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AN INVESTIGATION OF SALESMANSHIP AS PERTAINING
TO THE SUPERMARKET BUYING FUNCTION

by

Robert Brammer Elten

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

1958

Approved: E. C. Brand

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Statement of Problem

The art of selling and of buying merchandise in the food industry today, has become very complex due to the introduction on the market of thousands of new products annually. In view of this increased competitive situation, the problem exists for the food manufacturer to better equip and train his sales staffs with the tools and sales knowledge needed to do an effective selling job.

The buying organization of the large supermarket operations presents a problem to the manufacturer in that the buying committee is the "decision-making" body in this organization, and the manufacturer is not able to make direct sales contact with this important committee. The manufacturer or seller needs to know more about the operation and importance of the buying committee in the supermarket buying function.

In light of the findings of an investigation of the supermarket buying function, the seller should tailor his sales presentations to the "buyer's interest." Sales presentations should not be "canned" but should possess individuality to conform to the needs of the customer being sold. The problem is to determine what constitutes an effective sales presentation.

Procedure

The bulk of the data for this thesis was obtained by personal interview either by the writer or by the 1957-1958 class of Food Distribution students at Michigan State University. This data were supplemented by personal correspondence and information from the many trade journals and publications which serve the food industry.

An investigation of the supermarket buying function has been conducted as pertaining to the duties of the grocery buyer, grocery merchandiser, and the buying committee. An analysis has been made on the interrelationship between these three integral parts of the supermarket buying function as it affects the salesman.

Case studies have been presented on three types of buying organizations; chain, voluntary, and cooperative. This material has been designed to familiarize the salesmen with the buying procedures of these organizations so that they can better plan and prepare more effective sales presentations. Selected portions of a tape recording of a buying committee in action have been presented and analyzed in terms of what criteria the committee uses in determining the acceptance or rejection of a product.

Material has been presented on the type of salesman that is needed today in the food industry. The importance, and how to achieve, good buyer-salesman relations have been

discussed primarily in terms of what the buyer expects of the salesman. The seller's sales presentation has been analyzed in terms of its content, style, and ability to effectively communicate to the buying committee.

Summary of Findings and Conclusion

The investigation has shown that the buying committee, as used by the majority of the large chains, has one distinct advantage serving the best interest of the chain, in that the committee acts as an impartial body when weighing the relative advantages or disadvantages of a product. One distinct disadvantage of the buying committee is that the committee may be very cumbersome as respects quick decisions.

The findings disclosed that there is a tendency towards the smaller committee and that the primary reason for the existence of the buying committee is to relieve the sales pressure which is exerted on the buyer.

Products which stand the best chance of winning buying committee approval are those that are presented with a properly completed new product form and a supplementary data sheet which is short, simple, and concise.

The investigation has shown that although the buying committee may be the "decision-making" body in most instances, the salesman should never underestimate the

ROBERT BRAMMER ILTEN

ABSTRACT

importance of the buyer as the buyer is the dominant personage on most buying committees.

Interviews have revealed that salesmen should recognize the fact that customers are not alike and that they should be sold as individuals; sales tools and methods should be tailored accordingly.

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

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A very special vote of thanks is reserved for the writer's wife, Pat, and our four children, Mark, Marsha, Joel, and Joan. This thesis is dedicated to this wonderful family for the "quiet hours" they so generously provided during the past year.

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CHAPTER I

INTRODUCTORY MATERIAL

The Problem and Need for Solution

Food manufacturers and processors have found it increasingly difficult to sell their new products to food retailers, yet this is a task that must be accomplished if the manufacturer or processor is to succeed. The manufacturer, realizing that new products have a profound importance to his company, is very concerned with this problem, in fact, he knows that new products can actually realign the standings of giant companies in the food industry.

Surveys show that the median number of grocery items stocked in supermarkets today is approximately 5,000. If a chain or supermarket organization accepted all the new products offered to them each year, they would acquire a number almost equal to the complete stock of the average supermarket.¹ Under these conditions, shelf space is at a premium and the food manufacturer is forced to adjust his selling methods if he is to realize his fair share of the market. This can be done by a better understanding of the supermarket buying function as it exists today.

¹An address by Mr. John A. Logan, President of the National Association of Food Chains, to the annual convention of the Grocers Manufacturers of America, Inc., November 12, 1957.

Chain and supermarket buyers are constantly on the alert for profitable new lines, but they are mighty selective in choosing them. To accomodate the promising new products, a constant weeding out process is necessary and the slow movers in current stocks are eliminated. Along with his regular duties, the grocery buyer is faced with the handling of a never-ending parade of new items, more than 6,000 new products annually, which he has to analyze and either accept or reject.² For this reason, the salesman finds that he can no longer take up the buyer's time with social visits, or calls to merely check on the progress of an item which had been previously submitted. The buyer's tight schedule demands that sales calls be short and to the point, consequently, the manufacturer and his salesmen are faced with the problem of how to effectively utilize the short time they are allotted for sales presentation.

The road to marketing a new product is recognized by the processor to be long and arduous, and most are well prepared to assume the necessary risks to begin the new product on the road to success. The controllable factors are well known and when experimentation, marketing research, and sales management functions have been planned and executed, the product enters the uncontrollable stage of marketing--the realm of another owner of the product. All

²Ibid.

effort is wasted if the new product is barred from this marketing phase and in most retail food companies a "Buying Committee" or a "Buyer" is the "keeper of the keys."

The buying committee can be considered a logical result of the "fight for shelf space" which is being waged with ever-increasing intensity by food manufacturers and processors. The buying committee was created as an aid to the buyer and along with the buyer and the merchandiser, constitutes the supermarket buying function in most of the large retail food organizations. Special emphasis and study will be given to the buying committee as this phase of the buying function is relatively new in the food field.

In studying the buying committee there exists the problem of differences in regulation and organization of the committees among the various retail food companies, to the extent that no two committees are alike. This presents a more difficult sales job to the manufacturer and processor as they are keenly aware that the key people to reach--the "decision makers"--are to be found in these buying committees, consequently, they know that emphasis must be placed in the training of their salesmen to effectively communicate their sales presentations to the buyer in such a way, that these communications will reach through to the buying committee.

New products have played an important part in the expansion of supermarkets; they also are the life-blood of

the food manufacturer. According to Mr. Paul S. Willis, President of Grocers Manufacturers of America, Incorporated, approximately thirty to forty per cent of grocery manufacturer's present sales are from products that were not found on the market ten years ago. He feels that if this rate continues through the next ten years, more than fifty per cent of grocery product sales will be realized from products that are unknown on the present market.³ Obviously, new product competition will be extremely keen, and for food manufacturers to "stay alive" their sales staffs will have to be equipped and trained with the tools and sales knowledge required to do a better than average selling job. The supermarket buying function has become very complex and it is hoped that this investigation will not only aid the manufacturer in selling his products, but also will help him to better understand the food retailers' distribution problems.

Purpose of Thesis

This thesis is directed primarily to the manufacturer and broker salesmen in the food industry, so that they may better recognize the buying problems of the various supermarket operations and consequently, through a better understanding of buying procedures, to do a more effective

³"Three Factors Held Necessary For New Products," Supermarket News, Vol. 6, No. 42 (October 21, 1957), 57.

selling job. Although it will be impossible to determine a sales technique which would be effective for any given situation, this investigation is designed to help salesmen by attempting to answer such questions as:

What are the duties of the buyer and the buying committee?

How does the buying committee function?

Who are the committee members and what are their jobs?

Are buying decisions made by the group or by an individual?

Who makes the decisions as to adding or discontinuing items?

Does the buyer serve as a front to the buying committee?

What are the prerequisites of a professional salesman?

What factors are necessary for a good buyer-salesman relationship?

In an attempt to answer these questions, information will be presented outlining the buying procedures of leading food distributors in the United States. There is a definite need for co-operation between the manufacturer and the retailer in the food industry. This investigation will aid the manufacturer in achieving this co-operativeness through the use of better sales methods which are in harmony with the individual retailer's buying methods.

Method and Scope of Study

The bulk of the data for this thesis were obtained and will be presented by the case method. The case studies

contained herein were conducted by personal interview either by the writer or by the Food Distribution students at Michigan State University. This data were supplemented by personal correspondence and information from the many trade journals and publications which serve the food industry.

The presentation of this material should not be construed as an attempt by the writer to evaluate any one buying organization in terms of superiority. The material is presented for comparison purposes only, and is used in an attempt to formulate better sales methods for the grocery manufacturer. The scope of this study includes an investigation of the buying function of chain, voluntary, and cooperative retail food organizations as pertaining to grocery products.

CHAPTER II

THE BUYING FUNCTION

The first step in the investigation of the buying function will be that area which concerns the grocery buyer. In some organizations, the buying function is performed entirely by the buyer(s), but this is the exception rather than the rule. According to a depth survey of 209 retail food companies conducted by the research department of Super Market Merchandising, sixty-nine per cent made use of buying committees. This same sixty-nine per cent controlled eighty-eight per cent of the stores, indicating that the use of buying committees is more prevalent in the larger companies.⁴ Regardless of whether or not the buyer has a buying committee to aid him, he is still the "key" man in the buying function.

The Grocery Buyer

There is an old saying among food retailers that "goods well bought are half sold." Certainly there is much truth in this saying, and the food retailer who neglects to give the buying function the attention it requires, operates under a severe handicap.

⁴"Inside the Buying Committee," Super Market Merchandising, Vol. 22, No. 2 (February, 1957), 66.

General information. The duties of the grocery buyer have drastically changed in recent years. He is now responsible for the purchase of thousands of different items, approximately twice the amount handled a short ten years ago. Automation has come to the rescue of the buyer, however, which frees him from the routine of too much interviewing and too much ordering. As described by Herbert M. Cleaves, Vice-President of General Foods, "The old-time buyer is gone. In his place is--the distribution specialist."⁵

How does this transition affect the buyer-salesman relationship? It means the salesman as an "order taker" is finished. By studying the needs of the buyer--the "distribution specialist"--the salesman can and must assume a new role--a "merchandising consultant."⁶ The buyer must devote more time than he did in the past in studying the factors which are responsible for moving the merchandise he buys; such factors as customer behavior, display techniques, store lay-out, and methods of stocking merchandise are the more important ones.

Manufacturers and their salesmen have tough competition in the "mechanical buyer," the International

⁵Speech by Herbert M. Cleaves, Vice-President of General Foods, before the 1957 Mid-year meeting of the Grocery Manufacturers of America, Inc.

⁶Ibid.

Business Machines Corporation (IBM) systems and other mechanical methods which automatically place orders based on turnover of stock. The IBM systems are accurate, of course, as far as the data which is fed into the machines is accurate. The problem is, that the machine will order on past records in estimating what may be sold in the next ten days to two weeks. This "mechanical buyer" cannot take into account the predictable elements in ordering, such as promotional activity, price and market changes, et cetera. If the "mechanical buyer" is not properly controlled, there will be a loss in sales for both the retailer and manufacturer due to out-of-stock conditions.

A lot of buying is simply a matter of ordering or arithmetic in that an item is bought once--the first time. This attitude, and practice, saves much time by avoiding repeat interviews, granting them instead only to those salesmen with new items or promotions. This practice can be termed automatic buying and works best for individual items. About half or more of the buyer's inventory would fall under this classification. A manufacturer's line, such as cereals or baby food, still must be ordered; and because of this many leading manufacturers now provide order forms to simplify the buyer's work. Automatic ordering has been an important factor in reducing "outs" to a minimum while simultaneously increasing turnover.

Just how does the buyer spend his time? To obtain a better idea, Super Marketing Merchandising made a study of the private and public lives of 347 buyers. These buyers represent 13,700 stores from the small independent organization right up to the largest corporate chain.⁷ The charts on page eleven show how many hours per week he spends buying, how many salesmen and brokers he sees during an average week, and on page thirteen how much time he gives the average salesman.

Chart I indicates that the buyer spends an average of sixteen to twenty hours each week in actual buying time. What does he do with the balance of his time? To begin with, the word "buyer" in many cases is actually a misnomer. The buyer is also a salesman as he is constantly selling his ideas to his associates and to the manufacturer's representatives. He may also be doubling as a merchandiser, advertising manager, general manager, supervisor, et cetera, which would account for some of his time. He may spend considerable time pricing, checking invoices, issuing bulletins, handling correspondence, training assistants, sampling canned goods, checking competition, and numerous other duties. The larger the organization, the more specific and limited the duties tend to be. In any event, the buyer is a very busy man.

⁷"Portrait of the Buyer," Super Market Merchandising Vol. 22, No. 1 (January, 1957), 45.

MR. BUYER AS HE LOOKS IN CHAPTS¹

CHAPT I

HOUPS SPENT BUYING

No. of Hours

Less than 10	9.9	Per Cent of Buyers
10-15	21.6	
16-20	22.5 median	
21-30	17.7	
31-40	13.5	
41-50	8.1	
Over 50	6.7	

CHAPT II

SALESMEN AND BROKERS SEEN DURING AVERAGE WEEK

No. of Hours

Less than 10	10.1	Per Cent of Buyers
10-20	22.0	
21-30	26.5	
31-50	24.4	
Over 50	17.0	

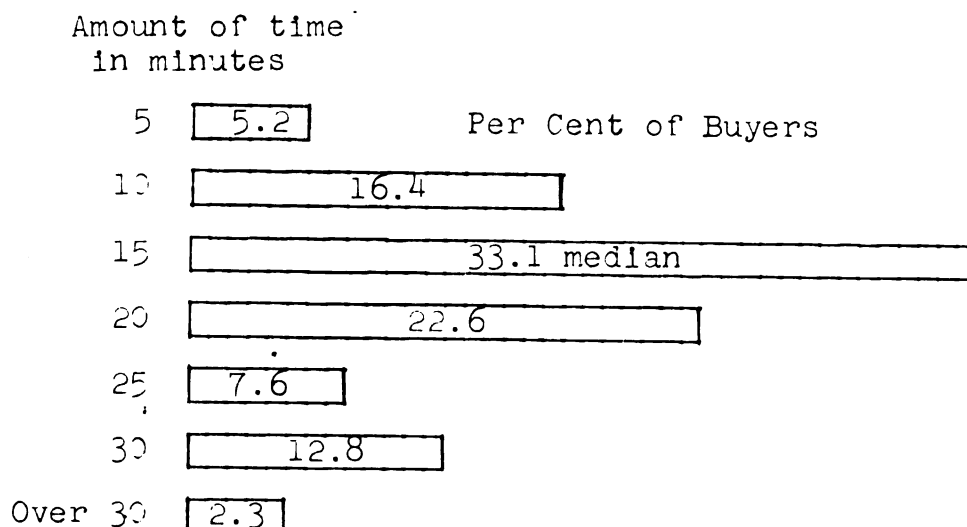
¹"Portrait of the Buyer," Super Market Merchandising
Vol. 22, No. 1 (January, 1957), 52.

Chart II indicates that the buyer will see approximately thirty salesmen during the average week. This limited number presents quite a problem to both buyer and salesman. Buying appointments for salesmen are at such a premium with a number of the larger chain organizations, that buyers are severely critical of those salesmen using appointments for "good will" purposes, thereby depriving sales time for those who have a real and needed sales message which will be of benefit to both retailer and manufacturer. The prudent salesman will efficiently utilize the buyer's time.

As indicated by Chart III, the average salesman receives fifteen minutes to make his presentation to the buyer. This is the time the salesman sits in the chair by the buyer's desk, it is not actual selling time. For the most part, buyers are interrupted by telephone calls or by fellow workers; in some instances the salesman is lucky if he receives five minutes actual selling time. Fortunately for the salesman,, there are a few buyers who will not accept calls during buying hours. This shortage of selling time necessitates effective sales presentations. This is done in part by supplying the buyer all the pertinent data concerning the product on product information forms.

Product information forms. Product information forms are furnished by both manufacturer and retailer. Salesmen should always use the forms provided by the customer instead of his own or his company's forms. By doing this, the

CHART III

TIME BUYER GIVES AVERAGE SALESMAN¹

¹"Portrait of the Buyer," Super Market Merchandising
Vol. 22, No. 1 (January, 1957), 52.

salesman eliminates the possibility that the buyer will think that the only questions placed on the form are those which can be answered to the manufacturer's advantage. There are a number of retail food firms where the use of their new item form is mandatory. In the event the customer does not furnish a new item form, the grocery buyer welcomes the salesman's use of the manufacturer's form such as the first form shown in Appendix A.

The more complete the new item form is, the faster and the more efficiently the grocery buyer and the buying committee can make a decision. Neither the manufacturer's nor the retail food firm's product information forms are as complete as they should be. Of the total new product case

studies made by the Food Distribution students at Michigan State University, the data indicated that ninety-five per cent of the salesmen making new product presentations, supplemented the regular product information form with additional data and materials.⁸

The buying department of the H. C. Bohack Company, an Eastern chain, uses a forty-four page question form, and to gain a more thorough understanding of the product, they ask the following sixteen questions of the salesman or broker when they present the new item:

1. Is the item completely new and non-competitive?
2. Or is it an existing product with some improvements made?
3. If so, what are these improvements?
4. Who will benefit from it?
5. How much will the average family consume in a month?
6. What are the financial and ethical responsibilities of the sponsoring company?
7. Have they [the company] had any experience in the field of distribution and product competition?
8. If the item replaces an existing product, will demand for the product be increased?
9. What is its margin of profit?
10. Will it be consistently advertised?
11. Has it been successfully market-tested?
12. Is the packages' label self-selling?
13. Can it be easily marked, and how is the case packed?
14. Does it possess originality and have a sales and use message?
15. Will it be a "full-time" or a "mass" item?
16. Is the product to be offered to a limited or a general area?⁹

⁸New product case studies conducted by the Food Distribution students of Michigan State University, Winter term, 1957-1958.

⁹"60 Questions A Chain Store Buyer Asks About New Products," Food Business, Vol. 4, No. 2 (February, 1956), 11.

A good salesman knows all about his product and a good buyer wants to know all about any product he places under consideration. The data requested in product information forms may vary to a certain degree from one company to another. Even within a company there is an absence of uniformity with regard to usage and content of product information forms. The Great Atlantic & Pacific Tea Company (A & P) Detroit branch, for example, uses a form as shown on page 107 of Appendix A, while the A & P Milwaukee branch does not furnish nor require a form for product information. The Milwaukee branch feels that the manufacturer is in a better position to design product information forms; that since the product will be accepted or rejected on its own merit, the manufacturer should have the opportunity to present all the information that they feel is essential in selling the product.¹⁰

Product information forms for other firms in the food industry are shown in Appendix A. To illustrate a comparison of forms within one company, pages 108 and 109 show the forms in current use by the Detroit and Milwaukee branches of the National Tea Company. The Milwaukee unit maintains a permanent record of all forms presented on items accepted and rejected. Their forms are pre-punched so that they can

¹⁰Personal interview with F. D. Dixon, Grocery Buyer, A&P Tea Company, Milwaukee, Wisconsin, March 21, 1958.

be conveniently placed in loose leaf binders. Also included in the Appendix are copies of the forms used at The Kroger Co., Pittsburgh branch; Bettendorf's, St. Louis, Missouri, a subsidiary of ACF-Wrigley Stores, Incorporated; the Des Moines, Iowa branch of Super Valu Stores, Incorporated; and the Godfrey Company, Milwaukee, Wisconsin.

The buyer and his decision. After the salesman has made his presentation, the fate of the "new" product rests in the buyer's hands. The term "new" product as used in this thesis, denotes that the product is not being presently stocked by the firm considering the item. The buyer receives presentations on deals, promotions, et cetera, but the bulk of the sales presentations are concerned with new products.

The grocery buyer has to be a shrewd judge to properly evaluate new products. He knows that many new products are failures due to improper marketing by the manufacturer, or failure in the product itself to satisfy a consumer need. The practice of some manufacturers to introduce items just to keep their name circulating, must also be taken into consideration by the buyer.

On what basis an item is accepted for consideration by the buyer is not clear. The buyer in industrial purchasing is guided by production control which indicates specifically what is to be purchased. There are no rules or standards established to guide the supermarket buyer in making his decisions. The combination of experience and

judgment are probably the two most important factors with which the buyer makes his evaluations. This answer may be less than satisfying to those who wish to construct a "science" of decision-making, but the inability of buyers to make a decision usually stems from lack of experience and good judgment.

An article in a business magazine points up this inability of executives to account for the decisions that they make in terms of logical steps or processes. Some of the executives interviewed even stated that they believed decision-making of the executive variety was a matter of intuition, and that rational processes account for only a part of the process. The author of the study concludes that "In the new era of decisions, as in the past, the executive must find the problems and the alternatives. The combination of these creative acts together with the act of judgment, still defines and probably always will define the prime function of the business executive."¹¹ The grocery buyer will probably be the first to admit that he is forced to rely on intuition to a greater degree than good business practices warrant.

Buyers do have certain criteria which they use for the initial screening of new products. Chart IV shows the criteria used in initial screening by the buyers of

¹¹John McDonald, "How Businessmen Make Decisions," Fortune, Vol. 52 (August, 1955), 137.

CHART IV
CRITERIA USED IN INITIAL SCPEENING¹

Criteria Used By 31 Buyers	x - Denotes Usage by Buyer Interviewed
1. Is the item a substitute for one presently carried? Is it a duplication?	xxxxxxxxxxxxxxxxxxxxxx xxxxxxxx 28
2. Is the quality good? Is the price right?	xxxxxxxxxxxxxxxxxxxxxx xxxxxx 25
3. Will it show an adequate profit at competitive prices? Suggested retail price too high	xxxxxxxxxxxxxxxxxxxxxx xxxxxx 25
4. Does it perform a real service? Does it enlarge the market for that category?	xxxxxxxxxxxxxxxxxxxxxx xx 22
5. Does it carry cooperative advertising allowance and cash discount	xxxxxxxxxxxxxxxxxxxxxx x 21
6. Local and/or national advertising?	xxxxxxxxxxxxxxxxxxxxxx 18
7. Will it sell?	xxxxxxxxxxxxxxxxxxxxxx 17
8. Any special promotions, demonstrations, coupons, etc.?	xxxxxxxxxxxxxxxxxxxxxx 15
9. Is the manufacturer or broker a reputable concern? Are they experienced?	xxxxxxxxxxxxxx 12
10. How much profit compared to similar items?	xxxxxxxxxx 9
11. Will company policy allow handling the item?	xxxxxxxxxx 9
12. What competition presently handling item? What are their sales result on item?	xxxxxxxxxx 8

¹New product case studies conducted by the Food Distribution students of Michigan State University, Winter term, 1957-1958.

CHART IV (Continued)

Criteria Used By 31 Buyers		x - Denotes Usage by Buyer Interviewed	
13.	How does the item compare in potential sales to similar items presently handled?	xxxxxxx	7
14.	How much advertising by buyer will be needed to properly introduce product?	xxxxxx	6
15.	Is the size of the package adaptable to stock--both warehouse and retail?	xxxxx	5
16.	Are there local warehouse stocks carried?	xxxx	4
17.	Is the label attractive and functional?	xxxx	4
18.	Is there a guaranteed sale on the item?	xxx	3
19.	Is the package designed for easy price marking?	xx	2
20.	Do the stores have enough shelf space to stock the item?	xx	2
21.	Is the product a special one-shot item?	x	1

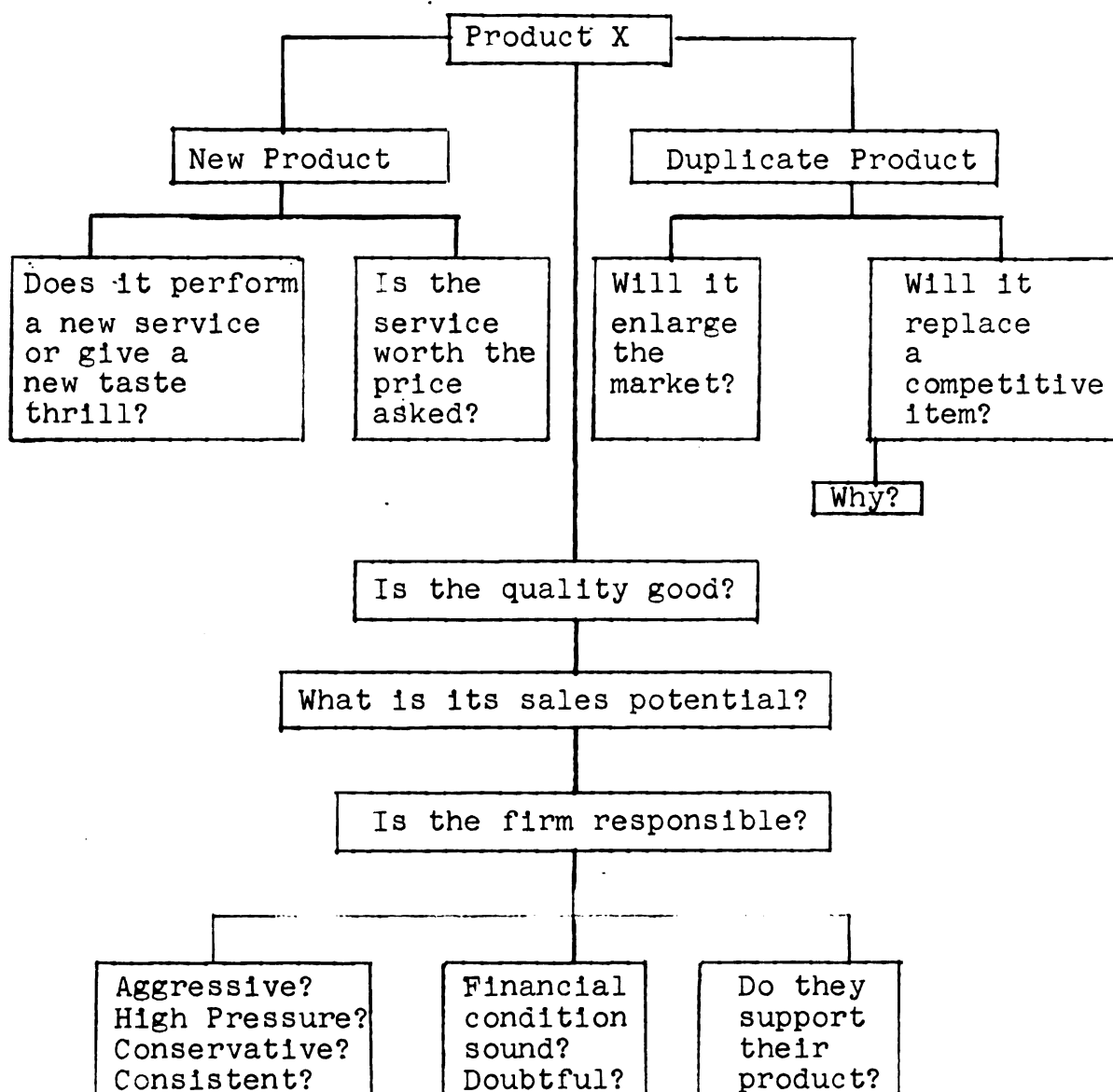
thirty-one different chain units which were studied by Michigan State University Food Distribution students. The criteria are summarized for all the branches and are ranked according to their importance to the group as a whole. Salesmen would do well to prepare their presentations in light of these criteria.

The Jewel Tea Company, Incorporated, Chicago, Illinois, has a practice which is very well received by salesmen. They periodically distribute a pamphlet which indicates the various buyers by name and the items each is responsible for as purchaser. This pamphlet illustrates by means of a chart the evaluating process used by the buyer in reaching a decision. This chart is reproduced as Chart V on the following page. Jewel Tea has no buying committee and each buyer is directly responsible for the commodities he buys. As is the case in many other chain operations, to further aid the buyer in making his evaluation of a new product, the Jewel buyer may test any item he feels has a potential, in stores assigned to him for this purpose.¹²

The buyer should not allow bias to influence his opinion or decision regarding a new item. The fact that he does not personally like the product or the salesman should not influence his evaluation. Unfortunately for the salesman and the manufacturer, the attainment of this degree of objectivity by any buyer, is rare indeed. Not to have some degree of bias is against human nature. Some salesmen are naturally gifted in the art of selling both the item and themselves to the buyer, while others may have a much better product but are not as qualified or lack the personality to

¹²Salesmen's Guide to Buyers (Chicago, Illinois: Jewel Tea Company, Inc., February 15, 1957), p. 2.[Pamphlet]

CHART V

BUYER'S EVALUATION PROCEDURE AT THE JEWEL TEA COMPANY¹

¹ Salesmen's Guide to Buyers (Chicago, Illinois: Jewel Tea Company, Inc., February 15, 1957), p. 2. [Pamphlet]

win the buyer's approval. Buyers should remember that they are evaluating the product not the salesman on the ability to bring profit and customers to their stores.

Grocery buyers, as well as the retail food industry as a whole, should maintain an "open door" policy for new products. As Robert A. Magowan, President of Safeway Stores, Incorporated, recently explained this policy,

Everyone with a product to sell deserves a hearing. With the tremendous expansion of items of supply, no retailer can handle all lines. However, no food management can afford to close their eyes to new products.¹³

Unfortunately for national brand manufacturers, buyers are not always free to consider items that are in competition to company branded items. The buyer is usually governed by company policy with regard to brand selection and his initial screening takes this into consideration. Mr. Magowan feels that a product should be considered regardless of brand, if that product has quality, consumer acceptance, price, or any combination of these factors. He further states that "Every item must sell on its own merits, whether it is the company's brand or an outside brand."¹⁴

In those organizations where a buying committee functions, of particular interest to the salesman is the number

¹³"Safeway--Major Processor, Major Customer," Food Processing, Vol. 19, No. 1 (January, 1958), 30.

¹⁴Ibid.

of items that are screened out by the buyer before presentation to the committee. Out of the thirty-one case studies conducted by the Michigan State University Food Distribution students, twenty-four buyers indicated to what extent they screened their items. Based on the number of new items presented to them per month, the buyers' estimates ranged from thirty per cent to ninety per cent on items screened out. The seven remaining buyers either could not make an estimate or declined to comment.¹⁵ The average screen outs for the twenty-four buyers was approximately seventy-five per cent. Although these estimations are primarily guesswork by the buyer, it is indicative to the extent that the salesman can expect only one item out of every four he presents to reach the buying committee for consideration.

The studies also showed that a product that has been screened out, as well as those rejected by the buying committee, can be submitted again for consideration if one of the following changes takes place:

1. Development of a stronger market for that product.
2. A change in nature and scope of promotion and advertising.
3. A new package design, label change, etc.
4. Change in price structure.
5. In general, any significant change from original presentation.¹⁶

¹⁵New product case studies, op. cit.

¹⁶Ibid.

To briefly summarize this important phase of the buying function, the decision of the buyer to consider a product is decided in terms of that product's sales potentiality. To consolidate the decision-making criteria of the buyer, for a product to be worthy of consideration it needs the following:

QUALITY--More important today than ever before.

UNIFORMITY--For continued consumer franchise and customer assurance.

COMPETITIVE PRICING--Combination of value at a price is a must.

ATTRACTIVE LABEL OR PACKAGE--First impression is visual.

ADVERTISING AND MERCHANDISING--Must be effective.

Discontinuing items. William Applebaum and Richard Moulton came up with some interesting data in their 1956 study of eight supermarket chains. It is one thing for a manufacturer to gain placement of their product on the supermarket's shelf, but it is quite another to retain that placement. The records of these chains showed that for every 100 new items added, eighty-seven old ones were banished. Their study reveals the reasons why these chains discontinued items (see Chart VI).

When a salesman is notified that one of his products is being discontinued, he immediately asks the buyer the reason for this action. Invariably the answer is that the

CHART VI
REASONS FOR DISCONTINUING ITEMS¹

Reasons	Percentage of Items Dis- continued for this Reason
Insufficient volume and profit (slow movement)	42%
Did not fulfill expectations	22
Replaced by superior item (quality, brand, price, private label, acceptance)	15
Due to manufacturer's action (change in size, pack, package, label, price, discontinued)	11
Consolidation of lines	3

¹William Applebaum and Richard H. Moulton, "An Exploration into the Reasons Why Supermarkets Add and Discontinue Items," Weekly Digest, Vol. 58, No. 18 (November 2, 1957), 3.

item does not move. Lack of movement, or proper rate of turnover, is easily recognized by the buyer upon frequent analysis of his buying records. A good buyer knows what rate of turn each item should obtain; these "yardsticks" are established for every product. The buyer's job is to discontinue the slow movers providing they are not classed as essential items. To be competitive today, the buyer must obtain his money out of these slow movers as fast as possible and invest these funds on merchandise that sells.

The Grocery Merchandiser

General information. The relative importance of the grocery merchandiser to the buying function will be considered in this portion of the text. The merchandiser may be the buyer in the smaller organization, while in the larger firm his duties are separate and distinct from that of the buyer; it is within the latter organizational framework in which the merchandiser will be considered. The merchandiser is the promoter of the supermarket firm and as such his impact on the buying function is very powerful.

As in the case with the buyer, the job title of the merchandiser may vary from that of head buyer to merchandise manager. The merchandiser's contact with salesmen is usually very limited and restricted to discussion concerning promotional events, point-of-purchase material, display techniques, demonstrations, et cetera. Products must be first presented to the buyer, but it is to the salesman's advantage to "diplomatically" call the merchandiser's attention to the presentation made to the buyer.

The merchandiser holds a high position in most organizational structures. He is a step above the buyer and wields influence accordingly. According to a survey of supermarket buyers, their next job preference would be that of merchandising manager, which indicates the relative importance of these two positions.¹⁷

¹⁷"Portrait of the Buyer," op. cit., p. 49.

Scope of duties. Although we are interested in the merchandiser as to his influence on buying procedures, a closer look at the many duties of the merchandiser will give a better understanding of his ability as a "decision-maker." Chart VII lists the merchandiser's more important activities. This data was obtained in a study of fifty-eight companies which operate 2,045 supermarkets.¹⁸ Of major importance, is the high percentage of merchandiser's who indicate that their duties include the supervision of buying. This would seem to indicate that the buyer is a "pawn" of the merchandiser in most of the large supermarket organizations.

In some instances, the buyer initiates a sales interview at the request of the merchandiser. This rare situation (from the salesman's viewpoint), develops when the merchandiser needs an item of a certain type and price for promotional purposes. Such product presentations represent tremendous volume to the manufacturer as well as the retailer. The aggressive salesman plans his promotion and then promotes his plan to the merchandiser--this is the key to real sales volume. New items which are advanced and sold primarily through the merchandiser are ususally "one-shot" items, items that are not carried as regular stock.

¹⁸"The Merchandiser. . . Wizard of Promotion," Super Market Merchandising, Vol. 23, No. 1 (January, 1958), 45.

CHART VII
WHAT MERCHANDISERS DO¹
(By size of company)

Duties	Small	Medium	Large
	1-9 Stores	10-29 Stores	30 Stores and Over
Buy merchandise	71%	62%	50%
Supervise buying	87	75	93
Keep informed on market, prices, trends	100	100	100
Determine lines, kinds, and variety of products on display	77	88	78
Determine quantities of products to be bought	64	75	78
Develop displays and display methods	68	62	86
Decide on use of display materials from suppliers	68	50	78
Decide which promotions to accept from suppliers	84	75	78
Control use of point-of-sale materials	64	62	71
Determine items to be featured in advertising	93	100	78
Develop special displays for holidays, seasons, and promotion	74	75	57
Study turnover	84	88	93
Decide which items to discontinue	87	88	78
Decide which items to use as replacements	77	73	71
Control inventories to aid turnover	80	75	71
Adjust amounts to be bought	71	37	57
Adjust selling prices	84	88	78
Change store-ordering procedures when necessary	87	88	71
Determine allocation to stores	67	37	50
Establish retail prices	77	62	78
Relay market information to others	74	88	78
Head up discussions on merchandising	71	88	93
Advise others on merchandising plans	80	62	86
Decide what is to be delivered to stores and what to warehouse	71	50	57

¹"The Merchandiser. . . Wizard of Promotion," Super Market Merchandising, Vol. 23, No. 1 (January, 1958), 46-47.

CHAPT VII (Continued)

Duties	<u>Small</u>	<u>Medium</u>	<u>Large</u>
	1-9 Stores	10-29 Stores	30 Stores and Over
Visit stores to follow up on merchandise	81	75	71
Suggest corrections in stores	74	62	64
Visit competitor stores	84	88	93
Help in store layouts	74	62	64
Plan advertising budget	71	62	43
Select men for promotion	51	62	71
Set sales quotas	45	50	50
Work on training program	38	12	50
Write merchandising bulletins	38	88	71
Study and advise on handling of items with respect to temperature, etc.	64	37	35

The merchandiser and the buying committee. Of major interest to the salesman is "Who makes the crucial decisions on adding products, promotions, and discontinuing items--the merchandiser or the buying committee?" The data shown in Chart VIII indicates how these decisions are divided between merchandising managers and buying committees.

The merchandiser is cast in the role of coordinator in that he is responsible for proper coordination between the buying and merchandising departments. The merchandiser is undoubtedly one of the key links between the manufacturer and the supermarket. Obviously, from the data presented, the salesman should make every effort to acquaint himself with the merchandiser, if an effective selling job is to be realized.

CHART VIII

THE MERCHANDISER AND THE BUYING COMMITTEE¹Who makes the crucial decisions on adding products?

Major product decisions (those involving relatively big sales) are divided between merchandising managers and buying committees. The same applies with regard to minor products.

	Major Products (by size of Co.)			Minor Products (by size of Co.)		
	1-9 Units	10-29 Units	30 or more Units	1-9 Units	10-29 Units	30 or more Units
Merchandiser	45%	30%	23%	48%	36%	31%
Buying Committee	35	50	47	28	54	54
Both	20	20	30	24	10	15

Who makes the crucial decisions on promotions?

There is a surprising area of independence exercised by the merchandising director in selecting promotions. As companies get larger, he shares more of this authority with the buying committee--with respect to major promotions. The reverse seems to be true with regard to the hundreds of minor promotions offered. Here, he tends to share fewer of his decisions with others.

	Major Promotions (by size of Co.)			Minor Promotions (by size of Co.)		
	1-9 Units	10-29 Units	30 or more Units	1-9 Units	10-29 Units	30 or more Units
Merchandiser -	58%	9%	23%	44%	27%	31%
Buying Committee	19	36	46	34	54	54
Both	23	55	31	22	19	15

¹"The Merchandiser. . . Wizard of Promotion," Super Market Merchandising, Vol. 23, No. 1 (January, 1958), 49-50.

CHART VIII (Continued)

Who makes the crucial decisions on discontinuing items?

The smaller the company, the more the merchandiser has to be the one to decide on discontinuing items, all by himself. However, the buying committee assumes more of this function as the companies get bigger. It's all part of the specialization the industry is going through.

	By Size of Company		
	1-9 Units	10-29 Units	30 or more Units
Merchandiser	43%	25%	30%
Buying Committee	31	55	40
Both	26	18	30

The Buying Committee

The salesman is familiar with the buyer and his part in the buying function because of the personal contact and, to a lesser degree, the same is true with the merchandiser. However, the salesman is usually not familiar with the members of the supermarket buying committee. For this reason, special emphasis will be given to the buying committee and its relationship to the buying function. The buying committee and its function in supermarket organizations remained relatively incognito until the past year, when several studies were undertaken and published. These studies were prompted by the keen desire of people in the food industry, to find out what meaning the buying committee has for those who live by the food business.

General information. An indication of whether or not buying committees are performing a useful service, might be shown in the trend in number of such committees. A more recent survey by Super Market Merchandising, reveals that the trend is up over last year. The results were as follows, in answer to the question "Do you have a buying committee?":¹⁹

<u>Size of Company. by Markets</u>	<u>"Yes"</u>
1-9	55%
10-29	91
30 or over	86

Although the size of the sample was different in the two instances cited, both surveys represent a cross-section of the supermarket industry, and the results are accurate enough to show a definite increase in the creation of buying committees in the span of one year.

The buyer-salesman relationship will be discussed at greater length in Chapter IV, however, brief mention should be made as to the influence of the buying committee on this relationship, as this is particularly disturbing to the seller. There is no mystery regarding the proper approach to the buying committee--the approach is through the buyer. The buyer should have in concise form all the facts necessary

¹⁹"The Merchandiser. . . Wizard of Promotion," op. cit., p. 49.

to make the proper presentation to the committee. If this information is lacking, or not organized in proper form, it is usually the seller who suffers.

The majority of buying committees meet at least once a week. To meet more than this would prove to be uneconomical, and to meet less than once a week would handicap that firm's competitive position by not being current with the market. Of the thirty-one chain units interviewed by Michigan State University Food Distribution students, the twenty-nine that reported having buying committees also stated that these committees meet on a weekly basis.²⁰

Buying committees perform many other duties than just deciding on whether to accept or reject products. The Super Market Merchandising survey reveals that the following three duties are the primary functions of the buying committee--this data is shown in Chart IX by companies and by the stores these companies control.

CHART IX

WHAT DOES THE BUYING COMMITTEE DO¹

Duties	By Companies	By Stores
Selects new products and promotions	94%	99%
Decides store displays	59	57
Decides on special sales	79	80

¹"Inside the Buying Committee," Super Market Merchandising, Vol. 22, No. 2 (February, 1957), 74.

²⁰New product case studies, op. cit.

Why buying committees exist. Buying committees are created to pass judgment on new food products, non-food products, dairy products, and drugs; they also reconsider products once handled but discontinued, and items previously turned down. One committee may make the decisions on all product groups or an entirely different committee may be formed for certain product categories. There is no set pattern on this matter, but the indications are that the larger the organization, the greater the tendency to have more than one committee, or at least a change in some of the personnel on the committee.²¹

Are buying committees really necessary? This question is often posed by salesmen who are frustrated in their attempts to secure placement of their products. Salesmen sometimes have the attitude that if only they had the buyer to deal with, they could show better sales results; that it is difficult to sell to a group of individuals through a middleman. The very existence of buying committees is proof in itself as to their necessity. To help the salesman and other interested parties to better understand why buying committees exist, the following reasons may be helpful. These reasons are listed in their order of importance as seen by the writer.

²¹"Inside the Buying Committee," op. cit., p. 74.

1. As a result of the formation of the buying committee, final authority in decision-making has been transferred from the buyer to the buying committee. This relieves the buyer of a considerable amount of sales pressure which is constantly exerted by the seller. By removing the buying decision from a situation where personal relationships and feelings interfere with good business practices, both seller and buyer benefit. The buyer can relax and be objective in his work, and the seller can do a better job on his sales presentations, knowing that he no longer has to win the popularity contest with the buyer to gain favorable recognition. Both parties can agree on the fact that a better decision can be reached by a committee than by an individual.

2. A buying committee represents combined thinking. The abilities of trained and experienced personnel are utilized to aid the buyer. Although not always true, it is generally conceded that "two heads are better than one."

3. As indicated by the composition of some buying committees, they are used as training grounds for store and supervisory personnel. Sitting in on buying committee sessions provides an excellent opportunity for these men to learn how the buying function operates, and will also help these men to more fully realize the need for cooperation between the buying operation at headquarters, and the field operation handled by the store and supervisory personnel.

With the tremendous growth of food store operations in recent years, supermarket operators are faced with the acute problem of obtaining top-level managerial staffs. A solution to this problem is so urgently needed, that 125 midwest supermarket operators recently met in Chicago to discuss this matter. While no definite solution was offered, the operators generally agreed that the circulation of key personnel in the various phases of the business, was essential in order to equip them for more responsible positions. Experience on a buying committee was rated as a vital part of any training program. Although the buying and merchandising of products is the primary function of the buying committee, operators feel that the training received by committee members is also of prime importance.²² This phase of a training program provides for the orderly continuity of the buying operation and the perpetuation of a well-trained, experienced buying staff.

Mr. Kane, the Los Angeles divisional manager of the second largest food retailer in the industry, Safeway Stores, Incorporated, has this to say in justification for the existence of buying committees:

Our committee, which is made up of the supply managers, merchandising manager, division manager, retail operations manager, price maker, advertising manager, and selected district and store managers, makes the decisions on whether we sell a product. At Safeway we

²²Don Baines, "Getting Top Staff Poses Challenge," Supermarket News, Vol. 7, No. 16 (April 21, 1958), 1.

believe it is our primary obligation, as retailers, to give the customer what she wants, not what she thinks she wants. We try to accomplish this objective through the buying committee.

Should any controversy develop over the desirability of a particular item, the opinions of the retail operations manager, district managers and store managers prevail. And we give greatest consideration to the opinions of store managers, because they are in the best position to know what the customer wants.

I believe this system provides us with an objective appraisal of each item offered and permits us to select those items which best fit into our basic policy of service--quality--price. We have found that any attempt to circumvent these three basic ingredients results in disaster.²³

As far as Safeway Stores, Incorporated, is concerned, buying committees do not present a handicap when a quick decision is needed on a new item or on a "good deal." Mr. Kane states that if necessary, their buying organization can reach a quick decision in ten minutes, or less.²⁴ Such a procedure, if utilized by all supermarket buying operations, would eliminate the main disadvantage of buying committees as seen by salesmen--the inability of the buying committee to act quickly on an important decision.

Composition of buying committees. No two committees are alike in their composition. This statement is supported by the findings of several surveys. The most extensive research in this area was that conducted by Super Market Merchandising. This study, among 209 supermarket firms,

²³D. B. Kane, "Why Safeway Uses the Buying Committee," Chain Store Age, Vol. 34, No. 2 (February, 1958), 74.

²⁴Ibid.

indicates that there is no uniform policy in regards to the composition of buying committees. Personal qualifications of the individual members is of more importance than job titles in determining the committee. The one criterion that is readily apparent, is that these men all hold responsible positions. Chart X shows the results of this survey.

CHART X

BUYING COMMITTEE COMPOSITION--SMM SURVEY¹

Members	By Stores
Merchandising manager	59%
Advertising manager	44
Sales manager	30
Branch or division head	23
Purchasing director	21
Over-all department supervisor	21
Over-all department merchandising manager	20
Store supervisor or district manager	20
General or operating manager	17
Executive officer	9
Sales promotion manager	3
Warehouse or transportation superintendent	3
Store manager	2
Accountant	2
Personnel director	1

¹"Inside the Buying Committee," Super Market Merchandising, Vol. 22, No. 2 (February, 1957), 74.

The information shown in Chart XI is based on the case studies conducted by the 1957-1958 class of Food Distribution students at Michigan State University. Although the data identifies the firm, the identity of the branch or unit is withheld in respecting the wishes of those surveyed.

This survey covers ten leading food chains and represents thirty-one different branch or unit operations.

CHAPT XI
COMPOSITION OF GROCERY BUYING COMMITTEES¹

Company	T ²	A	B	C	D	E	F	G	H
<u>Kroger</u>									
Unit 1	15	1	1	2	-	1	1	3	6
Unit 2	5	1	-	-	1	1	-	-	2
Unit 3	5	1	1	1	1	1	-	-	-
Unit 4	8	-	1	1	-	1	-	4	1
Unit 5	5	-	1	3	-	1	-	-	-
Unit 6	4	-	1	1	-	1	-	-	1
Unit 7	4	-	1	1	1	1	-	-	-
Unit 8	4	-	1	1	-	1	-	-	1
Unit 9	3	-	1	1	-	1	-	-	-
<u>Food Fair</u>									
Unit 1	6	-	1	5	-	-	-	-	-
Unit 2	2	-	1	-	-	1	-	-	-
Unit 3	2	-	1	-	-	1	-	-	-
<u>Colonial Stores</u>									
Unit 1	4	-	1	3	-	-	-	-	-
Unit 2	9	-	1	5	1	1	1	-	-
Unit 3	9	-	1	5	1	1	1	-	-
Unit 4	8	1	1	3	-	1	-	-	2
<u>Grand Union</u>									
Unit 1	8	-	1	1	1	-	1	1	3
Unit 2	5	1	1	1	1	-	-	-	1

¹New product case studies conducted by the Food Distribution students of Michigan State University, Winter term, 1957-1958.

²Key to Code: T--Total members; A--Vice President or Branch Manager; B--Grocery Buyer; C--Assistant Grocery Buyer; D--Merchandising Manager; E--Grocery Merchandiser; F--Advertising Manager; G--Sales Supervisor and/or District Sales Managers; H--All others. This group includes Assistant Grocery Merchandiser (3), Meat Merchandiser (3), Product Merchandiser (3), Personnel Manager (2), Warehouse Superintendent (2), Real Estate Manager (1), Accountant (1), Frozen Food Buyer (1), Dairy Merchandiser (1).

CHAPT XI (Continued)

Company	T	A	B	C	D	E	F	G	H
<u>Jewel Tea</u>									
Unit 1	1	-	1	-	-	-	-	-	-
<u>National Tea</u>									
Unit 1	7	1	-	1	1	1	-	3	-
Unit 2	6	1	1	1	1	-	1	1	-
Unit 3	6	-	3	-	1	-	-	2	-
Unit 4	5	1	2	-	1	-	-	1	-
<u>First National</u>									
Unit 1	1	-	1	-	-	-	-	-	-
<u>Safeway</u>									
Unit 1	6	1	1	-	1	-	1	2	-
Unit 2	6	1	1	-	1	1	1	1	-
Unit 3	5	1	1	1	-	-	1	1	-
<u>American Stores</u>									
Unit 1	5	1	1	1	1	-	-	1	-
Unit 2	5	-	1	-	1	-	-	3	-
Unit 3	4	-	1	1	1	1	-	-	-
<u>Stop & Shop</u>									
Unit 1	9	-	2	4	1	-	-	2	-
<u>31 Units</u>									
Total	172	12	33	43	17	17	8	25	17

The results of this study shows that 172 persons who sit on these committees have the following titles or functions, listed in order of their occurrence: Assistant Grocery Buyer (43), Grocery Buyer (33), Sales Supervisor and/or District Sales Managers (25), Merchandising Manager (17), Grocery Merchandiser (17), Vice President or Branch Manager (12), Advertising Manager (8), and All Others (17)

as indicated on chart). Approximately 5.5 persons would make up the average buying committee for these thirty-one branch operations.

Certain trends are apparent as respects the size of buying committees. For example, The Kroger Company decentralized their operations in 1956, and as a result many of The Kroger Company branches have discontinued the use of a large buying committee. Of the nine Kroger Company branches shown in Chart XI, only two of the branches are larger than the median size for the group as a whole. The reasons for not continuing with the large committee are primarily the cost involved and the relative inefficiency in comparison to the smaller committee. Smaller committees free key personnel for performance of their primary duties. The smaller committee operates quickly, informally, and more efficiently than the larger buying committee. Since the grocery merchandiser and the grocery buyer are directly responsible for the turnover of their merchandise, the majority of The Kroger Company Division Vice Presidents feel that these men and their assistants should be the only members of the grocery buying committee.²⁵

Each company has what it considers the most economical and efficient type of buying committee. This is due in part to a difference in job assignments, nomenclature, size

²⁵New product case studies, op. cit.

of division, et cetera. Indicative of the desire of supermarket and chain store companies to please the customer, so far as their severely limited shelf space allows, is the fact that a majority of the committees have store supervisors, district managers, and in some cases store personnel sit as members of the buying committee.

Buying committee procedure. There have been numerous critical--and oftentimes amusing--speculations concerning how new products are actually presented to the buying committee. For example, in one recent virulent attack, the food chains were accused of erecting "a Chinese buying wall" around the "mysterious, shadowy, star chamber" buying committee.²⁶

There is really nothing very mysterious about the manner in which new products are considered; the procedure was virtually the same in all the buying committees which were surveyed by the Michigan State University students.²⁷ After due consideration of the product a democratic vote is taken, and if the majority of the committee members approve, the product is accepted. The procedure is almost as simple as that, although what is meant by "due consideration" should be clarified.

²⁶Speech by William C. Nigut, President of the W. C. Nigut Company, Chicago, Ill., to the Grocers Manufacturers of America, Inc., convention, November 12, 1957.

²⁷New products case study, op. cit.

The procedure and "due consideration" transpires in this manner. Samples of the new products are passed among the committee members along with such basic information as its cost, selling price, per cent profit, advertising or promotional allowance, deal terms, how packed, competition handling it and in what volume, comparable products--if any--presently handled by the chain. This information is obtained from the product information forms which are filled out by the salesman. All the committees in the Michigan State University survey utilized the product information form, consequently, the importance of proper completion and attention to this form by the salesman is readily apparent, if he wishes to effectively communicate to the buying committee.

In considering the new product, thorough tests are made either by the committee or by the company home economists. The product is compared for quality, color, appetite appeal, consistency, et cetera, side by side with competitive products. Those companies who make use of home economists, will have this department run actual use-tests on certain products such as cake mixes. The product is prepared according to the directions on the package to determine its convenience, ease-of-use and finished quality. The findings are then given to the buying committee and the data will aid the members in arriving at their decision.²⁸

²⁸Ibid.

Test stores. Oftentimes a new item, which lacked approval by the majority of the committee members, still has an opportunity of being selected. This situation occurs when certain members have strong convictions concerning the merits of the product, and even though they are in the minority, their faith sways the committee into agreeing to test the product in a limited number of stores.

The type of test stores used varies from company to company. The Michigan State University survey indicated that eighty per cent of the committees studied, made use of test stores to some degree. Some companies have designated a test store group where product tests are regularly conducted, while in other companies, the buying committees select the stores at the time they agree on the test.²⁹

Advertising and the buying committee. How do the buying committees react to the advertising data which is presented in support of the new product? Mr. William Nigut, Marketing and Trade Relations Counsel, recently sat in on buying committee meetings of twelve important chain store and supermarket companies. From his observations, Mr. Nigut feels that for food manufacturers to be reasonably assured that their product advertising is favorably considered by buying committees, the product advertising should be presented in terms of the buyer's interest.³⁰

²⁹Ibid.

³⁰Frank Cogan, "Buying Committees...", Food Business, Vol. 6, No. 4 (April, 1958), 24.

Mr. Nigut continues by saying,

Far too many product "pitches" are built entirely around product advertising. Buyers have become immune and indifferent to such presentations. Since advertising agencies [who Paul Willis, President, Grocers Manufacturers of America, Inc., has charged with being "too glib and patronizing toward the grocery trade"] have the greatest stake in selling advertising, manufacturers might well urge their agencies to turn their motivational researchers loose to get some benchmarks for the more effective interpretation and understanding of advertising.³¹

In the twelve committee meetings audited by Mr. Nigut, 496 products were considered, and of this number there were only forty-four products about which the committee asked questions concerning the advertising support. By actual count, product advertising campaigns were primarily responsible for favorable decisions on only seventeen products.³²

The real problem for the manufacturer in utilizing advertising dollars is to effectively translate their advertising programs into the buyer's self interest. Too many sales pitches are "canned" in that the advertising program is not presented on an individual basis. The manufacturer tends to place too much emphasis on the number of dollars spent and not enough emphasis on how they are spent in terms of the individual customer. Buying committees believe in the power of advertising to sell merchandise and they want manufacturers to back their products with effective advertising dollars--effective as concerns their own particular

³¹Ibid., p. 25.

³²Speech by William C. Nigut, op. cit.

operation. One of the greatest challenges and needs which faces the manufacturers of today, is to increase the productivity of their advertising dollar in such a way as to improve their batting average with buying committees.

Transcript of a Buying Committee Session

Introduction. To help assess the phenomenon of the buying committee, a tape recording was obtained of a typical chain store buying committee in action. This recording was made by the J. Walter Thompson Advertising Agency of Chicago, Illinois, for the purposes of aiding their clients to better analyze the chain store buying committee.³³

This particular chain store committee is large, consisting of the following executives: Branch Manager, Merchandise Manager, Advertising Manager, Chief Accountant, Personnel Manager, and four District Managers.

The transcript of the tape recording was presented in its entirety in a bound volume of ninety-eight typewritten pages, by the advertising agency to its clients. For purposes of this thesis, only part of this recording will be presented and because of the length of this material, the information has been placed in Appendix B.

The tape recording of this buying session was made on June 12, 1957, at the headquarters of the chain. Permission

³³Retail Grocery Chain Buying Committee Deliberations (Chicago, Illinois: J. Walter Thompson Advertising Agency, Research Department, October, 1957).

to record this session was granted the J. Walter Thompson Agency upon agreement that anonymity of the chain would be maintained. Accordingly, all references to the chain, the area in which it operates, and to the brand names of the items under discussion, have been deleted from the transcript. In spite of this minor limitation, the basic thoughts and ideas of the committee are readily understandable. The actual "workings" of this committee in action are valuable, in that the outsider can better visualize buying committee procedure; can better ascertain what type of information is of interest to the committee members.

Thirteen new items were presented at this buying committee meeting. Seven items were accepted and six items were rejected by the committee. During the course of the meeting, six items were discontinued which resulted in a net gain of one item that this chain would be handling in their stores. The recordings chosen for inclusion in Appendix B are two items which were accepted (a cheese item and a prune juice item), and two items which were rejected (a liquid detergent and a candy item).

Analysis of committee action. Why did this committee act as they did in arriving at their decisions on these four products? The transcript, as shown in Appendix B, indicates that the following factors were of prime importance to the committee in forming their decisions on these items.

1. Cheese item--accepted. Favorable factors were:
 - a. Manufacturer will furnish demonstrators and samples.
 - b. Product sale guaranteed 100 per cent.
 - c. Cheese in cubed form--new convenience item.
 - d. New merchandising gimmick--toothpicks in package.
 - e. Excellent quality of product.
2. Prune juice item--accepted. Favorable factors were:
 - a. A new size of container.
 - b. More than average markup on product.
3. Liquid detergent item--rejected. Factors unfavorable were:
 - a. Advertising effectiveness not clear to committee.
 - b. Product container not reliable.
 - c. Nothing to discontinue in present line to make room for an additional detergent.
 - d. Incomplete advertising program. Only part of chain territory would be covered.
 - e. Poor past performance on similar type product.
4. Root beer candy item--rejected. Factors unfavorable were:
 - a. Item would have to sell on its own merit--no advertising or promotional support by manufacturer.
 - b. Item did not fill a need for the majority of the stores.

CHAPTER III

CASE STUDIES OF BUYING ORGANIZATIONS

General Information

The material presented in this chapter is based on case studies of three different types of buying organizations, namely, chain, voluntary, and cooperative buying organizations. The relative importance of these three groups in terms of total grocery store sales, is shown in Chart XII. Since the voluntary and cooperative groups combined represent the most important single bloc in United States food retailing today, the case studies of these two groups are of special interest.

The information presented herein, was obtained by personal interview between the writer and the officials of the three food companies being interviewed. In each case, the mechanics of the buying function will be presented in terms of what happens to a new product from the time the item has been presented to the buyer, and concluding with the notification to the salesman of the acceptance or rejection of the item.

The purpose in presenting these case studies is to obtain a first hand knowledge of buying procedure, whereby salesmen can better plan effective sales presentations.

CHART XII
GROWTH OF AFFILIATED¹ INDEPENDENT RETAILERS²

Per Cent of Total United States Grocery Store Sales					
Chains	37%	36%	36%	37%	38%
Un-Affiliated Independents	34%	31%	25%	19%	18%
Affiliated Independents	29%	33%	39%	44%	44%
	1947	1950	1953	1956	1957

¹Members of voluntary and cooperative groups.

²Robert W. Mueller, "1957 Grocery Store Sales. . .," Progressive Grocer, Vol. 37, No. 4 (April, 1958), 71.

By knowing how these three different types of retail food organizations operate their buying departments, sales efforts can be tailored to meet the needs of the type of firm being solicited.

The three retail food firms interviewed are headquartered in Milwaukee, Wisconsin and operate or supply stores in principally the same area. According to the Milwaukee Journal's 1958 Consumer Analysis, these three firms, National Foods Stores, Godfrey Company (I.G.A. Stores and Sentry Food Stores), and Roundy's (Kohl's and Red Bell Stores), enjoy approximately the same degree of

consumer acceptance or preference of the people in the Greater Milwaukee market.³⁴ These operations are similar in size and volume, consequently they are suitable for comparison purposes as outlined.

Chain Buying Organization

National Food Stores, Inc., Milwaukee, Wisconsin, is a branch unit of the National Tea Company, operating sixty-five stores in the State of Wisconsin. The following information was obtained by personal interview with Mr. Howard Larson.³⁵

National Food Stores, Inc., provides their own product information forms for use by the salesmen, a copy of which is shown in Appendix A. This form is pre-punched for filing in a loose leaf binder which the buyer maintains as a permanent record; this is done regardless of whether the item is accepted or rejected. The importance of the salesman in preparing a "good" product information presentation was stressed by Mr. Larson. Oftentimes, National Food Stores, Inc., will reject an item because of lack of data concerning the product.

³⁴The 1958 Milwaukee Journal Consumer Analysis of the Greater Milwaukee Market, Thirty-fifth Annual Report (Milwaukee, Wisconsin: The Journal Company, 1958), p. 21.

³⁵Personal interview with Mr. H. W. Larson, Head Buyer for National Food Stores, Inc., Milwaukee, Wisconsin, March 22, 1958.

Buying appointments are made with the individual buyers at National Food Stores, Inc., on a "first come--first in" basis, on the designated buying days. (Buying days at National Food Stores, Inc., are established for all day Tuesdays and Thursdays and for Wednesday forenoon.) On arrival at the buying headquarters the salesman completes a sales call slip, which helps the buyer to expedite the sales interviews. This method of announcement is very effective in that the salesman must list the reason for his sales call; this eliminates a considerable amount of unnecessary sales calls. A copy of this sales slip is shown below.

NATIONAL FOOD STORES, INC.

Calling Date _____ Time of Arrival _____

Callers
Name _____

Representing _____

Would like
to see _____

For the
following reason _____

No time limit is set for the sales interview, although Mr. Larson estimated that the average sales call consumed fifteen minutes. The salesman usually presents samples, advertising brochures, success stories, et cetera, to

supplement the product information form. Mr. Larson stressed that such material should be as concise as possible and above all relevant to their operation. After the product has been presented, the normal procedure is for the new item to be presented at the buying committee meeting which is held every Friday morning. Exceptions to this procedure are made in the event that a time element is a factor in procuring a certain item. When this occurs, the buyer handling the product calls an informal buying committee session and an immediate decision can be made on whether or not to handle the product.

Mr. Larson estimated that less than twenty-five per cent of the items presented to him are screened before reaching the buying committee. This is an extremely low percentage compared to the seventy-five per cent of initial screen outs conducted by the average buyer as indicated in a previous chapter. The philosophy of this buying unit is that "two heads are better than one," consequently, their policy is for their buying committee to review as many items as practical.

There is only one buying committee in this unit of the National Tea Company. This committee considers all new items including frozen foods, groceries, and dairy products. The items are usually presented to the committee by the buyer who received the initial presentation from the salesman. The buyer's presentation to the committee is a shorter version of the salesman's presentation, plus

additional information which was obtained by the buyer regarding movement of similar products, past sales records, et cetera.

When asked what information the buying committee desires in considering a new item, Mr. Larson answered that they depend primarily on the product information form and the supplementary information provided by the buyer. He states that the following factors were of major importance to the buying committee in arriving at a decision regarding the handling of a new item: cost, gross profit, suggested retail price, what type of allowances, distribution in the market, guaranteed sale, price guarantee, like items already in stock, movement of these items, and advertising plans. Mr. Larson stated that he used these same criteria in his initial screenings.

Most items that are accepted by the buying committee of National Food Stores, Inc., are placed on a probationary basis in that the item must "earn its shelf space." National prefers this procedure rather than the extensive use of test stores to prove the merit of a product. At present, they feel that nothing short of branch-wide distribution can give a fair test to a new product.

In communicating the decision of the buying committee to the salesman, the procedure at National Food Stores, Inc. has been for the buyer to call the salesman immediately after the buying committee meeting. Arrangements are then

made for a subsequent meeting between the buyer and salesman at which time the salesman obtains the required purchase order number, amount of the order, and the necessary shipping instructions. Out of town sales representatives are usually notified by mail of the acceptance of a product. Salesmen are not notified of items that are rejected.

Voluntary Buying Organization

The Godfrey Company of Milwaukee, Wisconsin, is a member of the Independent Grocers' Alliance, and as such, sponsors a group of retailers operating within a one hundred mile radius of Milwaukee. The following information was obtained by personal interview with Mr. R. E. Browne, Jr.³⁶

The Godfrey Company operation is unique in that it carries over some of the mechanical functions of the old-line wholesale grocer, but concentrates on research and development at the retail level. They have expanded lines to include all products sold in modern, one-stop supermarkets, with the exception of fluid milk and a few less-important lines.

As a group sponsor, the Godfrey Company has gained prestige for its retailer services. The company is dedicated to growth through sponsorship of a voluntary group of

³⁶Personal interview with Mr. R. E. Browne, Jr., Assistant Grocery Buyer for the Godfrey Company, Milwaukee, Wisconsin, March 21, 1958.

qualified retailers and through the development of its subsidiary, Sentry Markets, Incorporated. At present, Godfrey supplies seven Sentry markets plus approximately 100 Independent Grocers' Alliance (I.G.A.) members.

Although product information forms are supplied by the Godfrey Company (see copy in Exhibit A), they will accept the manufacturer's new item form providing the information is complete. The buying hours at the Godfrey Company are all day Tuesday and Wednesday, and Thursday forenoon--there are no exceptions. Salesmen are expected to respect the established buying hours and in return the salesmen are accorded ample selling time during their sales interview. The Godfrey Company system in interviewing salesmen is unique in that on arrival at the buying office, each salesman procures a number from a centrally located board which lists the name of each buyer. There are a series of numbers under each buyer's name, color coded so that they can be easily recognized and kept in proper sequence by the receptionist who maintains the "sales interview control board."

The Godfrey Company buyers request that salesmen present only the product information form and the necessary samples. Mr. Browne stressed the importance of providing sufficient samples, as they conduct several "cuttings" of the merchandise during the buying process. The Godfrey Company maintains a sample and cutting room adjacent to the

buying offices which affords the salesman an excellent opportunity to visually show the buyer the quality of his product. The importance of the salesman in knowing how to "cut" merchandise is readily apparent; Mr. Browne stated that the inability of many salesmen to master this technique resulted in their product not being accepted.

Mr. Browne stated that the individual buyers screened out approximately eighty per cent of the product presentations. The policy at the Godfrey Company is that the individual buyer is better capable than anyone else in considering the merits of products with which he is in every day contact. The buying committee acts more as a "confirming" body rather than a "decision-making" body. This does not intimate that a product which reaches the buying committee is assured of acceptance but that the product does have better than a "50-50 chance" in being accepted and thereby gaining valuable warehouse space.

The criteria used in screening new products by Mr. Browne are very definite and are always used in gauging the merits of a new product. Every product accepted does not necessarily have to meet all of these qualifications, as any given product may have a few strong qualities which will offset its weaker points in other categories. The criteria used by Mr. Browne are as follows:

1. Need for the new product at the retail level.

Is the market crowded with comparable items?

2. Profit. The new product must yield a profit equal to similar items.
3. Quality of the new product. This must be unquestionably good.
4. Package. The product must sell itself and be easy to handle on retail shelving.
5. Case Pack. This must reflect a reasonable case quantity for rapid retail turnover.
6. Efficient Casing. Cases with poor identification markings and weak structure complicate warehousing.
7. Promotion and Advertising. These must appear adequate to make an impact on the consumer.
8. Special Discounts and Allowances. These should be available to pass on to the retailers to pay for pioneering the new product.
9. Retail Price Bracket. The item must be competitive to similar products and represent a good value to the consumer.
10. Evaluation. The supplier's ability to sell the new product must be evaluated. The integrity and reputation of the vendor are important factors.
11. Guaranteed Sale. This is required on many items which are of a seasonable nature. The Godfrey Company has very limited warehouse space and cannot afford to carry an item from one season to the next.

A new product rejected by the Godfrey Company will not be reconsidered for at least sixty days. However, if there is a change in product or price, or a new promotion or advertising program is arranged, the product may be immediately represented.

The buying committee of the Godfrey Company consists of three persons, namely, the Head Buyer (Director of Grocery Purchasing), the Assistant Grocery Buyer, and the Merchandising Director. These three individuals do all the buying at the Godfrey Company, and each man is responsible for presenting at the buying committee meeting the items he has initially approved. Samples are again "cut" at the buying committee meeting and the buyer making the presentation "acts" the part of the salesman.

The buying committee does not discontinue any item that is currently being stocked. This responsibility rests with the buyer and the decision to discontinue an item is his alone. Mr. Browne estimates that for every ten items they accept, eight items are discontinued. All items are constantly reviewed in light of the established criteria and their performance record; items are not discontinued merely because new items are being added--these processes are separate functions at the Godfrey Company.

Since this is a voluntary group organization, there is no forced distribution on new items as is the usual procedure in chain operations, consequently, merely

obtaining placement of the item in the warehouse does not assure distribution of the product to the member stores. A list of new items is mailed each week by the grocery department to every retailer, and if the item is of particular importance, notification will be made in the weekly merchandising bulletin as an advertising suggestion.

Under the voluntary type of food distribution, retail sales effort by manufacturers representatives is essential in obtaining initial placement of the new product. Even though the item is placed in the wholesaler's catalogue or pre-printed order form, retail sales effort is needed to bring the product to the attention of the retailer. The Godfrey Company prefers that salesmen restrict their calls on their member stores to introducing new products, and to promotional effort on items currently carried by the warehouse. They do not like to have new items presented to them through retail members, although they do consider items that are requested by their member stores. New items presented by this procedure must represent a consumer demand for the product and not merely an attempt by a salesman to secure placement through the "back door," in this instance, a member store.

Formal communication on buying decisions is made to salesmen by use of a form letter which indicates acceptance or rejection on every item presented. Committee action is immediately communicated to the salesmen after the buying committee meeting which is held every Friday afternoon.

Mr. Browne indicated that the Godfrey Company welcomes any suggestions whereby sales relations can be improved. The officials of the Godfrey Company frequently attend Grocers Manufacturers' Representative (GMR) meetings in Milwaukee which further enhances the excellent supplier relations that they enjoy. Each year during the Christmas holiday season, the Godfrey Company has an "open house" which includes cocktails and buffet dinner for all salesmen and brokers in the Milwaukee market. Salesmen look forward to their invitation to this event; Mr. Browne feels that the Godfrey Company has greatly strengthened their trade relations by staging this annual social event.

Cooperative Buying Organization

This case study is drawn from one of the leading cooperatives in the country; Roundy's, Inc., Milwaukee, Wisconsin. In addition to supplying 400 member stores in Southern Wisconsin, this wholesaler also supplies two strong local chains in metropolitan Milwaukee (Kohl's and Halan's).

The material for this study was obtained through a personal interview with Mr. E. F. Ihlenfeld, Marketing Vice-President of Roundy's, Inc. This study will be more detailed than the previous two cases in that data was obtained on actual sales presentations of a product which was accepted, and on a product which was rejected.³⁷

³⁷Personal interview with Mr. E. F. Ihlenfeld, Vice-President in charge of Marketing for Roundy's, Inc., Milwaukee, Wisconsin, December 21, 1957.

Product presentation--product accepted. On the following page is the product information form used by Roundy's, Inc. The item under consideration, as presented on the form, is Proctor & Gamble's Zest Deodorant Beauty Bar. The use of Roundy's, Inc., product information form is mandatory for all salesmen; items will not be considered unless so presented--manufacturers' new item forms are not acceptable.

There are three buyers at Roundy's, Inc.; the Zest presentation was made to the buyer handling this type of merchandise. All sales calls are made by appointment only by notifying the receptionist at least one day prior to the appointment. Each salesman is allotted fifteen minutes to make his presentation. Several samples of both sizes of Zest soap were left with the buyer.

Brochures were shown of the scheduled promotional activity on Zest soap which included reprints of advertising that had already been run and of ads that were yet to break. These one-half page black and white ads were appearing in the Milwaukee Journal's Thursday Food Section. A series of full page color ads were scheduled to appear in Parade, the Sunday supplement of the Milwaukee Journal.

In addition, the promotional plans included a heavy direct mail sampling of Zest soap to the consumers home. The free samples would carry a coupon entitling the housewife to a discount of eight cents on her purchase of two

PRODUCT INFORMATION FORM¹

TO ALL SALES REPRESENTATIVES: This form is made available to you so that you may provide us with the complete details concerning your product. Use a separate form for each product. Make sure all information is complete and accurate.

- 1 . NAME OF PRODUCT ZEST DEODORANT BEAUTY BAR
- 2 . MFG'D BY Proctor & Gamble Distr. Co.
- 3 . ADDRESS 300 M&I Building
City & State Milwaukee, Wisc.
- 4 . REPRESENTED BY J. E. Lyons & L. E. Madson
- 5 . ADDRESS 2732 N. Teutonia Ave., Milw. 6, Wisc.
City and State MILWAUKEE, WISC.
- 6 . TELEPHONE SUnset 6-5584
- - - - -
- 7 . PACK & SIZE 100 Bath & 144 Complexion
- 8 . PRICE _____ per doz.
- 9 . PRICE List 17.60 per case.
- 10 . TRADE DISCOUNT None
- 11 . CASH DISCOUNT 2% 10 days
- 12 . WEIGHT 64# per case
- 13 . F.O.B. POINT Freight prepaid
- 14 . FREIGHT COST _____ per case
- 15 . FREIGHT RATE _____
- 16 . PRICE PROTECTION POLICY Yes Reg. No _____
Bath-2/41
- 17 . SUGGESTED RETAIL PRICE Complexion- 2/29
- 18 . FAIR TRADED? Yes _____ No X

¹Copy of original; however, original was contained on one page.

19. SALE GUARANTEED? YES _____ NO X
20. FREE GOODS No
Cooperative
21. ADVERTISING ALLOWANCE Standard P&G-20¢/cs.
22. LABEL ALLOWANCE Reg.
23. SWELL ALLOWANCE _____
24. SPECIAL PROMOTIONS Yes x No _____
- A. Newspapers 1/2 page black & white Mlw. Jr.
- B. Radio _____
- C. Television All P&G TV Programs
25. PRESENT DISTRIBUTION IN THIS AREA _____
A & P, Halans, IGA, Sentry
National Tea, Krambo, Kohl's
26. RETAIL COVERAGE Will cover all accounts
27. PRODUCT LIABILITY INSURANCE? Yes

GENERAL INFORMATION:

Saturation TV Advertising in all P&G programs. 1/2 page black & white ads in Mlw. Journal--print attached. Full page color ad to appear in Parade as per attached
Free samples to consumers home--8 ¢ off coupon offer in each bar.
4% more profit than regular items
Retail coverage to all customers

ROUNDY'S---REVERSE SIDE OF PRODUCT INFORMATION FORM

ATTENTION SALES REPRESENTATIVE: PLEASE DO NOT FILL IN
INFORMATION ON THIS PAGE!

Item Presented	Pack	Size	Cost	Retail	Disc	Allow.	Av. Monthly Case Movement

Comparable
Items

COMMITTEE ACTION

DECISION: Approved _____ Disapproved _____ Hold _____

bars of Zest soap. All of the regular Proctor & Gamble television programs were to carry a saturation schedule on Zest soap.

Special emphasis was made by the salesman in his product presentation as to the per cent of profit which Zest soap was currently returning at retail level. Zest soaps, at the current retail selling prices, were returning four per cent more profit on selling price than the regular soap items. The salesman also said that Zest soap had become the number one soap in other markets where the product had been introduced under similar conditions.

Presentation was made on both the bath and complexion sizes of Zest soap. Accompanying the regular Proctor & Gamble salesman on the sales call, was his regional manager, and both men participated in the actual presentation. This is a common practice when major promotions, which involve a considerable local investment by the manufacturer, are being introduced to key customers.

Special emphasis was also given by the salesmen to the distribution of Zest in the Milwaukee market. Roundy's, Inc., seldom takes on a new item unless that product already has distribution and proven sales in their market. Careful analysis of distribution is very important to the buyer and should be stressed in every presentation. Analysis should be accurate as distribution is always checked by field supervisors before a decision is made to accept an

item. Since this organization does not have salesmen calling on the trade to introduce new items, they rely on the item to sell itself coupled with the aid of the manufacturers' sales staff and promotions.

Screening process. Roundy's, Inc., buyers accept sales calls on Tuesdays and Thursdays from 9:00 A.M. to 4:00 P.M., and on Wednesdays from 9:00 A.M. until 12 Noon. On Friday of the week of the sales presentations, the buyer performs his initial screening of the items presented. The buyer's first step is to have his secretary complete the reverse side of the sales presentation form (see page 65). This data gives the buyer all the information on comparable items currently in stock, if any, to better help him in his initial screening.

The buyer's next step is to compile a list of all the items that have passed his initial screening. This list is incorporated with similar lists from the other buying offices, and consolidated into a master list. A copy of one of these master lists, which was considered at a recent Roundy's, Inc., buying committee meeting, is found on the following page. Results of committee action are registered on this list in columns marked "Accept, Refused, or Reconsider."

At the close of business on Friday, the master list is mailed to the members of the buying committee so that they will have an opportunity to analyze and consider

NEW ITEMS--MERCHANDISING MEETING¹

	ACCEPT	REFUSED	RECONSIDER
Kaiser Aluminum Foil, 24/20', 7" wide	XX		
24/25', Standard	XX		
24/25', Economy, Heavy Duty	XX		
24/1-1/4 lb. No-Trik Cleaner		XX	
48/80 count Northern Colored Luncheon Napkins		XX	
24/4 oz. Beechnut Orange Juice-- Apple Juice		XX	
24/4-1/4 oz. Heinz Juices--Apple, Apple-Apricot, Apple Pineapple, Apple-Grape, Apple-Prune		XX	
24/7-1/2 oz. Heinz Strained Vegetables & Ham		XX	
24/7-1/2 oz. Heinz Junior Vegetables & Ham		XX	
48/3 oz. Kool-Sip Lemon Drink		XX	
24/6 oz. Butternut Instant Coffee--15¢ Intro. offer	XX		
24/2 oz. Butternut Instant Coffee--5¢ Intro. offer	XX		
48/8 oz. Comstock Applesauce		XX	
96/6 oz. Hunt's Tomato Paste		XX	
12/1 lb. Buster Cashew Tidbits- splits	XX		
12/1 lb. (Twin Pack) Buster Split Virginia Peanuts		XX	
12/8 oz. Kraft Low-Calorie Dressing	XX		
12/12 oz. Milani '1890' Dressing		XX	
12/12 oz. Milani Italian Dressing		XX	
12/8 oz. Doxsee Clam Juice		XX	
12/8 oz. Doxsee Whole Clams		XX	

¹Copy of original; however, original was contained on one page.

NEW ITEMS--MERCHANDISING MEETING (Continued)

	ACCEPT	REFUSED	RECONSIDER
24/8 oz. Italian Chef Pizza Sauce		XX	
24/15 oz. Oval Sardines in Tomato Sauce--Maine Will order Calif.Sardines		XX	
12/8 oz. Beechnut Baby Cereals-- 5 items in 8 oz.cartons	XX		
12/16 oz. Swansdown Lemon Chip Angel Food Cake Mix 6¢ off deal	XX		
6/2-pack Pillsbury Loaf Size Cake Mix--3 flavors		XX	
12/4 oz. Betty Crocker Meringue Mix	XX		

the new items in light of their own retail operations. The following Monday, the buying committee meets at the main office to discuss the items under consideration.

The criteria used by the buyer in the initial screening are for the most part of a general nature. Roundy's, Inc., feels that for every new item added, an item must be discontinued; consequently, the new item must have strong initial merchandising potential to be able to displace a competitive item. Quality is of prime importance to the buyer, as Roundy's, Inc., feels that this criteria is more important today than ever before. They seldom buy "price" merchandise. Other important criteria used are competitive pricing, attractive packaging, advertising and merchandising

support. Merchandising is especially important to Roundy's, Inc., as they want to know exactly how much sales effort the manufacturer or broker salesmen will put behind the new product in actual retail calls to their member stores.

If an item does not pass the initial screening, the buyer informs the salesman on his next call, or he is notified by the buyer's secretary. This is done by telephone, if the salesman has a local address. If the new item passes the initial screening, he is notified by form letter what action was taken by the buying committee. This form letter is shown on the following page, the contents of which indicate to the salesman whether the item was accepted, rejected, or action postponed.

An item that has been rejected, either initially or by the buying committee, can be presented again at a later date providing the presentation has been modified. The most common changes in this situation are in the market distribution of the product, advertising, or merchandising plans, and special added incentive promotions.

Buying committee--composition. At the present time, Roundy's, Inc., has only one buying committee, although in the near future they plan on having separate buying committees for produce and for meats. The present committee consists of five retail supermarket operators, headquarters' buyers, and merchandising managers. At present, there are four buyers and three merchandising managers which makes a total of twelve men on the Roundy's, Inc., buying committee.

Wisconsin's First
Family of Foods



ROUNDY'S, INC.

Mailing Address
P.O.Box 473
Milwaukee 1, Wis.

11300 W. Burleigh St.
Wauwatosa 10, Wis.

Phone GL.3-8200

Dear Sir:

At our last merchandising meeting, we considered your
submitted items:

_____ The item was accepted and an order will be
forthcoming.

_____ The item was rejected.

_____ We will reconsider this item within the next...
_____ 30 days.
_____ 60 days.

We appreciate the submission of the samples and expect
that you will continue to keep us appraised of items
which you feel will be of value to our member stores.

Yours very truly,

ROUNDY'S, INC.

C.E. Johnson/s/

C. E. Johnson
Director of Purchases

CEJ:mcf

OWNED BY WISCONSIN'S LEADING FOOD MERCHANTS

The five retail supermarket operators serve on the committee for a period of approximately one year. Two of these members usually repeat for another year so that this portion of the buying committee is not entirely new each year. Those operators who have a stronger financial interest in the company, are usually the members on the committee. The merchandising managers on the committee are from the advertising, promotion, and marketing departments. In the opinion of Mr. Ihlenfeld, the Roundy's, Inc., buying committee is well balanced from the standpoint of retail merchant representation and headquarter personnel.

The buying committee meets every Monday afternoon for approximately three hours. In addition to considering new items, this committee also determines acceptable retail prices on their private label merchandise. The buyer who received the original presentation by the salesman, introduces the product to the buying committee. According to Mr. Ihlenfeld, an item that is properly conceived, properly tested, and properly marketed in the consumer's interest, will be accepted by this committee. These are the general points which come under critical analysis by the committee members.

Since the master list of new products under consideration was analyzed by each committeeman prior to the meeting, he already has some fairly fixed ideas concerning the merit of the product. This shortens considerably the

discussion on each item and also tends to diminish the degree of bias which may be present in the buyer's presentation to the committee.

Zest was accepted primarily because of the powerful promotional activity behind the product. The item was profitable to handle at present retail market prices, and promised a high rate of turnover. These facts were checked prior to the meeting by a member of the merchandising staff, who also conducted a survey on distribution and shelf space allotment devoted to this product by other retailers in the market.

Communication of buying committee decision. A formal letter of acceptance, as shown on page 71, was mailed to the salesman who made the Zest presentation. The letter, in this instance, was only by way of confirmation as the salesman was notified by telephone the following day. The buying committee felt an urgency to have the order placed as soon as possible.

Initial communication to the member stores of the addition of this new item to the pre-printed order form, was announced through Roundy's Reporter. Members stores of the cooperative receive this publication monthly, which outlines the merchandising plans for the month, items to be discontinued, and new items to be warehoused. In announcing the addition of Zest to the member stores, labels of both sizes of Zest soap were included in the

Reporter. This is the usual procedure when the labels are made available by the manufacturer and is a very effective method in calling the retailer's attention to the new product.

The member stores are, of course, free to order what merchandise they desire, in this instance, they may or may not order Zest. Outside of the monthly Roundy's Reporter, and the weekly order form and price change bulletin which is mailed to each customer, there is no "selling" by headquarters to member stores. Roundy's, Inc., has five retail supervisors who act in a service and merchandising capacity only. Under this type of retail supervision, a new item may succeed or fail depending on the retail effort by the manufacturer or broker salesmen. Once the seller has succeeded in placing a new item with the Roundy's, Inc., organization, their big job is to personally secure placement with the cooperative member.

Proctor & Gamble salesmen followed closely on this promotion and succeeded in obtaining almost a 100 per cent placement with Roundy's, Inc., cooperative stores. This insured permanent stocking of Zest by Roundy's, Inc., as long as favorable stock turnover was maintained.

Product presentation--product rejected. A recent item considered by the Roundy's, Inc., buying committee, was a package deal on Comstock Apple Thins. Data was not obtainable on this presentation other than that which was actually presented at the buying committee meeting.

The buyer presented the product, just as in the case of the item accepted, from the new product form prepared by the salesman. This item was packed 24/16 oz. at a delivered cost of 30.4 cents per unit. The buyer pointed out that a thirty-nine cent retail would return a markup of 22.1 per cent. The package deal included a can of apples, crumb topping, and crust, enclosed in a free baking pan.

Along with the presentation, the buyer produced a pie ready to eat, made from the pie deal. Four of the members of the committee definitely did not like the taste of the pie, while not one of the members admitted that they liked the product. On taste appeal alone this product would have been rejected, also several members of the committee felt that the pie was too small.

Another reason for the rejection of this particular item, was the lack of advertising and sales promotion behind the product. The only sales promotion gimmick was the free pan enclosed with the deal, and the committee felt that this would not be enough to promote the item as this gimmick had been used before.

General information. Roundy's, Inc., arranges, in some instances, to check a new item in a limited number of test stores, prior to a final decision by the buying committee. These stores are usually selected from the stores which are operated by the retail members of the buying committee.

Almost all items are initially presented by the vendor, although occasionally the buyer may call the vendor concerning a certain item. Member stores also request certain items but such requests are not given too much heed unless they become numerous. A record is kept of store requests of new items by the buying office--if the records show continued requests for a certain item, the product will be considered.

Poundy's, Inc., buyers are offered approximately 100 new items every month. Approximately forty of these items are screened out by the buyers before they reach the buying committee. An average of ten items are accepted each month while fifty items are rejected by the buying committee. For every item accepted, Poundy's Inc., attempts to have an item discontinued. This would mean an average of ten items per month would be discontinued. In actual practice, however, Mr. Ihlenfeld states that they have discontinued from five to ten items per month but that it is their intention to match each item accepted with an item discontinued.

New products are compared with known quality items that Roundy's, Inc., is already handling as one method of quality control. Periodically, samples are "cut" to insure that manufacturers are shipping the quality of merchandise as originally sold. These precautions are taken primarily with packers who are not regular suppliers of Roundy's, Inc.

CHAPTER IV

SALESMANSHIP

Introduction

What prompts an executive of a leading food chain to state, "The art of salesmanship is nine parts dead, and the science of advertising and promotion is coasting on gimmicks and giveaways to a point where good merchandising and marketing tactics are too often forgotten"?³⁸ This man is speaking from experience and his statement should cause manufacturers to review the efficiency and techniques of their sales and marketing departments.

This chapter will be devoted to the art of salesmanship and its application in dealing with the modern supermarket buying function. An attempt will be made to answer such questions as: What are the basic requirements needed for successful salesmanship? What type of salesmanship is needed to achieve a satisfactory buyer-salesman relationship? Does the existence of the buying committee reduce the sales call to a mechanical operation, an operation where the quality and finesse of salesmanship is no longer essential?

³⁸Don Parsons, "Determine the Basic Desires of Customers and Then Meet Them," Weekly Digest, Vol. 59, No. 20 (May 17, 1958), 10.

Sales managers are recognizing that high pressure salesmanship has about ended in the distributing of food. This is due in part to the advent of the buying committee and to the realization that inducing a retailer to buy a new food product, or stock another non-food line, is wasted effort unless that item moves in a profitable volume to the consumer.

The successful salesmen of packers and manufacturers are those who have developed the confidence among buyers that what they offer will sell. The successful territorial brokers are those who have established similar standing with chains, voluntary chains, retailer-cooperatives and supermarkets where their merchandising men are working.

Too many food processors are using "easy selling" methods. The most prevalent form is "buying business" with large promotional allowances, without following through to see that this money is actually used in promoting the larger sales that will be mutually profitable. Anybody can do the simplest form of "easy selling"--cutting prices to obtain prompt shipping orders.

Rather than relying on "easy selling" methods, the manufacturer should place emphasis on obtaining, training, and maintaining a competent and qualified sales force.

In trying to better understand the goals of the modern salesman, Norman Wade, sales management consultant, makes the statement,

Today's sales recruit is of a new generation, and the emphasis should be put on the word new. His ideals are new, in the sense of being different; he will be loyal to an ideal only after he is convinced of the value to him of the ideal.³⁹

Salesmen used to emphasize wealth, fame, and success, whereas, today security and adjustment are primary goals.

What type of salesmen should management strive to obtain? If the goals of the new salesmen are security and adjustment, how can they be accomplished and at the same time a satisfactory service be rendered to the employer? The answer is--to achieve the status of a professional salesman.

The Professional Salesman

Basic requirements for a professional salesman. We often hear of a person having a "professional attitude" or "professional conduct." These terms are used in reference to the characteristics of the individual--a list of these can be outlined for the salesman in helping to define his true professional status. There is no place for the "peddler" in the sales field today. He should think of himself as a professional and also act like a professional. Here are some of the characteristics of the professional salesman.⁴⁰

³⁹C. Norman Wade, "Why Today's Sales Recruits Are Different," Sales Management, Vol. 79, No. 8 (September 20, 1957), 120.

⁴⁰Material based on notes taken by the writer at an advanced sales training course conducted by E.A. Allen, Personnel Director, Libby, McNeill & Libby, Chicago, Illinois, April 15-27, 1957.

1. The professional salesman does not require close supervision or direction. He plans his own activities and directs himself. Costs run high when salesmen have to be constantly supervised.

2. The professional salesman does not regard himself as an employee. He does not consider himself to be working for a boss. He regards his supervisors as fellow professional workers, and they regard him in the same manner.

3. The professional salesman does not work by the hour. He does not expect to adhere to a strict time schedule. He adjusts his working hours to meet the necessities and responsibilities of his job, without thought to overtime or standard work week.

4. The professional salesman does not expect to be paid by the hour. He expects to obtain the amount for which he has agreed to perform his duties. This sum may be based on the responsibilities required and the sales service rendered; this cannot be measured in hours. For the young man starting in the sales field, this characteristic is the most difficult to rationalize.

5. The professional salesman takes full responsibility for the results of his efforts and actions. He makes his own decisions and acts on them. He may seek advice and counsel, but he does not attempt to transfer responsibility for his own mistakes to others. There is no "passing the buck" or taking credit where credit is not due. This latter point has ruined many a good salesman.

6. The professional salesman continuously seeks self-improvement. He takes advantage of every opportunity to improve his skills, knowledge, and understanding.

7. The professional salesman contributes to the skill and knowledge of his profession. He develops new ideas, new plans, new approaches, and shares them with his fellow salesmen.

8. The professional salesman respects the confidence of others. Those whom he serves often require that information remain confidential. He never violates this confidence. Needless to say, this is the "acid" test of the true professional salesman.

9. The professional salesman is loyal to his fellow salesmen. He never gossips about them nor about his supervisor and management.

10. The professional salesman avoids rumor and hearsay. He does not listen to the grapevine. He obtains his information directly from those authorized to release it.

11. The professional salesman adjusts his grievances through proper channels. He discusses them directly and privately with those authorized to make adjustments. He refrains from complaining and grumbling.

12. The professional salesman meets his professional obligations. He fulfills all agreements entered into with others, whether they are legal or moral obligations.

13. The professional salesman is sensitive to the

problems of his supervisor and management. He always considers the effect of his actions on the welfare of others.

14. The professional salesman does not advance himself at the expense of others. He strives for promotion and advancement only on the basis of superior performance and personal merit.

15. The professional salesman is proud of his job. He always reflects pride and satisfaction in his work.

16. The professional salesman's chief desire is to render a service. Professional salesmen exemplify the "service principle" to the highest degree.

There are many more characteristics the professional salesman should have, but these are the major ones. The professional salesman also has these basic qualities: knowledge; the capacity and willingness to work; the ability to sell himself, enthusiasm, honesty, confidence, imagination and resourcefulness, tact, personal appearance, health, loyalty, sense of humor, good speech, and a pleasing voice.

Captain Eddie Rickenbacker, now President of Eastern Airlines, made the following statement regarding the kind of salesman any type of enterprise strives to obtain. He bases his description on what he has learned from leaders in many enterprises and from his own experience.

I want a man with faith, honesty, belief in the freedom to work; one who is benevolent and charitable, thrifty, and loving of his country, his family, his job, and himself. I want a man with mental ability,

who is stable and industrious, who will stick with it regardless of the headaches and heartaches, who is loyal, self-reliant, and able to get along with others. I want a man who is a leader, who has attained a real degree of maturity, and who has goals which will carry him to the top.⁴¹

Now that the professional salesman has been identified, what actually motivates this man to obtain and maintain these high standards?

Motivations of the professional salesman. Twelve basic motives which spell out SALESMANSHIP as presented by Mr. Kenneth B. Haas, are as follows:

S	elf-preservation, the desire for security, to satisfy our fear, caution,
A	cquisitiveness, the desire to have things, to own things, to possess things we need, like and want,
L	ove of others, our love of our own dear ones, or our desire to help and make others happy, comfortable and provided for,
E	go, or pride, our craving for prestige, importance, recognition, power, authority and position,
S	ex or romance, our desire to be with and to please the opposite sex,
M	oney (making or gaining), to get more, or to protect what we now have,
A	pproval of others, social approval, the need for commendation and recognition,
N	eeds, physical pleasure and comfort, desire for the finer things in life,
S	elf-approval, our own personal sanction of what we do, critical self-examination,
H	ealth, long life, vigor and vitality, freedom from pain, illness, accidents, etc.,
I	mitation, keeping up with the Joneses, keeping in the social whirl,
P	lay or recreation, hobbies, games, sports, amusements, rest, etc.

⁴¹An address by Captain Eddie Rickenbacker, President of Eastern Airlines, to the Grocers Manufacturers of America, Inc., Annual Meeting, November, 1952.

⁴²Lecture by Mr. Kenneth B. Haas, Chairman of the

Salesmen, like those in other professions, work to achieve certain goals. Although there are others, the general motives for success are security, opportunity, and recognition.⁴³

Security is of prime importance to the average salesman. Companies realize that too much security can result in lack of motivation and too little security can result in poor morale. A large portion of the security of a salesman is determined by the personnel policies of the salesman's company.

A salesman that is not worth training in view of promotion is not worth hiring. Every salesman should have "equal opportunity" to increase his position with the company commensurate with his increased abilities. Material wealth is probably the greatest single factor in motivating the salesman. Clear cut wage and incentive plans should be established and thoroughly explained to the sales organization.

Recognition is a motivating force that is too often forgotten in the rush to do business in these greatly accelerated times. Recognition cannot always be given to

Department of Marketing, Loyola University of Chicago, at a Salesman's Clinic, Madison, Wisconsin, Summer, 1952.

⁴³James H. Davis, Handbook of Sales Training (New York: Prentice-Hall, Inc., 1954), p. 349.

the individual in dollars and cents, but should never be neglected even if the acknowledgment is only a pat on the back.

Motivation and emotional maturity. Motivation is the total sum of all the needs, drives, and urges which causes an individual to act as he does. Many human needs, drives, and urges may be satisfied by the type of work done. Management must determine whether the salesman's principal job motivation will spur him to work sufficiently hard, to perform his duties conscientiously, and to remain on the job a reasonable period.

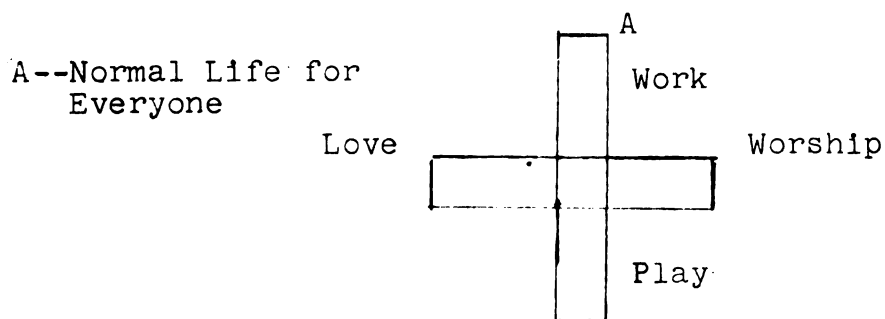
There are three basic reasons why motivations differ from one individual to another; differences in basic or physic energy levels, differences in level of aspiration, and differences in ability to withstand frustration.⁴⁴ Some salesmen have more drive and energy than others. They can overcome greater obstacles and endure greater hardships, have greater stamina and are more persevering than others. Aspiration is determined by the level and nature of the goal which the individual sets for himself. He may be influenced by environment--home, schools, individuals, et cetera. Difficulty in obtaining some goals may result in some frustration which serves to intensify and reinforce

⁴⁴Frank LaClave, Basic Problems of Sales Management (New York: McGraw-Hill Book Company, Inc., 1945), p. 27.

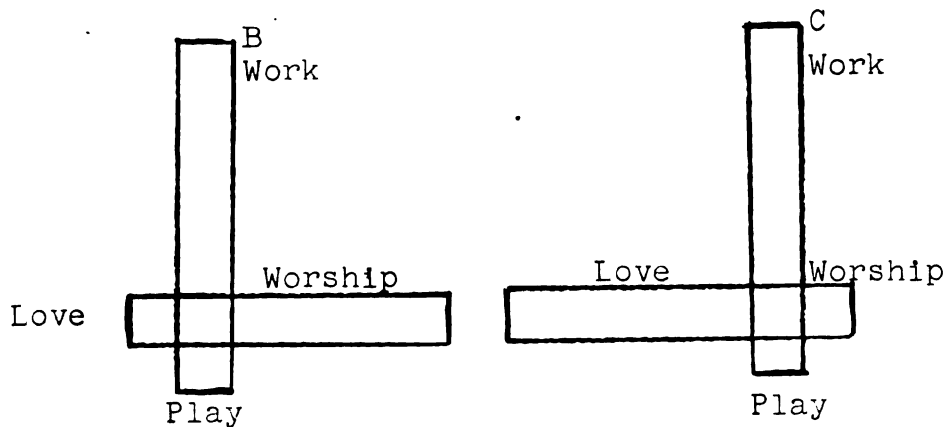
unsatisfied drives. Continued frustration may result in exaggerated needs or in the salesman channeling efforts towards substitute or partially satisfying goals.

Prescription for a well balanced life. There are many unfortunate salesmen who are exposed to bad living habits, poor control over their health, emotional frustrations, and fatigue. Some salesmen have learned to conduct themselves so that they do not suffer from these hazards. Salesmen are subject to these hazards due to the nature of their work. A good analysis of this situation and how to correct and control the causal factors, was presented by Dr. E. J. Kepler to the Grocers Manufacturers Representatives Organization in Milwaukee, Wisconsin.⁴⁵

In the form of a diagram, Dr. Kepler explained the proper relationship needed for the four component parts, love, work, worship, and play, to lead a normal life. Diagram A shows the proper balance of these four components while the other diagrams show improper balance and the persons that tend to be in this situation.

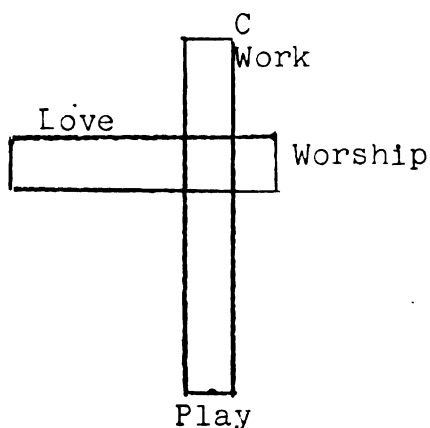


⁴⁵An address by Dr. E. J. Kepler of the Mayo Clinic, to the Grocers Manufacturers Representatives, Milwaukee, Wisconsin, August, 1955.



B--Spinsters, school teachers, missionaries, librarians, social workers, some parents.

C--Some tired businessmen and too many wives and mothers. Some husbands. Many salesmen.



C--Socialites, Playboys, Debutantes, Parasites, Some Students

His prescription for that "beat-up" feeling, poor health, lack of vitality, poor morale, and high fatigue, was not a prescription for any kind of drug, tonic, or vitamin as you may expect but a prescription for a normal, full, well-balanced life through the proper balance of love, work, worship, and play. Dr. Kepler defines work as that

kind that satisfies the instinct to enjoy one's life, not merely monotonous drudgery. Play should be relaxation and not dissipation. Love implies a happy married life, a home, and children. Worship does not necessarily mean only church-going, but also sincere devotion to something that is bigger than oneself.

Dr. Kepler pictured most salesmen as being long on love and work and short on play and worship (see Diagram C). The four arms of the crosses should be reasonably equal, and if they are not, the salesman will feel "beat-up," tired, irritable, unbalanced, and unfit.

This lack of energy and good health is not the tired feeling that one has after a strenuous game of bowling or tennis, but more like a chronic state of feeling tired and useless even when one gets eight hours of sleep every night. This tired and "beat-up" feeling is the result of frustration, fear, anxiety, and apprehension and may be banished, barring any disease, if the salesman will revamp his way of living and his point of view.

In understanding the motivations and attitudes of salesmen, these factors should be taken into consideration. A good salesman, the professional salesman, will recognize his weaknesses and will try to maintain a well-balanced life.

The Buyer--Salesman Relationship

The salesman who has chosen to render his services in the food industry, will be calling on buyers who are responsible either directly or indirectly for the purchase of millions of dollars in merchandise annually. With such a responsibility on their shoulders, buyers have a right to expect qualified and well trained salesmen to call on them, in other words, a professional salesman. The best way for a salesman to enjoy good relations with a buyer, is to be sure that every sales call is purposeful and beneficial in aiding the buyer to favorably perform his duties. If this concept is put into practice, not only the buyer but also the salesman will benefit in the long run.

The sales call. The salesman, at best, has fifteen minutes to present his sales' "pitch" to the buyer. Fifteen minutes is not a very long time when considering the secretary interruptions, phone calls, et cetera, which generally take place during the interview. Consequently, the successful sales interview is one that is well planned, which bears out the old saying, "Plan your work, then work your plan."

The preceding chapters have pointed out the importance of the written product presentation and that the buyer is the salesman's representative before the buying committee. A good oral presentation may be effective on the buyer at the time of the sales call, but by the time the buyer has

listened to numerous other sales "pitches" and finally repeats your presentation to the buying committee, the effectiveness is lost. Emphasis should be placed on the written presentation as the buyer relies on what he reads and not on what he thinks he heard. The oral should supplement, not dominate the written presentation.

Based on the material presented in the preceding chapters, the salesman should plan his sales presentations according to the following format.

First, when the salesman is facing a buyer for the purpose of:

1. Securing placement of product,
2. Introducing a new item,
3. Arranging a store sale or promotion--the following points are foremost in his mind. How the salesman presents and proves his story will determine the results.

1. Is the item a duplication or is it an exclusive?
2. Does it perform a new service, give a new taste thrill or sensation?
3. Is it better advertised?
4. Is it worth the price?
5. Does it enlarge the market?
6. Will it replace a competitive item we are now stocking?
7. Is the quality good?
8. What is the estimated sales potential?

9. Is it an A, B, C, D, or E item?
10. Is the firm responsible?
11. What is the manufacturer's financial condition?
Is it sound or is it doubtful?
12. Does manufacturer support product in an aggressive way? With high pressure? With conservative methods?
13. Is the support consistent?
14. Is an advertising allowance available?
15. Will the product produce sufficient turnover and profit to justify placement?

Secondly, as much of this information as possible should be included in the written presentation. A workable check list for the written forms for the salesman to follow would be:

1. Write clearly and legibly, typewrite if possible;
2. No misspelled or misused words, no smudges, or erasures;
3. Express yourself in simple, short, and concise statements;
4. Be specific--no general rambling statements of little importance;
5. Make your points, do not crowd words, leave it easy to read;
6. Use one additional plain white sheet of paper of the same size as the product form, if additional space is needed;

7. Attach small pieces of promotional material, ad schedule, ad reprints, to help clarify and serve as a testimonial. This may include facts and figures the salesman has prepared. Do not attach too much at one time, and use material somewhat near the same size of the form for easy handling;
8. Leave enough copies of material you feel will assist buyer in effectively communicating the story to the buying committee, if possible and with the approval of the buyer, leave one copy for each member of the buying committee.

Thirdly, prior to the final selection of an item by the salesman for the presentation to the buyer, he should make a careful analysis of that item in light of the following points in determining the advisability of presenting that product:

1. Competitive brands and sizes carried,
2. Selling prices and per cent of profit on competitive items,
3. Services offered on competitive items,
4. National, local, and cooperative advertising on competitive brands,
5. Distribution of competitive items in major retail outlets, and
6. Compare quality of competitive products.

If the salesman conducts his sales call on the basis of the foregoing criteria and check points, his goal of achieving empathy with the buyer and subsequent acceptance of his product can be reasonably assured. A recent article in Food Business confirms the need for a well planned sales approach, predicting that:

Successful sales, merchandising and promotion programs will reflect more "enlightened self-interest" on the part of manufacturers. The old hoopla doesn't sell 'em anymore. "Loading" is a thing of the past.

It will take more factual product information based on genuine retailer appeals; up-to-date figures on profit, turnover and sales; well planned promotions and service programs to capture interest of buying and merchandising executives.⁴⁶

What the buyer expects of the salesman. The buyer expects the salesman to relate his firm's promotional plans to the distributor's, giving an intelligent interpretation of how the chain can most profitably fit in with the manufacturer's merchandising objectives. This is of vital importance to the buyer and should never be neglected in the sales presentation.

The buyer expects the salesman to interpret the short and long range significance of the manufacturer's national and local product advertising campaigns in terms of the buyer's interest. According to William Nigut, marketing and trade relations counsel, "Far too many product 'pitches'

⁴⁶Bruce Fader, "Fresh Sales Approach," Food Business, Vol. 5, No. 12 (December, 1957), 15.

are built entirely around product advertising. Buyers have become immune and indifferent to such presentations."⁴⁷

The professional salesman will be receptive to the buyer's tips on planning products and promotions, stemming from the distributor's experience of consumer demand trends. This is a valuable source of market information for the manufacturer and the professional salesman will be alert to forward this data to the proper departments.

The buyer expects the salesman to leave literature on new products to round out information given orally and provide material for discussion at buyers' meetings. He expects the salesman to outline forthcoming products and promotions and gain his cooperation in marketing plans so that quality, price, package, delivery, display, and allowances will fit into his company's selling operation.

To further "cement" the buyer-salesman relationship, sales progress, or lack of it, should be reviewed and ideas pooled for improvements such as minimizing out-of-stock conditions. Salesmen should be able to interpret their companies' policies with regard to trade area, retail distribution, and extent and duration of publicity.

There is a pressing need today for the professional salesman, and those individuals who are willing to take the time to train and equip themselves with the necessary sales tools, will find the sales profession a very rewarding experience.

⁴⁷Cogan, op. cit., p. 25.

CHAPTER V

SUMMARY AND CONCLUSION

This thesis has been written in an attempt to provide information which may prove helpful to those individuals who have selected the sales profession in the food industry for a career. In accomplishing this goal, data have been presented on the supermarket buying function, its buyers and buying committees, and suggested sales procedure and salesman attributes for effective salesmanship have been outlined.

The material used as a basis for this report, was secured primarily from personal interviews and from the New Product Case Study conducted by the Food Distribution students at Michigan State University. The many trade journals and publications which serve the food industry, were a valuable source of information as concerns current supermarket buying operations.

The buying committee form of purchasing, as carried on by the majority of the large chains, has one distinct advantage serving the best interest of the chain, in that the committee acts as an impartial body when weighing the relative advantages or disadvantages of a product. The committee rarely sees the salesman and, consequently, is

not swayed by persuasive salesmanship. The buyer, when left to his own designs, might favor certain products because he likes a salesman and not consider other products because he dislikes a salesman.

On the other hand, one distinct disadvantage of the buying committee is that the committee may be very cumbersome. There may be much time lost in the period between the salesman's initial presentation and the committee's decision. The writer believes that by reducing the size of the buying committee, a duplication of duties can be avoided and the acceptance and promotion of the many new and profitable products can be more quickly expedited. The food industry is a very dynamic business, consequently, speed and efficiency in the buying function can mean the difference in besting competition.

Buying committees are decreasing in size, for example, of the nine Kroger Co. branches surveyed, as shown in Chart XI, only one large committee remains, whereas, two short years ago the large Kroger Co. buying committee was the rule and not the exception. Purity Stores, Ltd., a 100-store chain with headquarters in San Mateo, California, has recently announced that their merchandising organization is adopting the department store manager concept, which places full responsibility and authority for selection of items, pricing, gross profit, sales, inventory turnover, and sales promotion with the merchandise manager of the

commodity group. This, of course, is in direct contrast to the traditional supermarket chain methods "under which items are selected by a committee, purchased by a buyer, priced by someone else, allocated space in stores by others and promoted by advertising department personnel."⁴⁸ If this trend in the reduction of the size of buying committees continues, there is the possibility that in the new future the decision-making, with respect to new products, will again be the responsibility of one or two individuals.

A major reason for the formation of buying committees is to relieve the pressure on the individual buyers which is exerted from outside sources. The buyer is swamped with gratuities from the many salesmen who are competing for his favor. These gratuities may vary from a luncheon engagement to a costly gift. Although outwardly most buyers refuse to accept favors, the pressure is there and few can withstand acceptance to some degree of this "sales tool."

The use of gratuities is not delayed long by the anonymity of a buying committee and when the identity of committee members is "discovered" by salesmen, the scope of giving gratuities is only broadened. When this occurs, the buying committee has lost its advantage as an impartial body.

⁴⁸Norman Tipton, "Purity Adopting Department Store Manager Concept," Supermarket News, Vol. 7, No. 14 (April 7, 1958), 1.

Buying committees, which consist basically of the same individuals meeting together week after week, are prone to fall victim to channel thinking, and when this occurs the buying procedure becomes mechanical in operation. Under these conditions one member of the group can easily dominate the thinking of the committee. Buying committees are no longer effective if they act as a "rubber stamp" for one individual and in this event, the company may as well save the added expense of operating a buying committee and rely on the buyer, who is best qualified to render a decision in the first place.

The products that stand the best chance of winning the buying committee's approval are those that are presented with a properly completed new product form and accompanied by a simple, easy to read, yet complete data sheet--one which contains information on product and consumer research, such as, a record of sales locally and nationally of the new product or promotion, the pricing and profit structure, and consumer advertising program.

Good trade relations are essential in achieving good sales records; the ideal relationship between salesman and buyer is the one which is based on mutual helpfulness and understanding of each other's problems. Salesmen should recognize the fact that all chains are not alike and that they should be sold as individuals; sales tools and methods should be tailored accordingly. Although the buying

committee is the "decision-making" body in most buying operations, salesmen should never underestimate the importance of the buyer as his influence is probably the strongest single factor affecting the approval or disapproval of a product by the buying committee. If the salesman properly sells his product to the buyer, the chances of that product's acceptance is greatly increased.

Competition is at an all time high in the food industry today and, consequently, the services of the professional salesman are at a premium. There is another significant aspect of this keen competition in that the rugged battle for brand position and the constant flow of new or improved products, will ultimately mean better values for the consumer. In the final analysis, the consumer, not the salesman, buyer, or buying committee, is the "decision-maker" in determining the acceptance or rejection of a product. Those products which give to the consumer a real value, quality at a reasonable price, will be the products to win the battle for shelf space in the modern supermarkets.

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APPENDICES

APPENDIX A

PRODUCT INFORMATION FORMS

LIBBY, McNEILL & LIBBY

Food Products

Date _____

Gentlemen:

Offering of New Item

ITEM _____ SIZE & PACK _____

COST _____ F.O.B. _____ SHIPPING WEIGHT _____

APPROX. LANDED WHLSE. COST PER CASE _____ PER UNIT _____

CASH DISCOUNT _____ SWELL ALLOWANCE _____

PROMOTIONAL ALLOWANCE _____ CO-OP ADVERTISING _____

PRICE PROTECTION _____

GUARANTEED SALE _____ No _____ FAIR TRADED _____ No _____

OFFERED TO ALL CUSTOMERS ON PROPORTIONATELY EQUAL TERMS? _____

FACTORY LOCATION(s) _____

LOCAL SOTCKS CARRIED YES _____ NO _____ CASH DISCOUNT _____

AVERAGE MOVEMENT PER MONTH, PER STORE:

CUSTOMER A _____ CUSTOMER B _____ CUSTOMER C _____

PRESENTED BY _____

REMARKS

Very truly yours,

Manager

DATE _____

A&P DETROIT, MICHIGAN

INFORMATION ON NEW COMMODITIES

ITEM _____

SIZE & PACK _____ WEIGHT PER CASE _____ COST PER CASE _____

TRADE DISCOUNT _____ QUANTITY DISCOUNT _____

CASH TERMS _____ FOB TERMS _____

IS ITEM FAIR TRADED? _____ MANUFACTURED BY _____

ADDRESS _____

LOCAL REPRESENTATIVE _____

ADDRESS _____

MAIL ORDERS TO _____

STATE PRICE PROTECTION POLICY AGAINST DECLINE _____

_____ WHSE. _____ STORES _____

WHAT OTHER A&P WAREHOUSES HAVE BOUGHT THIS ITEM? _____

HOW LONG HAS PRODUCT BEEN ON MARKET? _____

WHAT LOCAL COMPETITORS HAVE BOUGHT THIS ITEM? _____

DOES MANUFACTURER CARRY PRODUCTS LIABILITY? _____

WHAT IS POLICY ON SOILED AND DAMAGED MERCHANDISE? _____

ADVERTISING OR PROMOTIONAL ALLOWANCE (Give full details or
attach copy of your form) _____

NEWSPAPER, RADIO OR T.V. ADVERTISING BEING MADE _____

MERCHANDISE INFORMATION FORM

For use by Salesmen Contacting National Tea Company,
Detroit, Michigan

Date _____

Help us to help you to obtain the most from your interview by filling in the information requested below before your appointment with our buyers.

A. New Items: If you are submitting a new item for our consideration, please fill in the lines below.

1. Item _____
2. Pack and Size _____
3. Cost per Case _____ Delivery Terms _____
4. Trade Discount _____ Cash Discount _____
5. Advertising Allowance: _____
6. Suggested Retail Price _____
7. Present distribution in this market _____
 1. _____
 2. _____
 3. _____
 4. _____
8. Packed By _____
9. Address _____
10. Local _____
11. Address _____
12. Special Promotion or Advertising Plans _____

Your Signature _____

For cooperative Advertising Schedules and Service, please contract our Sales and Advertising Department.

Thanks for your cooperation.

NEW PRODUCT INFORMATION

NATIONAL FOOD STORES
Milwaukee, WisconsinPLEASE PRINT--Use Separate Sheet for each Item and Size--
Submit to Buyer Only

DATE _____

MANUFACTURER _____

ADDRESS _____

REPRESENTED BY _____

PRODUCT _____

QUANTITY AVAILABLE _____

CAN WEIGHT _____ CAN SIZE _____

PACK PER SHIPPING CASE _____

COST PER SHIPPING CASE _____ COST PER DOZ. _____

PRICE GUARANTEE _____ GUARANTEE SALE _____ SWELL ALLOWANCE _____

F.O.B. _____ FRT. PER CWT. _____ CS. WEIGHT _____

QUANTITY DISCOUNT _____ CASH TERMS _____

SUGGESTED GROSS
RETAIL _____ PROFIT _____ COSE EACH DELIVERED _____

CO-OP. ADVERTISING	DO NOT FILL IN SPACE BELOW				
PRO-ALLOWANCE	LIKE ITEMS NOW IN STOCK				
	BRAND	SIZE	COST	RET	PERIOD MOVEMENT
DISTRIBUTION IN MARKET					
	QUANTITY ORDERED				
	CODE NUMBER				
	DEPARTMENT NUMBER				
	SHIPPING UNIT				
	WHSE. SECTION				

KROGER CO., PITTSBURGH
SALESMAN INFORMATION FORM

DATE _____

To clearly and quickly obtain the most from your interview, please fill in the information requested below, before your appointment with the buyer.

NOTE: IF THE ITEM TO BE DISCUSSED IS ALREADY STOCKED,
PLEASE FILL IN ONLY THOSE LINES WHICH ARE APPROPRIATE.

1. ITEM: _____
2. PACK & SIZE: _____
3. COST: _____
4. DELIVERY TERMS: _____ CASH DISCOUNT _____
5. FREE MDSE., SPECIAL ALLOWANCES, ETC. _____
6. COOP. ADVERTISING: _____
7. SUGGESTED RETAIL PRICE: _____
8. LOCAL DISTRIBUTION:
 1. _____
 2. _____
 3. _____
 4. _____
 5. _____
 6. _____
 7. _____
 8. _____
9. PACKED BY: _____
10. ADDRESS: _____
11. LOCAL REPRESENTATIVES: _____
12. ADDRESS: _____
13. SPECIAL PROMOTION OR SPECIAL ADVERTISING PLANS: _____

SIGNED _____

BETTENDORF'S NEW ITEM FORM

DATE _____

ITEM _____ PACK _____ SIZE _____

COST _____ FOB _____ WEIGHT PER CASE _____

COMPLETE COST DELIVERED OUR WHSE PER CASE _____

OUR STORE PER CASE _____

TERMS _____ SWELL ALLOWANCE _____ SUGGESTED RETAIL _____

FLOOR STOCK PROTECTION _____ DAYS _____ ADVERTISING ALLOWANCE _____

MANUFACTURER _____

ADDRESS _____

BROKER OR LOCAL REPRESENTATIVE _____

ADDRESS _____ PHONE NO. _____

CITY _____ STATE _____

WHY SHOULD WE HANDLE?DISTRIBUTION IN ST. LOUISLOCAL ADVERTISINGOTHER SIZES OF THIS ITEM AND
RELATED ITEMSOTHER INFORMATIONDO NOT USE THIS SPACE

YOUR SIGNATURE: _____

DATA SHEET ON NEW PRODUCT

Submitted to

SUPER VALU STORES, INC.
Des Moines, Iowa Branch

Date _____

We are pleased to submit the following information as
furnished us

BY _____, Principal

ADDRESS _____

NAME OF PRODUCT _____

PACKED _____ TO CASE. SIZE _____

PRICE _____ Per DOZ. SWELL ALLOWANCE _____

PRICE _____ PER CASE or

LABEL ALLOWANCE _____ OTHER GUARANTEE _____

TRADE DISCOUNT _____ CASH DISCOUNT _____

F.O.B. POINT _____ FREIGHT RATE _____

WEIGHT PER CASE _____ FREIGHT COST PER CASE _____

TOTAL COST PER CASE AND/OR DOZEN _____

FLOOR STOCK PROTECTION _____

ADVERTISING AND/OR PROMOTIONAL ALLOWANCE _____

SPECIAL PROMOTIONS PROMISED BY SELLER:

NEWSPAPERS _____ SUGGESTED RETAIL PRICE _____

RADIO _____

TELEVISION _____

SPECIAL RETAIL SALES HELP: _____ YES _____ NO

LENGTH OF PROPOSED ADVERTISING CAMPAIGN _____

SALE GUARANTEED BY SELLER _____ YES _____ NO WITH RESERVATIONS
_____ YES _____ NO

COMMENTS: _____

Brokerage Company

By _____

GODFREY COMPANY

Product Information Form

TO ALL SALES REPRESENTATIVES:

DAGE _____

Gentlemen:

This form is made available to you so that you may provide us with the complete details concerning your product. Use a separate form for each product. Make sure all information is complete and accurate. If NEW PRODUCT PLEASE ATTACH COPY OF COOPERATIVE ADVERTISING CONTRACT.

1. NAME OF PRODUCT _____ 5. REPRESENTED BY _____

2. MANUFACTURED BY _____ 6. ADDRESS _____

3. ADDRESS _____ City & State _____

City & State _____ 7. TELEPHONE NUMBER _____

4. TELEPHONE NUMBER _____

8. SIZE _____

9. PRICE _____ Per Doz.

10. PRICE _____ Per case.

11. PACKED _____ Per case.

12. SHIPPING WT. _____ Per case.

13. F.O.B. POINT _____

14. FREIGHT COST _____ Per case.

15. FREIGHT RATE _____

16. PRICE PROTECTION POLICY YES _____ NO _____

17. SUGGESTED RETAIL PRICE _____

18. FAIR TRADED Whlsale at _____ Rtl. at _____

19. SALE GUARANTEED HOW LONG _____

20. QUANTITY DISCOUNT _____

21. TRADE DISCOUNT _____

22. CASH DISCOUNT _____

PRESENT DISTRIBUTION

GODFREY COMPANY (Continued)

23. FREE GOODS _____
24. ADVERTISING ALLOW. _____
25. LABEL ALLOWANCE _____
26. SWELL ALLOWANCE _____
27. SPECIAL PROMOTIONS Yes _____ no _____
- A. Newspapers _____
- B. Radio _____
- C. Television _____
- D. Demonstration _____
28. LENGTH OF PROPOSED ADVERTISING CAMPAIGN _____
29. PRODUCT LIABILITY INSURANCE YES _____ NO _____
- A. Amount _____
30. STORE HANDLING CONSIDERATIONS
- A. Spot for Pricing: Yes _____ NO _____
- B. Shelf Stacking: Good _____ Fair _____ Poor _____
- C. Tear Strip Case: Yes _____ No _____
31. STATE YOUR DEAL TO CORPORATE CHAINS
- _____
- _____

REVERSE SIDE OF GODFREY COMPANY PRODUCT INFORMATION

ATTENTION SALES REPRESENTATIVES

Please do NOT fill in
information on this page

BUYERS' INSTRUCTIONS

Buyers will please fill in the information requested below prior to presentation to the buying committee.

Item Presented	ITEM COMPARISON ANALYSIS								
	Pack	Size	Unit Cost	Unit Retail	Gross% W/F G.	Gross% WOF.G.	Cash Disc.	Adv. All.	Av.Wk. Case Mvt.
----- Comparable Items									
1									
2									
3									
4									
5									
6									

COMMITTEE ACTION

1 Decision-Approved _____ Disapproved _____ Hold _____

A. Why Disapproved _____

B. Hold For _____

1. Final Decision _____

RETAIL PRICE _____ INITIAL ORDER QUANTITY _____

CODE NO. _____

APPENDIX B

TRANSCRIPT OF A BUYING COMMITTEE SESSION

Buyer

Gentlemen, our first two new items today, as you can see, are two () cheese items. I present these together, as you will see in just a few minutes, why. The first one is a shredded sharp cheddar--29¢ retail will give us a mark-up of 29%. The next one is a cubed sharp cheddar--a retail of 39¢ will give us a 24.9% profit. As far as advertising is concerned () will run this full-page ad in the June 17th issue of Life. That is under cubed cheddar--they do have a June 10th issue running on this shredded cheddar but we are just a little late to get in on that one. We'll pass samples down the line here so you can look and get an idea of what the product is. As far as I know there is no other product in our area similar to this. () has agreed to handle and pay for two day store demonstrations in twenty of our stores, furnishing product and demonstrators. This will be in addition to our () line which we carry now. () does not have an item similar to this one.

Merchandise Manager

How will we handle this, Bill, through the warehouse, or D.S.D., or how?

Buyer

It will be handled through the warehouse the same as the () merchandise is handled now.

Merchandise Manager

Is it a guaranteed item?

Buyer

Guaranteed 100%. Any trouble we have, any dating problem, or any merchandise left in the stores that doesn't sell will be picked up and brought back into the warehouse and () will reimburse us for it.

Produce Manager

(Looking at sample) This is packed with toothpicks--like a little snack bar.

Buyer

As you can see there, Carl brought out a very good point--with toothpicks attached to the package of your cubed cheddar for convenience, what Mrs. Consumer is looking for.

Branch Manager

Do we handle any () cheese now?

Buyer

No Sir, we do not. Now, the reason I presented both items at once--they require that we take both items on in order to get these store demonstrations. Do you have any comments?

Merchandise Manager

What's the specific use--or how is their advertising

going to tie in, Bill, as far as the shredded cheese is concerned--is that going to be used in salads and tied in that way or--?

Buyer

Your June 28th issue of Life should tie this right in with salads. In other words your cubed and your cheddar will be advertised in the June 28th issue.

Branch Manager

Is that all the advertising they are going to do on it--just one ad?

Buyer

That's all they have scheduled right now.

Advertising Manager

No advertising allowance on this, Bill?

Buyer

No.

Chief Accountant

What type of demonstrations will they conduct?

Buyer

Their demonstrations will consist of samples in the store, sample cubes for customers and demonstrators to talk the products. There will be two day demonstrations in twenty large stores.

Chief Accountant

That's on both items, Bill?

Buyer

On both items, yes.

Product Manager

Looking at it from this strange standpoint--this is a heck of a big package for a small amount of cheese.

Anonymous

That's what I was thinking.

District Manager

Bill, what's the shelf life on this merchandise?

Buyer

They do not have a definite dating plan set up on their cheese--they figure that it should be ninety days on these two particular items.

District Manager

Guaranteed sale?

Buyer

Yes, 100% guaranteed sale.

Advertising Manager

How long did this stand out before you brought it in Bill?

Buyer

I left that out on my desk from ten minutes to one until now (3:30 PM).

Merchandise Manager

Any test results?

Buyer

No.

Personnel Manager

Do we carry sharp cheddar now that we cut in the stores?

Buyer

We carry () sharp cheddar--the only recognizable difference is this is already cubed--it is a specialty item already cubed for Mrs. Consumer. .

Personnel Manager

Don't we carry a sharp cheddar that our dairy girls cut--this is competition to that?

Buyer

This is a higher, more expensive item, and you have 6 oz. here.

District Manager

I like the cubed idea. It's a shame that we can't get it done with our own cheese, as I expect there's more money in it.

Buyer

Could we have a vote on these two items?

Branch Manager

I'd like to ask another question--here is a company coming out with a new idea in merchandising--running one ad--gentlemen, you can't sell a new item on one ad in Life Magazine and you can't sell a new item by two day demonstrations in twenty large stores.

District Manager #2

() is not recognized as a cheese manufacturer.

Branch Manager

() has never been recognized as really being in the cheese business. It's a side line with them.

Merchandise Manager

Well, that is basically true. However, they have come up with a new merchandising gimmick.

Branch Manager

With one ad they are not going to sell Mrs. Consumer.

Produce Manager

One ad in Life is powerful.

Personnel Manager

One ad may be powerful but one ad is not enough to sell it.

Branch Manager

What do you recommend Bill?

Buyer

Mr. (), I think it has possibilities in some large stores. Not from the advertising standpoint, I don't think the advertising is worth too much but I do know that () is watching it very closely. They haven't come out with it yet, but I think from the demonstrator standpoint we might do some good with it in twenty large stores.

Branch Manager

Well, it's true you can do anything by demonstrating-- I don't care what item you want to take--if you demonstrate, you'll sell it.

Buyer

What I am getting at here is we introduce it to Mrs. Consumer and she will come back and buy more.

Branch Manager

What is your recommendation, Paul?

Merchandise Manager

I'd go along with Bill. I believe this item has sales potentials. It is a new gimmick, in the summertime particularly. Mrs. Consumer is looking for an easy way out as far as food preparation is concerned. It's new--what do you fellows think of the quality of the cheese by tasting it?

Anonymous

It's very good cheese.

Anonymous

It's good.

Merchandise Manager

I don't think you can question the quality of it. I would recommend that we try it in Group 1 stores.

Branch Manager

What's the rest of you gentlemen's recommendations?

Anonymous

I'll go along with Paul on it--30 day or 60 day trial.

Branch Manager

How many are for it? Show a hand. O.K. approved. Next item? We'll have distribution on this when? Now this is coming up June 28th. (referring to ad).

Buyer

Distribution should begin by the middle of next week.

Branch Manager

It should be in the stores then by June 19th--by Wed. or Thurs.?

Buyer

It should be in all stores by next weekend--by the 21st or Monday the 24th at the latest.

Branch Manager

That's in Group 1 stores--large stores only.

Buyer

The next item is a new size of () Prune Juice--which we now handle in the quart and a 12 oz. size. Forty-nine cents retail on this item will give us 25% markup. As you can see there on your sheets we carry a quart of () at a 39¢ retail, a 12 oz. () at 17¢ retail and we carry a () quart at 37¢ retail. This is a new refrigerator jar and it should have some appeal to Mrs. Consumer. Our quart size is selling very well; we are selling 293 cases each period. With that movement there must be some demand for a larger size prune juice.

Branch Manager

Are they going to have any special advertising in their national setup on this?

Buyer

No, there's no special advertising at all.

Branch Manager

Are they going to include it with their regular advertising?

Buyer

I'm sure it will be included with their regular

advertising, yes, but there is no special promotion on this in nation-wide introduction of this, no.

Branch Manager

What do you think gentlemen, we would increase your sales there--your unit sale by 10¢--it has a more than average markup.

Product Manager

With the movement of the quarts that we have I'd say we have room for a large size.

District Manager

With the movement of the quarts vs. the 12 oz. it seems they want the larger size. Should we continue with the two quarts that we have or discontinue one item?

Buyer

Alright, there's a good question. Now we have (), looking at the retail and markup structure, we are moving 82 a period at 37¢ vs. 293 a period at 39¢ for (). You have a very good point there now, Dan, what is your feelings on that? Should we continue with two quart sizes or should we discontinue one quart size and take on this?

Branch Manager

Discontinue () and then we'll have a 12 oz., a 32 oz., and a 40 oz. ()--we'll have the complete line of (). Is that agreeable to everybody?

Anonymous

() is paying us 30%.

Buyer

You are getting 30% on (), but you are not moving the product like ()--you are not getting the sales.

District Manager

Do the store managers know the markup on it?

Merchandise Manager

Compared to () it's 2¢ under--you mean the store managers knew the markup was there?

Advertising Manager

They know it because we surveyed them twice on it.

Branch Manager

If you've ever drunk prune juice--there is nothing on the market compared to () quality-wise.

Buyer

Is it then agreed that we take the 40 oz. () and discontinue the () quart? Is that in agreement with everyone? O. K.

Merchandise Manager

Distribution on the quarts--is that packed twelve or what? (Discussion on Distribution--2, 1, 1 and 3, 2, 1).

Merchandise Manager

Well, they are not going to get three cases on the shelf so why load them up in the back room with it.

Buyer

If we are going to give up () you are going to have to sell out () first. This distribution will be out there before all the stores have cleaned up on ().

Branch Manager

How about 5 cases to introduce it--is that alright?

(Decision reached)

5,2,1

Buyer

Another new liquid detergent. (), in plastic dispenser. This is something new in the liquid detergent field. Liquid dispenser with tin on both ends--supposed to be very convenient for Mrs. Consumer--no cups to fill--no cans to pour out--just squeezes the amount that she needs right into the water. This is the regular 39¢ size--10¢ off would enable us to introduce it at 29¢; give us a markup of 16%. Now, I don't think it is necessary to read all these other items but I would like for you to take just a minute to look at some of the items we have and at the markups we have in them and our movement in your 12 oz. line. This is made by (), the same people that make ()

and at the present time they have an exclusive on this squeeze can. This squeeze can is getting quite a bit of advertising throughout the country by (). It's a () product.

Branch Manager

I notice one on here Bill. This liquid () that we took on a short time ago. A movement of 140--it's outselling any of the nationally advertised detergents.

Advertising Manager

That's packed 12 and the other is packed 24.

Merchandise Manager

Isn't () the one we discontinued?

Anonymous

No.

Branch Manager

We just took () on here about 60 days ago.

District Manager

I thought we took () on.

Buyer

We took ().

Chief Buyer

It's the 22 oz. we had over in (area) that we discontinued, Bill--there are two sizes.

District Manager

Bill, do those cans stack?

Buyer

Yes, they do stack--I don't have enough to show you.

Branch Manager

Is that the advertising on it --Dave Garroway's T.V. show--Today and (City Paper) in late June; co-operative adv. at 15¢ per case per quarter?

Buyer

That's right--we have to run one ad per quarter--there's no specific size or anything--we have to run one ad per quarter and get 15¢ per case advertising allowance.

Branch Manager

Do you recommend discontinuing anything there Bill?

Buyer

Not in the small size Mr. (), but when you get down to the larger sizes, yes. Have you reviewed the large size and the small size while we are talking here? The movement on those items? Now, there's one question--it seems to me as though the national advertising--and this is strictly my own opinion and I don't know, there may be some differences on it but it seems to me as though the national advertising on () has let up--I don't hear anything or see anything of it anymore. When you get down to your

movement on quart () I believe that movement will probably bear me out.

Branch Manager

We discontinued the half gallons some time ago didn't we?

Buyer

Yes, we discontinued the half gallon and our quart () is still the slower of all of our other larger size liquid detergents.

Branch Manager

Well, that's strictly a heavy duty detergent isn't it?

Buyer

Yes.

Branch Manager

() is strictly a heavy detergent.--I mean that's strictly for laundry--that's different than this other. That should be considered, too, that's a heavy duty detergent where those others are for dishes, light laundry, etc.

Advertising Manager

We just took on () didn't we? We've only had it for about a period.

Buyer

(), as Mr. () just brought out, is a little more mild, so is (), and ().

Anonymous

Right.

Chief Buyer

I don't believe there is anything on there we should discontinue. I think the whole thing is whether we want to take on another one. I don't think anything should be done away from these national brands.

Buyer

The net of it is, there is going to be a lot of national advertising. I know we have a lot of detergents on here--this 10¢ off is going to be played up--do we need it?

Merchandise Manager

How about the stability or durability of the plastic can as far as the housewife squeezing it. Will she squeeze it away from the tin ends of the can?

Buyer

We have had one case of that already Paul, we had a--whether it is general or not I don't know--but we had one of the larger sizes brought in her Saturday A.M. to set up and it had already pulled away from the bottom of the can. Now I don't know if that is going to be general with it or not but that's what we found.

Advertising Manager

Boy, that would be a mess.

Buyer

And when it does--Bill, you are right, it's a mess.

Branch Manager

Well, have they had this in a test market or anything?

Buyer

No sir, it's a new item and it's just now getting a send-off and in fact I don't think it's even being introduced nation-wide--I think it's just in one particular district right now--(area), (city) area and in thru there.

Merchandise Manager

How much of their advertising will cover our area? If they are not going to break with national advertising--if it is just going to start in the (city) area.

Buyer

Well apparently in late June will will have advertising in the (city paper).

Merchandise Manager

That's out of (area)?

Branch Manager

Well if they are going to do that it will be on Dave Garroway's show, but it will be on spot announcement out of (city)--it wouldn't be over Dave Garroway out of New York. It will be a spot announcement between breaks in the program--every 15 minutes.

Merchandise Manager

Not a complete show back of it?

Branch Manager

No, the complete show is back in New York.

Merchandise Manager

So actually the advertising would just cover from our area northwest--where we are here now, and as far as (area), (area) and south and we have no coverage there--I just wonder at this point, with the rather complete line of detergents that we have, liquid, both from brands and from price range, whether we need it.

Advertising Manager

What would happen, if in handling the cases one of the corners would get damaged, why you'd have that stuff all over. If it pulls away as easy as what you said it did the other day Bill--I'm just wondering with rough handling it might accidentally run into from time to time, what might happen.

District Manager

These cans you say are by ()?

Buyer

() already perfected the cans.

Produce Manager

I don't think we are going to have too much trouble with it pulling away. I don't think we should consider it on the type of container it is--they've probably tested that from time to time.

Branch Manager

The question is gentlemen do we need it at the present time with what we know about the advertising?

Merchandise Manager

I would recommend that we shelve it and see what happens and bring it up at a later date.

Branch Manager

Everybody in agreement? O. K.

Buyer

The next item is a () Root Beer Barrel, it's a candy item; sometime ago we reviewed the candy movement and we discontinued three or four items. We want to bring that one in for your consideration. There's no actual advertising, no advertising contract, they are presenting the item strictly on its own merit.

Merchandise Manager

What items did we eliminate Bill--do you remember?

Buyer

Well, we eliminated this raspberry twist; we eliminated another one I think of now--one marshmallow item.-- What do you think--this would have to be 29¢ retail to give us 25% profit? You've all had a chance to try it and see-- do we have a place for it?

Advertising Manager

How much candy have you got in the racks, Bill?

Buyer

We have plenty.

Advertising Manager

Every store that I've been in they are loaded with it.

District Manager #3

A lot of our racks don't have enough--I'll tell you that.

Anonymous

Well, that's true too.

Branch Manager

Well, let me ask this. If we promoted the candy that we've got and kept our racks full of it, would we have a complete line?

Merchandise Manager

Well, do we have an item similar to this in our original line, Bill?

Buyer

No, not in this particular line, not as far as the Root Beer base. What do you think--you've tasted it--that should--I mean that's actually what Mrs. Consumer is interested in anyway.

Anonymous

Like drinking a root beer.

Merchandise Manager

Well, the only merit that I see in this particular item at this time would be as a profit promotion to go out on a one time deal--just sack it out. Now whether or not we want to do that with that item or could we accomplish the same thing by using orange slices, gum drops, or circus peanuts just as well.

Branch Manager

What do you think gentlemen?

District Manager

It could be a dandy and again it might be one of those other things. I'd be afraid to say.

Chief Buyer

How many would you order?

District Manager

I think I'd hit the middle of the road on this--I don't think I'd go all out.

District Manager #3

It would be a nice thing for a manager to put in his pocket.

Chief Buyer

Just how many cases would you order?

District Manager

Ten is the middle of the road.

Buyer

What do you think fellows, could we take a vote on how many of you think we need this item based on what you've heard here--let's have a show of hands, how many think we need the item?

Chief Buyer

I think we can because we have a manager here who says he'd take ten cases of it.

District Manager

I said I'd go the middle of the road--I didn't say I'd go all out on it.

Chief Buyer

Well, that's still 10 cases to sell.

Buyer

That's 300. Well that's approximately 500 cases per division if that's the middle of the road.

Chief Buyer

He says he'd go on the middle of the road and he's tasted it but we surveyed the stores and they haven't seen it and they haven't tasted it--now I wonder what side of the road they are going on?

Branch Manager

Well, what's wrong with sending a bag out on survey?

Merchandise Manager

Bill, I would recommend that you pose a question of a profit promotion that we just stated and see if anyone is interested in a one shot deal with a survey and if we could get samples to send out on this.

Branch Manager

Can we get samples and put the survey around the bag and send it out there and let them taste it and then order it?

District Manager #2

Is there a profit promotion?

Merchandise Manager

Yes, there's a profit promotion.

Anonymous

I'd think it would sell.

Anonymous

I don't think it will.

District Manager #4

I'd rather see the same emphasis put on a () item.

District Manager #3

I'd rather go with one of the other items than that.

Buyer

Well, how many want to take it on, as Paul stated here, as a special promotion item--could I have a show of hands? How many definitely do not want to take it on?

(Rejected)

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FEB 23 1962

~~MAR 9 1962~~

~~SEP 20 1962~~

~~OCT 1962~~

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