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U.S. Supermarkets: Characteristics and Services

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ABSTRACT

Fewer but larger stores than a decade ago characterize the U.S. supermarket industry. The conventional store size of 10,000 to 30,000 square feet (ft^2) is being succeeded by superstores of 30,000 to 50,000 ft^2. Format, size, sales volume, location, operating hours, and services are changing to meet the needs of the consumer. According to a 1982 survey, coupon redemption was the most popular service offered by supermarkets. Utility bill payments were the least popular. Twenty-nine percent of the stores surveyed were open longer than 15 hours per day, with 42 percent of these open 24 hours.

KEYWORDS: Supermarkets, format, services, store hours, location, sales volume, store size.

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GLOSSARY

Supermarket-- A grocery store, primarily self-service in operation, providing a full range of departments, and having at least \$1.0 million in annual sales in 1972 dollars.

Supermarket formats-- Popular formats in use today are:

Combination (food and drug store)-- A supermarket containing a pharmacy, a nonprescription drug department, and a greater variety of health and beauty aids than that carried by conventional supermarkets.

Convenience store-- A small grocery store selling a limited variety of food and nonfood products, usually open extended hours.

Conventional store-- A supermarket where 9,000-11,000 food items are generally prepackaged or individually displayed throughout the store.

Limited assortment store-- A supermarket that stocks fewer items than other supermarkets, with sizes generally smaller than 10,000 square feet (ft^2).

Superette-- A grocery store, primarily self-service in operation, selling a wide variety of food and nonfood products with annual sales below \$1.0 million in 1972 dollars.

Superstore-- A supermarket distinguished by its greater variety of products than conventional supermarkets, including specialty and service departments, and considerable nonfood (general merchandise) products.

Warehouse store-- A supermarket with limited product variety and fewer services which incorpoates case lot stocking and shelving practices. Sizes range from 12,000-35,000 ft^2. Superwarehouse stores are larger and offer expanded product variety and often service meat, delicatessens, or seafood departments.

Supermarket location-- A supermarket was located in either:

Central city-- Area within the city boundaries, or

Suburban-- Area outside the boundaries of the city but still within the boundaries of the Standard Metropolitan Statistical Area (SMSA).

Stand-alone-- Supermarkets not adjoined to any other retail establishment.

Shopping complex-- Supermarkets located with other retail establishments in a mall or shopping center.

Supermarket services-- Supermarkets help increase sales, as well as offer a variety of services for customer attraction and convenience, such as--

Bagging service-- Customer purchases are placed into a bag, box, or other container for carrying purchases out of the store.

Carryout service-- Store offers to assist customers by transporting their purchases from the checkout to the customer´s car, or by loading purchases into their cars at a specified pickup point.

Check cashing-- Store accepts, without charge, payroll or personal checks for grocery purchases.

Contests or games-- Promotional activity where participants are eligible to win money or a prize.

Continuity program-- Store sells dishes, flatware, encyclopedias, or other sets of products with specific items featured each week. Over time, a customer may complete the set.

Coupon redemption-- Store accepts manufacturer or store price reduction (cents off) coupons.

Deposit bottles-- Store redeems returnable bottles.

Employee uniforms-- Employees wear some common form of dress, such as same color or pattern.

Express checkout register-- Store has one or more registers specifically identified for express or quick checkout.

Full-service bakery-- Area set aside in which store employee assists customers with purchases and other services, such as slicing bread or decorating cakes.

Full-service delicatessen-- Area set aside in which store employee assists customers with items, such as cold cuts, cold salads, or cheeses.

Full-service meat--Area set aside for routine preparation of meat orders. Excludes stores that package fresh meat or offer to prepare customized cuts as an exception.

Full-service seafood-- Area set aside for fresh fish and seafood purchases. Store employee wraps these purchases upon request.

Front-end scanners-- Universal product code (UPC) laser beam scanner used at checkout to read UPC's which permit electronic lookup of prices automatically recorded on the cash register tape.

Music in store-- Music is played for customers.

Product price marking-- Grocery products which display price using tags or inked print.

Produce prepackaged-- Produce prewrapped and displayed in individual packages.

Trading stamps-- Store offers stamps such as S&H, Triple-S, Supervalu, and Top Value. Also includes accumulated cash register receipts which can later be exchanged for merchandise (or cash) at some specified rate of exchange.

Unit pricing-- Products priced per unit of measure. Unit price is printed on a shelf tag indicating price per ounce, pound, count, or other physical quantity.

Utility-bill payments-- Store accepts customer payment for utility bills, such as telephone, electricity, or gas.

Supermarket selling area-- Total area (approximate measurements) of the supermarket in ft^2, excluding backroom storage and preparation area.

Types-- Supermarkets were grouped into independent and chain firm types.

Independent-- A food retail firm operating 10 or fewer supermarkets.

Chain-- A food retail firm operating 11 or more supermarkets.

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INTRODUCTION

Changing demographics, lifestyles, and purchasing patterns have affected format, size, location, operating hours, and services offered in the supermarket.

Conventional size supermarkets still dominate the industry. However, they are losing ground to larger, more diversified formats (super-supermarkets) such as superstores, warehouse/superwarehouse, and combination food and drug stores. In 1980, conventional supermarkets accounted for 58.8 percent of industry sales, compared with 18.2 percent for the super-supermarkets. In 1984, however, conventional store sales were down to 39 percent and super-supermarkets up to 29.3 percent (4).1/

The appendix shows the survey form used to collect data covering some general characteristics, such as supermarket and firm types, hours of operation, size of selling area, location, and 20 customer services.2/ This report describes the characteristics of supermarkets sampled in the United States.

Data for this report were obtained through a nationwide supermarket survey conducted in 1982 by the Economic Research Service. A total of 747 supermarkets were sampled for use in this report. The unit of observation is a single supermarket. The data included 491 chain stores (66 percent) and 256 independents (34 percent). This report is used to describe changes in characteristics of supermarkets over time.

BACKGROUND

The methods used to collect data involved selecting the Standard Metropolitan Statistical Areas (SMSA's), firms, and supermarkets. First, 203 SMSA's were selected to represent all SMSA's with 150,000 or more persons. To ensure the selection of a representative sample, 28 SMSA's were randomly selected.3/ A stratified-selection procedure was used to identify firms within each SMSA. Firms were divided between the six leading firms and all remaining firms.

1/ Underscored numbers in parentheses refer to items listed in the Reference section at the end of this report.
2/ Hereafter, in this report square foot (ft^2) refers to selling area of store.
3/ See Appendix for listing of SMSA's used in this report.

Supermarkets were then randomly selected from each firm. Among the 6 leading firms, 1 supermarket was selected if a firm operated 1-4 supermarkets in the SMSA; 2 were selected if a firm operated 5-10 stores; and 3 were selected if a firm operated 11 or more supermarkets in a SMSA. If a firm operated five or more supermarkets supplied by two or more warehouses, at least one of these supermarkets was selected to represent those supplied by each warehouse.

Firms ranking below the top six in an SMSA also operated several stores in six of the largest SMSA's (Los Angeles, Boston, St. Louis, New York, Philadelphia, and Houston). In these markets, one store was randomly selected to represent each of these firms whenever such firms accounted for more than 1 percent of grocery store sales in the SMSA. Five additional supermarkets were randomly selected in each SMSA to represent the remainder of the firms in the market. Only one store was selected per firm.

SUPERMARKET CHARACTERISTICS

In 1980, supermarkets totaled 26,321 or 15.3 percent of all grocery stores compared with 1984 figures of 26,947 and 16.3 percent. Grocery stores also include convenience foodstores, small grocery stores, and superettes. Supermarket sales as a percentage of grocery store sales remained at 75 percent between 1980-84.

Marked changes are taking place in the supermarket industry. Supermarkets are changing in format, growing in size, offering more services, and expanding their locations and hours of operation to meet consumer needs.

Major changes occurred in the general format of the supermarket during the late 1970's. Supermarkets began to offer a larger variety of products, services, and departments which today may include: a complete bookstore, video cassette library, cosmetics bar, wine and cheese shop, gourmet shop, custom butcher shop, instore bakery, restaurant, dry cleaner, leisure-wear boutique, bank, cooking school, ice cream parlor, health-food center, and pizzeria. The conventional, combination food and drug store, superstore, and warehouse/limited assortment store formats are in use today.

Conventional supermarkets are basically self-service and food oriented. They sell meat, produce, food and grocery products, and nonfood items such as soaps, detergents, and paper products. Items are generally prepackaged or individually packed and displayed throughout the stores. Conventional store sizes range from less than 10,000-30,000 square feet (ft^2) and carry from 9,000-11,000 items. Nonfood products in conventional stores are limited. The majority of supermarkets (65 percent) still fit the conventional format (table 1). However, the use of other formats is increasing.

Combination food and drug stores are larger than conventional stores and carry more product variety. Store sizes range from 35,000-45,000 ft^2. Approximately 25-35 percent of sales are from drug and general merchandise (7). In addition to carrying products generally found in supermarkets, combination stores carry prescription drugs, clothing, and hardware.

Superstores are similar to combination stores. However, superstores are generally smaller (average size of 35,000 ft^2) and the percentage of nonfood items carried is less than that of combination stores. Superstores may carry a few prescription drugs. Many of the products are in small departments located around the perimeter of the store. In addition to generic and specialty items, superstores may have self-service bulk foods such as nuts, flours, and dried beans.

Limited assortment stores are generally smaller (less than 10,000 ft^2) than other supermarkets. These stores stock fewer items by limiting the number of brands and carrying only the most popular sizes.

Warehouse store sizes range from 12,000-35,000 ft^2. Warehouse stores may handle fresh meat, produce, and other perishable products. Superwarehouse stores are larger (50,000-140,000 ft^2) and have a large assortment of services and products which include fresh meat, produce, fish and seafood, baked bread and pastries, and a full assortment of delicatessen items.

Store size, hours, and location have also become more diverse. The increasing number of both single family households and women workers has made it more difficult for families to shop during traditional store hours. Thus, many retailers have incorporated 24-hour schedules and Sunday hours into their daily routine. Because suburban communities are growing, so are the number of supermarkets in suburban areas. Shopping complexes have become prime areas in which supermarkets are located.

Format

In the sample surveyed, conventional supermarkets accounted for 81 percent, combination/superstores, 15 percent, and warehouse/limited assortment stores, 4 percent (see app.). Table 2 presents the characteristics of sample data by store format. The majority of conventional and warehouse/limited assortment stores had less than 30,000 ft^2 and had annual gross sales of $6 million or less. Nearly 66 percent of the combination/superstores ranged between 20,000-39,999 ft^2, and 87 percent had annual gross sales of more than $6 million.

Table 1--Supermarket formats, 1980 and 1984

Format	Supermarkets	
	1980	1984
	Percent	
Conventional	85.0	65.5
Superstore	8.9	18.2
Warehouse	5.2	12.8
Combination	.9	3.5
Total	100.0	100.0

Conventional stores were located in both suburban and central city areas. Combination/superstores and warehouse/limited assortment stores were located primarily in suburban areas. All three types of stores were most often located in shopping malls or complexes, though a slightly higher percentage of warehouse/limited assortment stores were stand-alone units.

Table 2--Characteristics of sample supermarkets by format

Characteristics	Conventional 1/	Combination/ superstore 2/	Warehouse/ limited assortment 3/
		Percent*	
Firm type:			
Chains	61.6	85.0	68.8
Independents	38.4	15.0	31.3
Store selling area (ft^2):			
Below 10,000	26.6	0	37.5
10,000-19,999	45.2	15.0	18.8
20,000-29,999	23.9	38.1	18.8
30,000-39,999	3.2	23.0	15.6
40,000-49,999	1.0	13.3	9.4
50,000-70,000	.3	10.6	0
Gross sales (million dollars):			
4 or less	36.4	4.4	43.8
4.1-6	24.1	8.8	15.6
6.1-8	18.8	29.2	0
8.1-12	14.5	30.1	15.6
12.1 or more	6.3	27.4	25.0
Store hours per day:			
15 hours or less	73.1	56.6	78.1
More than 15	26.9	43.4	21.9
Store location:			
Central city	52.5	44.2	37.5
Suburban	47.5	55.8	62.5
Stand-alone	40.0	32.7	46.9
Shopping complex	60.0	67.3	53.1
Central city/stand-alone	26.9	19.5	21.9
Central city/shopping complex	25.6	24.8	15.6
Suburban/stand-alone	13.1	13.3	25.0
Suburban/shopping complex	34.4	42.5	37.5

* Percentages may not total 100 because of rounding.
1/ 602 stores.
2/ 113 stores.
3/ 32 stores.

Size

Table 3 presents the characteristics of sample data by selling area. As expected, the majority of stores in all size groups were chains, except those stores below 10,000 ft^2 which were mainly independent. Most store sizes below 30,000 ft^2 were conventional, compared with combination/superstores where sizes ranged between 30,000-70,000 ft^2. Store sizes ranging between 30,000-70,000 ft^2 accounted for sales of more than $12 million. Eighty-one percent of the stores under 10,000 ft^2 in size grossed $4 million or less. None of the stores with sizes ranging between 50,000-70,000 ft^2 grossed less than $8 million.

Most stores with less than 10,000 ft^2 were primarily stand-alone units located in the central city. The largest proportion of stores were located in suburban shopping complexes for all other size groups. Stores with 50,000-70,000 ft^2 were primarily stand-alone units located in the suburbs.

Sales Volume

The largest share of stores with gross sales of $4 million or less were independently owned (table 4). Stores with gross sales of $4 million or more were predominantly chain supermarkets. Stores with sales of $12 million or less were predominantly conventional supermarkets. Stores whose sales were above $12 million were about evenly divided between conventional (49 percent) and combination/ superstores (40 percent). Warehouse stores accounted for 10 percent of the stores in this sales class.

Central city stand-alone units accounted for the largest share of stores with gross sales of $4 million or less. Suburban shopping complexes accounted for the largest share of stores with gross sales of $6 million or more.

Hours

In the sample surveyed, the majority of stores were open 15 hours or less per day (table 5). These were primarily conventional stores and stores between 10,000-19,999 ft^2. Nearly 66 percent of the stores open 15 hours or less grossed less than $6 million in sales. The largest share of stores (32 percent) were located in suburban shopping complexes.

Conventional stores accounted for the majority of stores (74 percent) open longer than 15 hours per day followed by superstores (22 percent) and warehouse stores (3 percent). Stores open longer than 15 hours per day ranged primarily between 10,000-29,999 ft^2 and grossed more than $4 million in sales. Suburban shopping complexes were the most popular locations for stores open longer than 15 hours per day.

SUPERMARKET SERVICES

Supermarket services in the marketing system are very important. These services not only allow for customer flexibility and convenience, but serve to attract more customers, and thus increase store sales.

Out of the 20 services included in the survey, 11 were offered by a majority of the stores (fig. 1). Coupon redemption, the most popular service, was offered by 97 percent of the stores. Bagging was second in popularity, followed by check cashing, price marking, instore music, employee uniforms, express checkout,

Table 3--Characteristics of sample supermarkets by size of selling area

Characteristics	Square feet (ft^2) Below 10,000 1/	10,000-19,999 2/	20,000-29,999 3/	30,000-39,999 4/	40,000-49,999 5/	50,000-70,000 6/
				Percent*		
Firm type:						
Chains	25.7	69.8	86.0	82.0	83.3	85.7
Independents	74.3	30.2	14.0	18.0	16.7	14.3
Type of store:						
Conventional	93.0	92.2	74.6	38.0	25.0	14.3
Combination/superstore	0	5.8	22.3	52.0	62.5	85.7
Warehouse/limited assortment	7.0	2.0	3.1	10.0	12.5	0
Gross sales (million dollars):						
4 or less	81.3	27.5	8.3	2.0	4.2	0
4.1-6	12.9	30.5	21.8	10.0	4.2	0
6.1-8	4.1	22.0	30.6	20.0	20.8	0
8.1-12	1.2	15.9	27.5	20.0	33.3	42.9
12.1 or more	.6	4.1	11.9	48.0	37.5	57.1
Store hours per day:						
15 hours or less	95.3	71.9	58.0	42.0	50.0	64.3
More than 15	4.7	28.1	42.0	58.0	50.0	35.7
Store location:						
Central city	67.3	50.2	42.0	42.0	33.3	35.7
Suburban	32.7	49.8	58.0	58.0	66.7	64.3
Stand-alone	59.1	39.0	25.4	26.0	20.8	71.4
Shopping complex	40.9	61.0	74.6	74.0	79.2	28.6
Central city/stand-alone	40.9	25.1	16.1	16.0	16.7	28.6
Central city/shopping complex	26.3	25.1	25.9	26.0	16.7	7.1
Suburban/stand-alone	18.1	13.9	9.3	10.0	4.2	42.9
Suburban/shopping complex	14.6	35.9	48.7	48.0	62.5	21.4

* Percentages may not total 100 because of rounding.
1/ 171 stores, 2/ 295 stores, 3/ 193 stores, 4/ 50 stores, 5/ 24 stores, 6/ 14 stores.

Table 4--Characteristics of sample supermarkets by gross sales

Characteristics	Million dollars: 4 or less 1/	4.1-6 2/	6.1-8 3/	8.1-12 4/	12.1 or more 5/
	Percent*				
Firm type:					
Chains	32.8	76.3	82.9	88.1	74.0
Independents	67.2	23.8	17.1	11.9	26.0
Store type:					
Conventional	92.0	90.6	77.4	69.0	49.4
Combination/superstore	2.1	6.3	22.6	27.0	40.3
Warehouse/limited assortment	5.9	3.1	0	4.0	10.4
Store selling area (ft^2):					
Below 10,000	58.4	13.8	4.8	1.6	1.3
10,000-19,999	34.0	56.3	44.5	37.3	15.6
20,000-29,999	6.7	26.9	40.4	42.1	29.9
30,000-39,999	.4	3.1	6.8	7.9	31.2
40,000-49,999	.4	.6	3.4	6.3	11.7
50,000-70,000	0	0	0	4.8	10.4
Store hours per day:					
15 hours or less	89.9	68.9	63.0	61.1	45.5
More than 15	10.1	31.1	37.0	38.9	54.5
Store location:					
Central city	61.8	54.4	41.8	44.4	35.1
Suburban	38.2	45.6	58.2	55.6	64.9
Stand-alone	55.5	33.1	26.0	31.7	39.0
Shopping complex	44.5	66.9	74.0	68.3	61.0
Central city/stand-alone	37.8	20.6	19.2	19.8	19.5
Central city/shopping complex	23.9	33.8	22.6	24.6	15.6
Suburban/stand-alone	17.6	12.5	6.8	11.9	19.5
Suburban/shopping complex	20.6	33.1	51.4	43.7	45.5

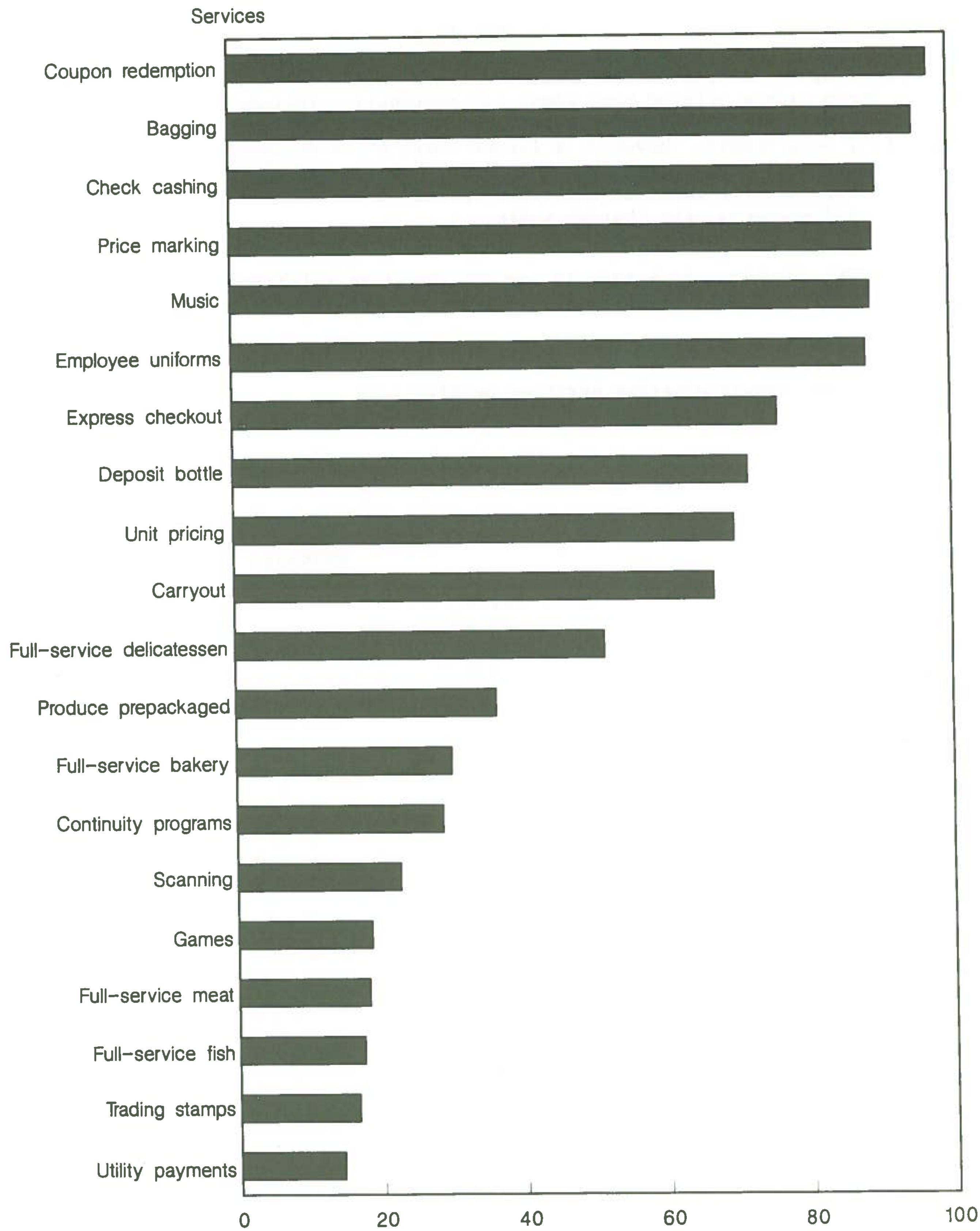
* Percentages may not total 100 because of rounding.
1/ 238 stores.
2/ 160 stores.
3/ 146 stores.
4/ 126 stores.
5/ 77 stores.

Table 5--Characteristics of sample supermarkets by hours open

Characteristics	Open 15 hours or less per day 1/	Open more than 15 hours per day 2/
	Percent*	
Firm type:		
Chains	56.5	87.2
Independents	43.5	12.8
Type of store:		
Conventional	83.2	74.3
Combination/superstore	12.1	22.5
Warehouse/limited assortment	4.7	3.2
Store selling area (ft^2):		
Below 10,000	30.6	4.1
10,000-19,999	40.1	38.1
20,000-29,999	21.4	36.7
30,000-39,999	4.0	13.3
40,000-49,999	2.3	5.5
50,000-70,000	1.7	2.3
Gross sales (million dollars):		
4 or less	40.5	11.0
4.1-6	21.0	22.5
6.1-8	17.4	24.8
8.1-12	14.6	22.5
12.1 or more	6.6	19.3
Store location:		
Central city	53.1	44.5
Suburban	46.9	55.5
Stand-alone	42.5	31.2
Shopping complex	57.5	68.8
Central city/stand-alone	27.6	20.6
Central city/shopping complex	25.5	23.9
Suburban/stand-alone	14.9	10.5
Suburban/shopping complex	31.9	45.0

* Percentages may not total 100 because of rounding.
1/ 529 stores.
2/ 218 stores.

Figure 1. Percentage of supermarkets offering services



bottle deposits, unit pricing, and carryout. Utility bill payment was the service offered the least. Tables 6 through 13 compare frequencies of services given with type of firm, store formats, size, sales, hours of operation, and location.4/

By Firm Type

Table 6 presents the percentage of stores offering the services listed by firm type. Chain stores offered more games and continuity programs than did independent stores. Chain supermarkets were more likely to offer full-service delicatessens and bakery departments. However, a larger share of independent stores offered full-service meat departments than did chain stores. Independent stores were least likely to offer employee uniforms, express checkouts, scanning, unit pricing, utility bill payments, and instore music.

4/ With the exception of tables 11 and 12, possible relationships of store services to these store characteristics were tested using chi-square statistics.

Table 6--Supermarkets offering services by firm type

Services offered	Chains 1/	Independents 2/
	Percent	
Games	21.1	14.1
Continuity programs	32.5	21.1
Coupon redemption	98.0	96.6
Trading stamps	18.0	14.1
Meat	12.6	29.3
Fish/seafood	15.5	20.7
Delicatessen	55.0	45.3
Bakery	34.6	21.5
Bagging	95.5	96.1
Carryout	68.9	64.5
Check cashing	91.6	88.7
Deposit bottles	73.6	69.5
Employee uniforms	95.6	75.0
Express checkout	90.6	48.8
Scanning	26.6	15.2
Produce prepackaged	33.9	41.8
Price marking	88.9	92.2
Unit pricing	82.0	46.9
Utility payments	16.1	10.9
Music	92.2	84.4

1/ 489 stores.
2/ 258 stores.

By Format

Warehouse stores were least likely to offer popular services such as coupon redemption, bagging, music, and check cashing (table 7). Combination/superstores were more likely to offer full-service seafood, delicatessens, and bakery sections than were conventional stores. Combination/superstores were more likely to offer carryout service, bottle deposits, employee uniforms, express checkout, and unit pricing. More warehouse stores offered scanning systems than did any other type of store.

Although a significantly higher proportion of conventional stores marked prices on their products, warehouse stores were least likely to offer this service due to the large percentage of warehouse stores that use a scanning system. Similar findings were observed in a study conducted in Arkansas on price and service relationships (1). In the survey, none of the warehouse stores offered games, trading stamps, or utility bill payments.

Table 7--Supermarkets offering services by format

Services offered	Conventional 1/	Combination/ superstore 2/	Warehouse/ limited assortment 3/
		Percent	
Games	19.9	16.8	0
Continuity programs	28.6	35.4	3.1
Coupon redemption	98.3	96.5	87.5
Trading stamps	18.6	10.6	0
Meat	17.9	21.2	12.5
Fish/seafood	15.6	26.5	15.6
Delicatessen	49.5	69.9	25.0
Bakery	24.4	64.6	12.5
Bagging	99.0	99.1	15.6
Carryout	66.5	87.6	9.4
Check cashing	91.3	92.9	62.5
Deposit bottles	71.3	85.8	37.5
Employee uniforms	88.0	98.2	59.4
Express checkout	74.9	98.2	18.8
Scanning	18.9	35.4	46.9
Produce prepackaged	37.7	24.8	56.3
Price marking	93.5	83.2	43.8
Unit pricing	67.6	85.8	53.1
Utility payments	13.8	21.2	0
Music	91.0	93.8	40.6

1/ 602 stores.
2/ 113 stores.
3/ 32 stores.

By Size

Promotional services, such as games, coupon redemption, continuity programs, and trading stamps are generally used to attract more customers into the store. Survey results show that stores offering games showed no significant differences by store size (table 8). Coupon redemption seems to be a popular service regardless of store size. Continuity programs were more likely to be offered by large stores (30,000-70,000 ft^2) and medium stores (10,000-29,999 ft^2), than by small stores (below 10,000 ft^2). Small and large stores were less likely than medium-size stores to carry trading stamps.

Stores offering full-service departments (meat, fish and seafood, delicatessen, and bakery) varied significantly by size of store. Small- and large-size stores were more likely to have full-service meat sections than were the medium-size

Table 8--Supermarkets offering services by size of selling area

Services offered	Square feet (ft^2)			
	Below 10,000 1/	10,000-19,999 2/	20,000-29,999 3/	30,000-70,000 4/
	Percent			
Games	12.9	21.0	21.2	15.9
Continuity programs	13.5	32.0	33.2	35.2
Coupon redemption	93.6	99.0	98.5	98.9
Trading stamps	8.2	23.4	17.6	8.0
Meat	28.1	12.5	14.5	26.1
Fish/seafood	15.8	12.2	16.6	38.6
Delicatessen	37.4	49.2	57.0	75.0
Bakery	6.4	25.8	40.9	65.9
Bagging	92.4	98.0	95.9	92.1
Carryout	53.8	63.7	80.8	75.0
Check cashing	86.0	90.8	95.3	86.4
Deposit bottles	55.0	75.6	80.8	73.9
Employee uniforms	74.3	90.2	94.8	95.5
Express checkout	40.4	80.7	91.7	95.5
Scanning	4.1	19.7	29.5	53.4
Produce prepackaged	50.9	36.3	29.0	26.1
Price marking	93.6	94.2	88.6	70.5
Unit pricing	53.2	69.8	77.2	85.2
Utility payments	6.4	14.6	19.2	18.2
Music	77.8	92.5	93.8	90.9

1/ 171 stores.
2/ 295 stores.
3/ 193 stores.
4/ 88 stores.

stores. The larger the store, the more likely it was to offer a full-service delicatessen and bakery department.

Bagging was offered in all size stores. Carryout was more likely offered in stores above 20,000 ft^2. Check cashing was offered by at least 86 percent of the stores in all size groups.

Survey results show that small stores were significantly less likely than larger stores to offer deposits on bottles as a service. Express checkout service was more likely offered by large-size stores than by small-size stores.

There was a very strong positive correlation between size of store and the likelihood of scanner systems. While only 4 percent of stores in the smallest size category had scanner systems, over 50 percent of the stores in the largest category had them.

Inverse relationships existed between size of store and the likelihood of prepackaged produce being offered. Stores below 20,000 ft^2 offered this service more.

As stores continue to install scanner systems, individual items no longer need price marking. Survey results show that while small stores were more likely to offer item price marking, larger stores were more likely to have unit price shelf tags.

Less than 20 percent of the stores in any size category offered utility bill payments. However, small stores were significantly less likely to offer this service than larger size stores.

Store music entertains shoppers and influences shoppers' attitudes and buying behavior. Survey results show that a significantly lower proportion of small stores offer music compared with larger stores.

By Sales Volume

Stores with an $8-12 million sales volume were more likely to offer continuity programs, carryout service, and employee uniforms (table 9). Significantly more stores with sales volumes over $12 million offered full-service departments such as delicatessens, fish and seafood departments, bakeries, unit pricing, scanning, and utility bill payments.

By Hours

Survey results show that a significantly high proportion of stores offering full-service fish/seafood and meat sections were open more than 15 hours per day. Stores with the largest share of full-service delicatessens and bakeries were open 15 hours per day or less (table 10). Stores offering check cashing, deposits on bottles, uniforms for employees, express checkout, scanning, and unit pricing usually had longer hours of operation than did stores offering other services. Stores open 15 hours or less per day more likely offered prepackaged produce than did stores open longer.

Store operating hours are changing as many stores adapt their schedules to fit varied consumer lifestyles, allowing consumers to shop before and after peak traffic hours. Twelve percent of the stores in the survey were classified as 24-hour (open around the clock at least 4 working days per week) stores.

Data were compared for 4 of the 20 services offered in 24-hour stores: full-service delicatessens, bakeries, meat, and fish and seafood. These four services were designated as specialty services, primarily used to attract new customers in to the stores and increase profit margins. Full-service delicatessen departments were offered by 71 percent of stores in the 24-hour category, 52 percent bakery, 21 percent fish and seafood, and 19 percent meat (table 11).

Most of the 24-hour stores (60 percent) offered at least one specialty service. Twenty-one percent of the stores offered no specialty services (table 12).

Table 9--Supermarkets offering services by gross sales

Services offered	Million dollars: 4 or less 1/	4.1-6 2/	6.1-8 3/	8-12 4/	12.1 or more 5/
	Percent				
Games	14.0	24.4	17.8	21.4	18.2
Continuity programs	20.6	28.8	32.9	38.9	27.3
Coupon redemption	95.0	99.4	98.6	97.6	100.0
Trading stamps	16.0	22.5	15.1	13.4	14.3
Meat	23.5	12.5	16.4	17.4	18.1
Fish/seafood	13.9	10.0	15.8	19.8	41.6
Delicatessen	32.3	46.9	56.2	72.2	77.9
Bakery	11.8	27.5	39.7	41.3	54.6
Bagging	94.1	96.3	99.3	95.2	90.9
Carryout	59.2	65.0	75.3	78.6	62.3
Check cashing	88.2	90.0	93.2	94.4	85.7
Deposit bottles	68.9	75.6	80.1	73.8	55.8
Employee uniforms	74.4	90.0	98.6	97.6	93.5
Express checkout	43.7	83.8	95.2	94.4	93.5
Scanning	5.5	13.7	26.0	45.2	50.6
Produce prepackaged	47.5	41.0	28.1	25.2	27.3
Price marking	93.7	93.8	89.0	84.1	80.5
Unit pricing	52.9	65.0	81.5	83.3	87.0
Utility payments	8.8	14.4	12.3	20.6	24.7
Music	82.2	90.1	95.9	94.5	88.3

1/ 238 stores.
2/ 160 stores.
3/ 146 stores.
4/ 126 stores.
5/ 77 stores.

Table 10--Supermarkets offering services by number of hours open per day

Services offered	Open 15 hours or less per day 1/	Open more than 15 hours per day 2/
	Percent	
Games	17.6	21.1
Continuity programs	27.0	32.6
Coupon redemption	97.1	99.1
Trading stamps	17.4	14.7
Meat	18.9	16.5
Fish/seafood	15.3	22.5
Delicatessen	46.9	62.4
Bakery	23.6	45.4
Bagging	94.5	97.7
Carryout	66.5	68.8
Check cashing	88.3	95.4
Deposit bottles	68.2	81.2
Employee uniforms	86.4	93.1
Express checkout	69.4	92.2
Scanning	19.3	30.7
Produce prepackaged	43.1	20.6
Price marking	91.5	85.8
Unit pricing	67.1	76.2
Utility payments	14.4	14.2
Music	88.1	92.2

1/ 529 stores.
2/ 218 stores.

Table 11--Type of specialty services offered by 24-hour stores

Type of specialty	Stores with services	
	Number	Percent
Delicatessen	65	71.0
Bakery	47	51.7
Meat	17	18.7
Fish/seafood	19	20.9

By Location

Stores offering full-service seafood and delicatessen sections and stores with a full-service bakery were more likely to be located in the suburbs than in central city areas, and in shopping complexes than in stand-alone units. Price marking and bagging were the services most likely offered by central city stores (table 13). Stores located in shopping complexes were also more likely to offer services such as games, carryout, check cashing, bottle deposits, employee uniforms, express checkout, scanning, unit pricing, and instore music.

Suburban stores were more likely to offer continuity programs, carryout, check cashing, bottle deposits, employee uniforms, and scanning.

CONCLUSIONS

The U.S. supermarket industry is comprised of fewer but larger stores than it was a decade ago. However, most supermarkets still have selling areas under 30,000 ft^2. Superstores--successors to conventional supermarkets--increasingly range between 30,000-55,000 ft^2. Some superwarehouse stores have up to 140,000 ft^2. To meet consumer needs, this trend towards larger stores is expected to continue.

Most existing supermarkets are conventional, and such stores will continue to be built. However, superstores and warehouse stores are fast becoming the major vehicles for growth. While superstores cater to the more affluent shopper whose primary concern is convenience, price is of great value to those who shop warehouse stores.

Warehouse stores are appealing to more shoppers by using more attractive decor and by expanding specialty departments.

As stores increase in size, many densely populated urban areas cannot accommodate the new store formats. A 1977 supermarket survey found that seven major cities were losing stores and selling areas. "Compared to other sections of the metropolitan area, the city's inner community had up to 79 percent less space available per capita for selling groceries" (3). Thus, larger stores will probably continue to be built in suburban areas in large shopping centers or as stand-alone stores where space is not a problem.

Table 12--Number of specialty services offered by 24-hour stores

Number of specialty services offered	Stores with services	
	Number	Percent
0	19	20.9
1	20	22.0
2	35	38.5
3	9	9.8
4	8	8.8

Specialty services such as delicatessens, bakeries, and fish and seafood sections have become commonplace in today's supermarket. This trend will continue in addition to a growing trend toward prepared foods and snack bars.

Table 13--Supermarkets offering services by location

Services offered	Stand-alone 1/	Shopping complex 2/	Central city 3/	Suburban 4/
		Percent		
Games	13.0	22.3	17.5	19.8
Continuity programs	27.3	29.3	24.9	32.2
Coupon redemption	95.6	98.9	97.4	97.9
Trading stamps	13.3	18.7	14.3	19.0
Meat	22.9	15.2	19.1	17.3
Fish/seafood	17.1	17.4	14.6	20.1
Delicatessen	43.0	57.1	43.1	60.2
Bakery	18.4	37.4	23.3	36.9
Bagging	94.9	95.8	96.3	94.6
Carryout	62.1	70.5	63.0	71.5
Check cashing	86.7	92.7	88.1	92.7
Deposit bottles	64.2	77.1	68.8	75.3
Employee uniforms	83.6	91.4	84.7	92.1
Express checkout	67.5	81.5	73.8	78.3
Scanning	16.7	26.4	17.7	27.6
Produce prepackaged	36.9	36.3	38.6	34.4
Price marking	89.4	90.1	99.3	87.2
Unit pricing	61.8	74.9	68.0	71.5
Utility payments	11.9	15.9	11.9	16.8
Music	84.0	92.7	87.8	90.8

1/ 293 stores.
2/ 454 stores.
3/ 378 stores.
4/ 369 stores.

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APPENDIX

Cities surveyed*

Pacific
Los Angeles-Long Beach, CA
San Diego, CA
Santa Cruz, CA

Mountain
Albuquerque, NM
Denver, CO
Las Vegas, NV

West North Central
St. Louis, MO
Springfield, MO

West South Central
Baton Rouge, LA
Houston, TX
Little Rock, AR
Tulsa, OK

South Atlantic
Atlanta, GA
Ft. Lauderdale, FL
Huntington-Ashland, WV-KY
Philadelphia, PA
Miami, FL

Mid-Atlantic
New York, NY
Jersey City, NJ
Patterson-Clifton-Passaic, NJ
Pittsburgh, PA

East North Central
Akron, OH
Detroit, MI
Evansville, IN
Madison, WI
Youngstown, OH

East South Central
Jackson, MS

New England
Boston, MA
Portland, ME

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*This listing includes 29 standard metropolitan statistical areas (SMSA's). Additional data were collected for a separate analysis of Arkansas SMSA which was not included in the selection of cities for price analysis.

Appendix table 1--Characteristics of sample stores 1/

Characteristics	Share of stores
	Percent
Firm type:	
Chains	65.5
Independents	34.5
Format:	
Conventional	80.6
Combination/superstore	15.1
Warehouse/limited assortment	4.3
Size (ft^2):	
0-9,999	22.9
10,000-19,999	39.5
20,000-29,999	25.8
30,000-39,999	6.7
40,000-49,999	3.2
50,000-70,000	1.9
Sales volume (million dollars):	
4 or less	31.9
4.1-6	21.4
6.1-8	19.5
8.1-12.1	16.9
12.1 or more	10.3
Daily hours of operation:	
15 hours or less	70.8
More than 15	29.2
Store location:	
Central city	50.6
Suburban	49.4
Stand-alone	39.2
Shopping complex	60.8
Central city/stand-alone	25.6
Central city/shopping complex	25.0
Suburban/stand-alone	13.7
Suburban/shopping complex	35.7

1/ This sample comprises 747 stores.

USDA STORE SURVEY

STORE NAME ______________________ ADDRESS ________________________ CITY____________

INTERVIEWER____ DATE____________

1. LOCATION OF STORE

   a. Check one-- Inner City _______ or Suburban ________

   b. Check one-- Stand-alone________ or Shopping center (or mall)_______

2. SIZE OF STORE (SELLING AREA)

	Length	Width	Unit of measure (check): Feet	Paces	Floor tile count	Length of pace or floor tile
a. Main rectangular area	______	_____	____	_____	__________	__________
b. Minor rectangular area	______	_____	____	_____	__________	__________
c. Minor rectangular area	______	_____	____	_____	__________	__________

3. TYPE OF STORE (Check one)

_____a. Traditional supermarket

_____b. Combination food-nonfood store or very large supermarket (sometimes called a superstore)

_____c. No frills, limited assortment store (including box and warehouse stores)

_____d. Other, specify type _________________________

4. STORE HOURS

	Open	Close
Monday	_____	_____
Tuesday	_____	_____
Wednesday	_____	_____
Thursday	_____	_____
Friday	_____	_____
Saturday	_____	_____
Sunday	_____	_____

USDA STORE SURVEY

5. STORE SERVICES--Which of the following services are offered or provided in this store? Write a "1" in the space provided if the service is offered. Write "0" if the service is not offered.

_____a. Service bakery

_____b. Service delicatessen

_____c. Service meat

_____d. Service fish and seafood

_____e. Product price marking

_____f. Unit pricing

_____g. Produce prepackaged

_____h. Free check cashing

_____i. Utility bill payments

_____j. Coupon redemption

_____k. Express checkout register

_____l. Bagging service

_____m. Carryout service

_____n. Music in store

_____o. Employee uniforms

_____p. Trading stamps or register tape program

_____q. Contest or game

_____r. Continuity program

_____s. Front-end scanners

_____t. Deposit bottles

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