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THE SUPERSTORE'S PLACE IN SERVING CONSUMER NEEDS TODAY AND IN 1985

by
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The ability of a store to contribute and remain important to society is governed by its effective ability to produce a profit and communicate this need. You must serve a significant number of consumers to sustain a superstore.

The superstore's ability to serve the consumers' needs today (and everyday up to 1985) will determine how important to the consumer the superstore of 1985 will be. One thing I am quite sure of...there will be stores that are more super than what is called "super" today. This will not be measured by their ability to discover completely new ways of merchandising and distributing product...but one of style, magnitude and technique.

Social responsibilities of business are changing...and the ability of the entire business community to meet these changes will greatly influence how the "grocer of today" can survive and operate in 1985. Maybe it's not so important to the public if we continue to operate a superstore in 1985, but it is important to me...because our lease goes past that date. If business did not have the responsibility of meeting obligations...such as rent, taxes, etc., it could offer merchandise at very attractive prices and give employees benefits that would exceed their imaginations.

In some ways, by virtue of its size, the superstore can be a lot more

"showie" than the convenience store. For this reason, the style may be different...but the mission of all business enterprise is shared by both... and that is "to develop a better public awareness of 'there's no such thing as a free lunch.'"

We, at Churchill's, operate one store that probably accounts for my being here today. It's big...102,000 sq.ft....it's good looking...colonial architecture...and it's busy. I will try to tell you how Churchill's is trying to meet the needs of the consumer today.

Our store offers the consumer food in just about every way you can imagine. Mrs. Housewife can buy the ingredients to prepare a meal at home from one of the largest selections in the country...or...she can purchase prepared foods from the deli for part or all of a meal...ranging in size from her individual needs to those of a completely catered meal for special occasions in her home. If she doesn't want to eat at home, we have a coffee shop for a snack or light meal, a restaurant for a luncheon or full dinner, and, if that's not what she wants, she can bring a party to one of the two rooms we offer for catering. We can serve a sit down dinner for 175 in one room and for 250 in the other and provide facilities for dancing if that pleases her fancy. Our liquor license allows us to help her select a bottle of wine for her dinner at

home...or we can serve her a glass of gin to sip while she takes a break in the store. (This is confined to customers shopping in the store and not to be confused with the employee coffee break.)

I can further expand on how we meet consumers needs: flowers from our flower shop to beautify the home or send to a friend, a prescription department to help keep you healthy and functioning well. We not only sell T.V. dinners to eat, but T.V. sets to watch while you eat your T.V. dinners. The list goes on and on. A few others are microwave ovens to prepare your meal, pots and pans to cook in, and a freezer for storage. Our hardware will help you maintain your home and we are now in the process of installing a branch bank to make possible your financing all these wonderful necessities of life, without even leaving the store. You might ask... "Why don't you offer rooms for rent and then the consumer could just live right there too?"

I think superstores are exciting and I get excited just thinking about all the many departments that have been assembled to better serve the consumer needs. What is a superstore today? Well, I have tried to describe our superstore to you. But what are some of the main ingredients that make this store different from an ordinary market? We also operate an 18,000 sq.ft. market that does approximately 5 million dollars annual volume, and an 8,000 sq.ft. market with a volume in excess of 3 million annually...so I have an inside view of three very different operations that are each quite unique.

To begin with, store size is an obvious requirement of the superstore. The actual minimum size may be around 50 to 60,000 sq.ft., but to the consumer

it is not the size so much as the feeling. When you enter a superstore you know it's different. I remember when we first opened our store...probably my feelings were much the same as the customers feelings are on their first experience inside...WOW! "This is more like a department store than a supermarket"...and it really is. Different companies merchandise their stores with different techniques, but there is always the feeling of "BOY!... this is sure different from my ordinary favorite supermarket."

The consumer who shops the superstore is not in such a big hurry to buy the groceries and get home. The stores of today have the facilities to promote the feeling of "stick around... relax a little." The success of this approach is limited at this point in time because the superstore of today is just on the brink of becoming very significant to the consumer. Opportunities to improve are virtually unlimited...all we have to do is meet the challenges of tomorrow. Shopping centers and malls are helping train the consumer to expect more than one type of commodity under one roof and also to become accustomed to the size.

Selection is probably the next most significant factor that meets your attention. In the superstore you will find thousands more items carried than in a supermarket...and the limit has not been reached yet! As I move between our three stores, this is very apparent to me...but the customer does not necessarily require this selection for daily shopping.

Today we are reviewing various types of retail food stores...and it becomes more apparent to me that, although some basic differences do exist, there is a great deal of similarity as

well. Stores are developed to serve the consumer...but quite often we are more interested in efficiency of operation than effectiveness in meeting consumer needs. And now the dilemma of consumerism is resulting in more government regulation as a sign of the times. But it should also be recognized as a "sign that it is time" to evaluate the effectiveness of our employee consumer and nonemployee consumer communications. Maybe I should add "employed" consumer and "nonemployed" consumer. As a superstore, a supermarket, a convenience store, a limited assortment store...or whatever kind of store, we need as an objective...first, that we had better understand the meaning of: inflation, free enterprise, capitalism, budget, deficit spending, social responsibility, productivity, service institutions, business institutions, government, union, worker, consumer, employee, manager, management, effectiveness, efficiency, responsibility, personal values,...and many others including: Work and Profit.

Not too many years ago, the concern for food, clothing and shelter was paramount to almost all Americans and it required most of their time and effort to provide these basics. Today, this is no longer the truth...and tomorrow, be it 1985 or whatever, even less time will be required to obtain them.

The daily newspapers carry much more than grocery advertising. As an example of this, a glimpse at my local paper, The Blade, October 25th, is probably representative of most others:

- "Productivity Rise Largest in Four Years"
- "Public Believes Tax Cut too Small, Ford Claims"
- "Budget Panel Favors Deficit of 72 Billion"

My assigned subject for today "The Superstores Place in Serving Consumer Needs Today and in 1985", has prompted me to try to establish the fact that "the place" is not limited to distribution of physical goods alone. We should be very much involved in providing and communicating on a continuing basis, important reasons for our future existence. Food retailers have the reputation of being responsible for the greatest expenditures of consumer dollars. This assumption has no validity. As a matter of fact, the dollars spent in our stores represent the accumulated burden that we have the dubious honor to pass on to the purchaser. Our attempts to establish public awareness of the fact that the retailer cannot count on a large percentage of the dollars spent in the store as profit available for personal use by the owners, has been totally inadequate. One reason for this is that, in spite of all the knowledge we pump into our heads, we spend precious little time assimilating and communicating it. Our pace has indeed been accelerating at an ever increasing rate and many problems are in need of attention. The big picture is constantly changing and our chosen place in this ever changing world is made even more complicated by our infatuation with "human expectations"...be they those of the remaining poor or the affluent. The demands for economic performance are escalating faster than our capacity to perform. It is in this area of "public awareness" and "consumer education," however, that I believe we should direct much attention.

But this is all nothing new. The opportunities are unlimited and the superstores of tomorrow will prove... by the performance of their operators... that they are capable of meeting the

challenges of their time. Organizations such as the "Food Distribution Research Society" can take credit for their important contribution in the development of the many different stores serving the consumers of today...and you can be sure that the stores of tomorrow will be better able to meet the obstacles along the way in their quest for the opportunity to serve.

Frank Buck and Dick Tracy are not regarded as way ahead of our times anymore. The next ten years should really be exciting. The expressways have changed marketing patterns in many cities overnight. But what of mass transit? This could be very significant in a few years. The whole area of transportation is subject to significant change. I look forward to this being a very large factor in determining how the future of food distribution will be shaped. Electronics will most definitely enter into much of our future change...as will fuel and power supplies.

A better understanding of how people function, will hopefully help us build a better human environment. Knowledge, and the ability to apply it for positive change, will contribute heavily to our world to tomorrow. Change will be restrained by our present commitments, but it will be more rapid even than yesterday.

Will the superstore of tomorrow be a large self-standing unit at the edge of town? Will it have a parking lot around a multistory building that carries customers from their parking zone by gondola to the entrance...they enter and are able to select their purchases electronically and have them assembled ready for pick-up by their car? Will we find our nutrition in a pill? I hope not! I'm not an advocate of reducing our food requirements to a pill that would satisfy the nutritive needs of our

bodies...for several reasons. Survival of our business and also the fact that I still like a steak and salad, all the trimmings, plus a bottle of the proper wine to compliment the meal. In the foreseeable future most of the changes will make a better meal even more readily available. A few years ago, some predicted that fresh produce and meats were on their way out...it hasn't happened and I don't believe that it will.

The superstore in 10 years will have many changes in equipment...from the loading dock to the pick-up area. This will help perform many of the tasks now done by hand. No doubt the "front end" will receive much attention due to the present high payroll. But the stores of tomorrow will still have employees and they will be worth more and should be better paid for their new roles. More services will be performed and expected. The contact with the customer by store employees should be regarded as an opportunity to develop better relations and promote good will and understanding...in both directions. Programs to develop the proper employee attitude will have to be partly accomplished before the first day of work. Schools and family play an important role in pre-employment education. Our involvement with schools will be more important. Many schools ask now for our assistance and we feel that by helping them we are helping ourselves as well.

The superstore of today is exciting...the superstore of 1985 will be even more exciting. No doubt there will be a lot of excited people in between during all the changes that are bound to take place...but take place they surely will.

I have tried to express to you my concern for doing something about developing a better understanding of the problems of business and society as related to my subject. I hope that you have grasped the spirit of "there's no such thing as a free lunch." You can't sustain a superstore unless it effectively serves a significant number of consumers. The ability of the store to contribute and remain important to society is governed by its effective ability to produce a profit and communicate this need.