

A STUDY OF THE PHYSICAL ASPECTS
OF SUPER MARKET OPERATIONS

Thesis for the Degree of M. A.
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Sylvester J. Puglia
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ASPECTS OF SUPER MARKET OPERATIONS**

by

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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

Approved

E. G. Brand

The writer has prepared this thesis to stress the importance of the day to day activities presently being performed in super markets. Company policies and operating procedures set forth in manuals and other forms of literature will prove of little value unless the rules and instructions prescribed therein are practiced and applied on a realistic basis. Students of business and other persons interested in the food industry as a career should have the details of super market operation presented to them as a means of manifesting the importance of such activities to the over-all success of a food chain. The flow of merchandise into the retail outlet, with its subsequent care and handling, was the activity selected to point out this importance. This flow of merchandise was traced through the study of super market (1) ordering procedures, (2) methods of receiving, storing and price-marking, (3) housekeeping, care and maintenance activities.

Actual observations in retail food stores and the experience of the writer, coupled with information derived from personel contacts, information requests, books, trade bulletins, periodicals, and company manuals, provided the bulk of information contained within this thesis.

Through the use of the above listing, it was found that methods of operation pertaining to the areas studied varied from chain to chain, and often within individual units of a particular chain. In some instances, the methods used by the various food chains were similar.

Operating procedures and methods utilized to control the flow of

merchandise depend on store layout and location, degree of mechanization within a store, volume of business, company policy, and the availability and productivity of manpower employed.

There are many fascinating occupations within the organization of a food chain. But regardless of what task is being performed, it is primarily a support function designed to contribute to one main goal - the successful operation of the retail store. The operating efficiency of an organization is mirrored in the results attained at the retail level. Inefficiencies and poor operating procedures eventually cause disruptions that adversely affect the retail outlet. Therefore, the functions being performed at this level should be known in order to integrate its needs and requirements into all levels of the organization. Being aware of difficulties likely to be encountered and the efforts taken to correct them will partially enable members of the organization not in close proximity with the retail operation to better understand the roles of the personnel on the "firing line" and consequently their own role in relation to this activity.

The importance of training, planning, organizing and controlling the function inherent in super market operation must be stressed to all concerned.

This study is not an attempt to establish a set of hard and fast rules. The subjects covered in this report were selected to create an awareness of the operating standards presently in force and the efforts being directed toward

their improvement. Of particular importance is the fact that no one procedure is ideal in all situations since there are limitations or advantages present in any operation. Studying the various methods and processes currently in force should provide an insight that may be valuable for future undertakings in respect to establishing a particular method of retail operation.

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

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Table 8

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CHAPTER I

INTRODUCTION

Purpose of the Study

The purpose of this study is to set forth important factual data concerning the physical attributes relative to the efficient functioning of a modern super market. Textbooks written covering the retailing functions of marketing deal only briefly with the super market and the food industry as a whole. Literature printed on this subject is primarily contained in periodicals too numerous to accumulate. The actual day to day relationships and work assignments vital to the operation of a super market must be explained in detail if the problems continually arising are to be satisfactorily solved.

An additional purpose will be to manifest the need for training employees in the subject matter contained herein. Thousands of dollars are invested every day toward the building of new and greater super markets. The proper utilization of its facilities, tools and processes is an important adjunct to this investment.

Operating profits for all chains run approximately the same. Chains approximate each others net profit figures but vary in methods of operation. The inference is that no one type of operating procedure or device will have a making or breaking influence on any one chain. Each organization formulates

its own policies and procedures to fit its personnel and clientele. New and untried methods can, therefore, be used. It is also the purpose of this thesis to illustrate the various methods which can be employed.

New employees must be able to grasp the full significance of the operation of which they are a part. It is hoped that this thesis will, in some way, enlighten the new employee to the importance of his particular task and the effect it may have on the overall operation.

Students new to the field of food distribution, it is hoped, will be able to refer to this paper to get an insight on the everyday functions of the "cogs" that make up the gears of the efficiently run super market.

Need for the Study

It is felt by the writer that the material contained herein can be used to train young men in the basic fundamentals of operating a super market. Great stress is being placed on human relations, public relations, promotion programs, etc. This is as it should be, but focusing attention on the fundamental principles of retailing with its daily problems is also very important. The old adage "For want of a shoe, a horse was lost", etc., applies equally well to the food industry.

If the new employee or student is provided with basic materials or an operating manual as his first reading requirement he can readily become acquainted with many of the processes involved. The information will increase his awareness of his surroundings and stimulate interest in his particular field

of endeavor by pin-pointing the effect of a particular function to the overall operation.

The physical aspects of super market activity are of vital concern to the company. Trailers must be unloaded, shelves must be stocked and the floors must be swept. These functions must be accomplished within certain money limits. Labor rates are projected and must be met or even lowered if a company is to realize a profit. In conjunction with these physical activities, a training procedure must be designed that will not hinder the operation and still produce maximum productivity. It is important, therefore, that as much knowledge as possible be digested in a short period of time. Training employees must be an integral part of the physical activity. It is felt by the writer that material covering the details of super market operation is essential to its continued success. Employees with a broad knowledge of all or a particular part of an operation are better suited to carry out their duties. Also a broad concept of his fellow workers duties will enable him to appreciate the overall purpose of the retail outlet itself.

Limitations of the Study

Due to the broad nature of super market activity, with all its facets, problems and situations, it would be impossible to cover every situation that would arise or to cover every method used. Each individual retail outlet has its own peculiarities. Some stores are limited in space, others have an abundance of room. Many stores are mechanized, others are not. There is very

little standardization in so far as customers, locality, and preferences are concerned. Therefore, no effort will be made to designate what type of layout would be most effective or how much storage space should be allocated according to volume and sales turnover.

Reference to such activities as mass displays and special promotions will be mentioned only as it applies to the physical operation of the store.

Attempting to analyze the positioning of conveyors or locating them more strategically could be covered more thoroughly in store layout manuals, etc. Locating departments, receiving doors, chutes, etc., is a matter of company policy or physical limitations and advantages. It is hoped that this thesis will help to clarify things as they are, not as they should or should not be.

CHAPTER II

Ordering

One of the most challenging aspects of a super market operation is the ordering of merchandise. It is a continuous endeavor that must be repeated successfully week after week or day after day. It is not a simple routine task that can be accomplished in a routine manner. Ordering merchandise is a specialized function that involves intelligent planning and a great deal of "horse sense." It requires clear thinking, self-confidence and a thorough knowledge of product movement. The success of a retail outlet hinges on this important procedure.

The operation of a super market can be made difficult or comparatively easy depending upon the manner in which merchandise is ordered. Items that are bought regularly by the housewife make up the bulk of a super markets trade. Ordering too much or too little is the big problem. If too much merchandise is ordered, an overstock will naturally result. If insufficient amounts are ordered, out-of-stocks will begin to plague the store so involved. Both situations are dangerous.

Overstocks of merchandise tie up capital that could be turned into profits elsewhere. Huge inventories in the storage areas of retail outlets make

efficient movement difficult and the taking of periodic inventories by auditors time-consuming. Some store managers rest comfortably on their huge stocks of merchandise. They feel that this is a means of avoiding out-of-stock conditions. From a narrow point of view this is no doubt true to a degree, providing he has a stock of sufficient variety. Observing this situation from the headquarters level, the picture is much less appealing. Managers who order excessive stocks of merchandise to feel on the safe side should be shown the folly of their thinking. They should take into consideration the fact that they may be shorting another manager as well as increasing their own costs, etc. Excessive ordering cannot be tolerated in the perishable departments. To do so would result in markdowns caused by spoilage. This, plus the fact that controlled temperature storage facilities would be strained, is a curtailing factor in ordering too much for these departments.

Ordering insufficient quantities of merchandise is equally serious. Out-of-stock is the eventual result and the additional sales that could have been made are lost forever. Customers prefer to do all their shopping in one store. They expect to fill their immediate needs in one shopping trip. If they are unable to do so, they will eventually take their business elsewhere. Out-of-stock should be controlled and kept at an acceptable minimum.

As mentioned previously, ordering cannot become routine. Routine eventually results in indifference; and indifferent ordering procedures can lose money so rapidly that all profits can be speedily wiped out.

A manager must be continually "on his toes". Demand is constantly changing. Products increase in popularity, remain at a relatively stable level of movement, or lose favor with the customer over a specific period of time. Being aware of these situations is a vital necessity to the person doing the ordering.

The performance of this important function can be delegated, but the ultimate responsibility rests with the store manager and his department heads. No one single factor is responsible for the success or failure of a chain store; but the ordering function and its paramount importance to the business absorbs a great deal of this responsibility.

Goods well ordered are half sold. Striking a happy medium that results in a perfect ordering procedure is seldom attained. However, it is a goal which must be continually kept in mind. The ordering of merchandise is becoming more scientific and today is based more on facts than on hunches. New methods are being tried. Preprinted order forms, business machines, tabulating cards, special bulletins, modern communication systems, etc., are all combining forces to make the task more efficient and less of a risk. Ordering will undoubtedly remain somewhat of an art. Record keeping and inventory control procedures have done much to stabilize the risk involved, but with the changing demands of consumers and the new product introductions, the problem of ordering will always remain a challenging one.

Effective merchandising starts with intelligent ordering. The knowledge that a successful merchandiser must absorb is tremendous, to say the

least. Condensing the factors affecting ordering in all departments into one chapter is difficult due to the diversification of items handled. Special situations pertaining to an individual department will be listed under that department as this chapter progresses. Therefore, to avoid reiteration, the factors listed for consideration under the grocery department are also applicable to the perishable departments. Due to various basic similarities, some duplication may be evident. Such duplication will be necessary for the sake of clarity.

Grocery Department

The ordering of merchandise for the grocery department is becoming more complex, for it is in this department that many new products are continually being introduced. Full shelves and attractive displays are dependent upon intelligent ordering procedures. Successfully planned ordering during the four seasons of the year will insure against lost sales and profits. The following factors should be given serious consideration.

1. Customer preference. The vast selection of merchandise currently being marketed through the channels of food distribution are designed to fit the needs of all types of customers. Modern super markets are stocked with every imaginable type of merchandise. However, many of the commodities stocked by the warehouse are not in demand in certain areas. It is the responsibility of the store manager and his department heads to tailor their merchandise to the needs of their customers. Chinese and Italian foods, for

example, are fast becoming staple items. Despite this fact, in many localities these products are not in popular demand, therefore, valuable shelf space can be wasted and many man hours of labor lost in trying to merchandise them too aggressively.

In a relatively short period of time, the person responsible for making up the store order can determine what products are popular and what items are not. Past sales records, personal observation and conversations with customers will clearly and quickly reveal customer preferences.

New products being introduced to the public should be given a fair trial, and their movement studied carefully. If its turnover warrants future commitments, it should be reordered on a realistic basis. Items losing favor with the customers should be reordered only as they are needed and its shelf space decreased if it is practical to do so. In light of the preceding discussion, the first rule and consideration to follow is to order only what can be sold. There is no point in allocating valuable space to merchandise that will not sell. This does not preclude the fact that slow moving merchandise should not be handled. On the contrary, many slow moving items appeal to certain customers and they should be given serious consideration.

2. Product knowledge. It is hardly worth mentioning that product knowledge is important, but in the light of new product developments, it behooves a store manager to know what he is ordering. Powdered salad dressing, for example, must be distinguished from the liquid or spread type. Such

items as these are often manufactured by the same company and distributed through their regular channels. It is wise to know the size, weight and other individual characteristics of these products in order to avoid embarrassment by being overstocked or out-of-stock.

The alert store manager will keep abreast of these new developments through company bulletins and trade publications. When a new product is released or a new size container is introduced to the public, the manager must explore its possibilities in relation to sales, profit and turnover. Keeping up to date on such matters not only enables the store manager to order efficiently but also affords him the opportunity to show his customers that he is interested in their patronage.

3. Variety. The greater the selection of merchandise available in a super market, the greater the sales will be as a result. This is true not only for the grocery department but also for every department in the store. Chain stores are currently stocking from 3000 to 8000 items and it is expected that this number will increase greatly in the near future. Due to limited shelf space and overall sales area, it is impossible to provide customers with every type of merchandise. However, a well balanced variety of merchandise is essential. Here again the store manager should carefully study his operation to determine how wide a variety will meet his needs and still satisfy his customers. Requests by customers for merchandise not handled by the unit or chain should be given serious consideration.

4. Stock on hand. A thorough check of all stock on hand must be made before a store order is submitted to the warehouse. Personnel assigned to the ordering function have the responsibility, not only to their own store, but to the company as well, to order and store only the amount of merchandise which can logically be sold during the next sales period. This can be closely calculated on the basis of past and anticipated sales. Some store managers order special merchandise in quantities larger than they can sell, holding the merchandise until the sale is over, and then retailing it at the regular price. In this way they hope to brighten their sales picture and eventually their net profit. Needless to say, this is contrary to company policy and every effort should be made to stop it.

5. Display needs. Displays are the self service salesmen of the retail food store and they present a daily challenge to every store manager in search of increased profits and volume.¹

A store manager meets this challenge the instant he initiates the special display order. Many food companies provide special sales bulletins and special order forms to accomplish this merchandising function. Specific information regarding "weekend specials" is provided through the sales promotion departments of the various chains. In many cases the merchandise classified as "special" is bought separately, advertised heavily and promoted aggressively. Many departments of the overall organization coordinate their

1. Grand Union Operating Manual, Grand Union Company, East Paterson, New Jersey, Section 12, Sheet 1.

efforts in this respect, therefore, it is the managers duty to order intelligently and effectively.

Special displays, with their favorable price structure, are inviting attractions that appeal weekly to the shopping public. One of the basic reasons for special displays is to give the impression of mass effect. In order to effectively exploit this merchandising technique, it is necessary to use large quantities of the merchandise being advertised as "special" for the week. This merchandising tool requires careful planning if overstocks and out-of-stocks are to be prevented. Here, again, another responsibility is added to the long list associated with the ordering procedure. Orders must be calculated shrewdly and effectively.

Also included under this category are the contract items.² Care should be exercised to see that these items are not overlooked during the ordering function.

6. Seasonal and holiday specials. Most of the items to be ordered during the four seasons of the year and on holidays are set forth in bulletins or special instructions sent from headquarters. Nevertheless, the manager should appraise his customers and take these important times into consideration. During the summer, for example, the separate departments should coordinate their efforts and plan their orders together. An example of this is as follows:

Summer Specials

2. Manufacturers have contracts with food chain companies stipulating that they will pay a certain sum when their items are advertised and displayed in conjunction with weekly advertising and special sales.

Non foods - order sufficient quantities of portable grills and grill equipment.

Meat department - order frankfurters, have sufficient amounts of hamburger, delicatessen items, etc., on hand at all times.

Grocery department - mustard, catsup, pickles, sauces, etc.

Produce department - tomatoes, lettuce, charcoal, etc.

The same coordination of effort can be applied to the individual holidays of the year.

7. Profitable merchandise. Profits of the nation's chain super markets and food stores dropped below one percent on the sales dollar in 1955.³ This drop can be attributed to many causes; some controllable and others uncontrollable.

One means of controlling profit and, thereby, maintaining a favorable return on investment is to merchandise profitable items. Staple items are not particularly difficult to sell. They have a rapid turnover but are likely to return a small gross. There are many commodities warehoused by chain food systems which provide a high margin. These include non-food items, candy, frozen foods, household items, etc. Out-of-stock conditions should be avoided at all costs where profitable merchandise is concerned. Private label merchandise should be emphasized, and all merchandise classified as profitable should be ordered on an optimistic but practical basis.

3. Super Market News, Fairchild Publications, volume 5, number 6, February 6, 1956, New York.

Many food chains offer their managers assistance in ordering merchandise which provides a higher than average profit by marking such merchandise with an asterisk on the order form or by listing them in a separate section of said form.

Emphasizing variety does not necessarily provide a balanced selection of highly profitable merchandise. A conscious effort must be made to stock and promote the sales of such items in balance with commodities which provide an "ordinary" profit.

8. Miscellaneous. Such activities as competitors openings and closings, supplier strikes, dedications, opening of new parking lots, etc., provide additional situations that must be taken into consideration during the normal ordering procedure. A retail outlet that looks ahead in these matters and orders merchandise to meet these contingencies can do much to enhance the profits and reputation of their particular company.

Meat Department

Taking into consideration the factors listed under the grocery department as they apply to the meat department, it is still necessary to mention additional factors pertinent to this department as a separate unit. Meat is highly perishable and must be handled carefully in all respects. The success or failure of this type operation hinges directly on a managers ability to order intelligently. Accurate ordering of all items depends upon expert judgment of the movement of each type of merchandise at each season of the year and at the

price at which the merchandise will sell. Intelligent ordering results in fresher merchandise, better variety and a higher volume of sales.

An excellent check on how well ordering is being done is to compare the amount of merchandise on hand at the end of the week with the weekly meat volume. The meat inventory on Saturday night should not exceed 35 to 40 percent of the total weekly sales.⁴ This ending inventory should include a well balanced variety of all items. Excessively low inventories may be indicative of lost sales. But this is not always true; poor selection usually results in fewer sales.

Additional factors to check when ordering meat items, exclusive of the ones mentioned previously in this chapter, are:

1. Featured items. These items are noted for their customer appeal and are designed to create volume and increase traffic. They are governed by market operations and the season of the year. A meat manager should, therefore, order carefully and intelligently for he may be unable to procure additional merchandise or effectively sell a high carry-over.

2. Estimated volume. Sales programs are designed for success. Estimated volume for the week and the tentative retails should be carefully considered.

3. Push items. Similar to profitable merchandise noted under groceries are the push items of the meat department. These include offal items, delicatessen and poultry. It is also well to keep in mind the associated cuts that will

4. Grand Union Meat Manual, Grand Union Company, East Paterson, New Jersey, Section 6, p. 49.

have to be sold when a specific item is featured.⁵ Feature items as mentioned previously are designed to increase traffic and volume; the additional profits are made on the impulse sales that result.

4. Uniformity of order. To increase efficiency and boost gross cutting margins, it is desirable to order straight sides of beef, veal and lamb. Orders for smaller and extra cuts increase in price on a progressive basis. Special orders should be held to a minimum, but should be utilized rather than continue in an out-of-stock condition. They are costly to both the meat packers and the company and are often a reflection of errors in ordering.

Produce Department

Ordering produce is very difficult, in that it is highly perishable. Produce is invariably ordered on a daily basis, therefore, extreme care should be exercised in this process.

Ordering merchandise from day to day is difficult if not performed by an experienced operator who is well acquainted with his customers and their shopping habits.

Produce managers, in ordering for their many promotions, take one risk after another. Sudden changes in the weather can cause serious losses, especially during the summer months. The price of an article can change from the time the order is submitted to the time it is delivered. Merchandise

5. Example. When ribs of beef are on sale, chucks of beef from the same forequarter are considered the associated cuts.

delivered is, in some cases, too ripe or not ripe enough. These and many other factors make the ordering of produce difficult, to say the least. Factors to consider, other than the ones mentioned under the previous departments, are:

1. Taking into account markdowns and spoilage. When the price of an item has to be cut in order to move it, either too much was ordered or not enough attention was devoted to its sale. Produce department personnel should keep a daily record of markdowns and spoilages. Such knowledge will enable them to order and promote their wares more effectively.

2. Weather. Completely outside the realm of human control and often unpredictable, adverse weather conditions can seriously affect the sales volume of the produce department. Rain may cut down store traffic and a bright sunny day may result in a complete sell out of certain type of merchandise (e.g., watermelons).

Weather conditions will always be a problem. Not only from the retail point of view but also from the growing and packing end of the business. It is hoped by all concerned that the weather will remain in bounds and that the forecastors know what they are talking about.

3. Price lists. Prices of each item must be continually checked and the quantities ordered judged accordingly. Orders should be increased or decreased depending upon the price trend at the moment.

4. Selling unit. In making out a produce order, it is best to visualize the number of customers represented by a crate, a bushel or a carton. For

example, bulky vegetables (cauliflower) and large fruits (melons) may be packed only twelve to a crate. This represents only twelve sales which results in a different connotation than the phrase "one crate", which may seem adequate in respect to quantity.

5. Life of merchandise. As mentioned previously, the perishable nature of produce entails careful study. The life of the merchandise must be known under the various conditions likely to be encountered. This consideration will result in less spoilage, fewer markdowns and less loss as a whole. Hardy items, such as cabbage, oranges, onions and grapefruit, can be ordered heavily. Highly perishable items, such as berries and mushrooms, should be ordered to last only until the next delivery.

Many other factors could be listed and explained. The day of the week is important and the similarity of various items affect each other. Display needs for all departments is a topic that cannot be adequately covered in this report. Valuable information can, and must, be exchanged between store personnel and warehouse salesmen; both meat and produce. Keeping track of the particular pay periods of the community is also vital. These characteristics are important not only from the ordering standpoint but also from the merchandising function as a whole.

One consideration worthy of mention is that if merchandise warrants cutting the price to insure quick sales, it should be cut immediately. "The first loss is the best loss."

Ordering for increased sales remains the most important factor in increased business. Carefully evaluating stock on hand is doubly important in the perishable departments. In this respect storage space is more limited and the risk of loss through spoilage is more prevalent. In many cases spoiled or outdated perishable merchandise can be returned for credit, but it is not a wise policy to depend on this generous provision. The biggest losses in the perishable departments come from over ordering. Sales go to pieces when department managers become frightened by these losses and start to under order.

Mistakes will occur as long as human beings exist. Managers and department heads must, besides being shrewd operators, have confidence in the face of adversity. Here, again, the challenging nature of the food business must be met and overcome to the benefit of the company and the consuming public as a whole.

Methods of Ordering

The methods of ordering merchandise vary considerably. Perishable merchandise is usually ordered by telephone or by the use of an electric transmitter. Many companies still order their merchandise, exclusive of produce, by mail. In some instances new order forms accompany each load as it leaves the warehouse. The time element is the most important factor to consider when handling perishable merchandise. In an effort to decrease the time lag and increase efficiency, some companies have installed direct wire

teletypewriter service. Under this system each store has a teletypewriter unit, as does the main office. The store manager or ordering clerk types the order on the machine, which transmits it to the office. A serious handicap to this system is, of course, the cost of installing and operating it. No doubt as new economies are effected, these machines will undoubtedly be used to a greater degree than evidenced at the present time.

As mentioned previously, produce is frequently ordered on a daily basis. In the meat department, shipments are usually designated to arrive on certain days, therefore, an ordering schedule is usually devised to facilitate the handling of large orders early in the week. Short orders are usually handled by staff representatives or field supervisors.

Grocery orders are placed in the warehouse according to company policy and on a definite time schedule. Chain companies invariably use the pre-printed forms, designed to show the past orders for periods ranging from four to eight weeks. Some of the various methods of ordering are noted below.

1. Conventional. Using the pre-printed order forms, many companies simply require that the store lists its needs by marking the quantities desired on the order form or in a specially perforated column that is torn off and sent to the warehouse or central receiving point for tabulating. The order is then assembled at the warehouse, out-of-stocks noted, and the load shipped to the retail center. This method is commonly used in many of the food companies

today. The order forms may be supplied on a time basis, such as monthly, quarterly, etc. Certain companies send a new order form with each shipment of merchandise.

2. Two-order method. Due to the increased awareness of product movement, many studies are being conducted to determine the best procedures for overall operation. In the ordering process a method currently being used by some retail outlets is the two order plan. Under this system, merchandise is ordered on two separate forms and the merchandise is shipped out of the warehouse on two separate days to enable efficient receiving and stocking. The largest order involved under this process is made up of the fast movers; items that have a large turnover and, therefore, necessitates quantity. The second order consists of slow and normal moving items.

This method of ordering lends itself to the pallet system of receiving merchandise. Although its use is not widespread, it is worthy of note. It is justified in that it is working effectively for the companies using it. This fact is of prime importance to any operation. If it works efficiently; use it.

3. Shelf stock only method. Many food chains are following the practice of not ordering slow moving merchandise until it can be placed on the shelf. The merchandise so designated is "faced" until it can be replenished by a subsequent order. In a study made by a super market operator in Portland, Maine, the following results were compiled.⁵ Forty-four percent of the items

5. "Shelf Stock Only Ordering Plan Cuts Cost", Progressive Grocer, August, 1955, p. 59.

stocked - - - or 545 items out of 1237 ordered from the warehouse - - -
 sold at a rate of less than a half case a week. As a result of this study, a
 plan was devised not to order such items until they were needed on the shelf.

Strict adherence to the policy resulted in:

1. reduced grocery inventory
2. reduced grocery department labor costs
3. more efficient backroom operation.

It is clearly evident that the ordering function can affect the entire
 operation of a retail outlet.

4. Modular ordering. A new method currently under experimentation
 is the modular ordering method. As mentioned previously, orders are con-
 tinually being scrutinized to determine what is moving, and what is not. It
 has been estimated that 75 percent of the items stocked move less than a case
 a week. Sales of fast moving items do not vary to a great degree. Fast
 moving items, as well as items with a regular movement, are reordered
 automatically. These automatic shipments are the result of studies made to
 determine the movement of merchandise in each store. Under this system, an
 "average" order is sent to the retail outlet. Sales are noted, checked and
 tabulated. Another order is sent out without the manager filling out the forms.
 Readjustments are made on a certain basis, usually quarterly. The possibility
 of overstock is greater than out-of-stocks due to the 75 percent movement
 factor. If the system can be refined, it will release the manager from the time

consuming task of ordering certain types of merchandise. Such ordering will eliminate routine and minimize the possibility of out-of-stocks. As the retail outlets grow in size, this time factor is becoming more important.

5. Punch card and mark sensing systems. Also currently being studied is the use of punch cards and mark sensing systems of store ordering. It is a very new field and many details must be "ironed out". The possibility of increased efficiency at all levels can be changed considerably by this method of ordering.

Both systems, presently being tested by IBM and the Remington Rand Company, use special tabulating cards as order forms. These cards are used in lieu of order forms and can be processed immediately upon receipt at headquarters. This eliminates transcribing the order from the order form to the tabulating cards.

If the punch card system is used, the order is prepared by punching the quantity desired beside the item being ordered. These cards are attached to a master order form and are perforated for easy removal.

The mark sensing system is what its name implies. The necessary information is entered on a tabulating card by "marking" a designated slot with a soft pencil. The tabulating machines then record them by "sensing" electrically the marks on the cards. The punch card system can also be marked in this manner and the actual punching for tabulating purposes performed at headquarters.

These methods are being tried on an experimental basis with a view toward improving and making them readily adaptable to the retail outlets.

Under the mark sensing system it is difficult and time consuming to erase an error. Under the punch card system, once the card has been punched it cannot be altered. Both systems call for a greater degree of accuracy than previously evidenced under the more conventional types of ordering. Whether these methods will become widespread is a matter of conjecture or opinion. Anything can, and usually does, happen in the food business.

6. Direct ordering. Drop shipments, such as milk, bakery, crackers, etc., are invariably ordered from local concerns on a direct basis. The driver salesman enters the store and contacts the manager or departments as to quantity, delivery dates, etc. A responsible employee should be assigned the task of dealing with these individuals; preferably the assistant manager. A careful check is necessary to assure accuracy in respect to the number of items needed, removal of outdated merchandise and proper shelf allocation.

Regardless of the systems and methods used in any department, it is quite evident that the ordering procedure is of paramount importance. Once a new store is opened and its pattern established, much of its future success will depend on efficient ordering procedures. Inefficient, haphazard ordering cannot be tolerated. Every conceivable tool of business, including conversation with a customer to detailed surveys by the industry, should be used to make this function an effective one.

As the number of different items being merchandised increases, this task will become more complex. Personnel charged with this responsibility must execute their duty to the best of their ability.

Also of primary importance to the stores welfare and continued success is the training of desirable substitutes to take over the ordering function if an emergency arises. Such situations as accidents, vacations, transfers, etc., must not interrupt the flow of goods in a store.

Many of the succeeding points discussed in this thesis depend upon effective, intelligent ordering.

CHAPTER III

Receiving, Storing and Price Marking

The food chain stores of today are faced with problems of an ever-increasing magnitude as a result of the continued trend toward larger and more complex store operations. In large volume retail outlets, tremendous amounts of merchandise of many different types must be received, stored and processed efficiently. Some merchandise (perishables) must be handled under special conditions. All merchandise must be transported through an increasingly large store area so that it may be displayed and sold.⁶ Many food stores are handling more merchandise than was originally intended at the time the store was opened. Often store area and backroom facilities cannot be expanded, therefore, backroom area may actually be reduced in order to provide the necessary increase in sales area. The problems of getting the merchandise to the customer will be compounded, unless efficient operating standards are in force. The importance of merchandise handling procedures may thus be seen in its true perspective. The insidious nature of the problem becomes apparent when we realize that these difficulties came about as a result of gradual change.

6. These problems, in varying degrees, are equally present in small store operations.

Retail units built ten years ago are still tremendous business establishments due to excellent location, population growth, increased industrial activity, etc. Remodeling these units to conform to present standards may involve huge amounts of capital. In some cases the cost may be prohibitive, in others the actual physical property may not lend itself easily to alteration. Today, many stores over five years old are being, or have been, remodeled. Whatever the situation, it must be realized that labor saving devices and new practices and methods must be utilized to the fullest degree if maximum results are to be realized.

Few companies can afford not to be efficient, for there is probably not a single procedure in any business, anywhere, that cannot be performed more simply, more effectively and more economically. The method that will result in maximum production and efficiency can only be determined by careful analysis of present procedures, and a correction of those practices which are inefficient.⁷

Taking into account the above, the purpose of this chapter will be to set forth methods of operation that will normally be found in different types of situations, under varying types of store layouts.

Grocery Department

Due to the interrelationship of receiving, storing and price marking, it is often difficult to distinguish just where one procedure ends and another

7. Duncan, Delbert J., and Charles F. Phillips, Retailing, Principles and Methods, Richard D. Irwin, Inc., Chicago: 1947, p. 442.

begins. Many companies receive, mark and store their merchandise in one continuous operation. Others separate each function. Still others combine the stocking with price marking on the immediate selling floor. Due to the diversification encountered in different operations, many of the procedures, for the purpose of this thesis, will be grouped together as they would actually occur in a super market. For the sake of thoroughness, certain elements will be separated for clarification.

Before discussing the various phases of operation concerning receiving, storing and price marking, it is necessary to point out that:

1. Systems for accomplishing this essential task may vary with each individual company; and possibly with each individual unit within a company.
2. These processes may take place during the day or night.
3. Basic to any system of receiving merchandise is the proper checking of the items against the invoice or bill of lading (some companies do not think that this is too important).
4. It is assumed that improved methods and materials handling devices, such as conveyors and other mechanical apparatus, are being installed or are already in operation.

No attempt will be made to list the various phases of receiving, storing or marking in the order of their importance. Ease of operation may depend on whether or not a chain store employs a night crew. The physical layout of a receiving area may be the deciding factor as to what system will be used. One system may be ideal for one unit and entirely unwieldy for another.

Many other factors will determine a retail distribution center's management decision to use a particular system or abandon another. Methods not mentioned in this thesis are also used. However, for the purpose of this thesis, the functions of this chapter will be designated as:

1. Pallet system
2. Central receiving and marking system
3. Continuous operation method
4. Conventional method

In the writers opinion, most systems currently in use will adhere closely to one of the above mentioned methods or systems.

Pallet System

The effective use of materials handling equipment has revolutionized the process of moving merchandise. Examples of this type of equipment are the fork-lift trucks, clamp-type trucks, semi-live skids, dollies and dead skids.

The successful use of this equipment at the warehouse level has prompted many companies to extend their use to the retail outlets. Although conventional means of receiving merchandise are practiced by most companies, the increasing use of pallets is becoming more common and popular in the larger markets. Problems and difficulties not encountered at the warehouse or wholesale level are manifested at the retail level. Factors that limit the use of mechanical materials handling equipment at the retail level are:

1. the high unit cost of the equipment
2. existing units are not designed with loading platforms or truck wells (it is impractical to standardize retail centers)
3. maintenance and upkeep of equipment and pallets at store level is difficult
4. basement operations would require the use of an elevator
5. skilled operators are lacking at the retail outlets
6. limited aisle and storage space makes movement of material handling equipment difficult.

The above listing pertains primarily to the heavier types of equipment currently in use at most modern warehouses. The newer and larger markets of the future, in many cases, will be designed to overcome these limitations. Their utilization in the present markets will require many changes and alterations. Any decisions concerning these changes will rest with the individual companies involved. However, many of these difficulties are overcome by the use of lighter and less expensive equipment. The most popular, and the ones having the highest degree of utility are:

1. Semi-live skid and jack. This inexpensive equipment consists of a load carrying platform with two rigid wheels at one end and two skid legs at the other end. The skid jack is a lever type handle equipped with two wheels mounted on an axle which fits into a coupling on the leg end of the

skid. When the handle is lowered approximately 30 degrees, the legs are **raised** off the floor and the entire load is made mobile for transportation.⁸

2. Dead skids and platform low-lift truck. The dead skids are made of wood or metal or a combination of both. A hand-lift truck, manually propelled and incorporating a mechanical or hydraulic pressure system, is used for lifting the skid load. This is accomplished by exerting downward pressure or by pumping the handle up and down until the skid supports are clear of the floor. A release lever regulates the release of the load.

In many cases, the jacks and low-lift trucks are supplied by the warehouse. They simply send one along with the merchandise that is stacked on the pallets in the trailer bed.

A desirable feature of these skid systems is their high degree of versatility. Skids lend themselves to the construction of racks, shelves, boxes or other suitable accessories which facilitate handling operations.

Regardless of the type of equipment used, the unloading procedure is quickly accomplished. The jack or lift truck is attached to the type of skid used and pulled out of the trailer. Unloading time is held to a minimum and the trailer is released quickly to return to the warehouse.

Checking the merchandise is accomplished according to conventional methods. The merchandise is counted, stored, and shipped to the selling areas or price marking table according to the particular system currently

8. Sizes vary from 30 to 36 inches in width and from 48 to 60 inches in length.

in use. If large amounts of certain commodities, such as fast movers, make up the bulk of the shipment, checking the merchandise is a simple matter. However, if the load is made up of a regular order, the pallets must be unloaded to check their contents. Methods of price marking and storing the merchandise will be similar to those which will be discussed later in this chapter.

Central Receiving and Marking System

As the name implies, this system of receiving and price marking is performed in one central area. This area should be situated as strategically as possible; close to the unloading doors and convenient to the conveyors that transport the finished items to the storage or selling areas.

The amount of labor involved in this operation will naturally depend upon the size of the load being received and the time allotted for its completion.

The central area can be situated on one side of the conveyor or it can be divided into two sections using the conveyor as the dividing line between the two. The latter arrangement is more efficient. In this manner employees on each side of the conveyor can unload the merchandise with a minimum of interference with each other.

As the truck driver or person assigned to unloading the trailer starts the flow of merchandise into the store,⁹ it is checked off and examined by another employee for obvious signs of disfiguration or breakage. This is done

9. Assuming that gravity fed or power conveyors are in use.

by sight only and in no way holds up the operation unless a broken case is encountered. This checking procedure is usually assigned to a responsible employee, preferably the assistant manager or the head stock clerk.

The merchandise being received, in theory, should be checked item for item against the invoice. This is desirable and practical if the order being received is relatively small. However, when the orders are large, it is often customary of companies operating their own warehouses to simply require a piece count of the order. This can be accomplished by both the truck driver and the receiving checker counting the load in units of 20 cases or any other agreed upon number, and marking such designated units on the invoice. Naturally both individuals must agree on the count at all times.

As the incoming merchandise is checked off at the receiving door, it is shoved to the central area via conveyor, where it is removed from the rollers and segregated according to commodity groupings. If possible, the items should be arranged to adhere as closely as possible to the listings in the price book. This will reduce the time required to find the appropriate prices in the book when the price marking function is undertaken. For example, all the canned fruit is stacked together, all the vegetables together, etc.

After the unloading is completed and the count verified, two (or as many as are needed) employees begin cutting off the case tops and price marking the merchandise. Items having prior demand, such as those needed on the

selling floor immediately, are cut first, price marked and conveyed to the selling area.¹⁰ These items needed to replenish the shelves will include all the fast moving items (enough of each commodity to fill its allocated space) and many of the slow movers which are ordered only as they are needed. After this is accomplished, the remainder of the order is cut, marked and placed in storage.

The advantages and disadvantages evident in the various operations included in this thesis will not be listed as such due to the possibility that the objectives desired in one operation may conflict with another. However, a list of the factors influencing this type of operation is as follows:

1. Intelligent ordering is essential. Since all merchandise is pre-marked, it is necessary that over stocks be held to a minimum to avoid excessive re-marking in the event of a price change.

2. Tie-up time is held to a minimum. The receiving area is kept clear for local and other deliveries.

3. All merchandise is pre-marked and ready for instant use.

4. A minimum amount of time is expended in the unloading process.

The trailer is quickly released to return to the warehouse and the additional employees that were needed for unloading can resume their normal assignments or duties.

5. Spot checks of merchandise can be made because of the related commodity groupings in the central area.

10. Merchandise needed on the shelves is listed prior to the unloading process, usually the day before at closing time.

6. If orders are received daily, the central area must be cleared on the same day.

The prime reasons for the trend toward central marking is the uncompromising demand for accuracy. With a central system, the ability to obtain accuracy has increased immeasurably. Here a fast workman can become faster as his skill develops; responsibility is pin-pointed and a direct step toward specialization is realized.

Single Operation System

Under this system the entire process of receiving, storing and price marking is completed in one operation. The order is checked in, price marked and stored or sent to the selling area for subsequent stocking. This system is highly effective if (1) night crews are used, (2) or if the trailer is dropped at the back door of the store to be unloaded at the employees convenience. It can also be effectively used during working hours if orders are received on "slow" days and sufficient help can be spared from the other necessary tasks.

This type of operation demands efficient personnel, well trained in their duties if it is to operate effectively. One inexperienced person or an ineffective worker can delay the process considerably. This system is performed by forming a so-called "human chain".

One person unloads the trailer at a steady pace, suitable to the function of the "chain" operation. Another employee, supplied with the invoice

containing the retail price listings or a price book as the case may be, marks the unit or multiple unit price on the case as it passes his station. This is usually done with a grease pencil or a colored crayon. The next man in line cuts the case tops or splits it in half according to the price marking policy followed.¹¹ Then the cans or units are price marked by another individual who shoves them along the conveyor where they are stored or sent to the selling area.

As mentioned before, an inefficient employee can delay the entire operation since its completion is dependent upon the smooth flow of merchandise from one employee to another. Factor listing is as follows:

1. Work must be allocated to minimize delay.
2. Sufficient trailers must be available if the drop method is used.
3. Local conditions must permit the dropping of trailers.
4. Broken or spoiled merchandise is detected during the process.
5. All functions are completed in one operation.
6. Merchandise needed first may be marked last.

Conventional Method

This system is similar to the previous methods in so far as receiving and checking the merchandise is concerned. Price marking the merchandise

¹¹. Details of price marking will be discussed later in this chapter.

can be performed either in the backroom (cellar) or at the shelf depending on the individual policy desired.

After using either the commodity or piece-count method of checking in the merchandise, it is sent directly to allocated slots in the storage area. These slots or gondolas are usually arranged to conform with their counterparts in the selling area. Cases are sometimes price marked as they are received with a grease pencil. In many cases they are not. Under this system, the merchandise is marked as it is needed on the selling floor. This can be performed at the "up" conveyor if it is a cellar operation or on the conveyor after the merchandise is "pulled" in the backroom. An alternate method is the use of a portable price marking stand. In this manner price marking can be accomplished at the far ends of the conveyors or adjacent to the stock bins or gondolas.

Factor listing is as follows:

1. Less time is expended in the actual receiving function.
2. Conveyors are kept clear for local or emergency deliveries.
3. Price changes will be limited to shelf stock only.
4. Double handling of merchandise may be involved - rotating the present stock, putting it in and out of bins, etc.

The methods described above have advantages and disadvantages based on a company's particular set of circumstances. Many factors influence the decision as to what method should be used. Small retail outlets may find three out of the four systems mentioned impractical due to a shortage of help

or space. Many stores cannot afford to palletize or are not physically set up to do so. Other stores, situated in an area of intense competition, may be plagued with excessive price changes which would make pre-marking prohibitive. In the final analysis the decisions must be left to the companies themselves.

The writer wishes to point out that innumerable factors influence these important tasks and that these systems can be varied to fit a particular operation. New methods of operation are being sought. To a successful store manager there is always a better way; or at least there is room for improvement. The entire industry is continually seeking new ways of speeding up and efficiently handling the tons of merchandise that are distributed week after week in this dynamic economic venture.

Price Marking Groceries

Depending upon their size, food markets as mentioned previously carry anywhere from 3000 to 8000 items of merchandise in stock. If the price of any article is not legible, the checker must ask the customer to wait while she does one of four things:

1. Refer to a price list or have the head checker check the price list.
2. Interrupt another checker to find out the price.
3. Get this information from someone in authority.
4. Ask the customer the price that was marked on the shelf.¹²

12. National Cash Register Company, Price Marking Brochure, Dayton, Ohio.

Any of these actions consume time, delay service and cause confusion. One reason customers stop shopping in certain stores is because they cannot be checked out quickly.

Slow service is not the only cause of customer complaints. If the price on the item is not clearly marked, the checker may decide to guess at the amount she should charge. Whether she guesses too high or too low, the company loses. If she guesses too high, the customer complains; if she guesses too low a financial loss is incurred.

Many price marking methods are currently in use. Regardless of the method used, it should be continually stressed that this is one of the most important functions in the overall process.

The importance of accurate, neat and legible prices cannot be over-emphasized. It is incorporated in all phases of the operation from the time the customer reached for the item to the time she unloads her groceries at home. Prices must be correct and legible at all times. The customer is made aware of correct pricing procedures in four ways.

1. She observes the price of the merchandise on the shelf.
2. She sees the price on each item of merchandise (Numbers 1 and 2 must agree if the customer is to remain satisfied at the onset of her shopping tour).
3. She sees the price of the item as it is rung on the cash register.
4. Customers recheck their orders at home. She compares each item marked with the corresponding figures on her itemized departmentalized receipt.

If a discrepancy is evident at any time during this cross-checking procedure, it can only result in customer dissatisfaction.

Clean merchandise in conjunction with neat, legible price marking contributes to:

1. Faster cash register operation. The checker does not have to hesitate to try and decipher a smudged marking or call the store manager to inquire about the price of an item.
2. Full payment of merchandise. Customers complain if overcharged and often remain silent if undercharged. Guesswork as mentioned previously is eliminated if items are properly marked. Food companies want one price - - - the correct one.
3. Satisfaction of customer. When items are marked properly the customer realizes that she is getting her money's worth. One sure way of winning the goodwill and confidence of a customer in her dealings with a store is to provide the four way proof that all prices charged are correct.

Inefficient or illegible pricing procedures will eventually cast doubt and suspicion upon a particular store. Volume, sales and profits will decrease accordingly. Customers will begin to shop elsewhere and the reputation of the unit will suffer.

Price marking is a part of the productive system within a retail outlet. In this phase alone the United States Department of Agriculture found that proper methods could increase productivity from 67 percent to 87 percent . . .

the equivalent of almost one full time employee.¹³

At the stores studied by the Department of Agriculture, it was found that the price-marking operation alone took up 22 percent of the grocery department man hours.¹⁴ By improving techniques, this figure can be reduced. Waste of man hour productivity inevitably finds its way into the stores profit, therefore, it is vital to all concerned that the proper procedures in this respect be carried out to their fullest extent.

Determining the proper method of price marking will naturally depend upon individual preferences, company policy and the interest generated toward possible improvements. In this respect, habit is no excuse for inefficiency and store managers should continually adjust their operation to their specific needs.

To increase efficiency, two essential points are applicable to all price marking techniques:

1. Proper equipment and adequate space are essential if the task is to be performed properly. Whether hand stamps or fixed price stamps are used they should be kept in good condition and handled properly. If this is not done, difficulties will naturally arise. Factors to remember in this respect are:

- a. cramped space results in inefficiency.

13. Complete report of study available from United States Department of Agriculture, "Marketing Research Report No. 7", Washington, D. C.

14. "Condensed Report of United States Department of Agriculture, Marketing Research Report No. 7", Progressive Grocer, November, 1952, p. 62.

- b. continued use of defective equipment will result in improper pricing procedures.

2. Price can be marked on either side of a can. Since a great many of the grocery items are packed in cans, it is important to realize that time can be wasted in ascertaining that all price marks are placed on the top of the can.

Keeping in mind that there is no hard and fast rule applicable to any system of price marking and that variations of any system do occur, the following methods of price marking currently being used are:

1. flip board method
2. bottom layer method
3. half-case method.

Flip board method. The flip board table is a simple device used to price mark the bottom layer of merchandise in a case.

Under this method the case top is removed and the top layer of merchandise is price marked. The case is then set on its side and the flip board (a hinged board usually 24 inches by 20 inches attached to a table top or a similar price marking piece of furniture or equipment) is raised flush (45° angle) with the top of the case which in this instance is now the side. The employee holds the bottom of the case firmly with his hand and the flip board is lowered to a horizontal position, thereby "flipping" the case with the bottom side being upright. The carton is then lifted from the merchandise and the bottom layer is marked. The empty carton is replaced and the flipping process is reversed to put the merchandise back in the case.

Using the flip board table facilitates the moving of the price marking function to any area of the backroom or cellar. If merchandise is marked according to shelf requirements, it can be situated at the conveyor system. If the store manager prefers to mark all the items in the store, the flip board tables can easily be moved to the shelf position.

Simplifying the steps in chronological order, they are:

1. select case to be marked and place it on the table top.
2. Three sides of case top are cut in one motion, top of case is raised and the fourth side cut.
3. stamp top layer.
4. case is flipped over and lifted from contents.
5. bottom layer is stamped and case replaced.
6. case is flipped back, ready for stocking.

Bottom layer method. Reaching the bottom layer without the use of

a flip board can be accomplished in the following manner:

1. cut top off the case as mentioned previously.
2. stamp top layer.
3. remove two rows of the top layer and stamp exposed cans on the bottom.
4. move remaining merchandise on top layer over the bottom layer that is already stamped. Continue process until all bottom units are price marked.

5. return two rows originally removed from the case.

Half-case method. Another way of reaching the bottom layer is to cut the case in half lengthwise. Cut three sides in one motion, turn the case on its uncut side and expose both layers by letting the split halves fall outward. If desired, the last remaining side can be left uncut, the items price marked and the halves put together again. This is desirable if the merchandise is to be stored. If the merchandise is going to the selling area, the case splitting can be completed by cutting the fourth side.

Although it is not specifically a price marking function as such, the cutting of cases will be mentioned at this point due to its close relation to the pricing function. Great care should be exercised when cutting cases containing merchandise packed in paper containers. An employee with a "heavy" hand can attack the problem too aggressively, thereby slicing the container within the case. Customers seldom select merchandise that is mutilated in this manner. Repairing the damage with various types of tape is unsightly and gives the merchandise an unattractive appearance. Merchandise cut in this manner not only ruins the sale of the item but also loses the profit of the entire case.

One means of avoiding this error is to cut the case diagonally across the top from one corner to the opposite corner in the shape of an "X". In this manner if the blade of the case cutter pierces the inside of the case it will only cut through one layer of the box top which is usually sealed by an overlapping of two layers. The safest method, naturally, is to "break" the case by hand.

Price marking should be considered a specialized function and treated as such. Its importance as mentioned previously must be stressed at all times. Personnel trained to perform this vital task should also be educated to the fact that it is an integral part of the entire process. It should not be assigned haphazardly. Central marking procedures tend to pin-point the responsibility and should be encouraged if practical to do so.

Price marking at the shelf is very efficient but in many cases it is impractical, because of the obvious disadvantage of getting in the way of customers. However, if this method is used, its efficiency can be increased by using or installing shelf extenders that slide out of sight when not in use. These extenders can be used as marking tables or as display pieces attached to the shelf.¹⁵

Meat Department

One of the most important factors effecting the net profit of a food chain is the manner in which perishable products are merchandised. The perishable departments, meat, frozen foods, produce and dairy, account for approximately 45 percent of the sales of the average store.¹⁶ From the viewpoint of meat merchandisers, the meat department is the most important department of the chain. Experience, physical prowess and creative thinking

15. Designed by the Department of Agriculture, "Market Research Report No. 7"

16. Chain Store Age, 'Perishables - The Picture for '56', January, 1956, p. 73.

along merchandising lines, although desired in all departments, are especially important in this department.

Perishables offer a higher margin than dry groceries. This is true because of the risk attached to their merchandising. This risk demands effective management. Without such effectiveness a net loss can be incurred that will eventually have a serious effect upon the entire operation.

Needless to say, the meat department is a very important function within the store organization. It can be the most important factor in determining whether or not a store makes a profit. Inadequate meat receiving, inspecting and processing, can account for substantial losses on the part of any market. The planning of meat department orders for increased sales is even more important.

Complete manual handling of meat products is fast disappearing from the scene in the modern operations of today. Overhead rails, equipped with switching mechanisms and accurate scales are becoming as common as the cutting tools themselves.

The handling of meats must be accomplished quickly and efficiently, due to its perishable nature. This is especially true during the summer months.

When a meat order is delivered to a retail outlet, one man is usually assigned to the receiving process. He may be the head meat cutter, the ice box man or the meat manager himself. Whoever is responsible should have a sound knowledge of meat products. All merchandise should be carefully

inspected to determine if it is in saleable condition when received. When the quality of meat is not acceptable to the meat manager, he will naturally contact the shipper or warehouse, who in turn will have the merchandise replaced and the inferior product returned. Each piece should be weighed and the weights checked against the invoice. Meat received from private concerns should be refused if quality or weight is not as specified on the invoice.

Steps preliminary to the meat receiving function are:

1. arranging the cooler in such a way that the incoming merchandise can be received in an orderly and efficient manner.

2. marking, dating or placing "old" stock so that it can be used first.

This stock is usually moved to the front of the cooler.

3. clean and rake the floor. This is the best time to perform this function because the overhead rails are usually empty.

4. have the necessary tools, such as meat hooks and hook stabilizers, readily available.

5. check temperature of cooler.

6. men designated to handle the meat should have clean hands and clean aprons.

As mentioned previously, meat must be handled quickly and efficiently. Shrinkage and spoilage can cause lost profits and reduced sales. To avoid shrinkage and spoilage, the temperature and humidity should be regulated. Temperature range varies according to company policy. Food authorities

advocate cooler temperatures ranging anywhere from 30 to 40 degrees, depending upon local conditions. However, it is now agreed among major operators that meats for self service selling should be stored and displayed at a temperature between 28 and 30 degrees Fahrenheit.¹⁷ Important reasons were established by extensive tests to support this temperature range. They are:

1. longer storage and display
2. maintenance of bloom and color
3. firmer meat
4. more attractive packaging on display
5. elimination of mold
6. minimized bacteria growth
7. reduced shrinkage
8. increased tenderness of meat.¹⁸

To avoid shrinkage, the humidity of the air in the cooler should be kept between 75 and 85 percent. The higher the humidity, the less shrinkage; but if the humidity is too high bacteria growth becomes rapid and slimy meats will result.¹⁹

Upon receipt, meat should:

17. Chain Store Age, "What Temperature for Meat Storage", February, 1956, p. 98.

18. Ibid., p. 99.

19. Ibid., p. 99.

1. be handled carefully to avoid dropping and bruising
2. should be inspected properly for spoilage, cleanliness, etc.
3. should be weighed accurately and necessary adjustments made on

the invoices if necessary

4. put under refrigeration as soon as possible
5. keep an accurate record as the receiving process progresses.

Keeping accurate records is as important as the quality of the meat itself. Improperly maintained records of receipts, weights, piece counts, etc., are a constant source of bad inventories, stock shortages and a lack of proof in establishing purchases.

At the receiving dock or door, the heavy sides of beef and other carcasses are moved from the truck directly on the store rail to the weighing station. After the meat is weighed, it is pushed on the rail into the cooler. Many retail outlets are equipped with a rail that extends beyond the receiving dock or door. In this manner delivery trucks equipped with overhead rails are aligned with the store rail and the meat is simply pushed into the store.

Merchandise received in crates and boxes is handled similarly to the methods described in the grocery operation. The great difference in procedures is that extra care must be devoted to meat products.

Storing. As soon as the merchandise has been received, it should be prepared for storage immediately. Carcasses should be stripped of their outside wrappings and the bloody ends removed at once.

The buttons, skirts, outside flanks, etc., should be removed from **beef** carcasses and made into hamburger trimming as soon as possible to **avoid** loss. Removal of buttons and bloody ends also applies to veal and **lamb**.

The procedure of placing wholesale cuts in storage after they have **been** "broken down" varies with different companies. An average storage **action** concerning beef would be as follows:

1. loins are stored in the cooler on a floor rack, bones down.
2. top sirloin is hung on a hook with the skin to the wall.
3. round (boned or whole) is stored by hanging it by the "heel".
4. sets of ribs and chucks are laid on a rack in the same manner as **loins**.
5. brisket and plates are hung on the wall, skin side to the wall.

There is also a proper place in the cooler for the different types of **products** handled.

1. processed items and smoked meats belong in the warmest part of **the** cooler, usually near the outlets.
2. lamb, beef and poultry (usually iced) "holds up" best in the next **coolest** spot.
3. veal, pork, fish and offal items are best suited to the coldest part **of** the cooler.

Marking. The weighing, wrapping and labeling of meat is time consuming

unless the proper equipment is used. New equipment has been developed to **cut down** expenses and increase profits in self-service operations.

To speed the "scaling" operation of the prepackaging of meats and **other** perishable foods, the Hobart Manufacturing Company, Troy, Ohio, has **designed** the new Hobart-Dayton Project-O-Scale.²⁰ This scale is designed **especially** for the prepackaging operation and is far superior to older type **models**. The price selector setting is fast and easy. For extra convenience **it is** controlled by knobs on either side of the "head". The price at which the **scale** is set appears in the money value reading panel when no weight is on **the platter**. The possibility of false readings has been completely eliminated **on this** machine. Weight and money values appear side by side, always in **the same** position. The index line is placed on the ground glass panel upon **which** the chart indications are projected, thereby completely eliminating **parallax** and assuring accurate reading from any height and any angle. **In-direct** illumination of panels by projection is easy on operator's eyes and **eliminates** eye strain or fatigue.

Another of the newer aids to the self service meat department is the **Label** Printing machine which is now being marketed by the National Cash **Register** Company, Dayton, Ohio.²¹ With this machine, it is unnecessary to **tie up** money and storage space in costly pre-printed label inventories. This

20. Successful Grocer, "Greater Profits with **Self Service** Meats", September, 1953, p. 5.

21. Ibid., p. 6.

machine automatically prints and issues approximately 3,000 labels per roll of **thermoplastic** heat-sealing paper capable of being fixed to the outside of a **self** service meat package.

Each label shows the: Store name, cut or type of meat, price per **pound**, weight in pounds, ounces and fractions, total price, and the date **packaged** (in code). In order to show the cut of meat on the label, a small **name** plate, known as the "Commodity Insert Key", is used. It is easily **slipped** into a slot on the side of the machine in a matter of seconds. The **machine** automatically locks when a key is changed, and the price per pound **dial** must be reset before the machine will operate again.

A package counter is another feature. Each time a label is issued, "1" is automatically added to the total. Thus it is possible to know the correct number of packages processed during any period . . . hourly, daily, weekly, etc.

Newer models, being manufactured by the Toledo Scale Company, Toledo, Ohio, combine the entire operation in one machine. Except for **inserting** the commodity key, it automatically performs all the functions mentioned above.

These and many more innovations in the field of combination price-**weighing** have made the task of the meat manager much easier. Yet even with **these** new efficiencies, management cannot afford to relax for a moment. The **continual** effort to sustain and improve the distribution channel of merchandise **through** a store is as essential as ever. The successful manager simply

incorporates these advances in technology into the operation and thus takes full advantage of their utility. At the same time, he maintains a constant vigil over his department activities in order to assure maximum results.

Produce Department

The produce department is another member of the perishables family. Freshness and quality are the keynotes of successful produce merchandising. Survey after survey indicates that these are the two factors most demanded by the consumer.

Produce departments of different companies, in competition with each other, handle basically the same perishable commodities - fresh fruits and vegetables. Many markets within one geographical area often have the same source of supply. The buyers of these companies very often buy at the same time and receive their merchandise from the same carload. Assuming that all factors are relatively stable in transporting the fresh fruits and vegetables from the source of supply to the back door of the store, the problem of maintaining quality must be greatest between the back door and the produce stand.

The degree of decline in quality and its effect on produce sales is mostly a matter of time, temperature, humidity and care in handling. The produce department is unique in that it is involved in the sale of living organisms, for fresh fruit and vegetables are living plants. The commodity may have been separated from its roots but it is still a living, breathing plant. It

is constantly giving off moisture to the air, ripening, burning up its own food supply and undergoing other life processes. In a relatively short time, without proper air, temperature and moisture conditions, produce will die and decay. This is not an attempt at dramatization; it is merely a desire to impress upon the personnel concerned with this activity that urgency and extreme care are vital to the success of this department. In order to maintain a high degree of quality and freshness and to protect the life of this merchandise, the produce manager and his assistants must exercise extreme caution in the receiving, storing and handling of fresh fruits and vegetables.

Receiving and storing. The proper receipt of produce deliveries is the first step in maintaining the quality and freshness that should characterize a produce department. Prior to the time of delivery, the storage coolers should be properly arranged to ensure adequate space for holding the fresh delivery. Merchandise carried over from the previous day²² should be arranged in such a manner that it is easily accessible for display during the day. Marking the receiving date on the crate to help assure that merchandise will move out in correct order should be a common practice. The principle of "first in, first out" should be strictly enforced unless the merchandise being received is farther advanced in the ripening process.

Merchandise in the storage cooler should be pulled to one side prior to delivery. Arranging the cooler in this manner prevents excessive handling and shifting of cases.

22. Most produce deliveries are schedule on a daily basis.

Many produce orders are delivered during the night or as early as possible in the morning. At this time, especially during the summer months, the heat of the day is at its lowest thus curtailing the ripening cycle.

If possible, a reliable produce department employee should inspect all merchandise at the time of delivery. If deliveries are made during the night, the inspection should be made as soon as possible after delivery. This inspection is important for the following reasons:

1. the condition of the merchandise is noted; items showing any signs of deterioration or advanced degrees of ripeness can be put on sale immediately. Severe cases can be reported for adjustment.
2. a count of the containers compared against the invoice precludes misunderstandings concerning overages and shortages.
3. the inspection will aid the produce manager in planning his daily sales programs and display patterns. This is particularly important since items in short supply are often "scratched" from the order sheet.

It is important to have adequate handling equipment available at the time the shipment is received. If deliveries are made at night, the handling equipment should be free of all merchandise and easily accessible at the delivery entrance.

If the produce order is palletized it is important that adequate storage space and a lift truck is available. If the conventional conveyor system is used, the conveyor should be set up and ready for instant use.

As the produce which requires refrigeration is received, it should be placed in the cooler as soon as possible unless it is to be processed immediately. Actual tests have shown that produce left outside the coolers for about two or three hours, especially in hot weather, loses as much or more of its "bloom" than inside the cooler in five or six days.²³

It is advisable to have both a dry and wet cooler; however, factors of this nature are beyond the control of store personnel.

Due to the bulky and sometimes delicate nature of the merchandise handled, the following rules should be enforced.

1. When lifting crates, be sure that it is not too heavy for one man.
2. Do not drop, stack, or set the cases down roughly.
3. Stack all bulge packs on the flat side or end.
4. Do not stack produce crates so high that lower contents will be crushed or bruised.
5. Merchandise should be stacked in such a manner to allow circulation of air. This is especially true for burlap bags of potatoes and onions.
6. Keep in mind that every bruise and skin break may mean a price markdown.
7. If advisable, the merchandise should be stacked according to its relation on the produce rack.
8. Never stack wet produce on top of dry produce.
9. Bags should never be dragged or stored on a wet floor.

23. Pillar, Roy, A Guide to Better Handling and More Efficient Merchandising of Fresh Fruits and Vegetables, New York: National League of Wholesale Fresh Fruit and Vegetable Distributors, 1948, p. 96.

Receiving and storing produce is often performed in one operation. Employees should be instructed as to what merchandise requires refrigeration and what does not. A classification chart in respect to this matter could be posted at a convenient location near the receiving door.

It is worthwhile to reiterate again and again that extreme care should be exercised in receiving and handling produce. This fact cannot be over-emphasized. It must be remembered that there is no substitute for freshness. Rotation is a word familiar to all food distribution personnel. It should carry an added connotation in the produce department. In addition, and especially true of fresh vegetables, it is necessary to remember that produce requires:

1. air to breathe
2. moisture or high humidity to replace or decrease water loss²⁴
3. low temperature to delay harmful life processes.

Temperature ranges for most makes of produce coolers are from 40 to 46 degrees. Display cases average 45 degrees.

Produce department employees should remember that they are handling highly perishable merchandise where freshness and quality completely outweigh the factor of price in the housewives minds. It is also important to note that a high percentage of fresh produce sales are impulse sales, therefore, the movement of these items will be greatly increased if proper handling techniques are used.

²⁴. Fresh fruits and vegetables under normal field growing conditions are approximately 90 percent water by weight.

Price marking. Many of the marking procedures used in other departments are also applicable to the produce department. Difference will be evidenced on many fresh vegetables where they are butt-marked with an indelible pencil. Other items, such as pre-packed merchandise, requires that the weight or quantity in addition to the price be shown. Many items cannot be marked, therefore, attention is directed to price signs or shelf moldings. Citrus fruit is marked with crayon in many operations. Other use gummed labels and paper tags. Whatever the system used, care should be taken to see that all prices agree. When produce is retrimmed or reconditioned, the old price should be completely obliterated.

Dairy and Frozen Foods

Although these food products are usually part of another department, brief mention of their handling and care is necessary. In the dairy department, rotation, cleanliness and carefulness are important aspects of the receiving and storing process. Price marking is accomplished according to many of the grocery principles. Cheese and certain other selected items are wrapped, scaled and coded. Dated merchandise in numerous quantities are received in the dairy department. Proper attention and care must be exercised to adhere strictly to this dating and coding procedure.

Frozen foods are handled in much the same manner as discussed under the different departments. Most frozen foods are strongly packaged and their receipt is the same as dry groceries in principle, except for the urgent need

to get them under frigeration. A one hour exposure on a hot day can ruin an entire order of frozen food.

Pricing of frozen merchandise is difficult, to say the least. Frost quickly forms on exposed units, therefore, the items should be marked quickly and accurately, preferably with the N.C.R. set which can be inked quickly and with less motion.

The frozen food department is growing in importance within the modern super market. This growth is actually out-stripping the facilities which many stores have for handling frozen foods.

Frozen foods are actually more perishable than either meat or produce in that they deteriorate more quickly when exposed to heat. This is especially true of ice cream products.

The important thing to be stressed in this department is the need for speed and accuracy that will result in a minimum amount of exposure to heat.

The space allotted to these departments, in this chapter, is by no means an indication of their importance. It is merely felt that discussing them in detail would, in a great part, be a reiteration of what has been discussed previously.

CHAPTER IV

Stocking

The problem of low shelf stocks and out-of-stock conditions can seriously affect the sales volume of a retail outlet. The need for complete stocks of popular merchandise, the flow of new products and the necessity of weeding out items that have lost favor with shoppers have combined forces to make the maintenance of well-balanced, sales building stock of merchandise, both on store shelves and in stock rooms, a continuing day-to-day problem. Out-of-stock conditions continue to be one of the serious problems facing the food industry today.

The importance of fully stocked shelves, and refrigerated cases cannot be over emphasized. Having the right amount of merchandise on the shelves, and in the various cases, at the right time is essential for maintaining maximum sales. This objective, never easy to achieve, has become even more difficult with the growing concentration of sales on weekends.

Too often merchandise is ordered, received, price marked and packed out in an unplanned, haphazard fashion. When merchandise is ordered correctly, price marked accurately and handled efficiently, the shelf stocks can be

maintained in better condition and higher sales will result. Furthermore this can be done, not at a higher, but often at a lower percent of wage rate to sales. There is always room for increased efficiency particularly in the stocking function.

The favorable results that can be achieved through keeping grocery shelves and refrigerated cases fully stocked throughout the week is clearly evidenced by a series of tests conducted by the Progressive Grocer, a trade publication for the food industry.

These tests, conducted during the summer months of 1953, have proven that this particular function deserves the utmost attention from store managers and other interested personnel.

The vital necessity of enlightening store personnel to this problem is stressed through the use of the following quote:²⁵

"In tests in seven leading markets it was found that sales of 126 packaged grocery and frozen food items totaled 8404 units during a two week period in which normal shelf stocking methods were used. But during a subsequent two week period, when shelves were checked more regularly, out of stocks were eliminated, and shelves were kept fully stocked, or nearly fully stocked, from Monday through Saturday, the sales of these 126 grocery items increased to 10,287, a gain of 1827 units or 22.4% above the preceeding two week period."

A 22.4 percent increase in sales by all normal standards is phenomenal. Many chain stores incorporating the use of trading stamps, will in many cases, hope to increase their sales by this amount.

25. Progressive Grocer, "Customers Buy 22% More When Shelves Are Well Stocked", June, 1953, p. 40.

By way of explanation and attesting to the importance of fully stocked shelves, the following quote, from the same source, is recorded.

"No more shelf space was given to any particular product. No special displays were used, there were no price reductions of any kind. Fully stocked shelves and cases were solely responsible for these gains."²⁶

Grocery Department

As stores grow bigger in size, the job of overall management becomes more time consuming and more demanding. As a result of this and other factors, many store managers lose contact with their departments and the importance of fundamental merchandising is delegated to whoever is available for the job. Naturally this is not true in all cases but its presence, usually under busy conditions, cannot be denied.

Taking valuable time to train and indoctrinate employees in performing this vital task will pay large dividends in terms of future sales and efficiency. The reasons for full shelves and cases must be continually impressed upon store employees. Five basic reasons, very worthy of mention in this training process, are:

1. That out-of-stocks will be eliminated . . . nothing kills volume like stock outs. Valuable shelf space is wasted and the inevitable time lag between orders and restocking procedures increases the possibility of additional lost sales.

26. Ibid., p. 40.

2. Well stocked shelves create the impression of a mass effect that indicates action, life and sales. The old adage "mass sells more" is, in fact, a truism.
3. Impulse sales are increased. Customers are depending less and less upon pre-determined shopping lists. Stores well stocked have the advantage when split-second sales decisions are made.
4. Lower shelves are brought into focus. Depleted stocks on lower shelves are often ignored because the customers line of vision is often blocked by the upper shelves.
5. Creates an air of fast selling merchandise. Full stocks suggest freshness, fast turnover and that the items must be continually stocked as a result. Naturally starter gaps are always desirable, for they give the customer the impression that she isn't the first to buy.

Space Allocation

Many facets of store operation, such as ordering, shelf-stocking methods and back room arrangement, have a direct effect on keeping shelves fully stocked. But perhaps the most basic factor bearing on this problem is how the available grocery shelf and gondola display space is allocated to the various commodity groups.

Apportioning space in relation to product movement, varieties handled, unit sizes and gross profit on sales is a problem that requires careful study and consideration. Determining how much space should be allocated to a certain commodity is difficult to say the least. Each market is an individual unit and must be operated as such. Space allotted for each commodity during a new store opening must be realistically appraised as soon as practicable afterwards.

Surveys and studies conducted on this subject are readily available from the various trade publications. Although these studies cannot be accepted as the final authority, they are nevertheless very valuable guides to shelf allocation. For example, one basic problem encountered during these studies was the matter of lost space brought about by different size packages of a particular commodity. The logical conclusion drawn was the use of adjustable shelving. By applying the principles of adjustable shelving to the various grocery commodity groups, dealers were able to fit the shelf to the merchandise rather than trying to fit the merchandise to the shelf.²⁷

Allocating space in conjunction with the type of shelving used is very often a top level decision. However, it is the duty of all store level personnel to study their particular store layout and forward recommendations for constructive changes to the proper authority. This can be done on a direct line basis, or through the use of the company's suggestion system.

²⁷. Kline, G. E., "Planned Grocery Space Allocation", Progressive Grocer, August, 1953, p. 41.

Night vs. Day Stocking

Methods of stocking shelves vary with different companies, but the principal problems remain the same. Full displays are needed, shelf and commodity prices must correspond, merchandise must be rotated and shelves must be kept clean. Whether these duties are accomplished during or after store hours is a matter of company policy, opinion, necessity or experimentation. However, there is a definite tendency to employ off-hour stocking as the sales volume rises above \$20,000 per week. The more business a store does, the more likely it is that it will incorporate a night stocking function.

The following list, taken from a study published by the Super Market Institute, indicates this trend.²⁸

<u>Weekly Sales Volume</u>	<u>Stocking After Business Hours</u>
\$20,000 to \$30,000	21%
\$30,000 to \$40,000	43%
\$40,000 to \$60,000	50%
over \$60,000	<u>76%</u>
All super markets	44%

There are many factors that must be taken into consideration when determining what hours shelf stocking will take place. The size of the unit,

28. Facts About New Super Markets Opened in 1955, Super Market Institute, Department of Research, Chicago, Illinois.

its volume, space restriction, aisle space and the reliability and productivity of the workers available must all be considered. Many small volume outlets cannot afford the extra supervision, while frequently night stocking is a necessity in a high volume store.

Night vs. day stocking is always a problem. In some localities the labor unions prevent such practices. In others, city ordinances may preclude such activity. However, these instances are more the exception than the rule.

Those against the practice of night stocking raise the following objections:²⁹

1. The use of a night crew reduces the number of people working in the store during shopping hours.
2. Absence of clerks when needed during the day cuts into store efficiency.
3. Lack of full-time crews during the day increases the possibility of pilferage.
4. There is more temptation toward employee larceny at night.
5. Size of payroll is increased.
6. Lack of proper supervision increases inefficiency.
7. Light and fuel bills are increased.

29. Portions of this listing are taken from Super Market Merchandising, September, 1955, p. 138.

Those in favor of night stocking cite the following advantages:³⁰

1. Better customer service through well stocked shelves.
2. Warehouse advantages, for it permits earlier transportation.
3. Faster and more efficient receiving and stocking because of no local delivery interference.
4. Less customer interference.
5. Less time wasted in disposing of empty cartons, since clean up duties can be concentrated in the final minutes of the operation.
6. Night staff offers partial security against fires and outside thefts.

Regardless of when the shelves are stocked, it is the responsibility of the persons assigned to this stocking to:

1. Keep the merchandise flowing from the storage areas to the shelves.
2. Check the stock constantly to insure adequate quantity and variety of merchandise.
3. Maintain clean, attractive, and well arranged displays.
4. Ascertain that all price marking factors are in adjustment.

The methods used to place merchandise on the shelf are almost as numerous as the number of operations available for study. Store managers should exercise adequate control over shelf stocking procedures. This is particularly important because of the inexperience and high turnover among

30. Portions of this listing are taken from Super Market Merchandising, September, 1955, p. 142.

shelf stocking personnel, many of whom are of high school age and who work only on a part time basis. Such factors as rotation, accessibility, facing merchandise, etc., are often treated lightly by these individuals unless they are properly trained. Part time stock clerks should be recruited from the employed members of a community as much as possible. Responsible workers who need additional cash to maintain their standard of living are the most desirable. This is not meant to preclude hiring of teenage youths. If trained properly, they can become useful members on the store team.

Rotation

To those familiar with the food industry, the word rotation needs no explanation. To those unfamiliar with the word, it simply means placing the older stocks of merchandise to the front of the shelves so that it will be sold first. Following are some of the points which should be kept in mind concerning the care and handling of merchandise in relation to rotation.

1. Perishable groceries (cereal, candy, bagged coffee, packaged cheese, etc.) should always be rotated by putting the new stock behind the stock already on hand.
2. Creamery and bakery products should be rotated unerringly.
3. Semi-perishables (soap, cleansers, some canned goods, etc.) should have the old stock moved to the front periodically. Usually this is done in conjunction with the cleaning process.
4. All broken packages and "swells" should be removed from the shelves immediately when noticed.

Accessibility

It is well to remember that "A woman's buying power is measured by the length of her arm". Light weight items should be on the higher shelves and heavier goods on the lower shelf. A woman hesitates to lift heavy items from above waist level.³¹ Also in this respect, breakages will occur less frequently if light weight articles are given top shelf positions.

Facing Merchandise

Facing merchandise is often necessary to improve the appearance of the shelf or to give the space allotted for a particular item a full look. Slow moving merchandise is often "faced" to give a full appearance, since re-ordering such merchandise is not necessary on a daily or weekly basis, but only when a full or half case will fit on the shelf. Labels should be facing the customers and the items always neatly stacked.

Also, when low stocks cannot be replenished, which is bound to happen even in the best run stores, it is well to "face" merchandise. This is especially effective on lower shelves, where items are out of sight after the first few rows are sold.

"Facing" merchandise as a regular day to day practice, however, is not recommended. In this respect it is a waste of time; time that could be devoted to stocking the shelves. This device is no substitute for well stocked

31. Receiving, Warehousing, Stocking, The University of Texas, Texas Education Agency, p. 47.

shelves but it is a desirable function for emergency situations that arise occasionally.

Cleanliness

All shelving, whether new or old, should be kept as clean as possible. Under pressure of doing business, this important function is often neglected. The majority of women run immaculate households, therefore, they are immediately aware of the condition of store fixtures, shelving, etc. Many shoppers are instantly repulsed by unkept shelves and merchandise. Since housewives are our most important customers, it is of paramount importance that they be pleased with the store's housekeeping. A damp cloth or feather duster on the stocking trucks, used to clean each shelf before merchandise is placed thereon, can do much to solve this problem. That such a minor task can result in sales gains or losses seems incongruous. Nevertheless, it is true. Controlling the many little facets of the operation will prevent large problems from occurring.

Dented Merchandise

Dented merchandise should be removed from the shelves as soon as it is discovered. Although the denting of a can does not affect the contents, unless the can has been pierced, the appearance will be unsightly to customers. Dented or broken merchandise can also reduce the sale of the regular unmarred merchandise.

Merchandise that is dented or disfigured can be (1) sold to employees at a reduced rate, (2) dumped in a bargain display, (3) or given to charity.

Arranging Stock

How to arrange stock on shelves is a last consideration in shelving. Some of the principles to be observed in good shelf arrangement are:

1. merchandise arranged within reach.
2. merchandise arranged within sight.
3. shelves kept well stocked.
4. stock arranged neatly and kept clean.
5. related items grouped together.
6. rotation of stocks.

Methods of Operation

Methods of shelf stocking concerning the listing or calling forth of items also vary. The three most common methods currently in use are:

1. inter-communications systems
2. complete listing by one responsible employee
3. sub-dividing responsibility to employees.

Inter-communication system. This method of stocking shelves consists of a portable receiver and mouthpiece with an extension wire carried by the floor man. When plugged into one of many outlets on the selling floor, a bell rings in the cellar or back room. As soon as attention is gained at the other

end, the floor man starts at one end of a section and calls off all the items needed for that section. After one section is completed, he disconnects the circuit and proceeds to another section. As the message is received at the other end, the items needed are marked with a grease pencil and pulled for price marking or direct shipment to the selling area if the items are pre-marked. The stock in the storage area is arranged to correspond with the particular sections on the selling floor. This method is very efficient and it saves valuable time. Misunderstandings are held to a minimum and there is no paper work involved.

Complete listing by a responsible employee. A responsible employee, preferably the assistant manager or a head stock clerk should be held accountable for the complete listing of needed items for the shelves if this system is used. Under this system, the individual so designated makes a systematic tour of the store, listing the items that need replenishing. As he finishes a section, he can send the list to the storage area and have it pulled by the cellar man or back room personnel. As he continues to list the remainder of the store, the merchandise already listed can be pulled and sent to the selling area for stocking. In this manner a continuous operation is attained until the store is fully stocked. Spot checks of shelving may be necessary on busy days, especially in fast moving sections, such as paper goods. When completed, the lists should be returned to the individual making the lists so that out-of-stocks can be noted. An example of the listing sheet is illustrated in Figure I.

1. The first part of the document is a list of names and addresses of the members of the committee.

Figure I

Commodity	Size	Full Cases	Half Cases	Out of Stock
Kelloggs				
All Bran	8 oz.	2		
Corn Flakes	10 oz.			✓
Sugar Jets	8 oz.		1	

Sub-dividing responsibility to employees. With the sub-division system, individual employees are assigned specific sections or gondolas. It is their duty to keep the shelves well stocked and their areas clear and uncluttered. The individual lists, pulls, marks and stocks his own merchandise, unless, of course, the merchandise is pre-marked.

This arrangement works well, but a close check should be maintained to ensure that the work load is distributed evenly. Members should also be rotated periodically until all personnel are acquainted with the type of merchandise handled.

Meat Department

In 1955, nearly four out of every five new super markets (78 percent) opened with the meat department completely self-service. Twenty-one percent offered partial self service and one percent was completely service.³²

³². Super Market Institute, Op. Cit.

The high percentage of self-service meat departments indicates that full cases are as important to the meat department as full shelves are to the grocery department.

The stocking or displaying operation of a meat department includes carrying the meat from the scaling or wrapping tables to the display cases, or from the holding coolers to the display cases. It also includes arranging the packages in the case, rearranging them, rotating merchandise, removing out-dated, discolored, torn or leaky packages and returning them to the cutting or packaging room.

Meat departments differ in layout, therefore, stocking procedures for individual departments vary in degree. Self service meat cases can be stocked either from the front or the rear.

Front feed. Personnel stocking the display case from the front are required to walk around the end of the case in order to get to the "work area". Carts or specially equipped trucks are used to transport the meat from the wrapping area to the front of the case. This is usually the procedure if the cases are located flush against the wall with no access from the rear.

In other operations, namely the ultra modern "rolling cold" type, the trays are simply balanced back of the display case and the individual doing the stocking reaches over the case and arranges the meat accordingly. Front end stocking is advantageous in that the person doing the stocking or rearranging of the merchandise sees it as the customer does. As a result, a neater display is often the result, with labels facing the customer and "upside

down" labels held to a minimum. One disadvantage is that interference with customers is likely to result on a busy day.

Rear feed. Rear loading cases are common to the perishable departments except for dairy and frozen foods. In the meat departments of today the use of rear feeding is widespread.

Theoretically, rear feed offers an improved merchandising method. Cases can be constantly restocked and kept in top condition throughout the day without interfering with the customer as she makes her selections.

Many new stores have not only rear feed meat cases but also open or glass front prepackaging rooms. By linking prepackaging with rear loading, restocking becomes relatively easy and probably more efficient.

There are a few objections to rear feed operations. Primarily they focus on the difficulty of reading package labels upside down when checking dates and weights. Many meat men, by force of habit, still go around to the front of the case to do stocking in a case designed for rear feeding. Another objection to the rear feeding principle is that merchandise should be displayed and set up as the customer sees it from the front.

Mirror-back cases, with the processing rooms directly behind them, are usually fed from the rear.

Open end cases, incorporating the "rolling cold",³³ equipment are also

33. Rolling cold designates conveyors running from the processing rooms in recessed refrigerated aisle about one foot deep.

stocked from the rear. Both type of operations can be arranged more satisfactorily from the front.

No one system of stocking meat cases is used exclusively. Both systems are invariably integrated to obtain better results in displaying the merchandise effectively.

Rotation. Rotating merchandise in the meat department is extremely important. Super market operators are proud of their self service meat departments and they are continually striving to keep the meat as fresh and presentable as possible. The best method of attaining this, all factors considered, is to rotate the merchandise whenever possible and practical to do so. This process includes inspecting the meat, noting the code, and placing it in a position where it is likely to be picked up first. Merchandise that is turning black should be removed. Unsightly or bloody packages should be sent back to be rewrapped or reprocessed.

The restocking process is considerably curtailed on Saturday afternoons if the store is not open for business on Sunday. At this time, there is greater emphasis placed on special orders to hold down weekend storage of retail cuts.

Cleanliness. Little need be said about this subject except that its importance is magnified a hundredfold in the meat department. Dirty cases attract insects, especially during the summer months. The cleanliness factor alone can ruin the reputation of a meat department and eventually the entire unit.

Produce Department

Stocking produce (also meat) necessarily incorporates the fundamental techniques of display. It is not enough to simply load up a produce rack. Displays can change the character and overall appearance of a chain food store. The look of glistening freshness that is associated with well-run produce stands is not easily obtainable. Restocking displays must be done carefully, quickly and efficiently. It is essential that all displays be as attractive as possible. Freshness - the key to top volume in produce - must be closely guarded. Items must be rotated regularly to insure a fresh product for every shopper. Mixing old merchandise with new is not the solution for a high sales volume or low inventory at the end of the week. Off-quality stock must be pulled quickly - - particularly when items are prepackaged. A bad item in a prepacked carton or tray ruins the sales of that unit, therefore, it must be pulled and repacked to prevent a complete loss.

Whether set up on refrigerated racks, dry racks, ice racks or in a special display, produce should be arranged and restocked for best appearance. Color contrasts should be considered and exploited as much as possible.

Refrigerated racks can be stocked more abundantly than dry racks due to the holding quality of merchandise under refrigeration or kept cool by ice.

Dry racks are, in many cases, "dummied" to give the effect of mass. They should be restocked often with less amounts of merchandise to maintain a high degree of quality.

Turnover is very important in the produce department and the produce clerks should continually rotate their merchandise.

Customers often "catch on" to the rotation procedures used by the various food chains. Such customers continually select their produce from the rear of a display. In this case, a leveling effect should be instituted with fresh looking, desirable merchandise kept throughout the display ribbon. Off quality merchandise, as mentioned previously, should be pulled quickly to insure a high degree of turnover.

As in the meat department, produce racks are either rear feed or front feed. Mirror-back cases should be stocked up to the mirror in an orderly fashion to achieve the best results.

Regardless of what department is involved, the question of how many sales are being lost due to low stock and stock outs is one deserving careful consideration. It is obvious to any super market operator that no shelf or case can be kept fully loaded at all times. However, it is equally obvious to most operators that there is, today, a great opportunity in virtually every store to improve on the stocking techniques and methods used at present.

Many of the techniques used are an integral part of the store. One eastern chain has incorporated the use of gravity fed shelving to help solve their

problem. Another large chain company places its bottom shelf of merchandise on its side. Still others use techniques that to them are practical and worthwhile.

Whatever systems, methods or techniques are used, they should be used according to sound merchandising principles.

Finally, store managers should realize that shelf space is contracted and expanded with greater effort given to expediency rather than overall effective merchandising. Shelves should be periodically inspected and re-aligned according to sound merchandising principles.

Attractive displays and well stocked shelves are the "silent salesmen" of the self service super market. These salesmen must be fed, kept clean, and properly dressed if a retail food unit is to survive.

CHAPTER V

Housekeeping, Care and Maintenance

Modern merchandising encompasses more than ordering, receiving, price marking and stocking. It includes every relationship between a store and its customers. The subjects discussed previously in this thesis were primarily concerned with placing highly attractive and desirable merchandise at the fingertips of the consumer. Naturally the process does not end at this point. The operation, in itself, is not completed until the customers has left the store, and to go a step farther, until she has returned time and time again. This latter action can only be achieved if the customer is "taken" with the store. The initial impression made on a customer can be the most important. It is axiomatic that the first impression is a lasting one, and this is true of a customers first contact with the retail outlet. Any succeeding contacts, resulting from this first impression, will bear testimony to the fact that she is satisfied with her choice of a shopping unit. This satisfaction can be the result of personal contact with friendly employees, reasonably priced merchandise, well stocked shelves, clean surroundings, etc.

Customers are seldom aware, and often care less, about the physical effort, time and money spent in their behalf. This is as it should be. Except

in rare cases, the "behind the scenes" activities are completely foreign to the customers of a particular unit. Their patronage is reward enough, and all the effort expended has this patronage as its final goal. This continued patronage requires pleasant surroundings, spotless fixtures, and clean merchandise. Above all, the absence of elements or situations that are distracting or annoying must be eliminated. Littered floors, congested aisles and unsightly aprons on personnel must be avoided at all costs if a particular unit hopes to gain in popularity with its clients. Slippery floors and other hazardous situations can result in costly law suits and ultimately lead to unwanted publicity and the loss of prestige and reputation. Bearing in mind that all other factors are of prime importance, it is also evident that the above situations or dilemmas can be avoided through an effective and efficient program of housekeeping, care and maintenance.

Proper housekeeping, care and maintenance results in more efficient operation and more effective selling space. Increased variety is thus possible, which in turn gives birth to higher sales volume and better profit margins which in turn benefit the store and the customers as a whole. This completes the circle of the customer entering, happily shopping, leaving well pleased and returning. Thus the entire efforts of the combined store staff have been facilitated through this important phase of the operation - housekeeping, care and maintenance.

We have learned from modern psychological research that the physical senses, particularly the auditory, olfactory, visual and palpus nerves are

acutely affected by the environment and these effects, in turn, determine patterns and judgments. It is the exceptional store in the exceptional neighborhood that manages to continue operating in the midst of clutter, dirt, refuse and disorder. A study of why such a store remains in business would undoubtedly reveal circumstances of a sociological nature such as foreign populace neighborhoods, low income groups, minority housing sections and isolated areas.

We are living in a time period that has been labeled many "ages"; so for the writer's own purpose we shall call it the age of motivation. People, it has been discovered, do things for some definite, pre-determined reason and this fact could be used to great advantage in the great business world. Smart indeed is the management that considers this in deciding the location, architecture and decor of its stores.

Once the stores are completed and are functioning smoothly, as was anticipated, the task is to see that the physical qualities which have attracted the customer are maintained at every level; from the cleanliness of the windows to the always right temperature of the refrigeration system.

Planning the Program

The formulation of general housekeeping, care and maintenance policies is naturally a responsibility of top management or headquarters personnel. It would be foolhardy to allow each unit to set up its own practices and standards, just as it would be disastrous to allow each individual store to carry out its own pricing and personnel problems. Headquarters must assume the responsibility for the overall policy and the methods recommended

for the implementation of that policy. The execution of the policies will naturally be the responsibility of the store manager and his department heads. Included in this zone of accountability should be the district supervisor or branch supervisor as the case may be.

The headquarters staff has available to them all sorts of written material on maintenance and up keep through store engineering firms, fixture manufacturers and government publications. This information should be assembled, digested and evaluated. From this should result a set of housekeeping procedures applicable to the particular company's needs. The staff will undoubtedly work with the original department responsible for the selection of equipment and fixtures so that the purchases will be executed wisely with the aim of ease of maintenance and care in mind. Only if top management actually feels the importance of good housekeeping, care and maintenance will such a program be successfully assured. The policies concerning equipment, its maintenance, and the maintenance of the area surrounding it, must be an integral part of the whole philosophy of the company. In this way the policy of proper housekeeping will be embodied throughout the whole organization - right down to the newest stock boy. As a new employee is hired, he will be taught the company's operating procedures including housekeeping, care and maintenance. He will see them written in manual forms, and being acted upon faithfully by each employee in his own capacity.

When planning such a program, it will be necessary not only to set forth policies and procedures but also to educate and even indoctrinate the store employees to their use and importance.

Organizing the Program

Organizers of a program of housekeeping procedures should keep in mind the fact that all policies so prescribed must be within the scope of the persons so delegated to carry them out. In reference to this point, minimum requirements as well as maximum requirements should be set forth. Veterans in the food industry realize all too well the limitations that the pressure of doing business places upon the managers shoulders. He is not a technician, therefore, a competent and reliable staff of maintenance experts should be at his command. Keeping in mind the above, the most important jobs in organizing are:

1. to assign areas of authority and responsibility on a sensible and pragmatic basis.
2. to "sell" the program to all employees.
3. to furnish proper maintenance equipment to all stores so that required standards may be policed on a chain-wide basis.

Delegating authority and responsibility. Delegation of authority and responsibilities should follow the regular organizational pattern; that is, passed from headquarters to supervisors, to store manager, to working personnel. Responsibility should be enacted from all these levels for the proper

execution of maintenance duties and for high standards of achievement. An overall program should be designed at headquarters - - lower levels should not be held responsible for the program or the contents of a manual. They should be held responsible for achieving whatever standards are set forth. If a program ultimately fails, its failure could just as easily be the fault of the headquarters.

Areas of responsibility should be assigned by departments. The meat managers and meat specialists should be responsible for a particular meat department and so on for the rest of the unit. Department heads will naturally assign the necessary duties to subordinate employees and arrange for just and equitable distribution of such duties. Above all, the wholehearted cooperation of everyone concerned should be insured.

Selling the program. Selling the program to the employees is another headquarters and supervisory responsibility. This cannot be accomplished unless supervision itself is sold in advance. Treating this area of operations lightly usually results in serious repercussions. Once all supervisory personnel are "sold", it is their duty to influence the store managers and their department heads. Portions of regularly scheduled management meetings could be allocated to this subject. A project to sell work level employees on proper maintenance and procedures could be accomplished through already established channels. Such factors as suggestion boxes, posters, and regular "back room talks" could be used to successfully sell the program to employees. Once started, a selling program must not be allowed to diminish in

importance. Employees must be continually reminded personally by the manager or his department heads. Delegating this function to a subordinate may cause it to cease upon his promotion, transfer or separation. The activity of "keeping things looking right" will be in serious competition with other work functions. As mentioned before, the pressure of operations may well result in placing this important phase on the bottom of the list.

Furnishing the tools. Supplying the necessary tools is basic to the operation. Many wasteful make-shift practices are currently being manifested at store level. Aprons are being used to clean shelves, non-foods departments are constantly being raided to furnish screw drivers, sponges and other miscellaneous equipment. Expensive detergents, high priced waxes and other materials are used right off the shelf. Such practices result in poor inventories and lowered profits.

Lighting fixtures, scrapers, screw drivers, proper cleaning compounds, etc., should be furnished on as liberal a basis as possible. It is the writer's opinion that such action will result in increased efficiency, higher morale and increased savings.

Controlling the Program

Effective, continuing control will determine the degree of success of the maintenance and housekeeping program. Housekeeping, care and maintenance is comprised of many simple, repetitive efforts not demanding undue

pressures on the work force. In many cases the work is not challenging and the routine may become monotonous. Mental alertness and physical exertion are important but not demanding.

The danger to the successful accomplishment of this function is lack of effort, insufficient insistence on high standards and the apathy of the employees. The employee must be sold on the fundamental values of housekeeping and the results that it will accomplish. Store employees are no different from other people, they aspire to do great and important things. Cleaning up is often distasteful to them and they consider the work suitable for a janitor. However, people usually learn that the great and important things are composed of many small, seemingly unimportant tasks. The employee must be made aware that the housekeeping efforts required of him have a direct effect on sales, profits and, undoubtedly, his own salary.

The store manager should control the store's housekeeping by periodic inspections - accompanied by the district supervisor - to ascertain whether department heads are recognizing the importance and need of such a program.

Preventive maintenance procedures and schedules can be controlled through the use of a simple check-off chart. Such charts, usually supplied by the maintenance departments or some outside agency, provide a list of the duties to be performed on a periodic basis. Such duties would include oiling motors, checking wiring and electrical outlets, listening for unusual motor noises, checking temperature gauges, etc.

Although many of the factors listed can be checked according to an established routine, it is nevertheless important that this task be performed thoroughly and conscientiously; preferably under the supervision of the department managers.

Field supervisors, or assigned specialists could compare these check lists with the actual appearance of the unit and thus determine the extent of accomplishment. If the unit is found lacking, corrective measures should be taken and the reason for non-compliance carefully studied. Here again the "selling program" may need to be intensified. Special attention to certain areas of activity may be necessary in order to achieve the standards desired.

Periodic store meetings, aimed at improving the overall efficiency of the store, could be held and the importance of this subject stressed to all employees. Favorable results can also be achieved through the use of safety posters and other printed literature relating to this function.

Once the program has been planned, organized and implemented, the task is not finished by any means. As mentioned previously, many of the duties are considered menial tasks. This must not in any way minimize their importance. Management must continually re-plan, re-organize and re-implement the program. Keeping particular units under scrutiny, continually impressing the personnel and taking corrective measures where necessary must be accomplished if increased sales and customer satisfaction is to be achieved. Areas of weakness must be strengthened and employee attitudes must always be kept in mind. Labor expended, supplies used, etc., are all

part of overhead expense. In reality it is an investment. An investment in future sales, increased profit and smooth running machinery.

The writer wishes to reiterate that a fair and equitable assignment of duties must be undertaken if high morale is to prevail. Nothing is more shattering to a person's ego than the feeling of being "picked on" or not being thought of as capable enough of assuming any duty other than "cleaning up".

Breakdown by Departments

A housekeeping, care and maintenance program must naturally be adaptable to each department. Basically it is guided by a set of general principles which are, in turn, applied specifically to each department. In this manner its implementation can be facilitated by approaching the employee through his particular department. Such a program serves the dual role of encouraging the employee to feel proud of his work area, while inducing him to cooperate with others whenever necessary for the good of the whole.

Before a department breakdown is set forth, however, it will be necessary to discuss briefly the role of the maintenance department as a separate entity. Its functions encompass the entire unit and are primarily concerned with operations and repairs beyond the control of the store manager.

These complicated repairs and preventive maintenance procedures are accomplished through the use of a maintenance department. Most food chain companies operate and staff their own departments as an integral part of the organization. Others negotiate contracts with outside firms wherein all

heavy repairs and preventive maintenance procedures are executed on a contract basis. A combination of the two policies is often evident in that store managers are authorized to contact local repairmen in event of an emergency.

A program combining emergency and preventive maintenance is, in the writer's estimation, an ideal program. This can be greatly facilitated by centralizing and systemizing the maintenance operation; which in turn will enable the chain to cut costs and realize increased efficiency. Companies operating in such a manner could work out of a central base, strategically located so as to minimize the distance to any one store. Because of the distance separating most stores (especially in a suburban area) a company realizes that getting maximum results from each service call is of paramount importance.

Under a system such as this, a maintenance employee called out on an emergency would phone the central office after completing his original assignment. If there are no additional emergencies, he can perform a pre-determined preventive check at the same unit. If an existing emergency demands his attention during this time, he leaves immediately and completes the check when he is again called to the area. If he is not summoned to another emergency he can proceed to regularly assigned stores and complete his preventive maintenance schedule. This cycle should be completed at least once every quarter or oftener as conditions dictate.

Regular maintenance crews usually handle the necessary repairs on refrigeration units, electrical equipment, such as air conditioning and heating

systems, plumbing and general carpentry. In addition, it is often their responsibility to transfer equipment from one store to another.

Excluding major repairs, an average preventive maintenance check list would include:³⁴

1. Oil motors in refrigeration units, fans, heaters, air conditioners, compressors, etc.
2. Clean condensers in refrigeration motors.
3. Inspect machines incorporating belt systems to see that the belts are not frayed or badly worn.
4. See that refrigeration equipment is working properly and maintained at proper temperatures.
5. In summer, check air conditioning systems and make certain that correct room temperatures are being maintained.
6. Clean air filters in air conditioners and heaters.
7. Replace any burn-outs in outside floodlights or inside light fixtures, also check for defective wiring and maintain a ready supply of fuses where they can be easily located.
8. Inspect faucets, piping, traps and toilet bowls for leaking and congestion.
9. Be constantly on the lookout for signs of rodents and pests. (Refer any findings to the store manager and subsequently to pest control unit or agency servicing the chain.)

34. List partially taken from Chain Store Age, "Maintenance Programs that Work", October, 1955, p. 212.

10. Leave further instructions and suggestions with the manager as the case may be.

General responsibility. No matter how effective and complete may be the help supplied by the company or outside agency for inspection, preventive maintenance and repair service, store managers know that definite responsibilities rest with them regarding good housekeeping and daily inspections. Store level personnel have definite responsibilities to (a) follow through on daily housekeeping and close inspection of operating equipment and (b) to meet simple situations which call for intelligent action by department heads, assistant managers, etc. Good housekeeping and regular checkups by trained personnel are the best assurance against breakdowns, fires and expensive replacement bills. "An ounce of prevention is worth a pound of cure" applies very well in this case. Periodic inspections will often uncover dangerous signs of wear and tear on equipment and fixtures. Bringing minor deficiencies to the attention of an expert will result in corrective action being taken; thereby preventing a major breakdown at a later date.

The following points posed in question form should act as a guide for all store managers.

1. Is there a systematic program of housekeeping, care and maintenance currently in force?
2. Are daily inspections of machinery, equipment and rest rooms being made?
3. Are legible typed or printed lists of telephone numbers of company maintenance departments, after hour service contacts, and contract service firms posted in a conspicuous spot?

4. Can the police and fire departments be summoned immediately?
5. Is every department head familiar with company maintenance instructions (also as to what, where and when to report for emergency help or for routine checkup and repairs)?
6. Are requests for needed service, repairs or fixtures changes written up immediately or are they allowed to drag out until "you get around to it"?
7. Are personnel educated to the fact that proper housekeeping, care and maintenance procedures will prevent accidents, fires and breakdowns?
8. Are employees (primarily full time) trained to cope with emergencies such as power failures and fires?
9. Is company policy and instructions being followed in all respects concerning housekeeping, care and maintenance?
10. Are clean-up personnel, such as porters, aware of the damaging effects of strong detergents and their effects on walls, gondolas, etc?
11. Do employees realize, or are they made aware of the fact that a clean, well cared for store means better sales records and ultimately greater benefits to them?
12. If safety news bulletins and other instructions regarding cleaning news and contests are disseminated to the stores, are they properly posted?³⁵

35. Chain Store Age, "What Can Managers Do To Hold Down Maintenance Costs", December, 1955, p. 46.

It is not enough that super market personnel have a knowledge of how to prevent accidents and properly police a retail unit - - the knowledge must be translated to action. This can be accomplished by setting forth sound personnel policies and efficient operating procedures. The writer advocates supplementing these requisites with contests, bulletins, training courses and frequent briefing of store employees.

Following is a breakdown of specific areas and responsibilities according to departments. Non-foods, dairy and frozen foods, for the purpose of this thesis, will be regarded as a part of the grocery department.

Grocery Department. The grocery department occupies approximately 60 percent of the selling area of a food store. Included in its dimensions are hundreds of square feet of shelving and gondolas that contain thousands of items. The personnel assigned to keeping this department clean and uncluttered often find their work area extended to all parts of the store. From an almost traditional viewpoint, meat cutters and produce clerks seldom operate outside their respective work areas in respect to housekeeping, care and maintenance. Therefore, the grocery personnel are assigned to work "areas" rather than the grocery department, as such.

Such areas normally include the front end of the store, the checkout booths, the front office, sidewalks, parking lots, cellar or backroom areas occupied by dry groceries, the dairy room and dairy cases, frozen food cases and the frozen food storage areas (in some instances) conveyors, restrooms,

stairs, windows, the selling area designated as the grocery area and other miscellaneous areas normally cleaned by the regular clerks.

Meat Department. The meat departments of most stores are so situated (usually along one wall) that their area is clearly defined and set apart from the regular grocery and produce selling areas. It occupies all the area behind the meat cases including the cutting rooms, sealing and wrapping areas, refrigerated storage rooms, meat walk-in freezer compartments and the meat receiving area. The above areas are usually positioned in one compact location to better facilitate the receiving, storing and preparation of the products handled. This department is maintained by the meat manager and it is his responsibility to keep it clean and functioning properly. In many chains he is held accountable to the general store manager.

Produce Department. The produce department, under the jurisdiction of the produce manager, includes the area on the selling floor occupied by the racks, tables or gondolas used to display fresh fruits and vegetables. It also includes the refrigerated storage areas and that part of the back room used for trimming purposes. Due to the perishable nature of the merchandise and the wetness associated with many leafy vegetables, extreme caution should be exercised in handling produce and the containers used in transporting the items from one location on to another. Wet floors, cluttered aisles, etc., are ever present hazards to the consumer. If this area is allowed to go unattended for more than an hour, the possibility of an accident occurring is magnified. In the process of selecting merchandise, customers inadvertently drop merchandise,

brush against displays, etc. If a cluster of grapes accidentally falls, it is not being facetious to imagine twenty lawsuits rolling in all directions.

The housekeeping, care and maintenance of these departments are the direct responsibility of the store manager and his department heads. It is the duty of every individual employed in the market to cooperate with their immediate supervisors so that their work load will not become unduly burdened with the execution of their duties in this respect. Each individual should take pride in his appearance and the appearance of his immediate work area. Pride of workmanship and conscientious effort are necessary traits needed for this accomplishment.

In concluding this particular section, the writer wishes to point out that the large investment in a modern food store and its fixtures demands that an intelligent maintenance program be planned, organized and controlled. Protection of the heavy investment in buildings and fixtures would, in itself, be sufficient reason for such a program. Other reasons for such a program would include reduced spoilage, increased efficiency, higher levels of employee morale and higher profits. Proper training procedures must be adapted and the responsibility for the overall program must be pin-pointed at the various levels of the organization. The food industry has entered the age of customer service. A clean, well maintained store can offer better service in terms of pleasanter shopping trips, confidence in merchandise quality, and lower costs through increased efficiency.

Safety and accident prevention. Housekeeping, care and maintenance, safety and accident prevention are intrinsically related. Every food store, no matter how big or small, needs to protect its customers, its employees and the very business itself against unnecessary accidents. They happen all too frequently, and in most cases are preventable. According to the National Safety Council the risk of a customer or an employee being injured is from two to four times as great as that evidenced by the employees of many big steel mills.³⁶ Falls account for over one-half of all types of food store accidents.³⁷

Many accidents can usually be traced to poor housekeeping in the store. The following check list, in question form, can be used as a guide for instructing employees in accident prevention. Strict adherence through cooperative effort should result in check marks being placed in the "YES" column only. In the final analysis, it is every employees responsibility during the course of his work to check any areas of the store that could be danger spots. It does not take much time - - just a little added effort. This check list should act as a reminder to all personnel.

	YES	NO
1. Is floor free from:		
a. produce	_____	_____
b. dirt and rubbish	_____	_____
c. gum	_____	_____

36. Due to the fact that heavy industries have a planned accident preventive program.

37. Progressive Grocer, "Be Sure Your Store is Safe", January, 1956, p. 97.

	YES	NO	
d. water	_____	_____	
e. excess oil or wax	_____	_____	
f. defects (holes, loose boards, etc.)	_____	_____	
2. Are the following areas swept regularly:			
a. entire store (twice daily)	_____	_____	
b. around produce rack (every hour)	_____	_____	
3. Are aisles free from unattended:			
a. stock trucks	_____	_____	
b. cartons	_____	_____	
c. baskets	_____	_____	
d. crates	_____	_____	
4. Are floor displays:			
a. safely placed	_____	_____	
b. safely built	_____	_____	
5. Are shelves safely stocked	_____	_____	
6. Is sidewalk free from:			
a. dangerous holes, irregularities, etc.	_____	_____	
b. rubbish	_____	_____	
c. ice and snow	_____	_____	
7. Is parking lot free from:			
a. glass	_____	_____	
b. rubbish	_____	_____	
c. ruts	_____	_____	38
Total			

This check list, although not all inclusive, could be supplemented by additional items. This listing applies primarily to the selling area and is designed specifically for the safety and welfare of the stores' customers. Other lists could be compiled for separate departments or specific work areas

38. Progressive Grocer, "How Safe Is Your Store", January, 1956, p. 102.

depending upon the discretion of the store manager or company policy as a whole.

Three well-known chains believe that more than 70 percent of employee and customer accidents result from the workers failure to follow simple safe work practices and good housekeeping in sales, stockroom and other work areas of the store.³⁹

In order to cut the cost and consequences of accidents in food stores, the personnel and safety departments should actively campaign for greater awareness and training dealing with this particular problem. Store managers and department heads should be constantly alerted to the reasons for efficient housekeeping. They, in turn, through the development of careful work habits, can indoctrinate their employees concerning the vital need for the elimination of sloppy, careless on-the-job practices. A simple plan for daily store inspection would remove hazards and overcome careless work habits. A safety program must be set up and carried through the year.

Getting a safety program "off on the right foot" can best be accomplished by incorporating it into the regular orientation and training program used for new employees. New employees are impressionable and the importance of safe work habits, elimination of hazards and proper housekeeping procedures should be impressed upon them as soon as possible.

39. Chain Store Age, "Safety Programs That Cut Costs", November, 1955, p. 269.

CHAPTER VI

Conclusion

Many revolutionary changes have taken place in the food industry during the past twenty-five years. New methods of operation are continually being incorporated into the overall function at all levels of activity. The increasing costs of labor, materials, advertising, etc., necessitate a high degree of operating efficiency.

The role of the store manager has been expanded to include many new supervisory functions, therefore, delegation of responsibility is necessary in respect to the actual physical operation of a super market. Such activities as ordering, receiving, storing and price marking are becoming at least semi-specialized. In many cases, due to improved operating procedures and new materials handling equipment, specialization is becoming more prevalent.

Ordering merchandise is becoming a systematic process based on facts derived from past sales records. Hit or miss procedures based on hunches or speculation can no longer be tolerated as such. An element of risk and uncertainty will always be present. In the grocery department this risk can be nullified to a great degree by periodic readjustments of inventories. Ordering perishable merchandise will no doubt remain a challenging factor in retail food distribution. However, such processes

and facilities as prepackaging, improved refrigeration equipment, larger storage area for frozen products, etc., will reduce the risk involved considerably. The increasing use of such innovations as teletypewriter service at the retail level plus improved transportation facilities will also minimize the possibility of loss through spoilage and deterioration. In the not too distant future, radiation with all its wonders may also solve many of the problems currently evident in the perishables department.

Receiving, storing and price marking procedures are continually being improved. Conveyor belts are now considered standard equipment. Material-handling devices are becoming familiar sights at the retail outlets. Companies currently operating in a "conventional" manner are gradually changing by incorporating improvements such as telecommunications systems and palletized loads into their operation.

Shelf stocking is being improved through the use of adjustable shelving and gravity fed dispensers. Gondolas and stock bins, in many instances, are affixed to mobile carriages to make the restocking or moving of displays much more efficient.

Housekeeping, care and maintenance procedures are being improved through the use of electrical devices such as floor waxers and buffers. Timing devices, automatic control mechanisms and foolproof locks, etc., are making this important function easier to control.

The list of new or proposed improvements currently being contemplated is almost endless. Each passing day brings new ideas and new methods. The retail food outlets are becoming spectacular showplaces that reflect

the ingenuity and wonderful restlessness that is typical of the American business scene.

Amidst all these wonders, the basic fundamentals of retailing are being conscientiously fostered. Sound merchandising policies, spotless surroundings, preventive maintenance procedures and the effective utilization of manpower are contributing to maximum efficiency, thereby insuring success and future expansion.

No single factor will "make or break" an operation; but nevertheless, every single factor must be considered. A clean floor accentuates an attractive display; effective utilization of manpower and equipment cuts labor costs and increases profit; legible price marking builds customer confidence and a friendly atmosphere increases customer satisfaction and improves employee morale. These and many other factors, both physical and psychological, have made the super market an American institution that the members of the food industry can be justly proud.

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