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OUR APPROACH AT PIGGLY WIGGLY SOUTHERN TO A DAIRY AND FROZEN FOOD TRAINING PROGRAM

by
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We recently made a dramatic change in our dairy and frozen food program. We operate 56 supermarkets throughout Southern Georgia, with an average of \$80,000 value per week per store. (Editor's note: Piggly Wiggly Southern is recognized as a very progressive supermarket company and is a merchandising leader in their trade area.)

Last spring, as a part of one of our planning meetings, we analyzed each department and found that our company-wide performance in dairy and frozen foods was not satisfactory. We didn't feel that we were getting the results from Dairy and Frozen Foods that we should. Our percentage to total sales was low; we were having out-of-stock conditions; we questioned our pricing program; and our housekeeping was not what we expected.

After careful analysis of operations, we decided that our problem was that we had no one directly responsible for these two departments. Sales volume for dairy alone, or for frozen foods, did not merit two full-time department managers so these departments were being managed by part-time personnel, and were not getting performance.

We decided to approach the problem by:

First - Combining dairy and frozen food into one department - perishables.

Second - Selecting the best man in each store and promoting him to the new perishables department manager.

Third - To conduct an analysis of the complete operation for the combined department including ordering, receiving, pricing, merchandising, and the shelf space allocation.

Fourth - The final step was to develop a training program so that we could start the new perishable managers off on the best possible program.

Store Analysis and Training Program

Since we had worked with the Georgia Extension Service on other programs, we again contacted the Extension Marketing Department, University of Georgia, Athens, Georgia, and asked for suggestions in developing a two-day perishables department seminar.

We met with Dr. Si Trieb and other Extension personnel and together, we selected the following objectives for our program:

To provide information that will assist both the perishable department managers and the store managers in:

1. Improving performance of the new perishable department (frozen food and dairy) and create new sales opportunity.

2. Demonstrating effective methods of inventory control and quality maintenance.

3. Helping to establish perishables as a more significant department

We then proceeded to conduct a complete analysis of retail operations and product performance for both dairy and frozen food. The study, conducted with the assistance of Extension personnel, was based on a complete beginning and ending inventory of every item, exact measurements of shelf space, and a record of sales by item for a representative two-week period. There were 260 dairy items and 375 frozen food items. We made an analysis (and a movie) of merchandising and customer shopping patterns with "as-is" merchandising. We recorded the procedure being used for ordering, receiving, price marking, stocking and merchandising.

The sales data was then compared to shelf space by item and provided the basis for reallocation of each item's product facing.

We also compared the customer traffic patterns to see how the customers were shopping the cases. After this information was collected, it provided an opportunity to consider our weak points as well as our strong ones. It was from this information that we worked up a Plan-A-Gram for our perishables department which we thought would do the best job in exposing customers to 100% of the products.

We expanded the egg and gallon milk display space and completely reset the case according to each product's performance. On the slower items, we reduced space allocation, and on the faster moving items, we gave more space to be sure that we had ample merchandise at all times.

The case was departmentalized as fresh milk and by-products, margarine, sliced cheese, processed cheese, biscuits and dough products, juice and eggs and pure butter on the top shelf above the eggs. We utilized vertical display because it is more attractive, facilitates customer shopping ease, and encourages up and down eye movement.

We remerchandised the frozen cases, using 13 categories of: (1) orange juice concentrate, (2) individual vegetables and poly packs, (3) dinners and meat pies, (4) meat items, (5) potatoes, (6) fish, (7) fruits, (8) bakery, (9) breakfast products, (10) specialties and international foods, (11) ice cream.

In frozen foods, as well as in dairy, our study started with the analysis of ordering, receiving, cutting, pricing, and stocking in order to get production and keep our departments in top shape.

Operations Manual

From this detailed study of operations and merchandising, we then develop an operation's manual for dairy and frozen. This manual, together with the visuals and other detailed materials, become the basis for our seminar program. As a part of the seminar, the new perishable managers and store managers worked on a case study based on

one of our stores. Together, they visited the store, developed work schedules, Plan-A-Grams, and merchandising plans. Then in the seminar work group situation, they discussed their "solutions" to the case problem.

Follow-up

As a follow-up on our perishable seminar which we held this year, the Georgia Extension staff is assisting us in making a second analysis of product performance, based on the changes made in space allocation and operations.

Together, we are also completing a movie, showing the "before" and "after" perishable department. The new operation's manual and the movie will be the basis for a series of six one-day mini-seminars we have planned for each division next year. These will be in-store sessions and will include remerchandising the department using the Plan-A-Gram and movie as a guide.

The whole program is based on the concept of tailoring the training to meet the specific needs of each trainee, for improved use of space and time.
