

EFFORTS TO IMPROVE FOOD MARKETING IN THE CITY

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The shift of population from the central cities of the United States to the suburbs has been generally accompanied by a decline in retailing activity within the city. Business firms, including food retailers, have justifiably taken advantage of opportunities offered by suburban locations.

The statement that it costs more to do business in the city is generally true, considering the increased expenses incurred in the areas of transportation, modern facilities, and labor. In order to make food retailing more viable in the city, we need to take positive steps to improve the current state of productivity.

Members of the Food Distribution Research Laboratory, with assistance from Dr. Jarvis Cain of the University of Maryland, studied the operations of an independent, minority owned supermarket in an urban neighborhood to validate and modify, where necessary, existing principles and methods of operations in terms of inner city application.

The study team began with an analysis of the produce department, as requested by management. Highlights of the findings included a large inventory with a high percentage of slow movers, deterioration of quality through improper handling and storage, failure to rotate stock properly, poor sanitation, lack of price marking and description at the display case, inadequate space allocation and planning in the sales area, no record

keeping of produce waste, little inventory control, double handling of produce from the receiving door to storage, and failure to consider sales mix in determining gross margins. We presented recommendations to management to correct these deficiencies in operating methods and procedures. The majority of our recommendations have been implemented, resulting in improved control, quality, and profitability. We also suggested several changes in the layout of the produce preparation area. These recommendations have been partially implemented resulting in better organization and space utilization.

We also made recommendations on fixture layout, space allocation, and traffic flow in the grocery department. Products were relocated to increase exposure to the total store, and layout changes are planned that will establish flow patterns and improve security.

Other areas of study included labor scheduling in departments and the front end, financial management and planning, total store security, personnel training, and productivity measurement. Suggestions in these areas were made in order to strengthen management's ability to plan and control.

Although many of our recommendations were based on basic management and operating principles, they were made in consideration of the constraints imposed by the nature of the store and its environment. Many minority and nonminority

independents face these same types of problems on a daily basis. Through this type of applied research, we plan to develop a handbook for management's use in small inner city stores.

This area of study has led to our current planning of research program to improve the food distribution system in the central city. This effort will examine all aspects of the marketing chain, including wholesalers, vendors, chain supermarkets, small independent

food stores, cooperatives, farmer's markets, and alternative methods of distribution such as direct home delivery. This will be a joint effort with municipal governments, development groups, the private sector, and other interested groups to improve the efficiency and effectiveness of food marketing in the city and to provide the consumer with better quality, more readily accessible food at prices that are more easily affordable.
