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OUR EXPERIENCE WITH COMPUTERIZED FOOD SHOPPING

by
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None of us in food distribution can afford to take the consumer for granted! The food retailer operates with increasing problems of being more competitive, making a profit, and serving the customer. The retailer must have effective management tools to meet these problems, today, and in the future.

Consumerism has many meanings. At Nash Finch Company, we believe that consumerism is "being the consumer agent".

Our U.S. consumers today are a new breed. They are better educated, more sophisticated, eager, open, honest, inquiring, experimental and skeptical. They want help, and they want facts to help them in their decisions.

Today, we have to give serious consideration to the consumer attitudes and sensitivity in our planning.

In April, 1973, Computerized Food Shopping was launched in the Fargo-Moorhead Dakota Division, Piggly Wiggly stores. This program was a pilot educational program for nutrition awareness.

Computerized food shopping was a consumer service designed to help homemakers plan meals which are nutritious and acceptable to their family within the limits of their food budget.

The program was introduced through a press conference and other media

presentations. Top management expressed that Nash Finch has always been concerned with the consumer, and this program seemed to us, to be a worthwhile way to put our concern into action.

The four stores were each equipped with a one time-sharing computer terminal, and two to three home economists were stationed at the store during the prime shopping hours to run the Computerized Food Shopping for the consumer and to answer any questions that they might have and give them information and menu tips.

All Nash Finch Company, Piggly Wiggly people were a part of the program. The communities of Fargo-Moorhead, and four colleges were involved.

Nash Finch Company received news coverage from many local and national newspapers, industrial publications, and won several awards. Computerized Food Shopping has been presented at 15 national conferences.

The hypothesis tested in Computerized Food Shopping was that an in-store computerized food shopping program could supply valuable consumer nutrition information effectively. This consumerism program could be an effective management tool for food retailers to help solve their current problems of being competitive, increasing their profit margin, and serving the consumer.

The co-sponsors of this program were the University of Minnesota Agricultural Extension Service, Virginia Polytechnic Institute, North Dakota State University Cooperative Extension Service and College of Home Economics, Concorida College, Moorhead State College, U.S.D.A., Nash Finch Company of Minneapolis, Minnesota and Piggly Wiggly Supermarkets.

The objectives were:

1. Consumers will become aware of the foods needed for an adequate diet.
2. Consumers will see how they are spending their food dollar.
3. Home economists and home economics students will experience the use of the computer in nutrition education.
4. Individuals from the cooperating agencies will test the effectiveness of computer assisted food shopping at the point of purchase.

These objectives were measured by in-store comment collection and participant and cooperating agency evaluations. Person to person, mail, and telephone questionnaires were used to collect the resulting data.

The extent to which these objectives were achieved varied. The majority of the participants who assisted with the evaluation indicated they like the approach and would find it useful in the future.

COMPUTERIZED FOOD SHOPPING RESULTS

- Over 500 different consumers ran the program and over 75,000 consumers were exposed to the concept and nutrition awareness information.

- 386 community volunteers from Fargo-Moorhead worked on the project. All Nash Finch Company, Fargo-Moorhead employees participated.

What do Consumers Think of Computerized Food Shopping?

- 21% of participants used the program more than once.
- 79% indicated they would use the program if it became a regular educational service.
- 19% said they would pay for the service.

Locally during the test month:

- 12,000 Nash Finch Bag Stuffers were distributed.
- 11,000 copies of More for Your Food Dollar were distributed.
- 6,000 copies of Love (Basic four foods) were distributed.
- 220 posters were displayed in Fargo-Moorhead Retailers.
- 188 request for additional information were referred to North Dakota State College
- 218 requests for additional information were referred to the University of Minnesota.

Overall total average sales for the 4-test stores increased by 6% in the average sales compared to the first 13 weeks of the year.

Average weekly customer count increased 9.7% during the test period compared to the first 13 weeks of the year.

Demographic Comparisons of Computerized
Food Shopping Participants

- Age category dominance was between 25-44 year olds.
- Largest age representation group was 35-44 year olds.
- Average size household size of participants was 3.71 persons compared to our customer store profile shopper size of 3.03.
- 38.3% of participants were from outside of Metro area compared to Piggly Wiggly trade area draw of 14.3% from outside the Metro area.
- Annual household income of participants was high - 64.2% over \$10,000 compared to our store customer profile shopper of 39.3% over \$10,000.
- The participant also was higher educated than our store customer profile shopper. (56% had college degrees.)!
- 70% of participants were not regular shoppers at Piggly Wiggly.

Computerized Food Shopping was Nash Finch Company's first on the firing line consumerism program.

The program worked. The consumer made use of the program. The consumer wants nutrition information. Computerized Food Shopping was a successful consumerism and management program. The Nash Finch Company hopes that through its contribution of "Computerized Food Shopping" the food industry can faster develop food educational services for the consumer. Through proper programming, support, introduction, education and orientation, Computerized Consumer Education Program can be a valid consumer and management program for us today and in the future. At the Nash Finch Company "Customer Satisfaction is Always First."
