Tomatoes - marketing

THE WEST OF SCOTLAND AGRICULTURAL COLLEGE

Econ. Dept.

THE RETAILING OF TOMATOES IN KILMARNOCK

The results of a survey of retailers carried out during May, 1971, in the town of Kilmarnock, Ayrshire

by

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SUMMARY AND CONCLUSIONS

In May 1971 a pilot survey of retailers in Kilmarnock selling fruit and vegetables was carried out. The objective of the survey was to identify the factors that affect the sale of Scottish and imported tomatoes. The results of the survey are analysed in this report and the main points that emerged are:

1. Demand for Tomatoes

(a) In Kilmarnock there is a tendency for self service stores to sell imported tomatoes and for counter service shops to sell Scottish tomatoes.

(b) Although consumers were not canvassed directly, retailers were of the opinion that consumers preferred Scottish tomatoes but this preference was not reflected in sales because:

i) The higher price of Scottish tomatoes particularly at the beginning of the season was a deterrent against the sale of Scottish tomatoes.

ii) The grading of Scottish tomatoes with respect to size and quality was not satisfactory compared to imported tomatoes.

Two further factors restricted the sale of Scottish tomatoes to those shops that were members of a company operating a central buying policy for all the shops in the company (including those in Kilmarnock). These shops accounted for 49% of all the tomatoes sold in Kilmarnock. The two factors were:

i) Continuity of supply - the supply of the large quantity of tomatoes required by the group as a whole could not be guaranteed by suppliers of Scottish tomatoes.

ii) Bulk buying facilities - Scottish tomatoes could not be purchased from one source in sufficient quantities to meet the requirements of these groups of shops.

2. Supply of Tomatoes

As has already been stated 49% of tomatoes sold to the consumer in Kilmarnock reach the retailers via a central buying unit operated by the parent company owning the retailer, 34% reach the retailer via the wholesale market and 17% are supplied to retailers directly from growers.

3. The Price Charged for Tomatoes

(a) The price charged by the retailer to the consumer depends on the price paid for the tomatoes.

(b) Retailers use a system of fixed mark-up rather than a percentage mark-up when calculating the price to the consumer. This tends to level the fluctuations in the market price, whereas a percentage mark-up would tend to accentuate these fluctuations.

(c) The price paid by retailers buying directly from growers is based on the ruling wholesale price.

(d) In Kilmarnock retailers charge more for Scottish than imported tomatoes because of a higher buying price. This differential is a measure of the consumer preference for Scottish tomatoes.

4. Prepacking

(a) Prepacked fruit and vegetables are sold on a restricted basis. The retailers selling prepacks do so primarily because they are easy to handle.

(b) Thirty four of the 47 retailers questioned did not sell fruit and vegetables prepacked (apart from potatoes) because of a lack of demand from consumers, high wastage associated with the use of prepacks and difficulties in obtaining supplies of prepacks.

(c) Sales of prepacks in the Kilmarnock area would be increased by an increase in demand and if supplies were readily available.

Main Areas for Further Investigation

1. Relationship between the Shop and the type of Tomatoes Sold

The most significant result to emerge from this pilot survey in Kilmarnock was the relationship between the type of shop and the type of tomatoes sold. The self-service stores are selling imported rather than Scottish tomatoes. If this relationship exists in Scotland as a whole then its implication for the Scottish tomato producer are extremely grave, particularly in the light of future predictions about the growth of self-service stores.

Therefore, it is important that this relationship and the reasons for it should be investigated throughout Scotland as a whole. This investigation would have to be directed at the self-service stores themselves and at the parent companies of these stores as it would appear that the sales policies of many of these stores are decided by the parent company.

2. Pricing Policy of Retailers

A second area in which an investigation could be undertaken is the pricing policy of retailers. One of the recurrent subjects of discussion with producers is the apparent unwillingness of retailers to pass on low market prices to the consumer. These low market prices occur at a time of oversupply and by lowering prices to the consumers, the producers argue that more tomatoes would be sold and the price would recover.

The pilot survey did not set out to quantify the retailers' mark-up but it did indicate that the method used of a fixed price mark-up, did tend to level out the fluctations in the wholesale market price. The relationships between buying and selling price should be further investigated and if possible, quantified.

3. Prepacking

The sale of prepacked fruit and vegetables in the Kilmarnock area was limited but in the light of the declared intention of a number of larger companies owning self-service stores, to increase the sale of prepacked produce, then it would be of great benefit to investigate the prepacking of tomatoes, so that when prepacked tomatoes are sold in greater quantities information is readily available to tomato producers on the problems involved.

4. Consumer Preference

The survey in Kilmarnock was restricted to retailers only. These retailers were of the opinion that consumers preferred Scottish tomatoes. This preference is of the utmost importance to Scottish tomato producers and must be maintained if the Scottish tomato producer is to compete successfully in the long term with imports. An investigation of the reasons for this consumer preference should be carried out, as a prerequisite to the development of a marketing policy for tomato producers as a whole.

By carrying out further investigationsconcentrating on these areas, it would be possible to assess the overall competitive position of Scottish and imported tomatoes and indicate the marketing policies that would enable the industry to compete successfully with imported tomatoes in the future.

Over the years this situation has resulted in individual growers concentrating all their efforts on cultural and technical improvements with few attempts made to improve the marketing of produce. However, as a result of recent increases in costs, growers in general have become much more interested in the problems of marketing and in the possibility of improving the marketing of produce so that some of the extra costs, which can no longer be absorbed by increasing efficiency, can be recouped by improved market prices. Before this possibility can be examined, more information about the present marketing system must be available. The pilot survey investigated one part of the marketing system, namely retailing, in an attempt to provide some of this information.

ii) Changes in the Structure of Retailing

During the 1960's the structure and methods of retailing changed considerably with the emergence of supermarkets. These changes appear likely to continue throughout the 1970's, with the increasing importance of supermarkets. This change in the structure and methods of retailing may affect the demand for horticultural produce by retailers and an important part of the pilot survey was devoted to examining the relationship between the different types of shop and the type of produce sold.

For these reasons a pilot survey of retailers selling fruit and vegetables was carried out during May 1971. The survey was restricted to the town of Kilmarnock in Ayrshire and dealt primarily with the factors affecting the sale of Scottish and imported tomatoes. This restriction of the survey means that the results cannot be generally applied but they indicate areas in which further research should, if possible, be undertaken so that ultimately an assessment of the competitive positions of Scottish and imported tomatoes can be made.

3. THE STRUCTURE OF RETAILING IN KILMARNOCK

The town manager of Kilmarnock prepared a list of all the retailers selling fruit and vegetables. These retailers were sent a copy of the questionnaire and from the replies it was possible to build up a picture of the structure of retailing within the town i.e. the numbers and type of shops serving the population.

(i) Number of Shops

In May 1971 there were 418 shops in Kilmarnock of which 148 were selling food. Of these 148 food shops 56 were selling fruit and vegetables. From the results of the questionnaire, the 46 shops selling fruit and vegetables that co-operated in the survey were classified into the following main groups:

1.	Grocer (counter service)	19
2.	Grocer (self-service)	18
3.	Department Store	2
4.	Greengrocer	7

(For definition of terms see Appendix)

(ii) Shop Ownership

Table 1 shows the variation in the type of ownership between the different categories of shops. It is interesting to note that all the counter service shops except one and all the greengrocers were owned privately whereas the majority of self-service stores (not members of the Kilmarnock Co-operative Wholesale Society) were owned by public companies.

Table 1

Shop Ownership

	Privately owned	Private Company	Public Company	Co-operatives
Grocers (C.S.)	18	1	-	-
Grocer (S.S.)	3	1	5	9
Department Store	-	-	2	-
Greengrocer	7	-	-	-

(iii) Concentration of Ownership

As Table 2 shows, not all the shops in Kilmarnock were independantly owned. In particular, in the self-service grocer category the concentration of ownership was very marked. In this group 9 of the shops were members of the Kilmarnock Co-operative Wholesale Society, 4 were owned by the same parent company although trading under different names. Of the 5 remaining shops, 2 were owned jointly trading under the same name and the 3 others were owned independantly. All the counter service grocers and the department stores were owned independantly and of the greengrocers 2 shops were owned by 1 company, the rest being independant.

Table 2

Concentration of Ownership

	Number of shops	Number of businesses
Grocers (C.S.)	19	19
Grocers (S.S.)	18	6
Department Stores	2	2
Greengrocers	7	6

4. THE DEMAND FOR TOMATOES

i) The type of tomatoes sold

In an attempt to determine if there was any relationship between the type of Shop and tomatoes sold, questions were asked on the quantity and type of tomato sold during the Scottish tomato season. (Defined as May to September inclusive). Due to the fact that none of the shops kept accurate records of the quantities of tomatoes sold, the figures given by the retailers were only estimates and must be treated with some caution.

From the figures supplied, the average quantity of tomatoes sold per week during the period May-September was 1107 baskets i.e. 13,284 lb. (1 basket = 12 lb. tomatoes). Of these tomatoes 64% were imported (i.e. not grown in Scotland) and 36% were Scottish.

In Table 3, the total figures for tomatoes sold are broken down into the quantities sold by the different categories of shops. This shows that of the imported tomatoes, the majority were sold by the self-service stores - both department stores and grocers, whereas the sale of Scottish tomatoes was divided equally between the grocers, self and counter service, and the greengrocers.

Fig. 1 shows the percentages of imported and Scottish tomatoes sold by each category of shop.

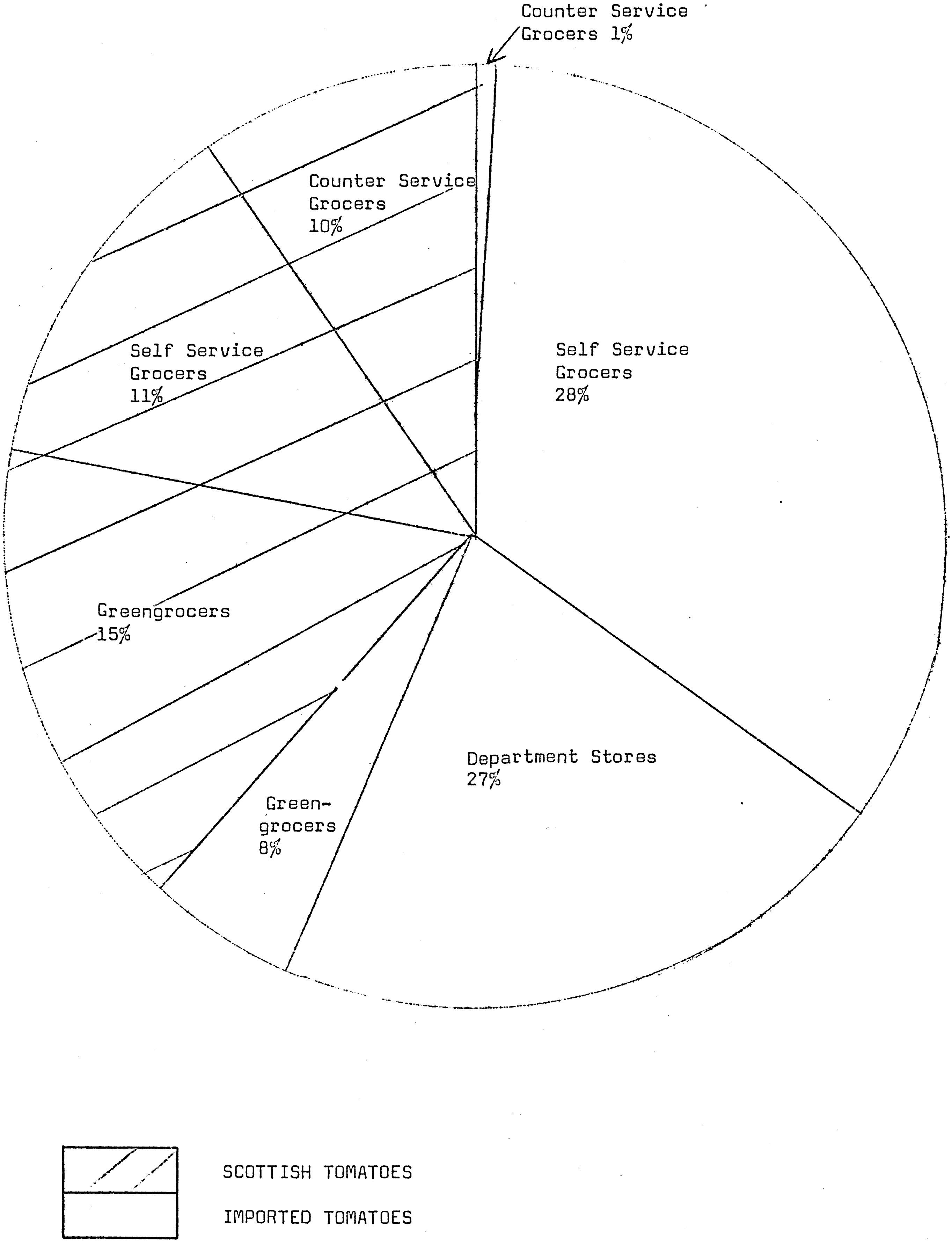
Table 3

The number of baskets of tomatoes sold per week from May-September

	Scottish		Imported	
	Quantity	%	Quantity	%
Grocers (C.S.)	110	28	16	2
Grocers (S.S.)	125	32	306	43
Dept. Stores	-	-	300	42
Greengrocer	159	40	91	13
Total	394	100	713	100

This tendency for the self-service stores to sell imported rather than Scottish tomatoes is of the utmost importance because of the continuing increase in the number of self-service stores. In isolating the reasons for this tendency it is perhaps helpful to identify the alternatives that face the retailer. Firstly, he can sell exclusively Scottish tomatoes, secondly he can sell both Scottish and imported tomatoes and thirdly he can sell exclusively imported tomatoes. In making a decision it appears that retailers are influenced by 4 factors.

Fig. 1 Share of the total quantity of tomatoes sold through different types of shop in Kilmarnock



(a) Consumer demand
(b) Price
(c) Quality
(d) Consistancy of supply and bulk buying

(a) Consumer demand

The survey was aimed at retailers and not at consumers and therefore factors influencing the consumer in the choice between Scottish and imported tomatoes were not directly canvassed.

However, in discussion with retailers, the general consensus of opinion was that the consumer preferred Scottish to imported tomatoes but this preference was not reflected in the sales of Scottish tomatoes because of price, quality and supply factors.

(b) Price

Ten of the retailers specifically referred to the higher price of Scottish tomatoes as being a deterrent against consumers buying Scottish tomatoes. As a result of this, these retailers only purchased Scottish tomatoes when the price was similar to the price of imported supplies.

(c) Quality

There are 2 conflicting aspects to the question of quality which need to be reconciled before the influence of quality on the sale of Scottish tomatoes can be satisfactorily analysed.

Firstly there is quality from the point of view of the consumer. The customer buying tomatoes in a shop is only concerned with quality in terms of size, freshness and colour of the tomatoes actually purchased.

Secondly there is quality from the point of view of the retailer. To ensure that the consumer will reject the minimum quantity of tomatoes, the tomatoes purchased must be of even size, ripeness and colour to suit the consumer. The retailer is therefore concerned with the overall quality grading of the tomatoes purchased.

Evidence of these 2 approaches to the problem of quality was available from the results of the survey. The counter service shops, particularly the greengrocers, emphasised the personal service provided and the quality of the produce sold as being their main advantage over self-service stores. In these shops the customer is in a position to select or at least influence the assistant to select the quality of tomatoes preferred and it is these shops which tend to sell Scottish rather than imported tomatoes. Although the shops were critical of the grading of Scottish tomatoes, in terms of size and quality, they were able to supply the customer with a "quality" Scottish tomato by a process of re-selection.

In the self-service shops, where the emphasis is placed on competitive prices, rather than on personal service, there was more concern over quality in terms of the overall sample of tomatoes purchased.

These shops were again highly critical of the grading of Scottish produce (particularly size grading) and as a result preferred to handle imported produce.

(d) Consistency of supply and bulk buying

Apart from the quality and price factors mentioned above 2 other factors appeared to influence the retailers in deciding whether to buy Scottish or imported tomatoes. These were consistency of supply and bulk buying facilities.

Of the 20 self-service stores in Kilmarnock, 6 obtain the tomatoes they require through the parent company who operate a central buying policy. These 6 shops account for 49% of the total quantity of tomatoes and therefore the factors influencing these shops in deciding whether to sell Scottish or imported tomatoes are extremely important to Scottish tomato producers.

The companies who operate a central buying policy for all the shops in the group, including those in Kilmarnock, require large quantities of produce. From their point of view, it is essential that the quantities required should be purchased easily in bulk and that the supply should be consistent (in terms of quantity and quality) each week during the season. In general terms, Scottish tomatoes do not meet either of these requirements as no individual grower or wholesale broker could supply the quantity of tomatoes required by these companies consistently over a long period.

ii) The quantity of tomatoes purchased per week

Having examined the factors which affect the retailers decision on the type of tomatoes sold, this section analyses the factors affecting the decision on the actual quantity of tomatoes purchased. In the questionnaire, a number of factors which it was thought might influence the retailer in this decision were listed and the retailer then ticked those which were considered important. The results are shown in Table 4.

Table 4

Factors affecting quantity of tomatoes bought in Kilmarnock

	No. shops	Price (whole-sale)	Weather	Presence of salad material	Quality	Sales previous day
Grocers (C.S.)	19	10	14	2	1	4
Grocers (S.S.)	18	17	15	4	-	6
Dept. Store	2	1	1	-	-	-
Greengrocer	7	4	7	1	1	2

The two most important factors which affect the retailer in Kilmarnock in making his decision on the quantity of tomatoes to buy are:

i. weather
ii. ruling wholesale price.

i) Weather

In warm, dry weather, the demand for tomatoes increases as the consumption increases. Retailers respond to this change in demand by purchasing larger quantities of tomatoes if the weather is fine.

ii) Price

Price has already been mentioned as one of the factors which influences the retailer in deciding the type of tomatoes sold. It also affects the quantity of tomatoes purchased, an increase in the ruling wholesale price causing a fall in the quantity of tomatoes bought.

It is interesting to note that the ruling wholesale price is slightly more important than the weahter in influencing the self-service grocers on the quantity of tomatoes purchased whereas the weather is slightly more important to the counter service grocers and greengrocers.

5. THE SUPPLY OF TOMATOES

(i) Source of Supply

Having examined the demand position for tomatoes in Kilmarnock, this section deals with the supply position in terms of the routes taken by tomatoes from the grower to the retailer.

Fig. 2 shows the various routes by which the produce reaches the retailer. The largest single source of supply is via the parent company and in these cases, the individual retailer concerned was not able to identify the exact source of supply. However, it would appear from subsequent enquiries that the majority of the companies concerned buy imported tomatoes through Glasgow wholesale market because the wholesale market is regarded as an unsatisfactory source of Scottish tomatoes. Recently, however, a number of these companies have expressed interest in buying Scottish tomatoes direct from growers or groups of growers - and this development could lead to larger quantities of Scottish tomatoes being sold by these stores, both in Kilmarnock and other areas as well.

The wholesale market is the main source of supply to the remaining shops. Nineteen of the shops buy direct from the Glasgow market accounting for 20% of the tomatoes sold. These retailers visit the market regularly whereas a further 24 shops accounting for 14% of the tomatoes sold, buy from the wholesale market via a secondary wholesaler. These secondary wholesalers buy produce in the Glasgow market and then visit shops in Kilmarnock reselling this produce. The use of secondary wholesalers by these results stems from the fact that it is uneconomic for the retailers to visit the wholesale market themselves for the small quantities of produce required.

Although there is no large scale production of tomatoes within the immediate vicinity of Kilmarnock, 10 retailers obtain supplies direct from the few growers in the Kilmarnock area, accounting for 19% of the total quantity of tomatoes sold. This practise is particularly common amongst greengrocers - 5 out of the 6 greengrocers buying tomatoes in this way. The main reason given was to ensure the good quality of the tomatoes sold by buying on a personal basis. One greengrocer actually displayed the name of the grower supplying the tomatoes so that customers asked for this particular "brand" of tomatoes.

ii) Change in the course of supply

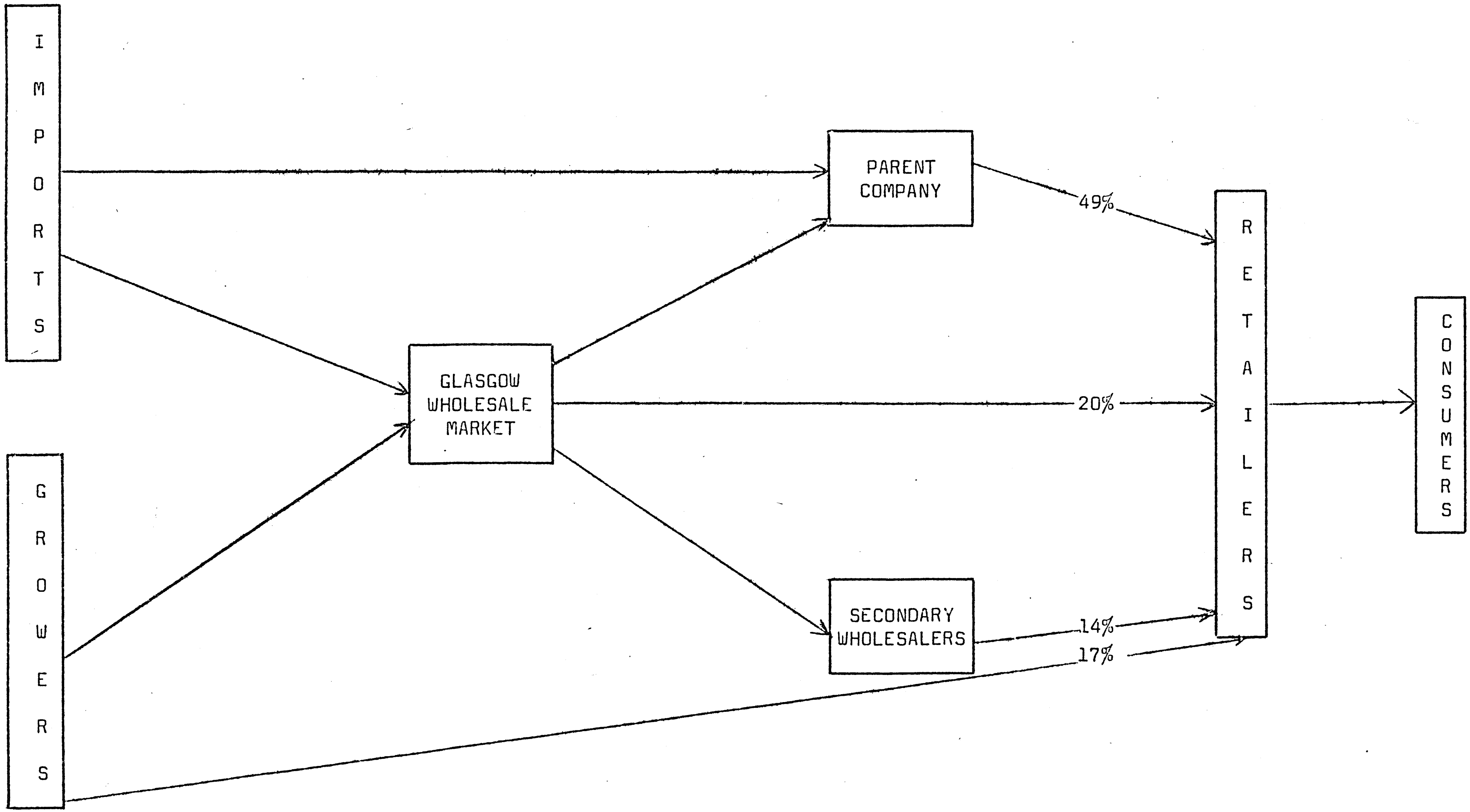
A number of shops have changed their source of supply. In particular there has been a switch in buying from local growers to buying from secondary wholesalers or to buying from the market direct. The main reason given for this change has been that local growers were going out of business and the shops were being forced to find alternative sources of supply.

Table 5

Changes in source of supply

	From local grower	To secondary wholesaler	To wholesale market
Greengrocer	2	1	1
Grocer counter service	3	3	-
Grocer self service	2	-	2

Fig. 2 The Percentage of the total quantities of tomatoes reaching the retailers in Kilmarnock by different routes



6. THE PRICE CHARGED FOR TOMATOES

Probably the most sensitive area in the relationship between the producer and the retailer of horticultural produce is the differential between the price charged by the retailer to the consumer and the price paid by the retailer to the grower. The examination of this differential was deliberately limited in the survey to the factors that influence the retailer in fixing a price to the consumer. The importance of the various factors are shown in Table 6.

Table 6

Factors affecting price charged for tomatoes

	No. of shops	Price paid	Other re-tailers prices	Advice from whole-saler	Records of past perform-ance	Central pricing
Grocers (C.S.)	19	17	2	4	-	-
Grocers (S.S.)	18	14	3	3	3	2
Dept. Stores	2	2	-	-	-	2
Greengrocers	7	7	1	-	-	-

The price paid for tomatoes was undoubtedly the most important factor in influencing the decision on the price charged to the consumer.

During the discussion on this topic, a number of points concerning the differential between buying and selling price were raised. These are discussed under three broad headings.

(a) Mark-up

(b) Wholesale Market as a price fixing mechanism for direct buyers.

(c) Price differential between Scottish and Imported Tomatoes.

(a) Mark-up

The majority of retailers with whom the mark-up on tomatoes was discussed operated a system of fixed value mark-up during the season rather than a percentage mark-up i.e. they added a fixed amount to the buying price through the season. This means that as a percentage of buying price, the mark-up is low at the beginning of the season - when the buying price is high - and is higher at the end of the season when the buying price is low. The estimates of the average mark-up throughout the season were put at between 15 and 25%, a common consensus being between 20 and 25%. Taking an average price of Scottish tomatoes of 10p per lb. this would mean an average mark-up of between 2 and 2½p per lb.

This use of a fixed mark-up throughout the season has the effect of tending to level the prices whereas a fixed percentage of the buying price would tend to accentuate the price variations in the wholesale market.

Table 7

Effect of mark-up on the price charged to the consumers using a percentage mark-up and a fixed value mark-up

Mark-up	Buying price	Mark-up	Selling price
@ 20%		20% of buying price	
	30p	6p	36p
	5p	1p	6p
Range	25p		30p
@ 2½p		buying price plus 2½p	
	30p	2½p	32½p
	5p	2½p	7½p
Range	25p		25p

A range of 25p in the buying price leads to a 30p range in the selling price using a 20% mark-up whereas using a fixed mark-up the range in the buying price is exactly matched by the range in the selling price.

This fixed mark-up has one particular disadvantage compared to the percentage mark-up. The price at the beginning of the season when tomatoes are scarce and demand high is kept relatively low, however, later in the season when supplies are heavy and demand tends to be constant (depending on the weather) the price to the consumer remains relatively high. This will have the effect of reducing demand at a time when the market tends to be over-supplied.

(b) The wholesale market as a price fixing mechanism for direct buyers

All the retailers who bought tomatoes direct from growers use the Glasgow market price as a reference and base the price they pay growers at the ruling wholesale market price, hence the Glasgow wholesale market acts as a price fixing mechanism for the tomatoes sold outside the wholesale market and not just those that pass through it.

(c) Price Differential between Scottish and Imported Tomatoes

Of the retailers who sold both Scottish and imported produce the price charged to the consumer for Scottish tomatoes was in general higher than the price charged for imported produce (according to the retailer). The reason for this differential was due entirely to the higher buying price of Scottish tomatoes and not due to retailers taking an extra profit margin from Scottish tomatoes.

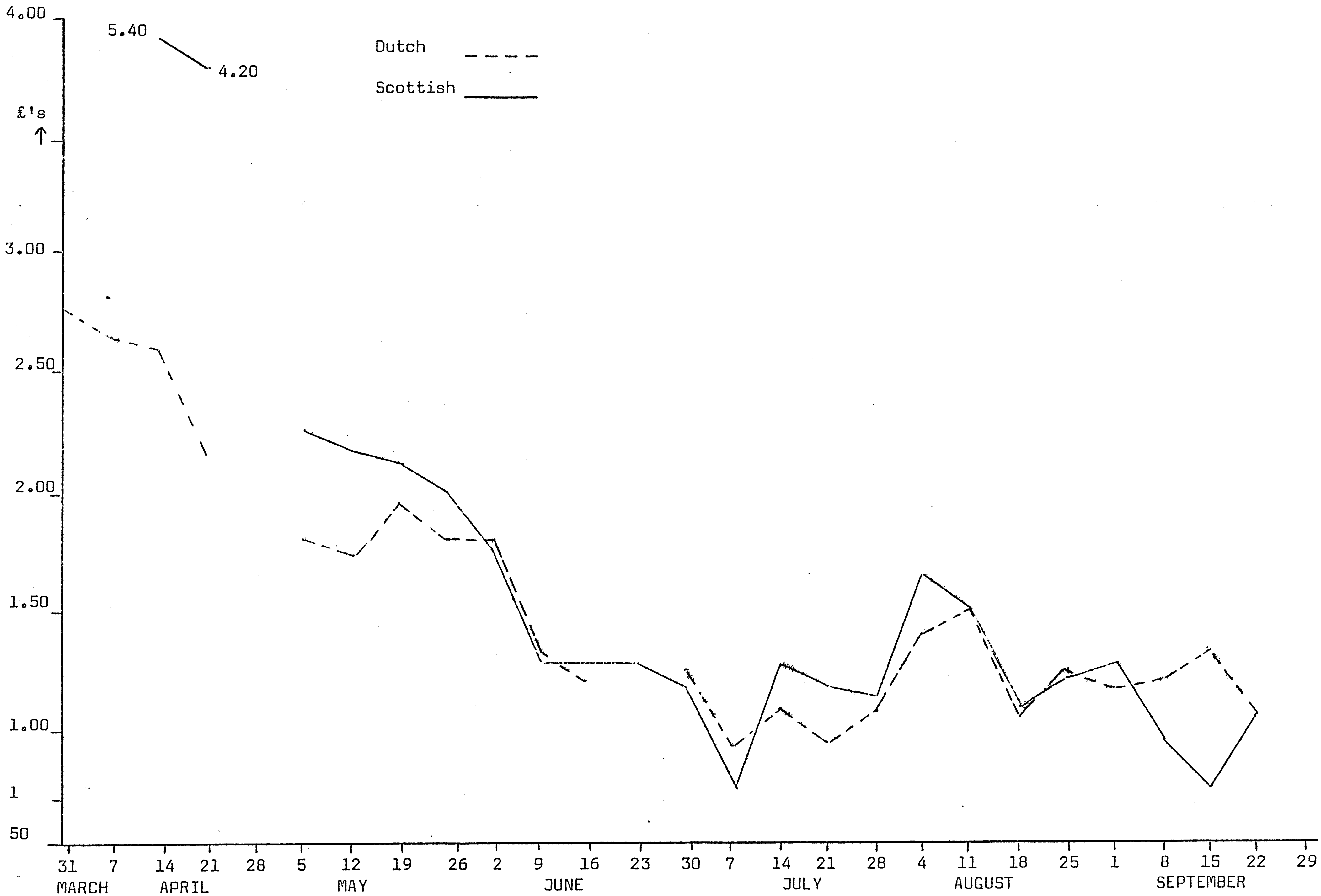
This higher price of Scottish tomatoes compared to imported tomatoes is one of the features of the Scottish tomato market (see Fig. 3). Owing to the nature of the wholesale market, the price level set must be the result of the interaction of supply and demand. The demand situation is controlled by the retailers who will purchase the quantity of tomatoes they require depending primarily on the price and the weather (see Table 4). For Scottish tomatoes the retailers in Kilmarnock are prepared to pay a higher price for the quantity of tomatoes required than they are for imported tomatoes and this implies that they will be able to recoup this higher buying price from either:

(a) Lower wastage of Scottish compared to imported tomatoes.

(b) Higher consumer prices.

Evidence from the survey would suggest that the higher buying price of Scottish tomatoes is recouped by higher prices to the consumer. As all the retailers who sold both Scottish and imported tomatoes indicated that the price to the consumer was higher for Scottish tomatoes. This willingness to pay more for Scottish tomatoes is a measure of the preference of the consumer for Scottish tomatoes.

Fig. 3 The price of Scottish and Dutch Tomatoes per 12 lb. during 1971



7. PREPACKING

A section in the questionnaire was devoted to examining the reasons as seen by the retailer for and against the prepacking of fruit and vegetables in general and tomatoes in particular.

In Table 8, the number of shops selling fruit and vegetables (other than potatoes) are identified in each of the main categories of shops. A larger number of self-service stores in Kilmarnock deal in prepacked produce than the counter service stores but even amongst the self-service stores the use of prepacks is by no means universal. The sale of prepacked tomatoes in Kilmarnock is on a very restricted basis and only 1 shop was involved in the selling of prepacked Scottish tomatoes.

Table 8

Number of Shops selling prepacked fruit and vegetables other than potatoes

	Total	Selling pre-packed fruit and vegetables	Selling prepacked tomatoes	Selling prepacked Scottish tomatoes
Grocers (C.S.)	19	2	-	-
Grocers (S.S.)	19	9	4	1
Dept. Store	2	2	-	-
Greengrocer	7	-	2*	-

*Small quantities of imported tomatoes only

(i) Reasons for selling prepacked produce

The most commonly stated reason for selling prepacked produce was that it was easy to handle. Also retailers thought that there was less wastage associated with the use of prepacks and that customers preferred prepacked produce.

Table 9

Reasons for selling prepacked produce

	No. selling prepacks	Easy to handle	High profit margin	Low wastage	High demand
Grocers (C.S.)	2	2	-	1	1
Grocers (S.S.)	9	7	1	4	4
Dept. Stores	2	2	-	-	-
Greengrocers	-	-	-	-	-

(ii) Reasons for not selling prepacked produce

The retailers not selling prepacked produce suggested a number of factors which had influenced the decision. In particular, the high wastage of prepacked produce, the difficulty of obtaining supplies and the lack of demand for prepacked produce were sited as reasons for not selling prepacks.

Table 10

Reasons for not selling prepacked produce

	Not selling prepacks	Im- personal service	Supplies unavail- able	Low profit margin	High wastage	Insuff. demand	Small* quan- tities
Grocers (C.S.)	17	1	5	1	5	4	2
Grocers (S.S.)	10	2	4	3	5	4	-
Dept. stores	-	-	-	-	-	-	-
Greengrocers	7	4	1	-	1	1	1

*Small quantities of tomatoes - some shops sold a large number of tomatoes in ones and twos and therefore a prepack containing 4-6 tomatoes would have little sales appeal.

There appears to be considerable conflict between these two sets of replies. As far as wastage is concerned, it is possible that the shelf life of certain prepacked produce is reduced owing to problems of condensation within the package. However, provided that the turnover of produce in the shop is rapid, this problem need not become serious. The shops giving high wastage as a reason for not selling prepacks were the smaller shops where the length of time the produce is in the shop before sale can be considerable. This may be the explanation of the contradiction in these 2 tables.

Again, high demand for prepacked produce was given as a reason for selling prepacked produce whereas insufficient demand was given as a reason for not selling prepacked produce. A possible explanation of this apparent contradiction is that for the consumer to switch from loose to prepacked produce may take a period of time. In the shops that pursued a policy of selling prepacked produce over a period of time, the unitial consumer resistance to a change in the method of buying will have been overcome, so that in these shops there will be an apparent demand for prepacked produce. However, in shops where prepacks have been sold over a short period or not sold at all the consumer will not have had time or in some cases, the opportunity to become accustomed to buying prepacks, and therefore the retailers in these shops will assume there is no demand for prepacks.

One of the commonest reasons for not selling prepacks was that supplies of prepacks were not available. At present, the main source of prepacked produce appears to be larger retail companies who carry out the prepacking operation themselves or have the prepacking carried out to their specification by another company. This means that smaller shops outside these large retail companies are unable to obtain supplies or prepacks regularly.

Also given as a reason for not selling prepacks, particularly tomatoes, was the fact that customers bought perhaps 1 or 2 tomatoes at a time which meant that prepacking was not possible.

When these retailers not selling prepacked produce were asked under what conditions they would consider selling prepacks, an increase in demand was the most frequent condition specified. Also the ready availability of supplies of prepacks was considered necessary by a number of retailers.

Table 11

Condition under which prepacks would be sold

	No. of shops	Supplies readily available	Increased demand	Lower price	Longer shelf life
Grocers (C.S.)	17	5	5	2	3
Grocers (S.S.)	10	3	8	3	1
Greengrocers	7	-	3	-	-
Dept. stores	-	-	-	-	-

Prepacking of tomatoes

When asked specifically on their attitude to prepacked tomatoes, a similar series of results was obtained to those above.

APPENDIX

1. DEFINITION OF TERMS USED

(a) Counter Service Grocers (Grocer C.S.)

Establishments selling a wide range of food and other household requisites including the sale of fresh fruit and vegetables on a restricted basis.

(b) Self-Service Grocers (Grocer S.S.)

A grocer's shop which operates on self-service lines.

(c) Department Stores

An establishment selling a wide range of non-food items including consumer durables with subsidiary sales of food including fresh fruit and vegetables.

(d) Greengrocers

Establishments selling greengrocery and fruit including shops whose main sales are derived from greengrocery but who have subsidiary sales in any combination of fruit, fish and flowers.

(e) Secondary Wholesalers

Wholesalers whose primary function is to buy produce in wholesale markets and move it to places where it can be distributed to retailers.

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