

MERCHANDISING OF PRE-PACKAGED FOODS

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The pre-packaging program of fresh fruits and vegetables bring together for the first time in the long history of agriculture, representatives of every essential operation, from the field to the table; *our government, the grower, the scientist, the engineer, the merchandiser and the consumer*—to accomplish, through co-operative effort, what might well be termed the complete re-birth of the industry.

Up to now, from the point of shipment to the consumer, the produce industry has been doing business from the same old stand that it did in the cracker-barrel days. The success of pre-packaging at the grower-shipper level will put the farmer in a more vital position. He has made great progress in applying science and engineering to his profession in the development of soils and crops. Although he can hardly be blamed for considering his job finished when his products are produced and delivered, every day the logic of pre-packaging fresh fruits and vegetables at the point of origin, the farm, is gaining steadily.

The elimination of all bulk waste, such as trimmings of the tops and leaves at the point of origin *before* shipment reducing the handling and waste caused by mauling of packers, carriers, wholesalers, retailers and finally the consumers; value of proper refrigeration at the moment of harvest before spoilage begins—these are among the advantages indicated by pre-packaging at the point of origin.

The preparation and marketing methods of practically all other forms of food are geared to modern up-to-the-minute self service merchandising. The successful packaging of grocery products has sounded the death knell of former selling methods.

Such staples as coffee, tea, crackers, rice, beans, sugar, some meats and many other products now sold exclusively in packages, indicate customer preference. The pack, container, wrapper, the brand name—and self service—all court the housewife. She knows her pet brand of dog food is nutritious, clean, made in a scientific factory, the dog food company has told her so on his package. But the farmer has never been able to tell her anything about himself or his product, because he has no package. For him to put his perishable produce in a consumer package mark his brand on it and tell the housewife just how he works to raise quality foods and deliver it to her "field fresh"—that is one of the ultimate objectives of the pre-packaging program. This function also will entitle the farmer to some of that 300% mark-up between him and the consumer.

In this revolution within the food industry the predictions are:

Tomorrow's food store will be less of a work shop and more of a service center.

Tomorrow's grocery store will place more emphasis on merchandising, store atmosphere menus, budgets, new ideas, cleanliness, service and friendly courtesy.

Many functions of the present day retail food store will probably be shifted to the packaging plant. Therefore it will pay all of us in the food industry, not only to watch this trend but to help develop it.

Today in Columbus, Ohio, in the self-service super-markets that have made a test conversion to selling only packaged fresh produce, the fruit and vegetable departments are clean and orderly beyond any storekeeper's dream. There is no waiting or bunching of customers as they walk down the row of refrigerator cases, free to pick up and examine the crispy cool packages of fresh peas, golden ears of sweet

corn, sparkling radishes, head lettuce, all sealed in transparent wrappers. There is no wilted nor discarded vegetable litter on the floor. Everything on display is just as fresh at five in the afternoon as it was when the store opened in the morning.

All this, and at no increase in retail prices to the consumer, seems almost too good to be true. Yet everyone connected with the Columbus experiment, believes that it is economically sound. Since its modest beginning about four years ago in a corner of one of the super-markets, the returns at the cash register, where public opinion is voiced, have been consistently ahead of sales in the old-line stores. However, I should say here that there is still a question of whether or not pre-packaged fruits and vegetables can be successfully retailed at the same cost as unpre-packaged produce. Most experiments have been conducted for too short a time to fully answer this question. In some experiments now being conducted, no comparison is possible.

A casual observer might credit this success to the self-service idea, to attractive appearance of packaged-perishables, to gleaming new counters on which they are displayed. These are all very important factors of course, but not the important one. The approval of the housewife is won by elimination of waste. Waste is costly all around. It hits the grower by lowering his prices; it robs the storekeeper and finally it shorts the housewife—far more than most of us realize. One official of the War Foods Administration has estimated that *one-fifth* of our leafy green vegetables are lost in the retail store and at home, and that *one-third* of all fruits and vegetables is wasted between the field and the consumer's stomach.

Spending a fraction of a cent per head of lettuce, for wrapping and refrigeration, to preserve its freshness and salability in the store, is good business for all concerned. It becomes smart merchandising, when consumers discover the fact that lettuce, sweet

corn or snap beans—so handled—also keep better after they get them home.

Scientific analysis and controlled store tests are saying that packaging and refrigeration are doing the job of merchandising of fresh produce. However, the real testimony of the shoppers themselves is the "clincher." Thorough tests in merchandising of fresh commodities prove that the majority of consumers favor this type of service. Almost nine out of every ten customers (86.3% of the total number responding to questionnaires given out in tested markets) preferred to buy pre-packaged foods rather than those in the bulk. As the most favorable response came from the stores that had been selling pre-packaged fresh produce the longest one may conclude that the more accustomed the consumer becomes to the idea the better he likes it.

Some of the reasons advanced were:

- (1) Produce sold in packages is of better quality and appearance.
- (2) Produce is more sanitary, inasmuch as it is sealed and protected from constant mauling, pinching and handling.
- (3) Produce, pre-packaged, makes for quicker shopping.
- (4) This new method permits a better choice at late hours of the day.
- (5) Kitchen preparation and waste disposal in the home is easier.
- (6) Packaged produce keeps longer than the bulk and it is handier to store in the refrigerator.

Chief objections to pre-packaged produce were:

- (1) Some commodities were packed in too large units.
- (2) The package itself did not permit sufficient visibility, to make a careful choice.
- (3) Quality of the product was not dependable.

However, of these objectors, 69.9% *still* preferred pre-packaging to buying in the bulk.

Store managers of the stores making these tests, say that it helps make them more profit. Actual profits on bulk fruits and vegetables are generally difficult to determine. Seldom do stores have records revealing losses in trimmings, throw-aways and cost of labor. But products that are sorted, cleaned, trimmed and packaged *do* have definite cost, meaning assured profits to the storekeeper and permits him to keep more accurate records of his produce department.

Significant challenge to the packaging-of-fresh-produce by the industry, if it is to do an adequate merchandising job are many:

(1) The package must attract attention. It must compete effectively in the all-important split-second to catch a prospective purchaser's eye and hold it. It must be a "shopper-stopper" in every sense. The progressive retailers of all classes realize that much of Mr. and Mrs. Consumer's buying is done through impulse. As a result, store layouts are constantly being designed to permit maximum display and maximum opportunity for self-selection and self-service. Packaging has an opportunity to fit into this self-service program by adequately supplying the factors that are important to both consumer and dealer—to become an advertisement and a salesman. This is the responsibility of the package.

(2) The package must tell the story of the product. What is it—what count or weight, how much, etc. It must be remembered, it must compete for attention with at least 2,800 other products in an average grocery store.

(3) The package must build confidence, Is it the quality wanted? Is it fresh? Is its original quality fully protected? These are some of the questions the average consumer wants to know. The package must be depended upon to supply these answers.

(4) The package must look clean and sanitary. Food shoppers especially women shoppers, are becoming more and more sanitary-conscious as a health protective measure.

(5) Packages must look like good values. Millions of housewives have found their dollars do not go very far. Consequently the package that looks like "Full money's worth" is likely to produce assurance.

(6) The package must be convenient to handle. Convenience of handling in the store, to carry out of the store and use in the home is very important and becoming more so every day.

In addition to these consumer challenges, there are several other factors the dealers feel are important.

(1) The package must look like a fast seller. The shrewd retailer knows that fast turn-over in his produce department is one of his principal goals. His experience concerning which size of package sells and which doesn't will be drawn on in making his decision whether to stock the packaged item offered. It will be only sound judgment to submit proposed package to a jury of able retailers so that their reactions will be available in correcting faulty unit size, if any exist.

(2) The effective package must minimize the selling time of the clerks required. The package that answers questions, tells its story quickly means faster handling of store traffic—very important—during peak hours.

(3) The package must prevent spoilage during selling period. Failure to provide necessary protection means non-salable merchandise, or worse still a dissatisfied customer and a complaint.

The produce world should not become discouraged at the slow progress of the pre-packaging program now begun in various parts of the country. When any industry

makes revolutionary changes in its methods, changes must tumble all down the line. Changes in type of freight cars, new refrigeration, new cargo airplanes, new style grocery markets, and even changes in the kitchen follow a new process, also warehouses, wholesale houses and even the farmer should conform to the new methods.

So, all the long channel from the farmer to the consumer, many changes will have to occur in the care of packaging of fresh produce. Therefore time must elapse before this entire program can come into general use. Meanwhile, should inexperienced packers flood the market with large quantities of poor quality pre-packaged fruit and vegetables, it would mean a setback in consumer acceptance gained thus far in these new methods of merchandising and halt the progress so vitally needed.

For example, the tomato package right now is meeting with considerable consumer resistance, due to the poor quality packed by terminal receivers.

Our biggest bottle-neck in the merchandising of pre-packaging of fresh fruits and vegetables is the fact that less than 1% of the retail outlets have proper refrigerated cases to display properly the packaged produce. The case manufacturers, like so many others, are behind in their orders.

When cases are available, the merchandising of pre-packaged produce will have to be an educational program. Merchandising meetings should be held with co-operative chain stores, voluntary groups,

store managers and all retailers planning to handle pre-packaging units.

The grower will, in all likelihood, have to carry newspaper advertisements in the market he serves in order to make the consumer accept his brand.

If pre-packaging is to be done at the grower's level, the smart grower, or the co-operative representing the grower, will need to add advertising and merchandising personnel to his, or its, organization. This would be similar to the methods already practiced by those dealing in frozen foods program and the canning industry.

To successfully merchandise pre-packaged produce by the grower, there must be a follow-through *from the field* to the table. Old methods of the wire or telephone must be supplemented by contact men. We know the housewife likes the pre-packaged foods—it is up to us to by-pass some of the old distribution methods.

Self-service food stores are definitely here to stay. To fill their need, the produce department must also be self-service.

Now who is going to do this job? The terminal crowd who have been the "goug-ers" of the growers or is the grower himself going to accept the challenge and take the short cut to the consumer? Before that can happen completely, many questions will have been answered, the old rule of trial and error will have been applied.

It may come sooner than any of you think!