

A CASE STUDY OF CHURCHILL'S SUPERMARKET
TOLEDO, OHIO

Thesis for the Degree of M. A.
MICHIGAN STATE UNIVERSITY
Joseph John Jerz
1958



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By

Joseph John Jerz

A THESIS

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

MASTER OF ARTS

**Department of Marketing and Transportation Administration
Curriculum in Food Distribution**

1958

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

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ABSTRACT

Food industry leaders are concerned with the effect frozen meat will have upon future food distribution practices. The present status of frozen red meat appears insecure, and yet, the frozen meat products have a real potential value in serving the consuming public with quality factors and additional conveniences. There are also significant implications toward the centralization of the cutting and packaging processes, should frozen meat become popular. The dilemma is rationalized into arguments concerning price, packaging and consumer reluctance; however, the real issue concerns the merchandising effort.

To secure some insights into the successful merchandising of frozen meat a study was made of Churchill's Supermarket, Toledo, Ohio. Churchill's has recently gained industry recognition because of its successful efforts in operating a one hundred per cent frozen red meat department. In 1957 the meat department sales exceeded \$600,000.

Churchill's offers the consumer three full lines of beef: U.S.D.A. Prime, U.S.D.A. Choice, U.S.D.A. Good. There are a hundred linear feet of frozen meat cases.

The market has a total main floor area of 9,600 square feet, and contains the regular departments plus a wide variety of gourmet items.

Churchill's main merchandising effort has been done in meats. The meats are cut into a wide variety. The Cryovac method of vacuum packaging is employed. An attractive blue and white waxed overwrap is adequately identified and colorfully labeled.

The advertising and promotional efforts stress the quality and convenience factors. The consumer's major criticism concerning frozen meats is that the products are not ready to cook. Churchill's approach is positive to this argument by convincing the public that the frozen meat is especially designed for immediate cooking.

The study reveals that meat wrapped in a "hidden" package is acceptable when the consumer has confidence in the quality of the meats. Educating the consumer about frozen meat is essential in gaining consumer confidence. Price resistance can be overcome by stressing the advantages of trimmed, boneless, well packaged meats, and also by offering two or more complete lines of graded meat for the different classes of customers.

The consuming public is willing to purchase frozen red meats when they are informed of the quality factors and convenience, and, especially when they have adequately taste tested the product.

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CHAPTER I

INTRODUCTION

THE FROZEN MEAT PROBLEM

A current dilemma in the food industry is the effect frozen meat will have upon future food distribution practices. The real potential of the frozen meat products has hardly been exposed at the retail level, although the problem has been given much consideration. Industry leaders frequently voice great optimism for the frozen meat industry and are quick to make future predictions of a twenty to fifty per cent market coverage by 1965.¹ Despite this optimism frozen meat production remained about two per cent of the total output of approximately sixteen billion pounds of packaged fresh red meat marketed.²

The Swift and Company was the first national packer to begin freezing meats for both retail and institutional markets in 1955. Gradually, other packers entered new markets after some experimental trials. Test markets in various areas

¹"What's Ahead for Frozen Red Meats," Progressive Grocer, XXXVI (September, 1956), pp. 186-196.

²James S. Toothman, Survey of Distribution Practices for Prepackaged Frozen Meat, U.S. Dept. of Agriculture, Marketing Research Report No. 137 (Washington: U.S. Government Printing Office, 1956), p. 1.

brought favorable consumer reaction to warrant full scale production of the heavy-frozen cuts; namely, steaks, chops and roasts.³ By the end of 1956, the heavy cuts were thought to be on their way, but in 1957 some uncertainty began to set in, and industry observers were not sure about the frozen meat future. Retailers began to cut back on the original amount of display space they offered the products, while other retailers became increasingly hard to sell on the idea of frozen heavy cuts.

Many reasons have been propounded as to the cause of the present paradox. The more advanced arguments include:

1. Unrealistic pricing at the retail level.
2. Uncertainty about proper packaging.
3. Little promotional support at store level.
4. Customer unfamiliarity with product and product preparation.
5. The problem of quality control.

All of the above points can be amended by the more aggressive retailer, if the retailer can be shown the value of such direction.

THE INHERENT BENEFITS OF FROZEN MEAT

The Preservation of the Quality in the Freezing Process

There has probably been no area in food preservation which has received more attention by the academic world than

³"Where Do Frozen Heavy Cuts Go From Here?"
Quick Frozen Foods, XX (March, 1958), p. 359.

frozen meat. Colleges of Agriculture have been performing hundreds of experiments relevant to the processing and freezing of meats: such leaders include Cornell, Purdue, Iowa State, Wisconsin, and Michigan State. The United States Department of Agriculture has also encouraged and supported research, and private industries have continuously experimented in various facets of the processing techniques.

Freezing has long been recognized as an excellent method of food preservation, and has been commercially used in the United States since 1865.⁴

Proper freezing operations have been so improved in recent years as to make the technical application for freezing free from any criticisms.

The generally recommended method of freezing meat is by the blast method in which the meat is stored in a room where a blast of air at -20°F. , or even lower is blown on the cuts for rapid freezing.⁵ Through experimentation fresh meat which has been blast frozen at -20°F. will contain small ice crystals which are dispensed throughout the muscle fiber. Such muscle tissue will not drip appreciably on being thawed,

⁴Clifford Evers and Donald Tressler, The Freezing Preservation of Foods, Vol. I. (Westport, Conn.: The Avi Publishing Co., 1957), p. 1.

⁵D. M. Doty, Meat Preservation-Past, Present, and Future, American Meat Institute Foundation Circular No. 13, (Chicago, Ill.: American Meat Institute Foundation, 1955), p. 1.

and the meat will retain the original quality when storage at a reasonable temperature of about 0°F. is maintained.⁶

Tenderizing Effects and Storage Life

As early as 1932, quick freezing and subsequent storage were reported to have had some tenderizing effect on beef. Hiver and Hankins in 1941 had shown that freezing steaks after five day's aging made them more tender.

Another study in 1945 Hiver, Madsen, and Hankins reported, "Beef samples aged five days, cut 1½ inches thick and frozen at 18°, -10° and -40°F. in still air; at -40°F. in an air blast; and at -114°F. increased consistently in tenderness as freezing temperature was lowered and time shortened."⁷

Hiver and Hankins reconfirmed their earlier findings in 1947 and reported, "Beef rounds frozen at 18°F., 0°, and -114°F., were more tender than their unfrozen pair mates. The least tenderizing effect was at 18°F., the greatest at -114°F."⁸

Meat in the frozen state offers storage advantages when storage facilities are available. Under certain conditions beef can be stored indefinitely.⁹ The storage factor offers the consumer the benefits of convenience by allowing

⁶Clarence K. Wiseman, Research Division Armour and Co., Factors Influencing Quality of Frozen Meats. A Report to the Regional Training Conference by the Refrigeration Research Foundation, April, 1947. (Chicago, Ill.: 1947), p. 24.

⁷Evers and Tressler, op. cit., p. 682.

⁸Ibid.

⁹Doty, op. cit., p. 6.

a variety of cuts to be available when needed. Storage life is affected by temperature fluctuations, and the maintenance of a constant low temperature is recommended; however, there are many other factors which influence the quality life of frozen meats. These are:

1. Type of meat.
2. Initial quality of meat.
3. Handling prior to freezing.
4. Packaging methods and materials.
5. Method of freezing.
6. Storage conditions.¹⁰

The storage life of some frozen meat products at various temperatures is exhibited in Table I.

THE IMPLICATION OF FROZEN MEAT TOWARD CENTRAL PROCESSING

The Trends Toward Centralization

The trend in food distribution which made the advent of the supermarket a reality was the increased centralization of the assembling, processing and packaging functions of food products. The old fashioned system of bulk sales to customers was a distinct handicap to efficient service and increased variety. There were many items in bulk which had to be scooped into a smaller container, then weighed for price determination. Among the items common to consumers,

¹⁰Wiseman, op. cit., p. 21.

TABLE I

STORAGE LIFE OF FROZEN MEATS AT VARIOUS TEMPERATURES*

	10°F.	0°F.	-10°F.	-20°F.
BEEF	4 mo.	6 mo.	1 yr.	1 yr. plus
LAMB	3 mo.	6 mo.	1 yr.	1 yr. plus
VEAL	3 mo.	4 mo.	8 mo.	1 yr.
PORK	2 mo.	4 mo.	8 mo.	10 mo.
HAMBURGERS	3 mo.	6 mo.	8 mo.	10 mo.
PORK SAUSAGE	1 mo.	2 mo.	3 mo.	4 mo.
SMOKED HAM AND BACON	1 mo.	2 mo.	3 mo.	4 mo.
GREEN HAM AND BACON	2 mo.	4 mo.	6 mo.	6 mo.

*Clarence K. Wiseman, Research Division Armour and Co., Factors Influencing Quality of Frozen Meats.

which had to be processed in this manner were flour, salt, sugar, coffee, tea, lard, butter, eggs, and the dry vegetables. The processing, and packaging of such items at a central plant eliminated these extra chores at the retail level. This departure from the bulk services rendered to the customer, issued in mass production and economies of scale. The transfer of this labor from retailer to manufacturer or processor stimulated the packaging of a variety of new products which made mass supermarket selling a practical result. With such a variety of packaged items to choose from, self service was the natural evolutionary step in food distribution. Since so much labor was taken out of the grocery section, the operators could more easily extend into other food lines.

The alliance of the grocery and a meat department was the first of multiple line retailing. The produce department became an easily acquired appendage. The influence of frozen food selling became another profit line to the already swelling variety. The impact of frozen food in the grocery market is expressed in the following statistics of the value of the frozen products at the retail level:

VALUE OF ALL FROZEN FOODS AT RETAIL*

1942	\$162,000,000	1950	\$ 500,000,000
1943	178,000,000	1951	700,000,000
1944	197,000,000	1952	875,000,000
1945	257,000,000	1953	1,200,000,000
1946	324,000,000	1954	1,450,000,000
1947	245,000,000	1955	1,700,000,000
1948	292,000,000	1956	2,106,000,000
1949	375,000,000	1957	2,362,000,000

*Includes all sales of frozen vegetables, fruits, concentrates, poultry, seafoods, meats and prepared foods projected at retail prices. Actual retail sales are 70% of total figures. Of total retail dollar volume of frozen food sales, chains (two or more stores) account for an estimated 71%.¹¹

The stimulation to expansion in the grocery store was dependent upon the ease of handling the new item. When the items were delivered to the outlet ready to be displayed a shrinkage of labor costs resulted, which made increased product variety practicable to attract additional traffic. Introduction of the centralized process presented economies for the retail operator and the consuming public.¹² Processing and packaging also increased the variety of goods presented to the public and stimulated other manufacturers and processors into business. Centralization has generally meant lower food prices for the consumer.

Prepackaging of produce has recently undergone increased stimulation. The latest studies made by major chains indicate

¹¹"1958 Almanac of the Frozen Foods Industry," Quick Frozen Foods, XX (March, 1958), p. 166.

¹²Paul Sayres (ed.), Food Marketing (New York: McGraw-Hill Book Co., 1950), pp. 1-2.

that already over sixty per cent of the produce tonnage is sold prepackaged, with seventy per cent being the best estimate by the end of 1958.¹³

Despite the obvious trends of centralized processing and packaging, the meat departments in our supermarkets are still clinging to preparation methods reminiscent of the cracker-barrel era. The only significant change has been the introduction of self service, and the obvious technical improvements in equipment. The market still receives wholesale cuts, which must be broken down in the store into retail cuts which are packaged into smaller units, weighed, and priced before the product can be displayed. This process is likened to the old fashioned country store where the operator would receive a sack of dry beans which had to be packaged into retail quantities. The obvious difference is in the present self service form of retailing in which mass production techniques are employed, producing certain economies and efficiency.

Since the consumer prefers fresh meats to those which are precooked, salted, smoked or dried, the packaging of fresh meat at a central plant has not been successful, because of the perishability of the product. The processing, packaging

¹³"The 1958 Chain Store Age Produce Manual," Chain Store Age, XXXIV (March, 1958), p. 143.

and the freezing of meat at a central plant offers the food industry a great challenge to more economy and efficiency while insuring the consumer a fresher meat product.

Some Economic Advantages of the Centralized Processing of Frozen Meat

Some academic approaches have been attempted to compare retail labor costs of both frozen and regular red meat. A. B. Ezzell, working at Michigan State, has been able to compare labor requirements for handling frozen and unfrozen meats.¹⁴ Ezzell estimated that twenty-five per cent of all meat sold is not frozen; this includes the smoked, cured or other processed meats.¹⁵ If retailers sell seventy-five per cent of all their meat as frozen, this would be the same as one hundred per cent of their red meats. On Table II, Ezzell demonstrates that a large supermarket doing over \$5,000 of business per week in meats would have a savings of sixty-one per cent in man hours of labor if the market converted from regular to frozen meats.

The total equipment cost for a 15,000 square foot supermarket is estimated at \$95,120.¹⁶ The meat department's

¹⁴A. B. Ezzell, "Some Economic Impacts of Frozen Meats on Meat Retailing," (unpublished Master's Thesis, Dept. of Agricultural Economics, Michigan State University, 1956), p. 41.

¹⁵Ibid., pp. 24-25.

¹⁶Glenn Snyder, "What It Takes to Equip a New Super Market," Progressive Grocer, XXXVI (September, 1957), p. 56.

TABLE II

LABOR REQUIREMENTS FOR HANDLING MEATS IN RETAIL STORES WHEN NO MEATS ARE FROZEN AS COMPARED
WITH 75 PER CENT FROZEN*

Store Size	Weekly Meat Sales	Meats Handled per Man-Hour When Meats are All Fresh	Man-Hours of Labor When Meats are All Fresh	Man-Hours of Labor When 75 Per Cent of All Meats are Frozen			% Saved
				Fresh Component	Frozen Component	Total Hours	
	(pounds)	(pounds)					
SMALL							
\$250-\$999	716	17.25	42	10.5	2.3	12.8	29.2 70
MEDIUM							
\$1,000-\$4,999	3,081	30.07	102	25.5	9.9	35.4	66.6 65
LARGE							
\$5,000-\$12,500	13,020	42.08	309	77.3	41.7	119.0	190.0 61

*A. B. Essell, "Some Economic Impacts of Frozen Meats on Meat Retailing," (unpublished Master's Thesis, Department of Agricultural Economics, Michigan State University, 1956), p. 39.

percentage of this total is 24.38 per cent or \$23,191.00. This figure represents equipment for the selling and back room areas. The display equipment which consists of the refrigerator cases and a rotisserie totals \$6,624. The backroom equipment consists of twenty-six different pieces which totals \$16,567 (see appendix). In a centralized meat processing operation a definite savings in capital expenditure is evident since duplication of much of the equipment would be unnecessary.

Economies in space would also be significant in the frozen meat market. In the 15,000 square foot supermarket approximately twelve per cent of the overall store area is utilized by the meat department.¹⁷ Space previously expended by equipment and the processing areas would be available for additional sales potential.

Other smaller economies can also be suggested. For example, less meat supervision would be necessary. Total store personnel would be reduced for better management. The preparation of meat is somewhat messy (blood, waste, sawdust); therefore, the store would be cleaner and easier to maintain. Wrapping supply and laundry expenses would also be reduced.

¹⁷Snyder, Ibid.

Centralized Processing by the Packer

To the meat packers, small and large, pre-packaged frozen meat offers many economies; however, one serious obstacle to freezing meat as retail cuts at the packing plant is the attitude of labor. Tressler reports that the Amalgamated Meat Cutters and Butchers Workmen of North America (A.F.L.) would firmly resist any effort by packers to pre-package meat.¹⁸

A second obstacle is cabinet space. There is still a lack of adequate facilities in existing packing plants for large scale processing of a full line of frozen meats for retail distribution.

The two major economies gained by the packer would be the great reduction in transportation costs and the more profitable utilization of waste products (fats and bone).

James S. Toothman considering these two cost economies elaborates on these advantages.

The saving in transportation costs between packing plants and market areas can be anticipated with reasonable exactness as an immediate gain in packer production of full-trim cuts. When fully trimmed boneless retail cuts are fabricated and frozen at the point of slaughter, the equivalent of about four carlots of dressed carcass beef can be loaded in one large mechanically refrigerated car. This is possible because of the removal of excess fat and bone and the greater loading density of packaged meat compared with carcass meat.

¹⁸Evers and Tressler, op. cit., p. 685.

Based on present rail freight rates, a savings of about \$650 can be made in shipping a gross weight of 70,000 pounds of fully trimmed frozen meat from Omaha, Nebraska, to the east coast. This is equivalent to a reduction in freight costs of about \$160 on each car of fresh carcass meat shipped between the same points and about \$120 per car between Chicago and the east coast.

Among the other economic advantages of a central plant is that packers can recover 5 to 6 cents a pound, at 1955 price levels, from fat and bone going into byproducts, compared with 1 or 2 cents a pound received by retailers. If an average differential of 3 cents per pound is assumed, the packer would receive about \$7 more from the trim of a 600-pound beef carcass than the retail store receives when cutting is done there.¹⁹

Centralization Advantages of the Retailer

A large retailer could begin to process and package frozen meat at a central location. This could be done at the warehouse or at a separate location. Of course, if the retailer assumes these responsibilities the chain would have the initial equipment and labor costs. Besides the economies that have already been suggested, centralization by the retailer offers other benefits.

The outstanding benefit to the retailer would be in the quality control advantages. Large scale car lot buying would introduce quantity discounts.

The centralized operation would increase the individual labor productivity because improved methods, materials, and equipment in the various operations could be applied.

¹⁹Toothman, op. cit., p. 23.

Mass production, and motion and time study techniques could be utilized. Improvements in the principles of layout relating to receiving, blocking, cutting and wrapping would increase productivity.

If the retail chain were to centralize the frozen meat production, this would probably introduce the retailer's private label. Using the retailer's own label would mean lower local advertising rates and more merchandising stimulation at store level. The large chain retailer who begins introducing private labeled frozen meat products would, for a time, have an increased market advantage over his competitor because of this distinct innovation. Besides, the chains earlier entry into aggressive merchandising may bring effective long range profits.

THE INFLUENCE OF LOCKER PLANTS, FOOD PLANS, AND HOME FREEZERS UPON FROZEN MEAT DISTRIBUTION

The food distribution industry, generally, has not considered the locker plant operations, and the food provisioner plans as very competitive. These two types of distributive outlets, no doubt, have definitely secured a significant part of the frozen food market.

In recent years the food locker operators have taken on new services. The National Frozen Food Locker Institute reports that about ninety-five per cent of their members sell wholesale cuts of meat while seventy per cent are selling

commercial frozen foods.²⁰

The meat produced from slaughter for storage in locker plants was about six per cent of all the meat produced by commercial slaughter in 1947. In addition, the amount of meat bought wholesale from packers for the patrons by locker plants was estimated to be 210,000,000 pounds, or about one per cent of the commercial slaughter.²¹

In recent years the number of operating plants has decreased from 10,553 in 1955, to 9,894 in 1957.²² According to the United States Department of Agriculture, locker plants service more than five million families of which two million are freezer owners.²³

Food provisioning plans are becoming more popular as the sales of home freezers increase. The plans have matured in recent years, and have increased their competitive position by offering more services, and a more expanding line of food items. Progressive Grocer estimates that food sales necessary to supply the home freezer owner is a three

²⁰Evers and Tressler, op. cit., p. 236.

²¹Stewart H. Fowler, The Marketing of Livestock and Meat (Danville, Ill.; The Interstate Printers, 1957), pp. 563-564.

²²"1958 Almanac of the Frozen Foods Industry," op. cit., p. 191.

²³Ibid.

billion dollar national market.²⁴

Significant to the food distributor is the popularity of the home freezer by the consuming public. Sales of home freezers had almost reached the two million mark during 1956 and 1957.²⁵ Although the sales of home freezers decreased in 1957, as compared with 1956, the sales were still relatively high with 925,000 units sold.²⁶ The most popular size range in 1957 was nine to fourteen cubic feet, with 38.5 per cent of the freezers sold falling into that category.

The growing interest of freezers in the United States economy was highlighted by the Alfred Politz Research national survey taken for Look magazine which indicated that 16.2 per cent of United States households had freezers in 1956.²⁷ The Politz survey is consistent with estimates of metropolitan families owning freezers (see appendix). In considering the number of freezers being sold, the above figures do not include the thousands of refrigerator-freezer combinations, some of which can store up to 160 pounds of frozen food.

²⁴"Quantity Sales for Home Freezers Boost Meat Volume 33%," Progressive Grocer, XXXVI (July, 1956), p. 123.

²⁵"1958 Almanac of the Frozen Foods Industry," op. cit., p. 192.

²⁶"How Freezer Sales Slump 5% in 1957," Quick Frozen Foods, XX (March, 1958), p. 365.

²⁷"1958 Almanac of the Frozen Foods Industry," op. cit., p. 191.

THE PURPOSE OF THIS STUDY

A review of the literature substantiates the generalization that the independent food retailer has been the aggressor in serving the public with frozen meat.²⁸

In recent years the independent Churchill Supermarket of Toledo, Ohio, has received the food industry's attention for its uniqueness in the distribution of frozen meat products. The Churchill market offers a one hundred per cent frozen red meat line in three government grades: U.S.D.A. Prime, U.S.D.A. Choice, U.S.D.A. Good. In 1957 the meat department sales exceeded \$600,000, and accounted for thirty-five per cent of the total supermarket sales. The Churchill market has been studied by the nations three largest food chains, as well as, the two largest meat packing houses.

The implications of frozen meat upon the food industry has already been suggested, and the Churchill Supermarket is an outstanding example of what aggressive merchandising can do. The study of the Churchill operation should contribute to further appraisals and evaluations of the place of frozen meat in food distribution. Future acceptance of frozen meat may give the general public a quality product, economically, through the centralization of the cutting and packaging processes.

²⁸"What's Ahead for Frozen Meats," op. cit., p. 190.

THE METHODOLOGY

The primary source of informational data was secured from tape recorded interviews with Mr. Walter Churchill, Sr., owner of the Churchill Supermarkets. Additional material was secured by personal interviews with store employees, and observations of the internal operation of the supermarket.

A secondary source of data was the articles reported in several trade publications about Churchill's Supermarkets. Information regarding the economics of the trading area, population statistics and consumer habits were supplied from surveys conducted for the Toledo Blade Company, newspaper publishers.

CHAPTER II

THE HISTORY OF THE CHURCHILL SUPERMARKET

A BIOGRAPHICAL SKETCH

Mr. Walter A. Churchill, Sr., is serving his eighth year as President of the Toledo Food Association; he is also on the Board of Directors. The organization is composed of six hundred grocery members, and deals with problems of local, state and national interest which pertain to the grocery industry. Mr. Churchill is a member of the Associated Grocers Wholesale Company, and is a vice-president on the Board of Directors. Mr. Churchill is also appointed to the Boards of Directors of the Ohio Food Dealers, and the Frozen Food Locker Association.

Mr. Churchill is the private owner of three corporations: Churchill's Bellvue Market, Incorporated, Churchill's Supermarkets, Incorporated, Churchill's Certified Food Freezer, Incorporated.

Mr. Churchill began a partnership with his father in a grocery store in 1925. Twelve years later, in 1937, Mr. Churchill bought out his father's interest in the store. During these earlier years Mr. Churchill joined the United States Marines, and qualified as an officer. The store was operated until 1942, at which time it was

sold, because of the war. As a Marine Mr. Churchill spent four years overseas; he was a Battalion Commander in Hawaii, and served in the South Pacific during World War II, as a Marine Colonel. Mr. Churchill has been a Marine for thirty-five years, both in regular and the reserve corps.

Mr. Churchill is married, and has a daughter and son, Walter, Jr., who is Vice-President of Churchill's Supermarkets, Incorporated.

After World War II, Mr. Churchill purchased the corner of West Central and Cheltenham Road, Toledo, Ohio, and built a frozen food locker plant and a small supermarket. Business operations began on April 10, 1947. Mr. Churchill reasoned that after the war people would be interested in buying home freezers, and he had formulated ideas about merchandising meat other than the standard service type operation. At this time frozen retail cuts were sold from frozen food cases in the locker plant. Acceptance was good and annual sales in the period from 1947 to 1949 increased from \$225,000 to \$350,000.¹

In 1949 Mr. Churchill expanded into a full scale supermarket operation, retailing frozen meats from one hundred

¹Louis Milkovics, "Is This the Meat Department of the Future?" Progressive Grocer, XXXIII (November, 1954), p. 57.

linear feet of frozen food cases. Meat sales went from \$350,000 in 1949 to over \$500,000 in 1953.²

The change over to the retailing of frozen meats came about by a natural consequence of customer demand.

The transfer is described by Mr. Churchill in this manner:

Patrons began asking us for extra cuts to replenish their lockers as they ran short. I installed several ice cream cabinets and sold frozen retail cuts from these units. Then people, more and more, started to purchase meats directly from these units, and it was here that I got the idea of installing a 100% self-service frozen meat operation in my new supermarket. I did this in 1949 on a full-line basis--handling every cut one can find in any meat market or large supermarket.³

There was also during this period some resistance by the public concerning frozen meat. First, there were some poor sales practices by some food provisioning organizations which exploited the public.⁴ Then there were some false impressions manufactured by some of the public who believed that pork could not be kept frozen, or that liver would deteriorate in the frozen state, etcetera. Some of this misinformation was transmitted by bad experiences of people

²Ibid.

³Ibid., p. 58.

⁴Krantz Keller, "How to Survive in an Industry Tarred With Poor Sales Practice," Sales Management, LXXV (October, 1955), pp. 106-111.

who were hoarding meat during the war when poor packaging and freezing methods were used.

Despite some of these objections Churchill's continued a policy of selling quality meat products, and the sales response was so favorable that it was necessary in 1952 to double the size of the supermarket. This store was later organized into a corporation as the Churchill's Supermarkets, Incorporated. This supermarket is the concern of this study.

THE BELLVUE STORE

A second Churchill market was opened on January 23, 1957 at 2144 Monroe at Bellvue Avenue. This outlet has been incorporated as the Churchill Bellvue Market, Incorporated. The Bellvue Store is a Superette, and its frozen foods and meats are all processed at the Central Avenue store, and brought over each day. The store is forty-three feet deep and one hundred feet long with sixty feet of refrigerated cases for frozen meat. The decor of this store is modern with its fixtures all done in soft pastel colors.

CHURCHILL'S CERTIFIED FOOD FREEZER SERVICES, INCORPORATED

Mr. Churchill's third corporation administers his Blue Ribbon Food Services, a food provisioning plan whose operation is distinct from that of the supermarket. Mr. Lynn A. Colwell, Mr. Churchill's son-in-law, is the manager of this service.

Approximately six different food plans are offered depending on the needs of the family. There is a home economist service to help in planning and ordering; bank financing is also available. The plan services approximately three thousand families within a radius of thirty miles. The minimum order is \$250.00.

Churchill's Certified Food Freezer Service, Incorporated also holds the franchised dealership for the distribution of the Marquette Freezer.

THE FREEZER LOCKER SERVICE

The locker operation, in the beginning of the Churchill business, was, of course, very significant and responsible for the initial success in introducing the frozen meat products to the general public. In 1953 locker meats accounted for approximately \$100,000 or seven per cent of the yearly total store business, and twenty per cent of the total meat volume.⁵

In more recent years the locker rentals have been receiving less promotion. There were 1,200 lockers available in 1955. Recently some of the space has been converted into storage, so at present there are approximately 800 lockers available for rental. Today approximately two-thirds of these, or about 500 are drawing rent. The rental fee is \$17.50 to \$22.50 per year according to the cabinet size.

⁵Milkovics, op. cit., p. 61.

Seldom is outside meat brought in by a customer for processing.

The locker rentals are also offered as a service for regular customers who wish additional space, leave for extended vacations, or have special emergencies and need repairs on their home freezers.

CHAPTER III

THE DESCRIPTION OF THE CHURCHILL MARKET

LOCATION OF THE MARKET AND THE COMPETITIVE AREA

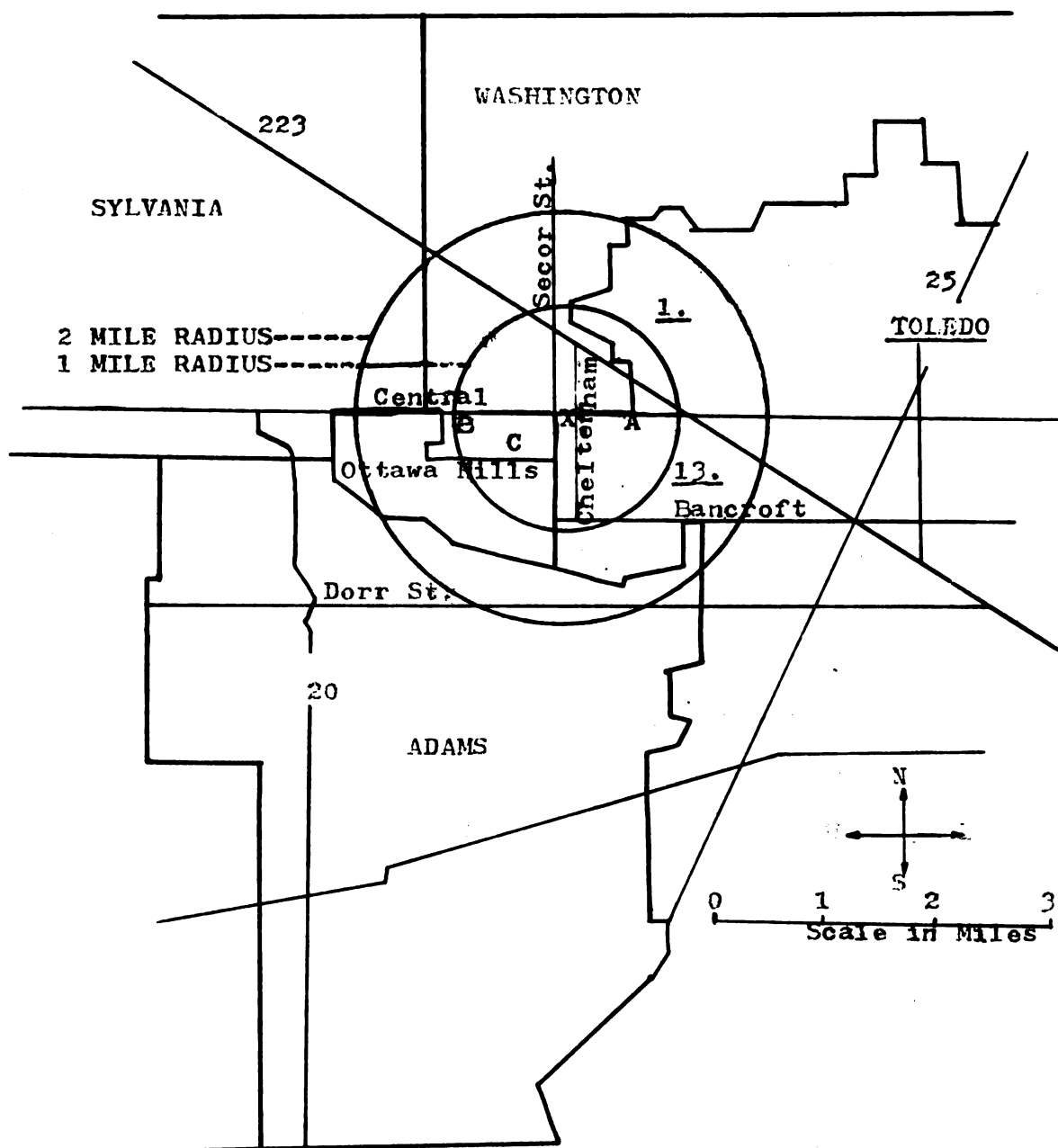
Churchill's Supermarket is located at 2845 West Central Avenue at Cheltenham Road in Toledo, Ohio. Central Avenue is one of the cities busiest thoroughfares; it is a four lane street. There is a traffic light at this intersection which enables customers driving south down Cheltenham to cross Central Avenue more conveniently (see map, page 27). The supermarket has approximately seventy-five parking spaces located at the front and rear. Residences surround the immediate store area; however, within seven-tenths of a mile, both east and west, are located two shopping centers.

A small shopping center (ten stores) is located just four-tenths of a mile east on Central Avenue. The largest store in this center is a Foodtown Supermarket with approximately a 12,000 square foot selling area.

Left of Churchill's Supermarket on West Central, seven-tenths of a mile away, is located one of Toledo's largest regional shopping centers, Westgate, with over forty retail stores. At opposite ends of the center are located two large new supermarkets, a Kroger and a National market.

FIGURE I

MAP OF CHURCHILL'S TRADING AREA



- X.....Churchill's
 A.....Foodtown
 B.....Kroger
 C.....National
 1.....Census Tract
 13.....Census Tract

Both stores have selling areas of approximately 15,000 square feet.

CONSUMER CHARACTERISTICS AND SHOPPING HABITS

Churchill's attracts customers from long distances. There are many instances on record where orders have been specially prepared for people from Detroit, Cleveland, and Chicago. The market being situated in a predominantly residential area has many shoppers who are walk-ins; however, the trade is brought in from all parts of the city.

The Toledo Blade has sponsored several annual personal interview surveys conducted by Dan E. Clark II and Associates, Incorporated. The 1957 report offers significant information about the general Toledo consumer.¹

In the total metropolitan area of Toledo there are 141,372 families for a total population of 476,229.²

The retail sales per family have averaged \$4,328 in 1957. The major retail expenditures are broken down into the following categories.

Food	\$985
General Merchandise	653
Furniture, Household, Radio	245
Automotive	768
Drug	162 ³

¹Toledo Blade, 1957 Consumer Inventory, A Report Prepared by Dan E. Clark II and Associates, Incorporated, pp. 1-80.

²Ibid., p. 6.

³Ibid.

Two national food chains, Kroger and the A & P, attract over fifty per cent of the Toledo trade. In the Toledo Blade survey the interviewer asked, "Where does this household buy most of its groceries?" The responses were recorded in this order:

		Total Occupied Households
1957		136,995
STORE(S) WHERE BOUGHT		
		1957
1.	Kroger.....	32.0%
2.	A & P.....	25.5
3.	Big Bear Stores.....	7.3
4.	Foodtown Stores.....	6.9
5.	Joseph's Super Markets.....	5.7
6.	Bellman Markets.....	2.8
7.	Red & White Stores.....	2.6
8.	A G Food Stores.....	2.2
9.	Save-Way Super Markets.....	1.8
10.	Val-U-Way Stores.....	1.7
	All Others.....	14.3
	Unknown.....	1.4
		104.2*
*Some respondents stated that they bought equal amounts in two or more stores. ⁴		

As to the grocery shopping days, over sixty-five per cent of the Toledo patrons shop on Friday and Saturday. This pattern is, generally, consistent with the Churchill store traffic. The general population do their grocery shopping in this pattern:

⁴Ibid., p. 12.

DAY(S)	
	1957
1. Friday.....	41.8%
2. Saturday.....	26.6
3. Thursday.....	13.2
4. Wednesday.....	2.7
5. Tuesday.....	1.4
6. Monday.....	1.1
7. Sunday.....	0.4
Always Varies.....	14.3
Unknown.....	0.3
	<hr/> 101.8*

*Some respondents stated that they bought equal amounts on at least two days.⁵

The survey also produced some insights as to the reasons why the grocery consumers preferred to shop at a particular store. The principle reasons expressed were convenience and location. To the query, "Why do you prefer the store where you buy most of your groceries?" The consumer reasons were listed in this sequence:

REASON(S)	
	1957
1. Convenience and location.....	40.5%
2. Price, good sales.....	30.0
3. Like meat and vegetables.....	18.1
4. Quality merchandise.....	14.1
5. Atmosphere (friendly).....	13.4
6. Variety of stock.....	13.2
7. Service.....	8.1
8. Habit.....	7.4
9. Cleanliness.....	4.1
10. Gives trading stamps.....	3.5
All others.....	3.8
Unknown.....	1.7
	<hr/> 157.9**

**Some respondents gave more than one reason for preference.⁶

⁵Ibid.

⁶Ibid., p. 13.

While the Churchill Supermarket attracts trade from all economic classes, the highest income group is well represented. The market is situated within a two mile radius of the better economic groups, (see map, page 27), based on figures from the 1950 Census of Population. The Toledo area was divided into economic groups by census tracts.⁷ The tracts were separated into four quarters representing different income groups. The first quarter division represented census tracts where incomes were the highest; the second quarter tracts consisted of incomes that were the second highest; the third represented those tracts where incomes were third highest; the fourth quarter represented the lowest income groups.

When using the Churchill market as the point of origin, and drawing a circle of two mile radius the enclosed area embraces the highest income sections of the first two quarters as defined by the 1950 Census. This area would include the economic groups which are represented on Table III (see page 32). The data on Table III also gives significant information concerning the population, the occupied dwelling units, owner occupied dwelling units, and the median family income for each economic group. The median income range of the highest group was from \$4,408 to \$10,642, whereas the second highest group ranged from \$4,091 to \$4,402.⁸

⁷Toledo Blade Census Tract Map of Toledo, Data based upon information supplied by the U.S. Bureau of Census, the Audit Bureau of Circulation, and from actual field surveys, by Charles E. Hatch & Associates, Toledo. (September, 1952).

⁸Ibid.

TABLE III

CORPORATE TOLEDO ECONOMIC GROUPS BY CENSUS TRACTS*

First Quarter Group	Population	Total Occupied Dwelling Units	Owner Occupied Dwelling Units	% Owner Occupied Dwelling Units	Median Family Income
Ottawa Hills Village	2,333	673	641	95.2	\$10,642
Census Tract 1	10,615	3,256	2,737	81.1	6,117
Census Tract 13	8,397	2,567	1,958	76.3	6,032
Washington Township	22,956	6,727	5,889	87.5	4,978
Sylvania Village	2,433	705	518	73.5	4,948
Adams Township	<u>17,191</u>	<u>5,124</u>	<u>4,479</u>	87.4	4,918
TOTAL	63,925	19,052	16,222		

*Toledo Blade Census Tract Map of Toledo, Data Based upon information supplied by the United States Bureau of Census, the Audit Bureau of Circulation, and from actual field surveys by Charles E. Hatch and Associates, (Toledo, Ohio: 1957).

Using the information of Table III, the immediate trading area surrounding the Churchill Supermarket was composed of the following elements based upon the 1950 Census: population 63,925; occupied dwelling units 19,052; owner occupied dwelling units 16,222; median family income \$6,274. In view of this data the Churchill Supermarket is situated in a very favorable area.

ORGANIZATION AND PERSONNEL

There are fifty-five employees in the Churchill organization. An organization chart represents the line of authority which is characteristic of Churchill's Supermarkets, Incorporated (see Table IV, page 34).

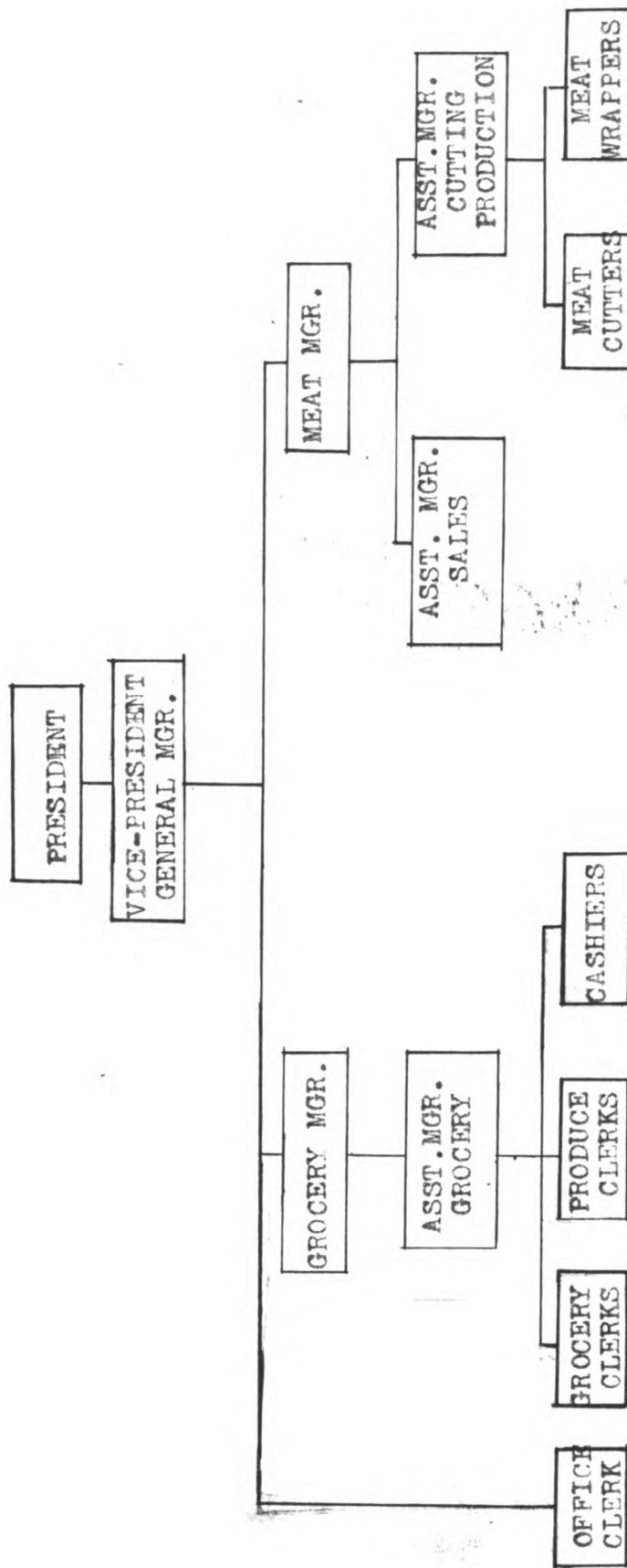
Mr. Walter Churchill, Sr., is president, and Mr. Walter Churchill, Jr., is vice president of the company, and general manager of the supermarket. A grocery manager and his assistant direct the grocery part of the operation. The general manager has the responsibilities of buying the produce, and managing of the produce department.

There is a meat manager; however, there are two assistant meat managers. One is the assistant manager of sales; the other is the assistant manager of cutting production. The assistant meat manager of sales primary functions are to supervise the maintenance of the floor display, to assist customers in selecting orders, and to orientate the new customers.

TABLE IV

ORGANIZATION CHART

CHURCHILL'S SUPERMARKET



The remaining grocery department employees consist of general clerks, cashiers, and a produce clerk. In the meat department there are eight meat cutters and seven meat wrappers.

Store records are maintained by an office clerk. Three or four part-time personnel are generally available to assist in the total operation. All of the personnel are non-union employees.

The president, Mr. Churchill, does all the meat buying, and personally keeps close contact with the entire meat operation. Mr. Churchill believes that the meat and produce departments are the most important for a really successful market.

STORE SERVICES AND POLICIES

Churchill's Supermarket is open six days a week from 8 A.M. until 9 P.M. Customer checks are cashed free of charge. A delivery service is available for large frozen food orders only; the minimum order is \$250.00.

Churchill's will make up and telegraph fancy food baskets for special occasions. The store has recorded music, playing softly, throughout the market.

For the customer's convenience check out counters are situated at the front and rear exits of the market in order to provide service for customers parking in either the front or the rear lots. A carry out boy is available

to assist customers with their parcels. There are approximately seventy-five well marked auto spaces. For more secure shopping protection the large rear lot is well fenced in. Extensive landscaping has been done to make the supermarket more attractive on the outside. On the grounds can be found many shrubs and flowers.

All sale items are price marked for making customer shopping easier.

A specially trained meat department employee is always available to assist new customers, offer advice in preparation, and help in selection of meat.

On Friday and Saturday there are usually two demonstrators; one offers some frozen bakery goods, and the other cooks, and urges customers to try the frozen meat samples.

Churchill products are guaranteed to be of the highest quality and any item can be returned for a refund. A special qualification exists, however, in regards to the meat department, where the economy meat, U.S.D.A. Good, is not guaranteed as to quality as are the Choice and Prime grades of meat.

CHAPTER IV

THE INTERIOR FACILITIES

THE STORE LAYOUT

The total area of the main floor is 80 feet by 120 feet or 9,600 square feet of floor space. Of the 9,600 square feet approximately 3,000 square feet is allocated for work and storage areas (see layout, page 38).

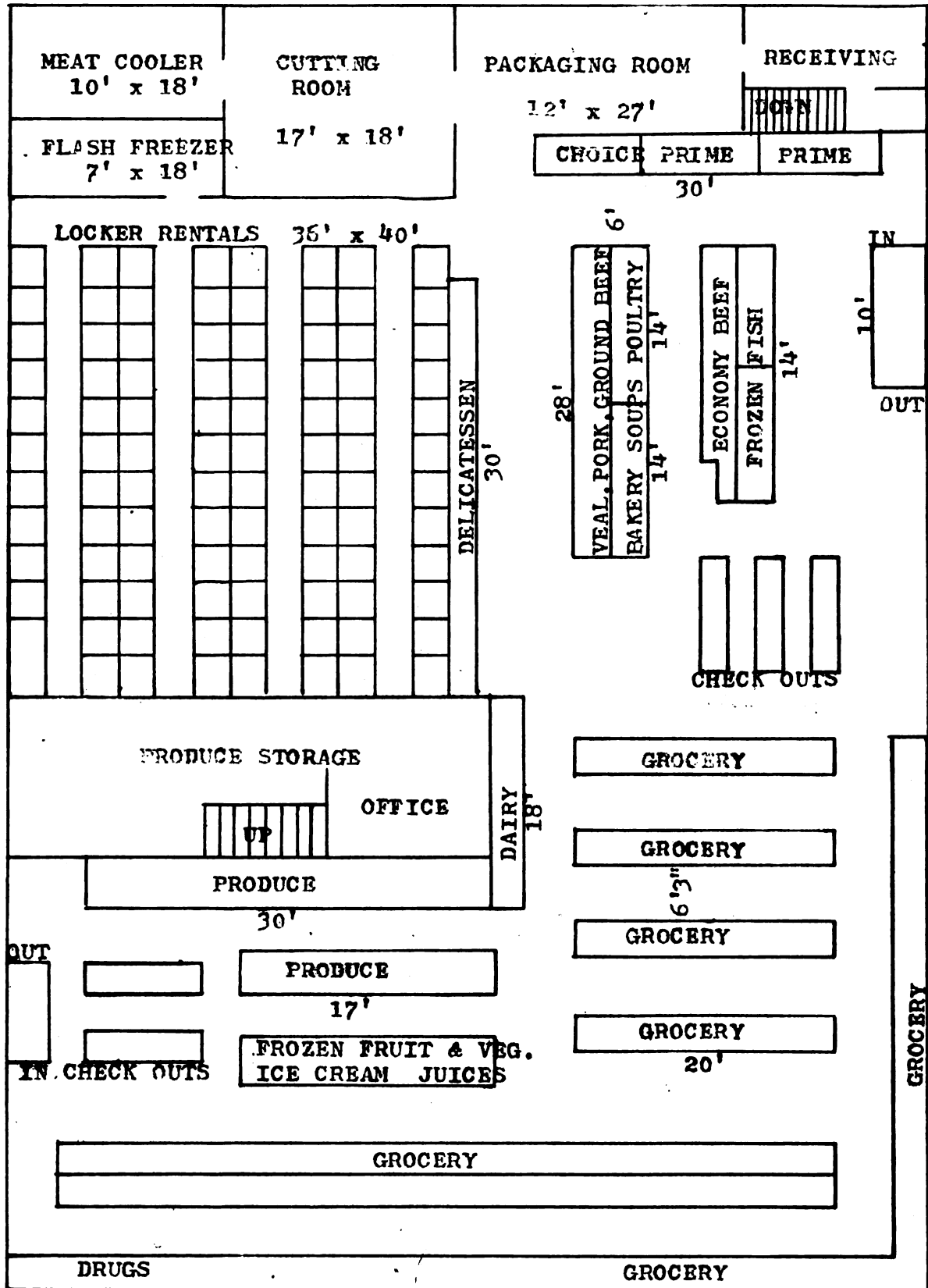
The floor layout is basically of the "gridiron" pattern common to most supermarkets. The longer side of the store (120 feet) faces the main thoroughfare, Central Avenue, and the smaller front parking lot. Ten large windows expose the interior of the store.

Front and rear entrances and exits make either of the parking lots accessible. Three check out stands are located near the front entrance, and two check stands are located at the rear of the store.

The selling area is laid out in an L-shape, facing the front.

The frozen meat department is highlighted by being displayed near the front entrance of the store. This is a unique approach since the frozen meat cases are behind the three front check stands. This arrangement makes it possible to select the frozen meats just before checking out, so the

CHURCHILL'S STORE LAYOUT



80 Feet

120 Feet

food will not thaw before the customers get it home.

The meat department is concentrated at the right side of the store. Approximately 100 linear feet of display cases are devoted to the frozen meats. The meat department work area utilizes 936 square feet of floor space.

The market is divided into three distinct selling areas: meat department, grocery area, and the produce department. The traffic flow follows a similar sequence as does the store layout (see layout, page 38).

The unfrozen meat items are located in a multi-deck case of thirty linear feet. The dairy case is eighteen linear feet and is also a multi-deck case.

The grocery items are displayed on four, twenty-foot gondolas, and one long gondola extends the entire width of the store (approximately seventy feet). Grocery items are also displayed on the entire left wall (eighty feet and a part of the front wall, see layout).

Another forty linear feet of frozen food cases are located near the rear check out stands.

The produce department is contained on fifty-four linear feet of display gondolas.

The average aisle width is six feet, six inches. The widest aisle, seven feet, separates the delicatessen and the meat department.

The locker rental area takes up 1,440 square feet of main floor space; however, some of these lockers are used for additional meat storage.

The general offices are situated above the produce work and storage area. The manager's office looks out over the entire store from behind a "one-way glass" wall.

A conveyor system located at the delivery and receiving room, leads into the half basement which is used for the grocery and a general storage area.

The presence of a non-foods department, as such, is not evident, but there is a twenty foot section devoted to drugs, and, miscellaneous non-food racks are displayed throughout the store.

DESCRIPTION OF DEPARTMENTS AND MERCHANDISE

The Meat Department

Since the attention of this paper is focused upon the meat department it will be discussed under a separate chapter in more detail.

The thirty foot meat case separates the packaging room from the main selling area. The packaging operation can be viewed from the selling floor via the large entrance way; or from above the frozen meat case if the consumer is tall enough. Because of the nature of the meat cutting room layout, the room is not visible from the selling area unless the customer steps into the packaging room proper; she

is free to do this if she wishes.

Four complete lines of meat are available: U.S.D.A. Prime, U.S.D.A. Choice, U.S.D.A. Good. There is also the Super Deluxe U.S.D.A. Prime which is the best pick of the Prime, and sometimes features meat from show cattle.

The Grocery Department

The bulk of grocery merchandise is received in two weekly shipments from the Associated Grocer's warehouse. Mr. Churchill, as a cooperative retailer, takes advantage of the discounts and advertising allowances offered to the members. The canned goods section is stocked with the Shur Fine line of foods.

The cooperative warehouse also ships the full line of Cedargreen frozen foods which is U.S. Government Grade A Fancy.

The Gourmet Items

Fancy foods are featured throughout the store. The high priced items are placed right next to the less costly staple brands; for example, the fine herbs and spices are right next to salt and pepper. Churchill's also distributes exclusively the S.S. Pierce line of gourmet products. Some of the Reese line of gourmet items are also displayed (Diamond Back Rattlesnake, 5 ounce can, \$1.69). Also available are the Keitler Scottish imports.

In the wine and beer section, Churchill's has a

good selection of imported and domestic brands. The Ohio law prohibits the sale of any beverage with over twenty per cent alcohol by volume, so the market does not have any liquor. The largest volume sold is in the domestic wines; the better California wines sell well and the sales have been steadily growing.

The Bakery Goods

Frozen bakery goods are featured by the Churchill's Supermarket. Cakes, pies, biscuits, cookies, and other items are baked by a local bakery and brought into the market fresh baked. These goods are then stored in the freezer and displayed when needed. All the bakery goods carry the Churchill private label.

In order to acquaint the customers with the new frozen bakery goods, demonstrators are on hand every Friday and Saturday offering samples to the customers. The demonstrators are supplied by the bakery company.

The Produce Department

Mr. Churchill has a personal interest in the produce department, and has given the buying responsibilities to his son, Walter, Jr. The produce is selected at the wholesale market each morning. About ninety per cent of the produce is pre-packaged. Packaging facilities are located immediately behind the thirty foot produce gondola (see the store layout, page 38).

Delicatessen, Frozen Food, Dairy

The multi-deck delicatessen case holds the general assortment of sausage, luncheon meats, and delicatessen items. Smoked hams and fresh poultry are also displayed in this section.

Another multi-deck case stands next to the delicatessen items and holds the dairy goods. Some of the bulk cheeses (cheddar, brick) are sliced or cut in the meat department and vacuum sealed; the Churchill private labels are then used.

Non-Food Items

The health and beauty aids are concentrated in a section of the grocery department. Other non-food items are displayed about the store. There are racks for records, greeting cards, gift paper and ribbons, light bulbs, garden seeds, women's hosiery, garden supplies. Some plants are also displayed; they range from small cactus plants to large potted leafy plants.

Private Labeling

The Churchill private label is used on all the frozen meats, the bulk cheese, the frozen bakery items, and some of the prepacked produce. The Churchill brand of coffee is offered in three qualities: The Blue Ribbon (89¢), Quality (85¢), Breakfast (73¢). A private label six ounce jar of instant coffee is also available.

Special Merchandising Efforts

Besides offering their customers a wide variety of fancy foods, Churchill's does a good business in gift baskets. During the month of December, Churchill's packed about six hundred gift baskets priced from \$5.00 to \$100.00.¹ The gift baskets can be sent anywhere in the United States.

Occasionally, with meat playing such a large part in Churchill's overall business, a frozen meat basket is ordered. The basket is packed for the customer either to a price or to an order. The basket can be made up as a gift, and can contain several different meats or different cuts of one kind of meat. Prime meats are generally requested.

¹"Churchill's of Toledo, Ohio," Telefood Magazine, XXIV (March, 1958), p. 25.

CHAPTER V
THE ADVERTISING PROGRAM

Newspaper Advertising

Churchill's main concentration of the advertising expenditure is in newspaper advertising. The advertisements have appeared regularly in the Toledo Blade.

The Toledo Blade is published evenings and Sundays. The city zone has an average paid evening circulation of 126,363. The city zone area extends about twenty-five miles from the downtown Toledo area.¹ The total city zone population is 404,872.* The total retail trading zone evening circulation is 56,265 while the population is 514,591.² The retail trading zone extends out to a radius of fifty miles from midpoint downtown Toledo. The combined city and trading zone evening circulation is 182,628 while the total population is 919,463.

Mr. Walter Churchill, Jr., the general manager, is in charge of laying out the weekly advertisements.

The advertising for May 1958, illustrated a small amount of artwork, although some mats were used. The major

*United States 1950 Census figures.

¹Audit Report, Blade, Toledo, Ohio, Audit Bureau of Circulations, (Chicago, Ill.: 1957), p. 2.

²Ibid.

portion of the ad is in bold type listing items and prices. The advertising is, generally, used on Thursdays for weekend specials. The newspaper advertising space for the month of May was generally less than one-quarter of a page. The advertising for May ran on the following days: May 1, May 15, May 22, May 26, (Memorial Day Week) May 31. Churchill's May meat features are listed on Table V.

Churchill's immediate competition, Kroger, Foodtown, and National, run advertisements in the Toledo Blade on Wednesdays. To give some indication of the competition, newspaper advertising is shown for the week of May 18 (see Table VI, page 48).

In the Toledo Blade survey (page 30) of customer shopping habits, it was shown that over sixty-five per cent of the consumers do their shopping on Friday and Saturday. Since Churchill's advertisement is in the Thursday edition, rather than on Wednesday, the market has some advantage. First, there is the immediate retention factor since the advertisement appears a day later. Secondly, there is less competition for the reader's attention since competitive ads are run on a different day. Third, running the ad on a Thursday, rather than a Wednesday, gives a little time to study the competing ads, and to make some changes in view of the competition.

TABLE V

**CHURCHILL'S SUPERMARKET NEWSPAPER ADVERTISING
FOR THE MONTH OF MAY, 1958**

MEAT ADVERTISED SPECIALS*

DATE	MEAT FEATURE	PRICE PER POUND
May 1	U.S.D.A. Prime Pot Roast	79¢
Thursday	U.S.D.A. Prime Boneless Shoulder Roast	89¢
	Local Chickens	37¢
	2 pounds U.S.D.A. Good Burger	98¢
	Bacon	79¢
	U.S.D.A. Good Sirloin	85¢
May 15	Smoked Picnics	39¢
Thursday	U.S.D.A. Good Round Steak	79¢
	U.S.D.A. Prime Boneless Round or Swiss Steak	\$1.09
	2 pounds King Hamburger Fryers	\$1.09 39¢
May 22	Whole Fryers, Twin-Pack	39¢
Thursday	Bacon	59¢
	U.S.D.A. Choice Ground Round	89¢
	U.S.D.A. Choice Cube Steaks	99¢
	Ham Loaf, 1 lb., 12 oz.	\$1.49
May 26	10 Budget Pack Beef Patties, 1 lb., 10 oz.	98¢
Monday	U.S.D.A. Prime Pot Roast	73¢
	Eckrich's Weiner's	59¢
	Rath's Canned Ham 8 Pounds	\$7.29
May 31	Whole Fryers, Twin-Pack	39¢
Saturday	2 pounds King Hamburger	\$1.09
	Eckrich's Weiner's	59¢

*Taken from actual advertisements appearing in the Toledo Blade, on the above dates in May, 1958.

TABLE VI

A COMPARISON OF COMPETITIVE ADVERTISING
WEEK OF MAY 18, 1958*

STORE	DATE	MEAT SPECIALS
Food Town	Wednesday, May 21	U.S.D.A. Choice Ground Beef 49¢ Eckrich's Weiners 49¢
Kroger	Wednesday, May 21	U.S.D.A. Choice Roast 49¢ U.S.D.A. Choice Chuck Steak 59¢ Swift's Franks 59¢
National	Wednesday, May 21	Whole Fryers 33¢ Chicken Breasts 65¢ Chicken Legs 59¢ Chicken Thighs 63¢ Chicken Wings 49¢ Ham Shank Half 49¢ Ground Beef, 2 pounds \$1.00
Churchill's	Thursday, May 22	U.S.D.A. Choice Ground Round 89¢ U.S.D.A. Choice Cube Steaks 99¢ Fryers, Twin-Pack 39¢ Bacon 59¢ Ham Loaf, 1 lb., 12 oz. \$1.49

*Taken from actual advertisements appearing in the Toledo Blade, on the above dates in May, 1958.

Since Churchill's is a member of a cooperative group additional advertising appears for the Certified Grocers under the local Mayflower trade name. Cooperative Mayflower ads were run during May on the following days: May 6, May 13, May 20, May 26. Mayflower ads are generally run on Tuesdays, thus avoiding newspaper competition. Mayflower ads cover about three-fourths of a page.

Mr. Churchill states that ads featuring ground beef and pork chops have good sales response.

Churchill's ads carefully list the proper grade of meat. Mr. Churchill believes that many people misuse the word, Prime, for example. Some stores advertise the wrong grading, but frequently such misuse escapes legal detection. Other operators use the word, Choice, as a private grade, thus confusing the general public.

Mr. Churchill realizes some disadvantages in competitive price advertising, because Churchill's sells Prime and Choice meats. There is also the trimming and boneless features, not to mention the vacuum packaging and freezing.

Because of these grade differences in meat, Churchill's experiments with different approaches. The store likes to feature Twin-Pack chicken in polyethelene bags at a good competitive price. These are fresh local grain fed birds. Featuring two whole chickens eliminates cutting labor, and only one bag is required in packaging; therefore, a reasonably

competitive price is maintained. Observations of consumer shopping habits have shown the Churchill customer prefers two chickens.

Mr. Churchill states that he frequently can take advantage of low market prices, freeze the meat and offer the meat a few weeks later when competition is forced to sell at a higher price.

Other Media

In the past Churchill's Supermarkets have tried radio and television, but the media have not been used extensively. The radio advertisements have been sixty second spots of the institutional variety.

Mr. Churchill has found television a little expensive, but believes the media has a great potential in telling the frozen meat story to the consuming public. Through the use of television Churchill markets could demonstrate the advantages of the frozen products, and the packaging, and freezing operations could be visually portrayed. Methods of preparation could be illustrated, and information about the grading of meat could be explained. Mr. Churchill still maintains an interest in television, and suggests future possibilities for educating the public to frozen meats.

Mr. Churchill is convinced that word of mouth advertising is instrumental in his success in frozen meats.

Very often new customers visit the market from near and far because they have heard about the meats from friends or neighbors, or have tasted the meat at a friend's home. Since word of mouth advertising brings in new customers, Churchill assigns special meat personnel to be on the lookout for new customers, and to assist them by explaining the grading and processing, and by making suggestions.

Point of Purchase Promotional Material

As the customer enters the front of Churchill's Supermarket, he is first introduced to the consistent promotional theme. On the first eight front windows, the bottom third of the window has been used as a painted sign telling the consumer about Churchill's frozen meats. The individual window signs give the following messages:

CHURCHILL'S QUICK FROZEN MEATS
READY TO COOK
NO DEFROSTING NECESSARY

WE WRAP OUR FUTURE
IN EVERY PACKAGE

CHURCHILL'S
FEATURING CEDARGREEN SUPREME QUALITY
FRESH FROZEN FRUITS AND VEGETABLES
TRY THEM FOR EXTRA VITAMINS

OF ALL THE METHODS OF
FOOD PRESERVATION, FREEZING
BEST RETAINS THE VITAMINS

CHURCHILL'S
SERVING TOLEDO WITH THE
WORLD'S FINEST MEATS

FREEZING HAS A
TENDERIZING EFFECT ON MEAT

CHURCHILL'S QUICK FROZEN
 MEATS

CONVENIENT
ECONOMICAL
READY TO EAT
HIGHEST QUALITY
VACUUM SEALED
PROPERLY AGED
MOST NUTRITIOUS
GOVERNMENT GRADES

The same promotional theme also occurs in the newspaper advertising, for example, the copy for May 15, reads:

You Can Depend
On Churchill's
Meats to Please

1. Carefully Selected
2. Properly Aged
3. Expertly Cut
4. Vacuum Sealed

This promotional idea persists throughout the store. Above the Prime meat cases are displayed hundreds of blue ribbons, representing the various show animals which Churchill's have purchased. The Churchill's Blue Ribbon symbol is the registered trademark of the company. The Blue Ribbon symbol has been made into colorful labels which appear on all the Churchill frozen meat products.

CHAPTER VI

THE FROZEN MEAT DEPARTMENT

INTRODUCTION

The Churchill Supermarket is unique in food distribution. The market has received industry wide attention because of the manner in which the meat is merchandised. All of the red meats (beef, veal, lamb, pork) are frozen. Churchill is also the only known supermarket to offer three distinct grades of frozen meat: U.S.D.A. Prime, U.S.D.A. Choice, U.S.D.A. Good. Another indication of Churchill's success in selling frozen meats is the sales figures. Since 1947 the meat department sales have increased from \$225,000 to \$600,000 in 1957. Meat department sales account for thirty-five per cent of the total store dollar sales.

Besides offering U.S.D.A. Prime, Churchill's merchandises a U.S.D.A. Super Deluxe Prime which is an especially hand picked, best of the Prime selection. Frequently, the Super Deluxe Prime features meat of prize winning show animals.

Mr. Churchill estimates that ninety per cent of his frozen meat business is in beef; seven per cent of the meat volume is done by the frozen pork products, including smoked hams; lamb and veal contribute the remaining three per cent; more lamb is sold than veal. The beef sales are divided into

sixty per cent Choice, thirty per cent Prime and ten per cent Good.

MEAT BUYING, SELECTING AND GRADING

Beef

The beef buying is personally done by Mr. Churchill, Sr. The beef is generally purchased from local packing houses. Much of the beef is secured from independent wholesalers in Toledo, Lima City, Sandusky, and Archbold, Ohio. Mr. Churchill travels to the various packers when they inform him of some good shipments of cattle. Mr. Churchill prefers "Aberdeen Black Angus steers, native born, pure bred and long fed (grain fed for a long period)." The main reason for this choice is flavor and quality. If the steers are native born, pure bred, and carefully grain fed and attended to for fourteen to eighteen months, Mr. Churchill contends that the result should be an unbeatable, Super Deluxe Prime. Some very desirable top cattle are found within a radius of one hundred miles of Toledo. Some of Churchill's beef comes from Indiana, Iowa, Illinois, Michigan and Ohio.

Frequently, Mr. Churchill purchases show animals from packers who support the various fairs and buy the Future Farmers of America and the 4-H Club prize winners. The large packers try to outbid each other which results in a high price which is prohibitive for retail sales; therefore, Mr. Churchill prefers to let the packing houses bid, and,

later purchases the show cattle from the packers at a better price. The show animals are sold for one or two dollars per pound on the hoof, and when dressed out the animals would retail for about twice as much per pound.

Mr. Churchill explains that most of the independent packers kill fancy cattle on certain days, and he goes to the market after the cattle have been graded by the government grader. After the grading, Mr. Churchill studies the confirmation, the color of the outside fat, the thickness of the fat, the fat covering on the inside of the carcass and over the ribs, and some other factors. This technique has been learned through experience, by cutting and by eating the meat to test the quality and flavor. Churchill's supermarkets endeavor to be consistent in quality factors.

All of Churchill's beef hind quarters are aged twenty-one to thirty days at the packing house. Most of the purchases are for full cattle. Sometimes hind quarters, and ribs are bought when the market price is good, and when the quality is available. Mr. Churchill states that packers get a lot of orders for the cheaper sections, the front quarter, and, as a result, the other cuts are slow to move. When this situation occurs Mr. Churchill then takes advantage of the market, and purchases the better cuts, the hinds and ribs.

All of the Churchill meats are U.S.D.A. inspected and graded. Mr. Churchill was interested in using the new Standard grade for the economy line of beef, but he felt that the Standard beef was far too poor in quality and practically fatless. Churchill's prefers to use U.S.D.A. Good beef as the economy line, because the Good beef has more fat and other quality advantages.

Buying Pork, Veal and Lamb

The pork is purchased from a local independent wholesaler. Churchill's buys the meat type hog which costs a little more, six cents per pound, but it yields about three inches more of pork chops.

Churchill's engages an independent veal buyer who specializes in veal. The best veal available is sought. All Churchill veal is U.S.D.A. Prime.

Mr. Churchill believes that he sells more lamb than anyone else in Toledo. One time forty show lambs were purchased from the Iowa State Fair in Des Moines. Three champion lambs were purchased at one time from three different classes: the open, Future Farmers of America, 4-H Club. Most of the Churchill lambs are purchased from the Rath Company, the largest buyers of lamb in Iowa.

THE CUTTING OPERATION

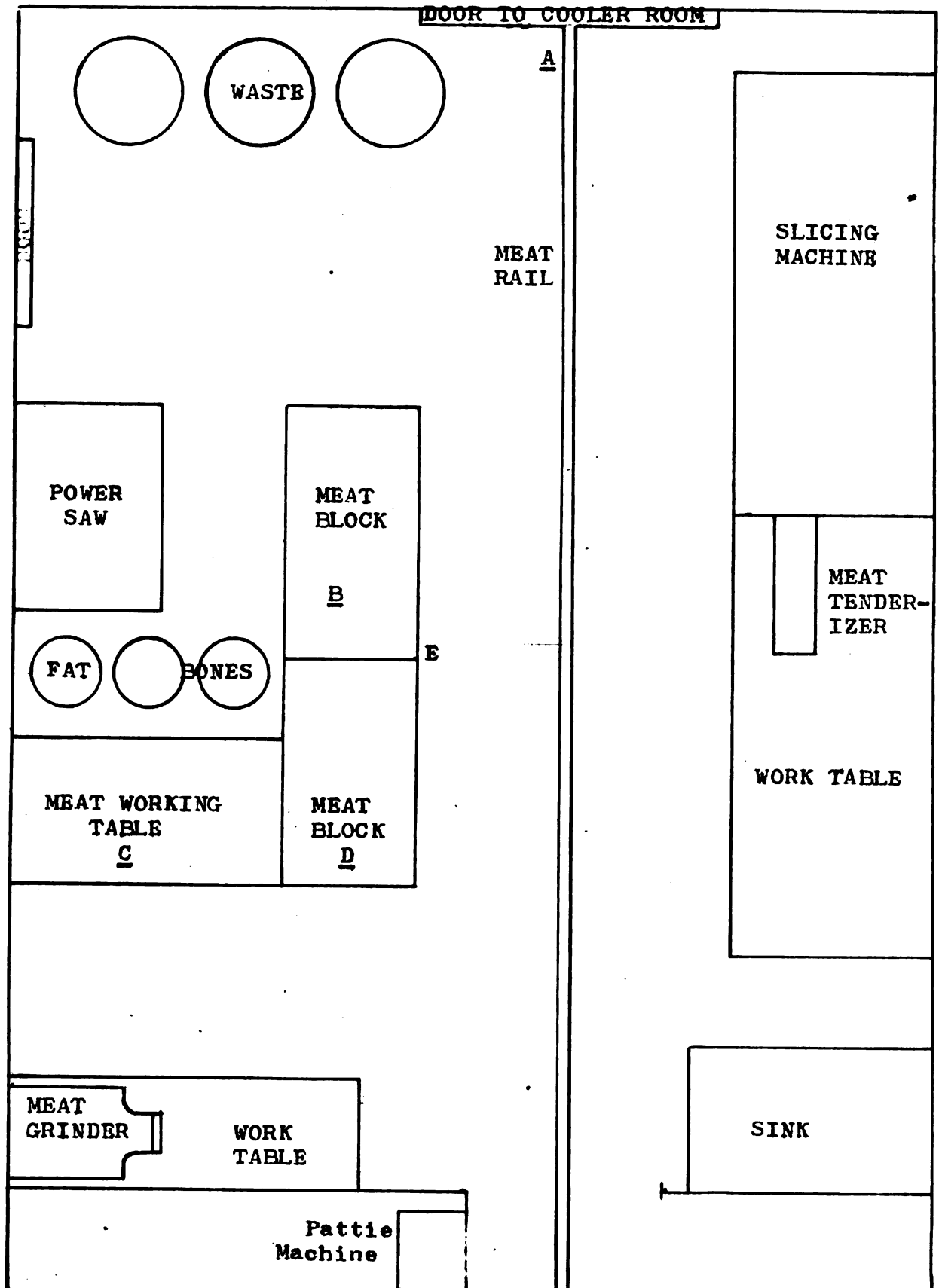
The Cutting Room

The meat cutting and processing are performed in the 17' x 18' cutting room (see Figure III, page 58). A meat rail extends through the length of the room to the meat cooler. The heavy equipment located in this room includes the regular meat saw, tenderizer, meat grinder, and a large slicing machine. A patty machine is located in the doorway between the cutting room and the packaging room. The other equipment includes two, 2 $\frac{1}{2}$ ' x 3 $\frac{1}{2}$ ' wooden blocks, and three large 3' x 6' wooden working tables (see cutting room layout, page 58).

The Cutting Process

The cutting process revolves in a generally counter clockwise manner. The quarter or side is railed in from the meat cooler, A (see cutting room layout) to a position near block B, where the blocking takes place. From this position the quarter can be separated into primal cuts while suspended by a hook from the meat rail. Since the rail is accessible to the blocking area there is less physical handling. The forequarter is separated in the neck, fore shank, plate and brisket, chuck and rib, while on the hindquarter, the kidney, flank, and sirloin tip are first removed, and the loin and round separated. The primal cuts can then be worked from positions B, C, and D into retail cuts (see Figure III). The primal cuts are first conditioned by a "skinning" process in

LAYOUT OF CHURCHILL'S CUTTING ROOM (17' x 18')



which some of the outside fat is removed. The power saw is also accessible for retail processing. The retail cutting also involves the boning and trimming of the retail cuts, removing bone and fat smear from those items cut on the power saw and panning the product. A dolly truck is usually available at position E to receive the cuts ready to be wheeled into the packaging room.

The Production Schedule

Although the production schedule is not formalized, there is a somewhat routine work schedule. The meat manager, generally, employs the following agenda:

Monday:	Beef cutting-Choice, Prime Prepare large delivery orders Cut special out items
Tuesday:	Beef cutting-Choice, Good Pork, especially when in season
Wednesday:	Beef cutting-as required Chickens Pork Chops
Thursday:	Beef cutting-all grades Veal
Friday:	Lamb Veal
Saturday:	Sausage Meat Loaf Beef cutting-as required

The Variety of Cuts

Although all the red meats are frozen the variety is unusually extensive. Table VII lists the varieties of frozen meat cuts which were available during May, 1958.

Most of the beef cuts are available in the three best grades. The economy beef selection is more limited.

TABLE VII

A SAMPLE OF THE VARIETY OF FROZEN CUTS AVAILABLE
AT CHURCHILL'S SUPERMARKET, MAY 1958

BEEF

Steaks

Sirloin
New York Cut
Strip
Rib
Porterhouse
Round
Club
Cube
Chip

Roasts

Pot
English Cut
Sirloin Tip
Rolled Rump
Boneless Beef Shoulder

Miscellaneous

Ground Steak
Ground Beef
Ground Steak Patties
Minute Steaks
Sirloin Patties
Beef Stew
Baby Beef Liver
Short Ribs
Meat Loaf
King Burger
Fillet Mignon
Beef Tenderloin
Beef Tongue, fresh
Beef Brains
Beef Heart
Calves Liver and Sweetbreads
Corned Beef

PORK

Sausage
Butterfly Pork Chops
Center Cut Pork Chops
Pork Tenderlets
Spareribs
Country Style Spareribs
Pork Tenderloin Roasts
Boneless Rolled Pork Loin
Pork Loin Roasts
Fresh Hams-semi boneless
Salt Pork
Hocks
Ham Loaf

VEAL

Chops
Rump Roast
Shoulder Roast
Stew
Round Steak
Breast
Ground Veal
Ground Veal and Pork
Veal Kidney

LAMB

Loin Chops
Leg of Lamb
Rolled Shoulder Lamb Roast
Lamb Kidney

PACKAGING OPERATIONS

The Packaging Room

After the fresh meats leave the cutting room they are ready for packaging. The meat is stored in aluminum pans on the shelves of a dolly which is rolled into the packaging room.

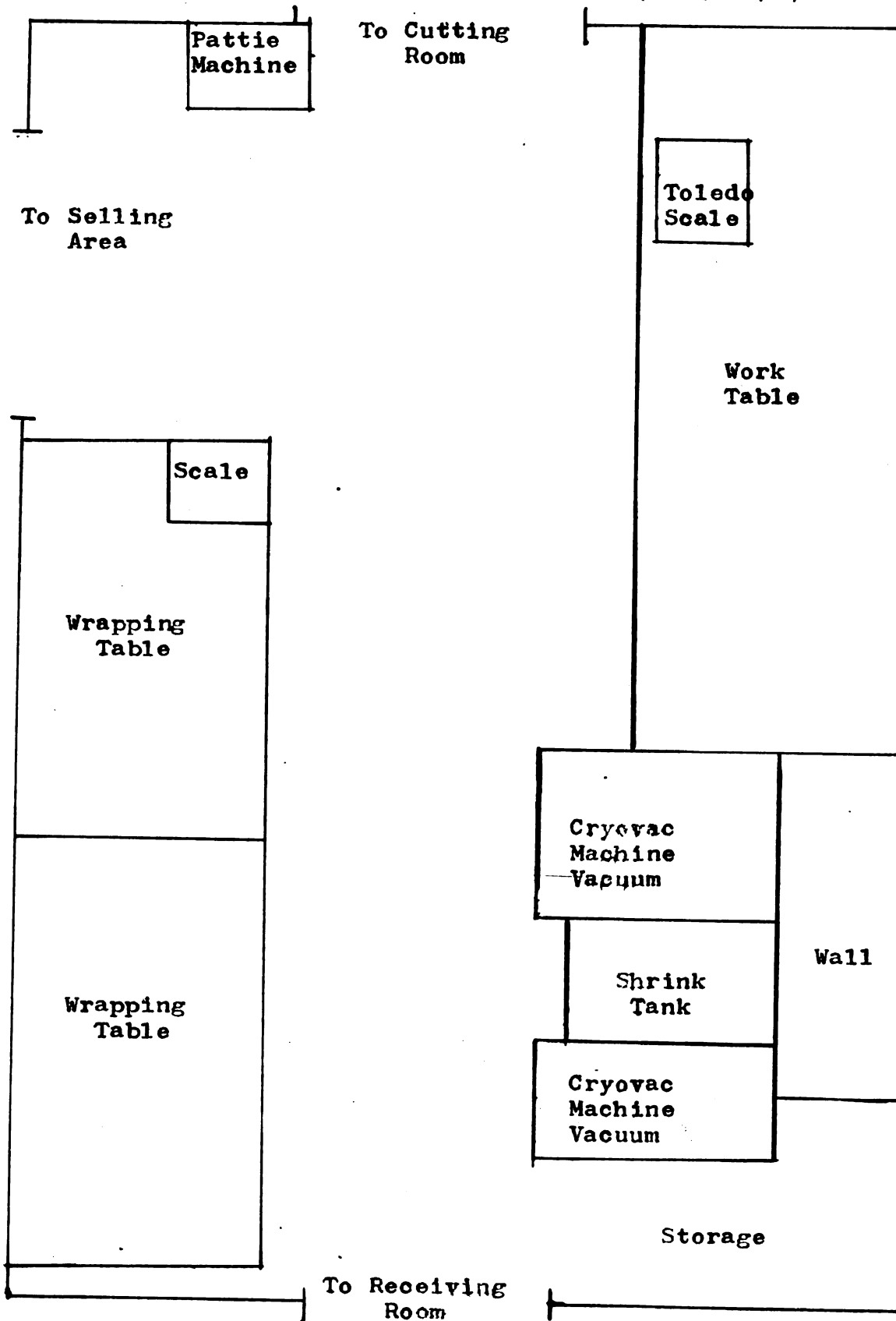
The room is 12' x 27' and occupies 324 square feet of floor space next to the cutting room (see packaging room layout, page 62). A long work table (13-1/2 feet) holds a Toledo Valueprint scale which prints the weight, price per pound, date code, and the total price. Next to the scale, after a few feet of work space, is located the Cryovac Machine Vacuum followed by the shrink tank, and another older model of the vacuum machine. Along the opposite wall are two long wrapping tables with various sized rolls of wax coated wrapping paper, and boxes of labels available for wrapping. Near the opening to the selling area is another smaller scale. On the other side of the doorway is found a machine for making ground patties, there is a seven foot aisle down the center of the packaging room (see layout, page 62).

The Packaging Materials

The Cryovac method is used for packaging all frozen meats. The Cryovac film, a moisture proof transparent wrap, is made of plastic material. The film comes shaped into

FIGURE IV

LAYOUT OF CHURCHILL'S PACKAGING ROOM (12' x 27')



various size bags. Churchill's uses the following sizes of the Cryovac bags:

12" x 16"
11" x 16"
9" x 18"
9" x 16"
8" x 16"
7" x 14"
7" x 16"
6" x 16"
6.5" x 12"

As an overwrap, a wax coated wrapping paper is employed (see appendix). The paper is available in rolls fifteen inches in width. The Churchill Blue Ribbon trade mark appears on the white paper in a blue pattern. The Churchill name, in script, also appears with the address of the store. Since Churchill meats are frozen the overwrap must be attractive to the customer.

Labels and Labeling

To dress up the package and for purposes of identification a wide assortment of labels are used (see appendix). The overwrap is first sealed with a white strip of gummed tape which bears a red grade identification, for example, "Certified U.S.D. of A. Choice" (see appendix). These tapes are used to identify all four Churchill grades. The Blue Ribbon trade mark with a grade identification is then pasted to the package. A colorful shield identifies the meat as "Certified U.S.D.A. CHOICE." The shield labels are used on all grades of meat.

The final identification label is placed on the package by the weigher. This is the largest label which identifies the cut, tells the weight and price per pound, gives the code symbol, and states the total price. The label also carries Churchill's Blue Ribbon symbol and gives these cooking instructions:

FOR GREATER NUTRITION
COOK CHURCHILL'S QUICK FROZEN
MEATS WITHOUT PRE-THAWING. THIS
SAVES NUTRITIOUS JUICES FOR BETTER
FLAVOR AND FOR BETTER HEALTH.

The special feature about the large label is the manner in which the cut identification is legibly stated.

Another special rectangular label is used to identify the Economy Baby Beef (U.S.D.A. Good). The label is red and white and is used on larger packages.

Churchill's Boxes

For some meat items a special red, white and blue box is used. The boxes are all available in one, and one and one-half pound sizes. The top of the box measures 4" x 8". The Blue Ribbon trade mark appears on the left top of the box. The remaining top area is used to identify the contents. Some of the boxes already have the prices printed on the cover, for example, 6 Ground Round Steak Patties, 1 lb., 8 oz. Price, \$1.76. The boxes are utilized for the following frozen meat products:

Round Steak Patties (4's and 6's)
Baby Beef Liver
Cube Steaks
Beef Stew
Sausage Links
Ground Lamb

Most of the above meat boxes are available for all grades of meat. The front side box panel gives these cooking instructions:

TO SERVE: START COOKING CHURCHILL'S FRESH QUICK FROZEN MEATS WHILE STILL FROZEN. THIS METHOD ASSURES FULL RETENTION OF THE RICH JUICES AND LUSCIOUS FLAVOR OF THE MEAT, MAKING CHURCHILL'S FROZEN MEAT MORE DELICIOUS AND WHOLESOME. SERVE SIZZLING HOT! DO NOT OVER-COOK.

Some special aluminum pans are used for the oven-ready meat products. These products are the 1-1/2 pound meat loaf and the 1-3/4 pound ham loaf.

The Packaging Process

When the meat is rolled into the packaging room from the cutting room the dolly is placed near the Cryovac Machine Vacuum. At the work table near the machine the meat items are inserted into a Cryovac plastic bag (see Figure IV, page 62). The opened end of the bag is placed around the vacuum nozzle of the machine, and the air is sucked out. The opening of the bag is automatically twisted and then stapled. After this procedure the item is dipped into a hot water bath of 200°F. in the shrink tank. The hot water shrinks the bag tight around the package.

The fresh meat items are then sent across the room to the wrapping tables where the waxed coated overwrap is placed on the package and sealed with the appropriate identifying tape. The proper labels are affixed and the meat is transported to the weigher. The scale automatically prints the weight, price per pound, the code symbol, and the total price. The meat is now ready for the freezer. The dolly of packaged meat is then rolled into the freezer via the locker room (see store layout, page 38). The meat is generally kept in the freezer over night unless the meat is needed for display. The freezer is maintained at an approximate -30°F. , and has a capacity of about 4,000 pounds of processed meat.

MEAT CASE ALLOCATION

The largest single line of frozen meat cases extend for thirty feet near the entrance of the market (see layout). This line is composed of three, ten foot cases, each of which holds a separate grade of meat. The Deluxe Prime, Prime, and Choice meats are held in the front cases. The frozen meat cases are equipped with dividers that separate the packages into one or two row spaces. Since the Choice meats make up sixty per cent of the beef volume, a description of the Choice meat case allocation is illustrated on page 67.

TABLE VIII

U.S.D.A. CHOICE MEAT ALLOCATION IN TEN FOOT CASE

MEAT LOAF HAM LOAF	9"
ROLLED RUMP SHORT RIBS	7"
BEEF STEW CUBE STEAKS CHIP STEAKS	16"
SWISS STEAKS TOP ROUND STEAK NEW YORK CUT STEAK	9"
SIRLOIN STEAK RIB STEAK	16"
PORTERHOUSE STEAK STRIP STEAK CLUB STEAK	9"
BABY BEEF LIVER	9"
ROLLED RUMP ROAST SIRLOIN TIP ROAST STANDING RIB ROAST ROLLED RIB BONELESS SHOULDER ROAST	16"
POT ROAST	13"
STEAK PATTIES KIDNEYS	16"

The other sections, the Prime meats, are somewhat similarly allocated. The Economy cuts are placed in a seven foot case. The beef offal items, regular ground beef, and the hamburger are placed in a separate case (see Figure II, page 38).

SOME SPECIAL PACKAGING FEATURES

Churchill's tries to package meat in the size the customers prefer. Experience has suggested that the consumer buys ground beef in one pound, or one and one-half pound quantities, pork chops in numbers of four, six, or eight, and pot roast in two to five pound weights. The Churchill policy is to sell the larger packages. Churchill's does not advertise bulk beef packs in thrity or sixty pounds, nor does Churchill's advertize half a lamb. Churchill's is interested in selling a whole lamb or a side of beef.

All Churchill patties are packed with a double paper separating the patties so they can be easily separated for individual quick cooking. The double paper is used in many other cuts for the convenience in cooking individual portions.

The bulk ground beef is also individually packaged into one-half pound patties for quick thawing and convenience in selecting the proper amount.

PRICING METHODS AND COMPARATIVE PRICING

Meat pricing is determined by weekly cutting tests; however, Churchill's meat prices have been slowly rising with the general market trend. In general, small wholesale price fluctuations do not effect the retail pricing. Beef pricing also follows the seasonal market. Beef prices are up in July, August, and September, and start downward from January to Easter where they start a steady climb.

Churchill's Supermarket has earned a net profit of five per cent in the one hundred per cent frozen meat department.¹ A previous meat operating statement shows a twenty per cent gross margin (see appendix).

The wholesale price of Prime grade beef as compared to the Choice grade is not very significant; however, the retail price structure of the Prime meat is altered because of the higher waste due to the fat content.

The manner in which the meat is trimmed and packaged affects the meat price. Many of the frozen meats in the Prime and Choice grades are boneless. This requires more work, and reduces the weight of the package. The Cryovac packaging process is rather expensive. The smaller size bag costs approximately three cents apiece, while the large sizes cost about four cents. Churchill's purchases large lots, and receives the largest quantity discounts.

Because the meats are frozen, a little more processing labor is involved.

¹Milkovics, op. cit., p. 58.

The freezing of meats offers some price advantages. There is practically no waste, and very little rewrapping needs to be redone.

Mr. Churchill can take advantage of buying seasons. Pork prices are very active. Recently, Churchill's was selling pork chops for seventy-nine cents per pound, while the other markets had to sell at one dollar and nine cents per pound.

Pork prices are generally low before Easter, at this time Mr. Churchill purchased a large lot of pork loins at forty-five to forty-nine cents per pound wholesale. The large quantity made mass production possible, and the pork was stored for a short time. When other supermarkets were forced to sell at one dollar and nine cents per pound, Churchill featured the pork chops at seventy-nine cents per pound.

Mr. Churchill explains that pork is so highly perishable that a certain percentage of it will be wasted when merchandising it fresh as most stores do. By freezing the pork into various cuts there is no waste, and the customer has a selection and high quality. This partially explains the necessity for some markets to sell pork at high prices.

Mr. Churchill maintains that, when considering the quality and packaging services, the Churchill prices are competitive. A comparative price list is shown on Table IX.

TABLE IX

A LIST OF SOME COMPETITOR'S MEAT PRICES*

Cut of Meat	Kroger	National	Foodtown	Churchill's U.S.D.A. Good	Churchill's U.S.D.A. Choice
Sirloin Steak	.89**	\$1.15	\$1.15	.95	\$1.59
Pot Roast	.59	.69	.65	.59	.69
Rib Steak	.93	.99	.99	.89	1.39
Porterhouse Steak	\$1.09	1.13	1.39	1.25	1.49
Beef Stew	.69	.73	.69	----	.85
Round Steak	.79**	1.05	.79**	.85	1.09
Center Cut Pork Chops	.99	.99	.85	.98	
Fryers	.49	.49	.45	.39	

*Prices on meat products for sale in meat cases,
May 16, 1958.

**Sale Price advertised weekend specials.

EDUCATING THE CHURCHILL CUSTOMER

A prerequisite in cultivating regular customers is to recognize the new customers. The new customer must get attention. For this purpose Churchill's recognizes the need of people especially designated for this sales job.

In the beginning of Churchill's frozen meat line, there was much need for "personal selling." Mr. and Mrs. Churchill were stationed on the floor to assist the customer.² Demonstrations of frozen meat were used to introduce the public to some special cuts which were grilled on the selling floor for the patrons to sample.

Today, one of the assistant meat managers has the direct responsibility for indoctrinating new customers. Mr. Churchill insists that consumer education depends upon the ability of the person who approaches the new customer. The aim is to influence the customer in selecting six to eight items. As in introductory order Mr. Churchill recommends baby beef liver, pork chops, a beef roast, some steaks, ground beef, and Churchill's home made sausage. Mr. Churchill's philosophy on this subject is described as follows, "If you catch someone who will buy everything you suggest--don't run out of suggestions."

The most frequent objection of the new customer is that she cannot cook the frozen meat immediately. Churchill's

²Supermarket News, January 13, 1956, p. 56.

policy is that the frozen meat "is especially designed so it can be put right on the stove and cooked." Churchill's advises the new customer to experiment to find the right amount of cooking time for her particular tastes.

Mr. Churchill believes that everybody likes good meat, and that he is endeavoring to give his customers the best meat available.

CHAPTER VII

SUMMARY AND CONCLUSIONS

Summary

This study was an attempt to understand how a supermarket operator can successfully merchandise frozen meat. In recent years the food distribution industry has been concerned with the future impact of frozen meat upon the retailing of fresh meat. While some industry leaders see a good future for frozen meat, the transition from the regular meat to the frozen form has been slow to materialize. Many reasons have been proposed as to the cause of the present delay in distributing frozen meat. These reasons include unrealistic pricing, uncertainty about packaging, and the consumer unfamiliarity with the frozen product.

The technical aspects of meat freezing and packaging have been sufficiently studied, tested and evaluated to be approved as scientifically sound.

The consumer acceptance of frozen meat will certainly influence the trend in the food industry toward the centralization of the cutting and packaging processes of the red meats. When such centralization comes about, some food industry men believe that there will be certain economic advantages in labor requirements, equipment demands, and savings in storage space.

The frozen red meats also render certain economic advantages to the consumer by preserving the quality of the meat for longer periods of time, by introducing the conveniences of storage, and, in the future, by allowing the consumer price advantages when mass production techniques are employed and economies of scale are realized.

In recent years Churchill's Supermarket of Toledo, Ohio has received the attention of the food industry because of the operator's success in retailing a one hundred per cent frozen red meat line. The particular store was studied in order to secure some insights in merchandising of frozen meat.

The supermarket began operations in 1947, and the meat department sales were \$225,000 for that year. In 1957, the meat department sales increased to \$600,000.

The market is favorably situated in a residential area made up of the higher income groups.

Churchill's supermarket has a total main floor space of 9,600 square feet. Approximately 6,600 square feet are devoted to selling space. In addition to the general supermarket departments, a wide gourmet line is available.

The unique feature of Churchill's is the one hundred per cent frozen red meat line. Three government graded and inspected lines of meat are available: Good, Choice, Prime. Approximately ninety per cent of the total frozen meat business is in beef. Of the total beef business about sixty per cent is in the Choice grade. A Super Deluxe Prime line of

of beef is also merchandised. The Deluxe, generally, features meats from show cattle. Churchill's offers a complete line of meat in all the meat grades. Many of the Choice and Prime cuts are boneless. Mr. Walter Churchill, Sr. personally does the beef buying from local independent packers.

The Cryovac method of packaging is utilized. In addition to the Cryovac plastic film, an overwrap is used. The overwrap is a white and blue wax coated paper which presents a more attractive package. Red, white, and blue labels are purposely used for identification, and to attract attention.

In all promotional efforts Churchill's stresses the quality factors of its meat. Great care is taken at point of sale to meet new customers, and to educate the public concerning the frozen meats. The most frequent objection by the new customer is the claim that the frozen meat cannot be cooked immediately. Churchill's policy is that the frozen meat is especially designed for immediate cooking. Churchill's strives to make it's quality meat the best available.

Conclusions

The success of the Churchill operation in merchandising frozen meat dispels some of the generalized criticisms which have been voiced by some supermarket operators.

One objection concerns the "blind packaging" methods for frozen meat, and yet the majority of the supermarket

items are sold in the so-called "blind package," especially in the grocery departments.

There is also the problem of proper pricing which, perhaps, was instrumental in keeping some frozen meat products from gaining wider acceptance in some markets. Churchill's offers four distinct price lines which adequately covers most consumer's purchasing range.

Educating the customer is an important prerequisite in selling frozen meat. Churchill's has endeavored to establish an image of quality upon the consumer's mind through consistent promotion and advertising. The adoption of the Blue Ribbon trade mark is an important symbol which is easily reinforced in the store by various means such as the display of actual blue ribbons of show cattle. Quality factors are stressed on the packaging materials and display signs. The more significant this quality image appears to the consumer, the less significant the packaging becomes since the consumer believes that the meat product inside the wrap contains a consistent quality. This appears to be the crucial factor in consumer acceptance. This is why Churchill's tries to encourage the new customer to select five or six different frozen meat items as the introductory test.

The insurance of a consistent quality is, perhaps, easier for Churchill's to maintain, than for a large chain of ten or thirty stores. The buying requirements are

naturally less demanding, and the advantages of freezer storage may offer the buyer more time to study the market for quality factors. The merchandising of Prime meats facilitates the buying function since the competitive buying of wholesale Prime meat is less active.

The Cryovac method of packaging, while insuring the quality factors of the meat is, generally, more expensive than the regular methods of wrapping. The cost of the plastic bags ranges from approximately three cents for the smaller bag to four cents for the larger bag, since Churchill's receives the largest quantity discounts. Because the Cryovac method is protected by patent arrangements, these higher costs will, no doubt, be maintained; however, Mr. Churchill states that these patents will expire in a few years, and the market penetration by other firms should reduce the cost.

Economies of scale could also affect the retail prices. Within a short time Mr. Churchill will build a third market. The presence of a third market should reveal additional economies of scale, as well as, the economies introduced by the mass production techniques in the cutting and packaging operations at a central location. The present cutting room facilities are recognized as inefficient, because of the limitations of space in the present store.

The increasing interest of the consumer in the home freezer is another factor which could further stimulate a

trend toward the acceptance of frozen meat. The general durable good's market appears to be somewhat saturated, and the public may become more interested in the freezers. Since Churchill's is situated in the higher economic residential area, a large percentage of the immediate population is living in owner occupied dwelling units. The immediate residences are more likely to be owners of home freezers since they have the buying power and, own their own homes. The ownership of the home freezers must have some influence upon Churchill's success with frozen meats.

Churchill's employs a positive approach to the problem of thawing meat by stating that the meat is ready to cook. This seems to be a very favorable approach to a seemingly non-rational attitude. The problem really involves those consumers who buy a large roast, and expect to eat it within the next few hours. Some additional research is suggested here to evaluate such demands.

Churchill's is right in insisting that the meat is "ready to cook." Since the majority of the sales involve the meats which can be cooked in a relatively short time. A survey may reveal that very few roasts are eaten on the day of purchase. If this is true, then the frozen roast may be placed in the refrigerator to thaw until needed, thus reducing the cooking time.

Additional research is recommended to understand the attitudes consumers have regarding frozen meat. Such a study may reveal that many people have not tried frozen red meat, or may be ignorant about its preparation. Additional study could reveal approaches to be used by retailers in order to change present buying habits from the regular meat products to the frozen state for storage in the regular refrigerator for short periods. This idea could eliminate some notions the consumers may have about believing that a freezer is a requirement when purchasing frozen meat.

The future of frozen meats rests in the hands of the retailer, and the distribution of frozen meats must be objectively evaluated by the operator because the frozen meat products may offer the general public a quality food at a reasonable price.

Recommendations

Because Churchill's Supermarket is successful it does not mean that this type of operation can easily be successful elsewhere. The acceptance of frozen meat was a gradual progression for more than a ten year period. The establishment of consumer trust in quality meat products is not manifested in a short time. Consumer confidence must be cultivated through sound promotional and merchandising effort.

The achievement of consumer confidence is even more

important after the customer has been conditioned to make meat purchases in packages in which the meat is visible; however, the more confident the customer is, in regards to the contents of the package, the less important the packaging materials become. Perhaps, the frozen meat industry has been more concerned about proper packaging materials, than informing the public about the quality factors, and the conveniences of frozen meat.

In view of this study the following recommendations are suggested for the merchandising of frozen red meat.

1. All promotional and advertising efforts should stress some quality factors of the product: freshness, nutrition, taste, meat grades, flavor, consistency.

2. Good packaging materials, which will help preserve the quality factors, should be utilized.

3. The appearance of the package should be attractive by itself, as well as, when displayed.

4. The consumer should be informed of the conveniences of the frozen product: storage, boneless, well trimmed, ready to cook, packaging, availability.

5. Emphasis should be placed on the point of sale promotion: personal contacts, demonstrations, indoctrination, visual aids, quality symbols.

6. Introductory efforts could contain a "multipack" of several items (patties, pork chops, a steak) to acquaint the customer with the variety, and to reinforce the initial experiences in testing the products.

7. The consumer's major objection, thawing, should be approached positively: no thawing necessary, ready to cook, oven-ready, locked in flavor, ready in minutes, etcetera.

8. The lack of consumer freezer storage, or of a freezer should be treated as immaterial, since the consumer can regard the frozen products with the same care as the regular unfrozen meats.

9. The retail merchant should endeavor to maintain consistent quality.

10. A variety of meats should be maintained in order to offer the consumer a wide selection.

11. Two or three grade lines of beef should be offered to maintain a suitable price range for all classes of consumers.

12. When two or more outlets are involved in distributing frozen meat, operations should be centralized in order to realize economies in labor, equipment, space, etcetera.

APPENDICES

WHAT IT TAKES TO EQUIP A MEAT DEPARTMENT

SELLING AREA *

Item	Cost
12' Refrigerator cases (3)	\$ 2,428
5' Island refrigerator cases (2)	1,170
12' Low temperature refrigerator case	993
8' Low temperature refrigerator case	772
Rotisserie	648
8' Refrigerator case	613
TOTAL	\$ 6,624

BACKROOM AREA

Item	Cost
Scale (computing, labeling)	\$ 4,230
18 x 20 x 8 $\frac{1}{2}$ ' Cooler and compressor, coils	1,907
Compressors (4)	1,802
8' Refrigerated conveyors (4)	1,699
Chopper, heavy duty with legs	1,112
Slicer, semi-automatic	1,104
4 x 18 x 9' Freezer and compressor ($\frac{1}{2}$ charged to frozen foods)	849
Vacuum packaging machine, processing unit, tank	610
Power saw	560
103' Overhead meat rail	500
Pattie machine, 1/3 hsp.	332
Rail scale	270
20 x 2' Storage cabinet	250
Chopper, 1/3 hsp.	244
Steak machine, large	204
Meat slug chart	204
Platters (50)	115
8 x 2 $\frac{1}{2}$ ' Maple top table	92
Cabinet for slicer	91
6 x 3' Maple top table	84
35 x 35 x 16" Meat block	83
5 x 10" Hot plates (5)	78
Platform scale	57
Metal sink	45
Dolly cart	28
Cheese cutter	17
	\$16,567

*Glenn Snyder, "What it Takes to Equip a New Super Market," Progressive Grocer, XXXVI (September, 1957), p. 56.

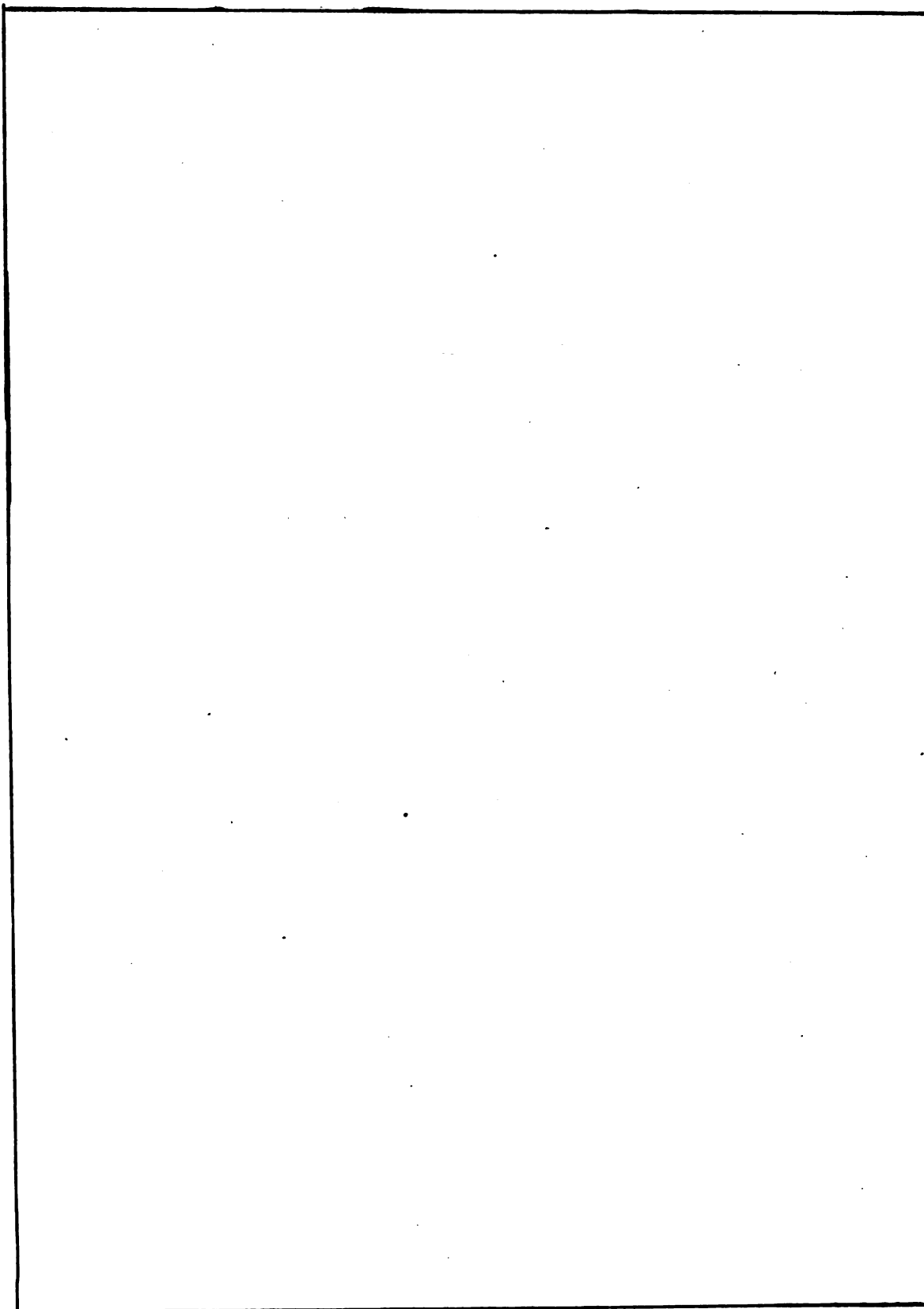
PERCENTAGE OF FAMILIES OWNING
HOME FREEZERS
IN 20 CITIES*

CITY	1957	1955
Portland, Me.	10.0%	7.9%
Newark, N.J.	6.8	7.4
Washington, D.C.	11.2	7.5
Birmingham, Ala.	9.6	6.7
Columbus, Ohio	14.8	10.7
Cincinnati, Ohio	12.0	11.7
Indianapolis, Ind.	18.1	13.2
Chicago, Ill.	11.4
Milwaukee, Wis.	17.4	15.5
St. Paul, Minn.	25.6	17.6
Omaha, Neb.	15.5	10.1
Phoenix, Ariz.	23.0	22.7
Salt Lake City, Utah	19.0	14.7
Seattle, Wash.	19.7	14.2
Portland, Ore.	21.1	16.1
Sacramento, Calif.	21.2	19.9
Modesto, Calif.	24.3	21.6
Long Beach, Calif.	10.9	11.3
Honolulu, Hawaii	17.4	10.9

Based on a marketing survey taken by twenty newspapers in their respective cities.

*"1958 Chain Store Age Frozen Foods Merchandising," Chain Store Age, XXXIV (April, 1958), p. 152.

SAMPLE OF CHURCHILL'S WAX COATED OVERWRAP



SAMPLES OF CHURCHILL'S LABELS



**Churchill's
Economy
PACK**



CHURCHILL'S MEAT DEPARTMENT OPERATING STATEMENT, 1953*

Total Store Sales	\$1,500,000
Meat Sales	500,000
Meat Sales to Total Store Sales	33%
Meat Sales per Full-Time Employee	\$ 38,461

	Dollars	Per Cent
GROSS MARGIN	\$100,000	20.0%
TOTAL EXPENSES	75,000	15.0%
NET PROFIT	25,000	5.0%

EXPENSES

	Dollars	Per Cent
WAGES	\$ 50,000	10.0%
Advertising		
Supplies		
Utilities		
Taxes, Ins., Licenses---	25,000	5.0%
Depreciation		
Miscellaneous		
RENT**		
TOTAL	\$ 75,000	15.0%

*Lewis Milkovics, "Is This The Meat Department of the Future?" Progressive Grocer XXXIII (November, 1954), pp. 57-63.

**Churchill owns the building.

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INTERVIEWS

Dr. Lyman Bratzler, Professor of Animal Husbandry, Michigan State University, East Lansing, Michigan.

Mr. Walter Churchill, Sr., President, Churchill's Supermarkets, Inc., Toledo, Ohio.

Mr. Walter Churchill, Jr., Vice-President, Churchill's Supermarkets, Inc., Toledo, Ohio.

Mr. Lynn A. Colwell, Manager, Churchill's Certified Food Food Freezer Services, Inc., Toledo, Ohio.

Mr. Thomas Kennedy, Advertising Sales Agent, Toledo Blade, Toledo, Ohio.

Mr. John Novatny, Meat Manager, Churchill's Supermarket, Toledo, Ohio.

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