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- Its high water content (87 percent) may constitute a handicap, economy wise, in transport and handling.

This case teaches also that for improved technology, to become a success in business, it requires teamwork, team efforts from one end to the other of the chain.

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Metric Conversion and the Food Retailer

by
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Metric conversion in Canada and the United States is progressing on a voluntary basis, with each sector of our economies conducting its conversion program in general coordination with its manufacturers and its customers, according to guideline dates agreed and published from time to time.

The two significant parts of that statement are the "voluntary basis," which means that each company must plan and implement its own conversion program in its own way, at its own expense; and the "general coordination" which requires that each company know what metrication changes are taking place in outside areas that affect its own operation.

Let's deal first with the "voluntary" aspect.

For the retailer to convert economically he must do it in the shortest possible time; he must avoid significant capital expenditures; and he must keep his training and awareness effort to the minimum required to do the job properly.

Except for private brands, the retailer has little or no control over the pace of product conversion, which is determined by the manufacturer or the supplier. So the "voluntary" aspect applies to his "voluntary" reaction to product changes, and his "voluntary" absorption of his own conversion costs.

One example of such costs is the movement and control of dual inventories through his warehouses, his ordering and distribution systems, and his stores. Another is the proper preparation of his people and his customers for the introduction of metric products at the store. With adequate notice, consultation and planning, through his metrication coordinator, he can minimize these costs. He cannot, however, make them disappear.

Conversion costs for the retailer are not offset by any real or early return on investment. He cannot therefore, be expected to lead the nation into the promised land of metric conversion, extolling its undoubted virtues and ultimate advantages to our peoples.

What we can expect from him--and have, in fact, found in the Canadian retailer--is a responsive and responsible attitude of cooperation with the national conversion plan, and a determination to achieve conversion at the lowest cost to his customers and to himself.

He has a large investment in product weighing and handling equipment. He is not about to discard and replace it before the end of its useful life. He will continue to plan his equipment purchases according to his needs, his budgets, and his amortization periods, with a weather eye on the general conversion target dates for his industry.

He may decide to adapt his present equipment to metric measure if it can be done at low cost. Suppliers of scales, for example, can provide estimates of the costs of conversion of older scales versus the purchase of new digital metric scales. Many retailers will convert their existing scales rather than go to the expense of new digitals. Since such conversions cannot be carried out "en masse" he would be well-advised to consult his scale manufacturer or supplier now. However, he should not dismiss new digitals as being too costly; they can be a sound investment in terms of accuracy in his catch-weight sales.

The Canadian government has made some concessions to the retailer, to ease the financial burden of conversion. The costs of converting older scales will be allowed as a business expense up to but not exceeding the cost of a replacement metric scale, to be claimed in full in the year of the scale's conversion. When purchasing a new metric scale the retailer is permitted a reduction of 50 percent of the federal sales tax on the duty-paid value of the scale. Conversion parts are also duty-free.

Metric conversion requires a special awareness and training effort, to help ease the transition for the retailer's people and for his customers. He cannot dig deep into the cash drawer and jump headlong into expensive training and advertising programs. Whatever metric information and training he provides for his people and his customers has to be just enough to do the job properly. Anything less leaves his staff and customers vulnerable to errors that arise from ignorance. Anything more becomes a major expense that just cannot be absorbed as part of operating costs.

Since his own people eventually become his customers' metric informers, it is here that he puts most of his awareness and training effort. The best point-of-sale device in the supermarket today is a trained and knowledgeable sales clerk.

With all this in mind, you can see that is is no mean feat for the retailer to keep his conversion costs down to the level where they do not add to the price of the products he sells.

Since Canada's Metric Commission budget will not support a comprehensive national metric awareness program, informed retailers (such as Steinberg's) have already shown themselves willing to put good dollars and resources into individual company metrication programs. However, the retailer who tries to go it alone without the services of a metrication coordinator will surely meet such problems as: inconsistency in presentation; too much unnecessarily detailed information; and difficulty in coordinating his awareness programs with the actual appearance of metric products on his shelves in his different areas of operation.

Since no two stores, whether independent or chain, run out of the imperial size at the same time, nor even on the same day or week, metric products and their introductory information must be in place in advance of the conversion date. After all, we do not want our customers to be inconvenienced by stockouts while the product is being replaced by a metric one. We must constantly monitor the conversion process, so that it is smooth, orderly and satisfactorily explained, with no stockouts. Each conversion must leave us a little more knowledgeable--a little better prepared for the next.

Now, let's get back to the "general coordination" of conversion with manufacturers' and suppliers' target dates. The retailer's involvement with the national conversion program, through his associations and contacts, and his metrication coordinator, provides him with advance notice of impending changes.

The retailer who does not have a coordinator to represent him at the industry discussions that precede product conversions must rely on other sources for information. For Canadian food products, the most reliable of these is the "Metric Package Content Sizing--Canada Status Report" from Metric Commission Canada. This publication provides information on product sizes and target dates, and is distributed to metrication coordinators throughout the industry.

Other very useful and informative publications are "The Canadian Retailer" from The Retail Council of Canada and the "Metric News" from the Canadian Manufacturers' Association.

Even though these publications deal with specific conversions, the retailer must still maintain close liaison with his suppliers before and during product conversions. Guideline dates are merely a warning that a certain product or group is to convert within a certain period. Actual introduction of the metric product is determined by the supplier, who must consider:

a. Existing stocks of imperial products in the pipeline.

b. Availability of metric package or container.

c. Degree of probable acceptance by the consumer.

d. Timing with introduction of competitors' products.

Let's briefly examine these four.

Item "a" raises the questions of dual inventories, of product freshness, and of confusion between imperial and metric sizes, leading to possible inventory control and pricing problems. Almost without exception, pricing errors on metric products in Canada were due to confusion between the old and the new formats.

Item "b" identifies the supplier's dependency on the container manufacturers' conversion plans and schedule.

In "c" we raise questions connected with the introduction of a new product; advertising, potential market, distribution, etc.

For item "d" both the supplier and the retailer must consider the effects of trying to sell a metric product of 500 grams (that's about 10 percent more than a pound) which is displayed alongside a competing brand of the same product in the 454 gram (one pound) size. The 454 gram size would, of course, be cheaper than the 500 gram. Unless the customer has an unusually strong brand loyalty, it is almost certain that the 454 gram size would be selected, and the metric

supplier's "leadership" may cost him (and his retailers) money. Which is why suppliers generally try to agree on conversion target dates for specific product types.

When the retailer finally gets the real conversion date from his supplier, the process of metric product introduction at the retail level begins.

In a chain or a large independent operation, since the buyer is first to know, his is the task of listing the product in inventories, order guides and price books, purchase order files, etc., for dissemination via data-processing to store, warehouse, distribution and accounting personnel.

For the smaller retailer, the task may not be as complex, but will have to be absorbed by the owner-manager, along with his other headaches. Fortunately, it doesn't happen every day.

It is at the retail store that metric conversion becomes a reality. All the work behind the scenes culminates here in the display and sale of the new metric sizes. If the retailer has done a good job of coordination with his suppliers, his people and his customers, conversion will proceed smoothly, with a minimum of confusion and error, and a high degree of acceptance.

Some available means of communication that the retailer might use to smooth his metric conversions are:

- Simple, basic metric awareness presentations to his people
- Employee training as and when required
- Metric bulletins to the stores
- Simple store metric posters on weight (mass), volume and length
- Shelf-talkers at point-of-sale
- Shelf tickets or unit-price tickets
- Product identification as "metric size"
- Metric spot in regular newspaper ads
- Metric bag messages
- Metric bag stuffers
- Comparison charts for employees and customers
- Consumer notice board bulletins.

At Steinberg's we developed our own 15 minute audio-visual awareness presentation, and we use the Retail Council's Metric Training Manual for employee training seminars. We also use bag messages, store posters, bulletins, shelf-talkers and comparison charts as required. Our aim is to handle metric conversions as part of normal business, and we are very close to the realization of that aim.

In metric conversion, the easiest thing is to change the products. The difficult thing is to change the people to think in terms of a new and better system of measurement. By providing the right kind of metric information to employees and to consumers, at the right time, the retailer helps them to understand and to accept their roles in the national conversion program. In providing this very important service, the retailer contributes significantly to his country's progress towards a truly international system of measurement.

Let's get on with it, all of us, so that we can all get back to doing what we do best--selling groceries!

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