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Getting Food Distribution Research Applied In The 1970's

The University Role

Food 70's

How University Staff can assist
in Research Application in Food
Distribution Industries

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The Magnitude of the Problem

Our "batting average" is really not very commendable. Vern Pherson has demonstrated that the participants in this audience feel that 10 to 30% of their research is adequately accepted by the food industry. Britt and Boyd¹ have suggested that only 15% of marketing research gains industry acceptance. These authors suggest that too many business executives are disenchanted with research because researchers and decision-makers fail to interact, that business is impatient, and that all too often researchers generate more marketing information than can be used by management. To be effective, the researcher must participate in the formulation of problems as well as to contribute to the application. Without feedback and re-thinking, there is little or no regeneration or idea spin-off for the next Project.

Traditionally operations managers want specific answers to relating narrow research questions, problems that they themselves have identified as roadblocks in their own departments, while the solution may even be outside of their control which suggests the administrative encumbrances of both conducting and applying research. Most problems of any consequence tend to cut across functional administrative lines. The researcher, to be effective, must have general agreement between all company administrative units if the research is to be successfully applied. If this "groundwork" is done before the project is fully conceived, there is a greater potential for acceptance of the research results when the project is completed.

Asking The Why?

The central question, then, is asking the "why?" or, rather, the "why not?" of acceptance of research. According to the American Management Association, there is ample evidence to suggest that most research failures are due to the absence of a clearly defined company commitment. This puts the responsibility

¹ H. W. Boyd and S. H. Britt, "Making Marketing Research More Effective by Using the Administrative Process," Journal of Marketing Research, February, 1965.

squarely upon the chief executive officer.

But the time demands placed upon the presidents of food retailing firms is already too extensive. Some authors ² suggest that this is due to the rapid turnover, fast pace of retailing. Skinner indicates that the difference in turnover of dollars (and product) in food retailing as compared to hardgoods or furniture may account for the relative lack of executive time to think through long range planning or research application in food retailing organizations. The chief executive of the slower pace retail industry, like furniture sales (with a 4% turnover rate) has more opportunity to develop long range marketing plans.

Perhaps researchers have failed to recognize this difference in corporate decision making and have not provided adequate "streamlined" decision criteria for the chief executive officer. Dik Twedt ³ noted some interesting differences in research presentations by the 1,700 responses to the annual "Survey of Marketing Research." It would appear that the high rates of failure to "sell top management" could be reduced through a more sophisticated presentation of the cost-benefit ratio with each research result summary. Perhaps we have not made certain that the "bits and pieces" of research project results are visualized by top management as contributing to company objectives, as a part of the total system.

High risk is another likely barrier to acceptance of research results. Two factors have in the current decade, drastically increased the level of risk in accepting new innovations; (1) The nature of the innovation and (2) The size and sophistication of firms.

Innovations, like central meat packaging, frozen meats, super-supers and going discount cannot be adopted on the "safe: incremental basis of one or two stores at a time, and the risk of capital has more than tripled. Secondly, the size of food retailing firms makes the risk of customer image more acute. A fifty store company that is dominate in a given market area has a great deal more at stake than a five store firm in tenth place in the market. The average size of retailing firms has increased. While single store operators remain as important innovators, most of the new concepts are feasible only for larger multiple-store firms.

Role of the University in Research and Extension

The most important role for the university to perform is to bring together different segments of the food industry, where as both a catalyst and as a coordinator, the university can objectively suggest alternatives for the total food distribution and marketing system. This function can best be performed if the University is actively contributing to the body of research and is also

² Richard Skinner, Kent State University, Kent, Ohio.

³ Dik Twedt, Survey of Marketing Research, American Marketing Association, Chicago, Illinois, 1968.

vigorously pursuing its educational responsibility through extension efforts.

Extension and Research Methods of Universities

The Store Demonstration Studies, developed by Lewis Norwood, are still the most effective tool for introducing research innovations into the whole-sale or retail food firm. A concentrated analysis of daily operations, with the assistance of company personnel, focuses on the problems that are most easily recognized by management. The study then becomes a vehicle to suggest the adoption of previous research results or to investigate new research questions. The presentation of the report to management can be the basis for company seminars or training programs, tailor-made to company objectives or operating policies.

Seminar Programs, although costly and time consuming, have been an effective method of bringing together various segments of the food distribution industry and extending research results. The most effective seminar is the company program where extension or university personnel operate as "trainers"; providing educational materials, visuals and assistance to the company trainer, merchandiser, or trade association director.

Short Courses promise to be a more long term approach to employee development. The most effective programs would appear to be those that are developed on a cooperative basis with the local community-college or voc tech school with local food retailing firms and university assisting. More visuals, programmed texts, and specific company follow-through would assure a more appropriate climate for adoption of new research results at retail level.

Research, in its role as a catalyst, the University can only provide an opportunity for food industry to self-analyze the alternatives to a given problem. At Kansas State University we are currently exploring the possibilities of frozen meat distribution. We recently invited forty leading food industry, university and USDA representatives to meet on campus to "think through" the problems and opportunities of fresh vs. frozen distribution. Through the joint efforts of this group an industry-university-government, research project was designed. Perhaps this will prove to be an effective approach to high-risk industry-wide research. Joint responsibility of university research, and extension appointments and direct company liaison with research and operations counterparts would increase the rate of application of research results. Research, accomplished in a vacuum, without involvement of the managerial decision-makers is and will continue to elicit a low rate of adoption. Only when the perceived risk of being wrong is high enough, will the climate be right for more orderly thinking and planning. I believe that time is now.