer is the store manager's "boss". Every function performed by the manager has for one of its objectives the pleasing of that "boss". The supermarket is a series of interrelated customer services. The manager must plan and direct how he can use this customer services program to the best advantage of the customer, as well as to achieve a profit for the store. The selection, orientating and training of employees, conducted by a skillful store personnel director, is part of a plan to staff the supermarket with the highest quality of help possible. If these personnel are cooperative, intelligent and well-trained, they are able to better satisfy the customer. If they are efficient, this efficiency may be reflected in lower prices, which is also a service to the customer.

Customer relations is affected by the type of merchandising program the store offers. The proper handling of materials is involved. A good human relations "climate" established between the manager and his employees, may permeate the organization and become infectious to customers. Every phase of the store's public relations program may have an effect on the customer public. Customer relations, therefore, is not a separate program in which the manager engages occasionally, and the program does not function just during store hours. It is a continual twenty-four hour a day process.

This continual process of customer relations is integrated into the community relations of the supermarket. In recent years, greater emphasize has been placed by food companies on their community relations program. The key factor in the program is the manager of their retail outlets.

Managers are encouraged to offer the use of the supermarket building and other facilities to the community whenever possible. Business tours, which are open-house tours, are conducted for educators and other civic groups. Some supermarket managers are authorized to handle contributions and donations. Many other instances of cooperation between the manager, in his official capacity of store manager and the community have been recorded.

Perhaps the most important contributions the manager offers to his store's community relations program, he makes as a private citizen. He joins and actively participates in as many civic organizations as are possible. The Lions Club, The Rotary Club, The Chamber of Commerce, Boy Scout Association and many other organizations appreciate the services of such an interested citizen. The manager to his community, however, is the company at all times. If he builds good will for himself through his actions as a private citizen, he builds good will for his company.

#### THE DUTIES OF THE MANAGER

The functions of the manager are performed through the execution of a myriad of duties. "Before a manager can fulfill his duties adequately and with confidence, he must know previously what his duties are. A specific outline of them indicates where his authority begins and ends, gives him the security of knowing that he has reliable support for his authority."<sup>127</sup> The nature of the duties which the store manager must perform are implied in the organization plan of the store and the functions of the manager.

Many companies prefer that their managers work within the general framework of the store's organizational plan and his assigned functions. They believe "A manager's principle duty is to run the

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<sup>127</sup>"Standard Procedure For A Manager," Super Market Merchandising, Vol. 18, No. 7, (July 1953), p. 87



store in such a way that the company objectives for it are achieved. The actual work of carrying out plans, promotions, policies, etc. may be delegated to others but the manager is responsible for results."<sup>128</sup> Companies holding these beliefs feel that each individual manager will delegate responsibilities and authority in a different manner from other store manager. Consequently, it would be almost an impossibility to set down in a specific list all the duties which a manager performs during a day's routine.

Other companies, however, believe that they facilitate the execution of the manager's responsibilities when they outline his duties in a specific list. "For many years a well-organized chain, which prefers to be anonymous, has studied the functions of all its employees, right up through the president, and has detailed them carefully so as to expedite management problems."<sup>129</sup> The list of duties which this chain compiled may serve as an excellent outline of the duties a manager must execute if he is to fulfill his six main functions. Some of the activities involved may be peculiar to the company which compiled the list but, in general, this list could apply to most any store manager. The duties of the manager fall into five main categories, which are:

1. Merchandising
2. Personnel
3. Clerical
4. Posting
5. General

Merchandising:

1. Orders merchandise and supplies from company supply departments and authorized vendors.
2. Receives merchandise and supplies and stores them according to their needs.

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<sup>128</sup>Ibid

<sup>129</sup>Ibid

3. Prices merchandise for sale by price books, price lists, company advertisements, approved mark-on etc. Uses approved price marking tools, methods, price tags, cards, signs, and banners.
4. Displays merchandise for sale in effective manner using approved methods, fixtures, and materials.

Personnel:

1. Supervises the activities of people in the store.
  - a. Schedules work hours
  - b. Assigns work
  - c. Instructs and helps his associates so that work is done efficiently and according to approved methods.
  - d. Understands the pertinent clauses of union contracts effective for the store and runs the store in compliance with these contracts.
2. Enforces when necessary the company policy on appearance and behavior.
3. Requests replacements or additional personnel when needed from personnel office or merchandising manager or supervisor.
4. Rates employees formally on rating forms and sends this form to personnel office. Rates employees informally and reports this rating to merchandising manager when requested. Rates new employees before and of their probationary period.
5. Fills out termination form at time of termination and sends it to personnel office.

Clerical:

1. Uses approval stamp on all vendors invoices, receiving memos, freight bills, credit memos, etc., signs dates and sends them to the accounting office daily.
2. Completes and signs time cards and sends them to the accounting office at the end of each week.
3. Schedules vacations each vacation season on the vacation schedule form.
4. Takes inventory on inventory form, completes it and sends to accounting office at the specified time for taking inventory.
5. Fills out credit forms and sends it to the accounting office at the end of each period.

Posting:

1. Posts weekly time cards as soon as they come from accounting office.
2. Posts work schedule on bulletin board.
3. Posts vacation schedule on bulletin board.
4. Posts weekly bulletin on bulletin board.
5. Posts copies of company advertisements in the store.
6. Uses banners, signs, and display material from the advertising department. Such material from other sources may be used only after approval by the merchandising manager.
7. Places standard practice bulletin in proper place in the manual of standard practice. Destroys bulletins that are being replaced.
8. Removes old and obsolete schedules, bulletins, ads, banners, notices, etc.

General:

1. Makes every effort to see that customers receive courteous and intelligent attention.
2. Makes all sales to individuals for cash.
3. Applies to comptroller for approval before selling on credit to institutions.
4. Makes all sales at regular prices except discount sales to churches (less 10 per cent). Fills out form, "Receipt for Donation", for these sales to churches.
5. Refers requests for donations to secretary of company.
6. Follows instructions in standard practice bulletins on handling injuries to employees, injuries to customers.
7. Distributes weekly pay checks.
8. Makes every effort to control every operating expense in store.
  - a. Turns off unnecessary lights.
  - b. Controls use of telephones.
  - c. Controls distribution and use of wrapping supplies, office supplies, and forms, tools, price cards, price markers, etc.
  - d. Avoid requesting unnecessary repairs, maintenance, and equipment.
  - e. See that doors to storage refrigerators are open only when necessary.



9. Refrains from requesting free samples from supplies for personal use.
10. Makes a reasonable effort to take part in community activities.
  - a. Avoids controversial topics.
  - b. Activities must not interfere with company duties.
  - c. Lives in the same city in which the store is located if possible.

#### THE QUALIFICATIONS OF THE MANAGER

An examination of the functions and duties of the supermarket manager should result in the formulation of a clear picture of the prodigiousness of his responsibilities. The success of the food industry is closely allied to the success of these outlets, but nothing can have a greater affect than the capabilities of store personnel. In line with the belief that nothing can determine the efficacies of store employees more than the ability of the store manager, it can safely be said that nothing is more conducive to successful supermarket operation than the presence of skillful, capable store managers. Since this is so, it would be well to study the qualifications that such men should possess.

Writers have long debated as to the basis upon which the qualifications of executives should be discussed. Some advocate examining qualifications in terms of character traits common to leaders, administrators and executives. Others, denying the existence of such a commonality, prefer to speak of qualifications in terms of leadership ability. Still others suggest that an examination of the qualifications of an executive involves three basic skills, termed technical, human and conceptual.

This writer feels that each method has merit, but that a discussion of qualifications based solely on either of the three methods, will leave much to be desired. Consequently, qualifications will be discussed herein in a combination of these methods. The qualifications

to be discussed involves:

1. Character traits of the manager.
2. Leadership ability of the manager.
3. Three skills of the manager.

Character Traits of the Manager: There is a profusion of traits embodied in the character of every human being. Some traits may prove very detrimental to individuals possessing them. Others may have just the opposite effect. Listed below are twelve traits which should have a positive effect in determining the success of store managers possessing them. No one trait will have a making or breaking effect, but a combination of them should have a considerable effect on the success a manager is able to attain. The traits to be discussed are as follows:

1. Confidence and Optimism: The manager must have enough confidence in his own ability in order that he may exhibit optimism which may become infectious among the employees.
2. Assumption of Responsibility: The function of store manager involves the assumption of massive amounts of responsibility. Therefore, it would behoove people fulfilling this function to be able to handle such responsibility.
3. Abundance of Energy: In order to expedite the function of store manager, a man must not only be energetic himself but he must be able to engender this quality on the part of his employees.
4. Inspirational Qualities: A good leader is one who is able to inspire others to fulfill the actions which he has determined are beneficial to the accomplishment of the store's objectives.
5. Determination to Succeed: Many temporary setbacks will occur during the course of a business day. Nothing, perhaps, will stand

the manager in better stead than the possession of a fierce determination to succeed in face of all obstacles.

6. Emotional Stability: A multitude of incidents, problems and crisis are implicated in the supermarket process. The manager requires emotional stability in order to be able to deal with each of these occurrences and resolve them to the store's advantage.

7. Imagination: Planning, merchandising, and administrating the operation of a supermarket calls for much imagination on the part of the manager. Past experiences, present occurrences, as well as future possibilities, must be considered preliminary to the making of every decision.

8. Ability to Train: Training involves the ability to teach, explain, and develop. If a manager lacks these abilities, it is doubtful if he will be able to develop an efficient, effective work group.

9. Realistic Approach: Theory may suggest the manner in which the supermarket may be operated. In actual practice, however, this theory will have to be analyzed with a realistic approach. Each move made by the manager will have taken into consideration the facts as they are and not as they should be. A balance of both theory and practice is preferable to the utilization of either theory or practice.

10. Objectivity: Decision making which occurs at the store level should be in line with upper level management's desires, policies, and objectives. The store manager must remain objective in making each decision so as to ascertain that the company's welfare has not been circumvented for an expedient decision affecting the store.

11. Self-reliance: The manager is assisted by his staff of

employees and department heads, as well as by upper level management representatives, in the operation of a supermarket. Whenever necessary, he should call upon these people to aid him in the gathering of facts upon which to make a decision. The manager should realize, however, that true self-development depends upon relying on one's own ability to make a decision.

12. Initiative: One of the most vital traits a manager could have is the will to succeed. Initiative is the driving factor which often determines which men will be promoted and which men will be passed over for not having enough ambition.

Leadership Ability: Leadership entails perceiving the problems and obstacles which impede the effectiveness of the organization, ascertaining solutions to these problems and obstacles and influencing others in the application of these solutions. The store manager is assigned the responsibility for providing leadership for the store's personnel. His company expects that he will know the objectives he should attain. He should be able to perceive the factors which are impeding the attainment of these objectives.

The store manager will not be a leader just because his company expects him to perform this function. He will be the head of his organization because he has been assigned the position of store manager, but that does not make him the leader of the organization. The leader is not a special type of human being endowed with unique characteristics. "He is a leader not because he is intelligent, skillful, or original, but because his intelligence, skill or originality is seen as a means

by the group members."<sup>130</sup> He is a leader not because he is imposing of stature, speaks in a loud voice, is well dressed, educated, or because he comes from a higher socio-economic background, but because his employees perceive in him a means by which they can accomplish their ends.

The value of employee cooperation has already been discussed. A certain amount of cooperation can be elicited from employees through the use of a "fear psychology". In its utmost sense, this means that the store manager will "boss" and "drive" people rather than lead them. A greater degree of employee cooperation may be elicited by a democratic leadership. Such managers use motivation psychology to lead men rather than drive them. They are careful to satisfy the needs of the employee as well as the company.

Franklin P. Lunding, former President of Jewel Tea Company, Chicago, once said concerning store managers who desired to be democratic leaders:<sup>131</sup> "Leaders should ask themselves:

1. Have I a clear picture of my job
2. Do I know the objectives of my business and do the other workers
3. Do I keep work assignments definite, clear, and understandable
4. Am I open minded and creative in my work
5. Can I be trusted to play fair
6. Am I mature
7. Do I share business problems, opportunities and accomplishments with others to the extent I might."

The store manager, through a myriad of duties and functions, is called upon to fulfill an enormous number of responsibilities. His position calls for satisfying the needs of his company, the consumer, and

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<sup>130</sup>Irving Knickerbocker, "Leadership: A conception and Some Implications", (Antioch College) (Mimeographed)

<sup>131</sup>Franklin P. Lunding, "Building Democratic Leadership", Chain Store Age, Vol. 28, No. 12, (December 1952), p. 80

his employees. Few people would be altruistic enough to deny that, above all, the manager desires to satisfy his own needs and become a success. "No man can truly be successful unless he makes himself the acknowledged leaders of his men."<sup>132</sup> Therefore, leadership ability is a desired qualification for the position of store manager.

Three Skills of the Manager: The store manager's qualifications, besides involving certain traits and abilities, involves the development of three valuable skills. "As used here, a skill implies an ability which can be developed, not necessarily inborn and which is manifested in performance, not merely in potential."<sup>133</sup> The three skills involved are technical, human and conceptual. These skills are not present to the same degree in all men. They are skills, however, and may be developed through constant training and effort. They are interrelated in nature in that it would be difficult to say which skill determined an act by a manager. In truth, a mixture of the skills would probably be required. There is merit, however, in examining each singularly.

Technical skill implies an understanding of and a proficiency in a specific kind of activity, particularly one involving methods, processes, procedures or techniques. The technical skill of a store manager is the most familiar because this type of skill is concrete and is in great demand in this age of specialization.

A store manager should thoroughly understand the technology involved in the supermarket process. He need not be an expert in all

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<sup>132</sup>Cornell, Op. Cit., p. 69

<sup>133</sup>Robert L. Katz, "Skills of An Effective Administrator", Harvard Business Review, (January-February 1955)

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departments but should adequately understand the important factors involved in each department's operation. A store manager should be able to supervise the actions of the store's meat department manager even though he may not be an experienced meat cutter. Some companies send their store managers to meat cutting schools to acquire technical knowledge. Others believe that if the store manager maintains the customer's viewpoint in examining the meat operation, he will be able to say whether it is technically ready to do business. In either case, the success with which the store manager will be able to coordinate the efforts of the various departments will be greatly affected by the amount of technical skill possessed by the manager.

Human skill is the ease with which the manager is able to handle other human beings. The store manager's human skill involves his ability to work as a group member and to build cooperative effort within the group. "Just as technical skills is primarily concerned with working with things, so human skills is primarily working with people."<sup>134</sup> Human skill is demonstrated by how well the manager perceives of himself, his superiors, equals and subordinates, and in the way he subsequently behaves.

Understanding one's self is the first step in developing human skill. The manager with highly developed human skill is aware that he views everything in a subjective light, judging each situation according to his standards. When a manager knows what his attitudes, assumptions and beliefs consist of, he can better understand why he feels about others the way he does.

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<sup>134</sup>Ibid



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Human skills greatly aid the manager in his daily work process. Through the use of them he may be more conscious of the right and the wrong way to deal with people. "Such a person works to create an atmosphere of approval and security in which subordinates feel free to express themselves without fear of censure or ridicule, by encouraging them to participate in the planning and carrying out of those things which directly affect them."<sup>135</sup>

The third basic skill involved in the qualifications of a store manager is conceptual skill. Conceptual skill involves the ability to visualize the supermarket process as a whole. The operation has a multitude of constituents. Managers possessing conceptual skill will be able to visualize exactly how each interdependent part meshes with every other interrelated part.

Conceptual skill, however, does not stop with the visualization of the supermarket as a whole. The manager should be able to see the company for which he works as a whole. His supermarket is but one part of the whole. The greater his conceptual skill, the greater will be the understanding the manager has of his obligations to his company.

#### SUMMARY

Irrespective of the form of organization plan which is used in the supermarket, the success of the store's operation depends greatly upon the skill and ability of its chief executive, the store manager. A good store manager's performance may be improved by letting him work with a more efficient organization plan, but a good store manager will achieve better results than a poor manager when both men are operating under

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<sup>135</sup>Ibid

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similar conditions. The success of the supermarket process, therefore, will be directly correlated to the amount of skill and ability possessed by the store manager.

The six main functions which a modern supermarket manager is responsible for performing are enormous in scope. A great amount of leadership ability, technical, human, and conceptual skills and a good number of character traits need to be exhibited by men filling the position of store manager in a modern supermarket. Persons who are able to exhibit such qualifications should not be thought of as "head clerks" but should be respected as executives, performing executive tasks at store level.

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## CHAPTER VI

### CONCLUSION

The supermarket is the most lavish and effective food retailing device this nation has ever known. The size of its area is steadily rising. Larger buildings are being erected to house the new supermarket. Distinctive pylons, lavish decors, unique lay-out patterns, adjacent parking lots, adequate electrical equipment, pastel coloring arrangements, have all contributed to making the supermarket the lavish palace that it is today. The thesis most prevalent in the food industry seems to be that the larger and more expensive a supermarket is the better chances it will have of attaining success. Costs and expenses are rising but to date, huge sales volume and increased gross profits have been able to overcome these factors.

A more detailed picture of the supermarket may be attained if one examines the numerous customer services which are embraced in the supermarket process. Customer services are everything a food retailer does consciously or unconsciously which imparts comfort, pleasure, or satisfaction to customers. This study has divided customer services into seven main groups. Each group represents a considerable aggregate of many expensive methods, techniques and devices.

Customer services recently are being used as highly effective competitive devices. Economic conditions have not only transformed the size and nature of the supermarket, the competitive picture of the food

industry has been transfigured also. At the inception of the supermarket competition was keen throughout the industry. The supermarket proceeded to build a successful record in competing with other types of retailing devices. Low prices and mass displays of merchandise were the supermarket's main competitive weapons. The modern supermarket not only finds itself in the midst of keen competition with other types of retailing devices. It is forced to compete with other supermarkets as well. Low prices and mass displays of merchandise are still effective competitive devices but customer services are becoming more and more important as lures to hold customers or entice them away from competitors.

Therefore, the pattern of retailing has changed considerably. The supermarket which boomed unto the distribution scene in dynamic fashion, housed in drab inexpensive buildings, sheltering mass displays of low priced merchandise, has become a labyrinth of high priced-customer services. The question which faces the food industry today is of whether or not there is a limit to how expensive a supermarket process may become before its size and lavishness will be detrimental instead of instrumental to the achievement of the store's objectives. As the pattern of retailing moves in its dynamic race to progress and change, there is a danger that present methods of operation will not be kept up-to-date and adequate.

A constant evaluation of every aspect of the supermarket's operation is the only answer to this danger. Two aspects which can materially effect the success of the supermarket were examined in this study. Store organization and the supermarket manager when combined compose the management of the supermarket. The concept of store

organization and of the position of store manager is in the process of undergoing change at the present time. The question in point is whether they are changing rapidly enough, to keep adequate control of the nation's supermarkets.

The dual line and single line are the two most popular types of store organization being used in the supermarket. The dual line has been the traditional plan of store organization for many years. At the present time it is in the process of being evolved into the single line form of store organization. The supermarket is being transformed so rapidly, however, that some food executives have even begun to doubt the efficacies of the single line system. Argument and counter-argument are being offered by men interested in evaluating present methods of operating in the food industry. Experiments with unique forms of store organization are being attempted. These are healthy signs, as they indicate that many people are aware that close study of present operating methods used in the food industry is necessary if that industry is to continue to obtain the success and progress that it has in the past.

An equally important factor which is involved in the supermarket process is the human element. Good organization plans are necessary if the store is to achieve optimum results but in the absence of the human element there can be no operation. Organization and personnel, therefore, are interdependent in that while neither may solely determine the success of the store, each may make a significant contribution towards the attainment of that success.

The key component in the human equation involved in the operation of a supermarket is the store manager. Certainly no one



man may claim the credit for the success of such an enormous operation. The scope of the duties, functions and responsibilities of the manager, would overwhelm any person trying to execute these factors by himself. However, lower level attitudes are always a reflection of upper level competence. The skill and capability of the store manager can be reflected so that it permeates the entire organization of the store. When this has been accomplished and the entire human equation has been molded into an effective homogeneous group, the operating process may attain optimum results.

The supermarket has an outstanding record of success. It is the most effective retailing device ever developed. Food companies can justly be proud of the achievement they have made in the name of progress in the last twenty-five years. There is no doubt that they have made a significant contribution to modern civilization. Yet history records that when each civilization has become satisfied with their technological growth and sat back to gloat, that civilization failed. The supermarket is a success but it is undergoing a strain caused by the changing retail pattern. If it is to remain successful, eternal vigilance to determine whether or not this strain is impeding the effectiveness of this fabulous retail food outlet, is essential.

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