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Marketing Research Report No. 976

FOOD RETAILING IN THE CLEVELAND, OHIO, METROPOLITAN AREA

With Emphasis on the Inner City

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ABSTRACT

In Cleveland, Ohio, very small foodstores comprised a higher proportion of the stores in the low income area than in the higher income area. Prices were generally higher, variety of products more limited, quality of food assortment poorer, and services more restricted in smaller stores. However, for the same type of store, there were no significant differences in these factors between income areas. About 55 percent of the household shoppers in the low income area appeared reasonably satisfied with the stores where they bought most of their food. Product and service needs as expressed by consumers were basically the same, irrespective of income area. However, residents of the low income area were likely to be less mobile and consequently had to shop at stores within walking distance, which are often smaller stores. Supermarkets located in the low income area tended to be on the periphery of the area and were less accessible to residents than if located more centrally.

Keywords: Grocery stores, food, retail, low income families, marketing, prices, purchasing, Ohio.

PREFACE

It is often alleged that food distribution systems serve higher income sections of society better than they serve lower income sections. Because of the need to make the abundance of agriculture available at the lowest prices possible, the U.S. Department of Agriculture (USDA) contracted with Chilton Research Services, Philadelphia, Pa., to conduct a pilot study of the food-store conditions, distribution facilities, and both the perceived and actual food, facility, and service needs of residents in low income sections of the Cleveland, Ohio, Standard Metropolitan Statistical Area (SMSA). The study was made by USDA's Economic Research Service, Marketing Economics Division, under the general supervision of Robert E. Frye. Fieldwork was conducted during 1969 and 1970.

In the absence of definitive norms as to what constitutes an effective and equitable distribution system, the store facilities, food prices, and other conditions existing in higher income sections of the Cleveland SMSA were used for comparative purposes. Although the data are solely on Cleveland, findings may be applicable to other similar urban settings. Thus, this report is being made available to the distribution trade, public agencies at all levels of government, and research institutions in the hope that they will find it useful in work aimed at providing low-cost nutritious food and adequate facilities for serving the poor.

Appreciation is extended to members of the Cleveland Food Industry Committee (CFIC), the Cleveland Food Dealers Association, and independent businessmen and homemakers who gave valuable assistance and survey information during this many-faceted study, and particularly to Robert P. Duvin, CFIC Committee Chairman. In addition, Allen Bernikow, J. K. Lasser and Company, Inc.; James A. Bayton, Howard University; William E. Cox, Jr., Case-Western Reserve University; and Daniel J. McLaughlin, Jr., Saint Joseph's College, Philadelphia, Pa., contributed substantially to planning, conducting, and evaluating one or more parts of the study.

Discussions of policy issues are those of the contractor and do not necessarily reflect the views of the U.S. Department of Agriculture.

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SUMMARY

About 55 percent of homemakers in the low income area of Cleveland, Ohio, appeared reasonably satisfied with their primary foodstore, the store in which they bought most of their food. This group of satisfied homemakers mostly had household incomes of \$4,000 to \$10,000 a year. The group was 63 percent black and 37 percent white; about 40 percent of the household heads had a high school education. These families appeared to feel that inner city stores were providing adequately for their food needs and, in general, exhibited about the same attitudes toward their primary store as was exhibited by middle income families in the higher income area.

Dissatisfaction with Cleveland area food retailers stemmed from the circumstances of two groups of inner city residents and from circumstances of inner city retailers. First, up to one-third of all low income area families --mainly blacks with very low incomes and minimal education--were apparently forced by their economic circumstances, immobility, and, possibly, level of educational attainment to shop in stores which maintained hours, services; and locations that caused them some dissatisfaction. These families were unable or found it most inconvenient to shop in stores of their choice or where it was to their economic advantage. They were constrained to trade price and assortment for more immediate shopping requirements. No restructuring of the low income area retail food industry could fully alleviate this form of inequity.

A second dissatisfied group consisted of about 15 percent of low income area households. These households were about 60 percent white and 40 percent black and had incomes of more than \$10,000 a year; two-thirds of the heads had at least a high school education. These families appeared to be dissatisfied with their local food retailing systems because they could not find the type of store or merchandise assortments they preferred, because of the inconvenience of traveling to more distant shopping centers, or because they were aware that newer and larger stores existed elsewhere. Consequently, any restructuring or improvement of the inner city food retailing system should take into account psychological aspects of such improvements as well as objective physical changes.

About half of the families in the low income area had incomes of less than \$4,000; two-thirds were black; one-third had no male household head; and two-thirds of the heads had less than a high school education. In contrast, one-seventh of families in the higher income area of Cleveland had incomes of less than \$4,000; nearly all were white; one-fifth had no male head; and one-third of the heads had less than a high school education.

Many low income area residents traveled to the suburbs for at least part of their food shopping. At the same time, one-third traveled less than one-half mile to their primary store and more than a third generally walked to their primary store.

There were substantially more stores of each major type--chain, voluntary or cooperative, and independent--per square mile in the inner city than in the higher income area. (Voluntaries are banded together by a wholesaler who seeks them out; cooperatives seek out a wholesaler to serve them.)

About half of the inner city families spent most of their food money in a corporate chainstore; one-third used a voluntary or cooperative store; and one-sixth did most of their shopping in an independent. Almost four in five residents of the outer city spent most food dollars in chains. Fewer than one in 20 used independents as primary sources for food. The number of chainstores per 100,000 population in the inner city was half that found in the higher income area, while the incidence of both voluntaries and independents was much higher. When measured on the basis of number of stores per \$1 million of household income, inner city chains were slightly fewer, while there were several times more voluntaries and independents than in the outer city. When measured on the basis of the number of stores per square mile, there were substantially more stores of each type--chain, voluntary or cooperative, and independent--in the inner city than in the outer city. However, most inner city chainstores were near the fringe of the low income area, leaving the central section sparsely populated with chainstores.

Chainstores provided the same assortment of facilities and services, irrespective of location, and voluntaries were almost as consistent. There were differences however, among independents. A larger proportion of higher income area independents provided check cashing, air conditioning, shopping carts, car loading space, and home delivery than did inner city independents. However, proportionally more inner city independents offered credit, accepted food stamps, and had packers at checkout counters.

Prices charged by inner city stores were 2 percent higher than those charged by stores in the higher income area. Most of this differential--which was not statistically significant--was caused by higher prices charged by inner city independents. They charged about 4 percent more than higher income area independents, 5 to 6 percent more than inner city voluntaries, and 6 to 9 percent more than inner city chains.

Although some independents in higher income areas faced severe competition, about half of the inner city independents were struggling to earn a modest living. Their difficulties included sparse volume levels, severe price competition from chains and voluntaries, poor purchasing position, and increasing problems with vandalism, pilferage, and crimes which affect the cost of operation as well as personal safety.

At the time of the study--1969 and 1970--it appeared that the inner city system would continue to lag in its response to residents' preference if change and improvement were left to the initiative and interest of individual food retailers. The lagging response may have existed partly because most smaller independent retailers were financially unable to build new facilities. They rented space in whatever accommodation was available. If new inner city shopping centers could be made available, many of these small retailers would be willing to vacate their present buildings and move into the new facilities.

The inner city could support one or more modern shopping centers properly located, as shown by the number of inner city homemakers who travel to the outer city and to an inner city shopping district to do their primary shopping.

FOOD RETAILING IN THE CLEVELAND, OHIO, METROPOLITAN
AREA--WITH EMPHASIS ON THE INNER CITY

by

Edward L. Crow and Michael G. Van Dress*

BACKGROUND AND OBJECTIVES

The efficiency of food marketing systems in low income urban areas has become a matter of national concern. Food merchants who operate in these areas have increasingly come under attack by inner city residents. The charges against food merchants have been many and varied, but usually include the following points:

1. Prices for comparable products are higher in the inner city;
2. Quality of merchandise is lower than merchandise sold in other areas;
3. Stores in the inner city are smaller, dirtier, less well stocked, and less well maintained than stores in other areas;
4. Damaged items or perishable items of fading quality are transshipped from chainstores in other areas to chain or other stores in the inner city; and
5. Food chains place their least efficient personnel in inner city stores.

This study is concerned with answers to these charges and with differences which may exist between the food retail system in low income neighborhoods and the system in higher income neighborhoods. It is especially concerned with differences which point to inadequacies in the inner city's present system which prevent it from satisfying residents' needs and preferences. Inadequacies may accrue from: The number of stores and their distribution by type; merchandise assortments; services and facilities provided; price differences; and other physical attributes of the food retail system which could deter it from serving the area's residents. Moreover, inadequacies may accrue from perceptions of residents as distinct from the actual physical inadequacies of either supply or demand.

The study's objectives were to: (1) determine whether there were differences in the food retailing system that serves Cleveland's low income area

*Edward L. Crow is Director of Economic Studies, Chilton Research Services, and Michael G. Van Dress is an Agricultural Economist, Marketing Economics Division, Economic Research Service.

compared with the one that serves the higher income area and to identify and describe the existing inadequacies, and (2) identify and formulate alternatives to the present system that would operate to reduce identified inadequacies and better serve the needs of low income families while providing for an economically healthy food retailing business community.

PROCEDURE AND STUDY PLAN

The Standard Metropolitan Statistical Area (SMSA) of Cleveland, Ohio, was divided into two geographical areas for this study. 1/ The low income area, called area A, consisted of 76 census tracts in Cuyahoga County which had been designated as poverty areas by the Office of Economic Opportunity. The remaining 265 census tracts in Cuyahoga and the 24 tracts in Lake County were designated as the higher income area, or area B.

Designation of poverty areas was based on socioeconomic characteristics, such as income, schooling, work skills, availability of parents if children were present, and condition of housing; urban renewal activities; and contiguity with other low-ranked tracts.

All data were collected in 1969 and 1970. The study was conducted by means of the following surveys and observations.

Survey Among Homemakers

Personal interviews were conducted with homemakers in an area probability sample of 318 households in the Cleveland SMSA; 204 interviews were conducted with homemakers residing in the inner city poverty area, area A, and 114 were conducted with homemakers in the outer city, area B.

The survey among homemakers was conducted to provide information relating to food shopping habits and behavior, transportation requirements, purchasing practices, service requirements, attitudes and opinions about products and stores, and estimates of money spent for food.

Survey Among Retailers

Personal interviews were conducted with representatives of 314 retail foodstores. Stores were selected using probability sampling procedures; their inclusion was designed to be representative of all grocery stores that handled fresh meat. Interviews were conducted with owners and managers of 160 area A stores and 154 area B stores. Sample stores represented three store types--chain, voluntary or cooperative, and independent. (Voluntary stores are banded together by a wholesaler; they receive the benefits of group purchasing.)

Information obtained was used for the analysis of key issues relating to actual performance of stores in both areas and issues involving attitudes and opinions of store managers and owners.

1/ In this survey, the SMSA consisted of Cuyahoga and Lake Counties. Geauga and Medina Counties were subsequently included in the SMSA definition used by the Bureau of the Census for the 1970 Census of Population.

On-Site Observations

Separate on-site observations were conducted in each of the 314 retail foodstores selected for the retailer survey to obtain information on the physical appearance of stores, presentation of merchandise, number of brands and sizes of selected products handled, and other data which would provide a profile of the store as seen by customers.

Market Basket Survey

A market basket study was conducted in 32 stores selected from among the 314 stores included in the survey among retailers. The 32 stores were selected to represent classes of stores of different sizes and types in both income areas. Once the selection was made for stores in area A, comparable stores were selected from the sample of stores in area B.

The sample was selected to provide four stores in each area of each store type. The 12 stores in each area were paired between areas by type. A separate cell of eight small independent stores in the low income area was added to complete the sample design, for a total of 32 stores. Independent stores were divided into two groups because small independents generally did not stock the range of products and product sizes that approximate a market basket of products. One group consisted of stores that had annual sales of about \$300,000 or more, an inventory of 2,000 or more items, and 3,200 or more square feet of sales space. The other group consisted of stores which did not meet these criteria. One of the eight stores selected as part of the sample of small independent stores had so few products that it was dropped from the analysis, leaving a sample of 31 stores for analysis.

The market basket list was selected after consideration of baskets used in other studies. The list included: items that make up a considerable portion of a person's diet; items that are found in both large and small stores, high and low income areas, and among stores of different ownership; and items readily found and identified by interviewers with a minimum of confusion.

Analysis of Store Operating Data

Twenty-four stores were selected from the 314 stores for evaluation regarding the internal operating structure of stores in low and higher income areas. The 24 stores were paired in groups of the three store types in both income areas.

A comprehensive but simplified profit and loss statement and balance sheet was prepared in close consultation with accounting consultants. The forms were designed to accept information from accounting systems as varied as the sophisticated systems used by national chains and as simplified as those used by many small independent grocery stores. Information gained here was intended to provide some understanding of differences in the pricing structure which may have existed between stores in the two areas.

Survey Among Business and Professional Personnel

Interviews were conducted with 14 persons in the fields of banking, insurance, real estate, and area development. They were chosen from a list of individuals in their respective fields who would be aware of any special problems related to food retailing in area A. Persons interviewed were queried regarding ease of access to and expansion of the retail food business and possible constraints that may have existed for food marketers in area A.

DEMOGRAPHIC CHARACTERISTICS OF RESIDENTS

Almost half of the inner city homemakers were from households with annual incomes under \$4,000. More than one-third were from households with incomes of \$4,000 to \$9,999; only one in seven had incomes of \$10,000 or more. In contrast, one in seven area B homemakers were from households with annual incomes of less than \$4,000. Slightly more than one-third of area B households had incomes between \$4,000 and \$9,999, and about half reported \$10,000 or more.

Almost two-thirds of inner city homemakers were black; except for 0.5 percent who were of other races, the rest were white. This distribution contrasted sharply with that in area B, where all but 2.6 percent of the homemakers were white. The strong association between income and race among inner city residents was borne out by the fact that 75.8 percent of area A low income homemakers (those with household incomes under \$4,000) were black, whereas only 41.9 percent of that area's high income homemakers (\$10,000 or more) were black.

Although area A households had a median of 3.3 persons per household, compared with 3.5 among area B households, several significant differences in the structure of households existed between areas. About 6 in 10 low income homemakers living in area B constituted one-person households and more than 9 in 10 were from one- or two-person households. In contrast, only 6 in 10 low income homemakers living in the inner city were from one- or two-person families. Further, 31.6 percent of the low income families in area A had four or more persons in the household, compared with only 5.9 percent among the low income families in area B.

Whereas 35.5 percent of area A households had one or more children 6 years of age or less, only one-fourth of area B households did. One-third of the households in each income area had one or more children 7 to 12 years of age. In the two areas, a slightly smaller proportion of area A households had children 13 to 19 years of age.

Some 30.4 percent of inner city households had no member employed, compared with 14.9 percent for households in the outer city. Although unemployment of household heads was more likely among low income families in both income areas, unemployment as defined in the study included retired persons and others who may not be regarded as being in the work force.

While two-thirds of inner city household heads had not completed high school, only one-third of household heads in area B had failed to do so. Among low income families, 71.5 percent of inner city household heads had not completed high school, while 64.7 percent of low income area B household heads had not

done so. Of these persons who were not high school graduates, 21.1 percent in the inner city had also not completed elementary school, compared with only 5.9 percent in area B.

One in three inner city households reported no male head of household, compared with fewer than one in five households in area B. The median ages for these heads were 47 and 51, respectively. Female homemakers or heads of households were present in 94.5 percent of inner city households and all area B households. The median ages of female heads of households were about 44 in area A and 49 years in area B.

FOOD SHOPPING PRACTICES AND EXPENDITURES OF HOMEMAKERS

Shopping Habits

About half the inner city homemakers reported buying about the same amount of food each week in a month. The rest made major food purchases only once or twice a month. In area B, four in five homemakers made major purchases weekly and only one in five did so once or twice a month. Among households in the inner city, and to some extent among households in the outer city, income and shopping profiles were associated. The higher the income level, the greater the tendency to purchase family food weekly rather than once or twice monthly. Also, the highest income group living in area A had a frequency-of-purchase profile that was similar to that for the highest income group in area B.

Among inner city homemakers who purchased about the same amount of food each week, Friday and Saturday were the days on which most weekly shopping was done. Among homemakers living in area B, most weekly shopping was done on Thursday, Friday, or Saturday, but especially on Thursday.

The pattern was somewhat more discrepant between homemakers who did most shopping once or twice a month. Those living in the inner city did most shopping during the first and third weeks of the month. Most shopping by area B homemakers was done during the first and second weeks and during combinations of the first and third or second and fourth weeks.

Homemakers in the inner city were less likely to make out a shopping list before going on a major food shopping trip than homemakers in area B--55.9 percent versus 72.8 percent. Moreover, more higher income homemakers (over \$10,000 income) living in area A made out a shopping list than other homemakers living in area A.

Although most homemakers in both income areas said they generally used newspaper advertisements in deciding what foods to buy, a substantial proportion claimed to use food circulars also. However, inner city homemakers tended not to use either media as much as homemakers in area B.

Purchasing Practices

Most homemakers tended to purchase meats, dairy products, bread, and canned goods on their major food shopping trip (table 1). ^{2/} But inner city homemakers had a greater tendency to purchase fresh vegetables, grain products, and bakery products in addition to bread, fish, poultry, and health and beauty aids and other nonfood items than their higher income area counterparts. These inner city residents purchased fewer frozen foods and juices than area B homemakers. The tendency to purchase certain food items appeared to be unrelated to whether the shopping trip was weekly or less frequent.

In addition to data showing patterns of purchase of broad commodity groups, data were also obtained on selected individual products to determine if differences existed among homemakers in the two income areas in the types, brands, and sizes of products purchased. The products were prepared flour mixes, regular coffee (other than instant or freeze-dried), canned green peas, and margarine. Inner city residents tended to purchase fewer prepared mixes and less coffee than area B residents. On the other hand, inner city homemakers tended to purchase more canned green peas and margarine than area B homemakers.

Several discrepancies were evident among income groups within and between income areas despite general areawide patterns. First, area B low income homemakers (household incomes under \$4,000) tended not to purchase prepared mixes. Second, low income homemakers in area B tended to purchase margarine more frequently than other homemakers living in the same area, and possibly more than inner city homemakers as well. Third, high income area A homemakers (household incomes of \$10,000 or more) tended to purchase more prepared flour mixes and regular coffee than other homemakers in the low income area. Their purchase frequency for these items was more like that of area B homemakers.

Few homemakers in either income area relied solely on store brands (private labels). This finding was weakened somewhat by the 10 percent of area A homemakers who could not distinguish between store brands and other brands.

To obtain a more objective measure of the types of brands purchased by homemakers, respondents were asked to identify the brand of each of six items usually purchased. These brands were then classified as private, national (nationally advertised), or "other" (wholesaler, local packer, and other unidentified brands).

Results showed that homemakers in the inner city tended to purchase more nationally advertised brands of frozen orange juice and white bread than area B homemakers. Outer city homemakers, on the other hand, tended to purchase more national brands of canned peas, margarine, and frozen vegetables than area A homemakers. Homemakers in both areas favored national brands of coffee.

Inner city homemakers tended to purchase larger package sizes of coffee, canned green peas, and margarine than area B residents. Differences, however,

^{2/} Tables are grouped at the end of the report.

appeared to be traceable to differences in family size rather than to differences in place of residence. As will be discussed later, there was no indication that inner city residents, as a whole, were constrained from purchasing the size of package they wanted.

Expenditures

Area A families spent \$117.54 for food from all sources during a 30-day period, compared with \$156.53 for families in area B. Even when adjustment was made for the slightly different median size of households in the two income areas, the food bill of inner city households was 20 to 25 percent less than that for area B households. While area B households spent more per household in all categories of expenditures, the greatest difference was in money spent for food away from home.

Inner city families spent \$103.00, or about 14 percent less in grocery stores than the \$120.08 spent by area B families. Differences in median expenditures by household income groups reflected size of families as well as differences in spending patterns. For example, the \$48.70 spent by low income families living in area B compared with the \$72.50 spent by low income families living in area A reflected the larger number of one-person, low income households in area B and perhaps the lighter diets of the older persons who usually made up such households.

While inner city homemakers spent about the same proportion of their total food budget in their primary store as area B homemakers, higher income area A families purchased about 10 percentage points more of their food than their neighbors did in foodstores other than their primary store. Also, while low income families in area B tended to concentrate food purchases in a primary store, homemakers in middle and higher income groups in that area shopped more heavily in stores other than their primary store.

While inner city residents made up about 14 percent of the population of the Cleveland SMSA, they accounted for only 12 percent of total expenditures for food at home and away from home. Food expenditure data gathered in the homemaker survey suggested that residents of the inner city spent about \$124 million for all food. Area B residents spent about \$900 million for food from all sources.

Shopping Behavior

More than one in two area A homemakers shopped in chain supermarkets for most of their food purchases; one in three primarily used voluntaries or cooperatives; and the rest, about 15 percent, used independents. This compared with almost four in five area B homemakers who patronized chain supermarkets for most of their purchases; about one in six who used voluntaries or cooperatives; and the less than 5 percent who used independents. For the most part, independent grocery stores had supportive roles in the food shopping behavior of both low and higher income area homemakers--that is, they were seldom primary stores.

Whether primary foodstores were preferred because of choice or whether they were used because of constraints on budget, available time for shopping, transportation, or other factors was not clear; although a review of several aspects of this problem revealed the following observations about shopping behavior and attitudes.

The median distance traveled by inner city residents to reach primary foodstores was only three-fourths of a mile, compared with about $1\frac{1}{4}$ miles for residents of area B. About one in six area A homemakers traveled more than 2.5 miles to reach their primary foodstore, compared with less than one in 10 area B homemakers. In contrast, 17.3 percent of area A homemakers bought most food less than one-quarter mile from their homes, compared with only 2.5 percent of area B homemakers. Thus, while a significant proportion of inner city homemakers preferred or were able to shop some distance from their own neighborhoods, another significant proportion preferred not to shop or were unable to shop at stores located farther than a few blocks from their home.

More than a fourth of area A homemakers did some food shopping in area B. However, only 7.0 percent of area B homemakers did any food shopping in inner city stores. The tendency for area A homemakers to travel to area B for at least some of their food needs increased with the level of family income. Among residents of area B, there was a slight tendency for middle income homemakers to shop in area A. An investigation of this revealed that several families in this group lived near the low income area and shopped in stores located there. More than one-tenth of inner city homemakers shopped at a primary foodstore in area B, compared with only 4.0 percent of area B homemakers who regularly shopped in area A.

Additional information about shopping patterns of inner city residents was gained by inspecting several interrelationships of distance traveled to the primary foodstore, mode of travel used, and the type of store in which most shopping was done. As might be expected, the greater the distance traveled to primary foodstores by inner city homemakers, the less likely the homemakers were to walk to these stores (table 2). Also, the higher the family incomes, the less likely homemakers were to walk to their primary foodstore. The latter finding probably reflected the greater availability of an automobile for food shopping trips among higher income households (over \$10,000) of area A. "Other" modes of travel were more frequently used by homemakers for distances greater than one-half mile, suggesting an unwillingness or inability on the part of these homemakers to find an acceptable foodstore within walking distance. While other modes of travel used included buses or taxis for a few shopping trips, most represented mixed modes: Walking to the foodstore and hiring a taxi or having a friend drive the shopper home. Among area B homemakers, mode of travel was less closely related to distance or household income than among inner city residents.

The relationship between distance traveled to primary stores and type of store patronized suggested that among inner city residents, the greater the distance traveled to the primary store, the more likely it was that the homemaker did most shopping in a chain supermarket (table 3). Also, for any distance of travel up to 1 mile, the general tendency to shop in a chain supermarket increased with household income.

This finding suggested that some inner city homemakers preferred and were able to travel some distance to shop in a larger chainstore or, conversely, other residents were constrained in their travel patterns and had to shop in stores closer to their homes which may not have included a store of their choice.

Homemakers in the outer city revealed little tendency to patronize voluntary and independent stores located near their homes. However, about one in five area B homemakers appeared to use as their primary store voluntaries or independents located at a distance, necessitating some travel to enable them to shop in a store of their choice.

The interrelationship of distance traveled, mode of travel, and type of store patronized was further amplified by the following: Only 29.0 percent of inner city homemakers who walked to their primary store shopped in a chain supermarket, while 71.3 percent of those who traveled to their primary store by automobile shopped in a chain (table 4). Moreover, the general tendency to shop in a chain increased with the distance traveled when homemakers used automobiles as the mode of transportation.

This clear relationship among distance traveled, mode of travel, and type of store patronized was not so sharp among area B homemakers. Apparently, area B homemakers were more likely to choose their primary store and then find the means to travel to that store.

Whether accessibility by walking or bus was important as a store patronage characteristic was determined by noting the ranking of these two accessibility attributes among a list of 55 store characteristics. A high ranking indicated that the characteristic was extremely important in selecting and patronizing a foodstore. Whether a store was located within walking distance was ranked about midway down the list of 55 items by inner city homemakers (table 5). Among homemakers living in the outer city, that item was ranked in the lowest quartile. Thus, while accessibility of a store was far from the most important characteristic for area A homemakers; it was considerably more important than among area B residents. In addition, among inner city homemakers who patronized an independent store for most food purchases, the importance of walking accessibility ranked quite high--17th among 55 items. Close to three-fourths of these homemakers did most of their food shopping in a store that was accessible on foot. Accessibility by bus was ranked in the lowest quartile by homemakers in both groups.

The same 55 store characteristics were used to determine the relative extent to which primary foodstores were providing each of the characteristics representing the store patronage profile of homemakers. More than 80 percent of area A residents claimed that their primary foodstore was accessible by bus compared with 50 percent among residents of area B (table 6). And yet only 2.5 percent of the inner city residents and none of the higher income area residents actually used this mode of transportation.

Buying behavior patterns of area A residents and their area B counterparts were influenced by the convenience of store location, cleanliness and neatness of stores, quality of products, and values received for their money. Area B

residents, however, tended to stress attractiveness of stores and availability of purchasing alternatives more than area A residents.

The main reason for shopping at a primary foodstore located within one-half mile of the homemaker's residence was convenience, irrespective of the type of store, family income level, or income area. "Convenience" as a reason for shopping in the primary foodstore was mentioned less frequently for more distant foodstores.

Other than convenience, the most frequently mentioned reasons for shopping in chain supermarkets in both areas were quality, varied assortment of food, and low price. The frequent mention of "service" attributes among area B homemakers whose primary foodstore was a chain reflected their valuing the cleanliness and spaciousness of the stores as well as the adequacy of parking facilities.

Strong mention by inner city residents of "services" and "personnel" as reasons for shopping in voluntaries or independents reflected their valuing the availability of delivery and check cashing services and the friendliness of store personnel.

AVAILABILITY OF FOODSTORES

Three measures were used to compare availability of stores between areas: Number of stores per square mile, per 100,000 residents, and per \$1 million of household income.

There were many more foodstores of all types per square mile in area A than in area B (table 8). Also, area A had many more foodstores in total and of most types per 100,000 residents. Only when measured in terms of the number of stores per \$1 million of available household income did the relative incidence of stores appear to be more balanced. While area A showed greater incidence on the basis of household income--in total and among grocery stores with and without fresh meats, delicatessens, meat and fish markets, fruit and vegetable stores, candy, nut, and confectionery stores, bakery stores, and egg and poultry stores--area B showed only about the same incidence of dairy stores.

The incidence of grocery stores with fresh meats was observed across the three basic store types--chains (typically supermarkets), voluntary or cooperative stores, and independents. The inner city had a higher incidence of all three types of stores per square mile. By population, there were many more inner city independents, a fairly even incidence of voluntaries or cooperatives, but a significantly lower incidence of chain outlets. Using the third measure of incidence--number per \$1 million of household income--the inner city had relatively more voluntaries or cooperatives and independents but about the same incidence of chains as area B.

While there was little evidence of a dearth of foodstores of any particular type in the inner city, residents perceived that there was a more limited assortment of stores available to them than to area B residents.

Area A residents indicated a smaller number of different types of food-stores that were "easy to get to" than area B residents. When shown a list of eight different types of stores, a median of three types of stores was indicated by area A residents, compared with six for area B residents. 3/ It was most significant that while the median number of available types of stores was the same for low, medium, and high income households in area A, the median number of store types mentioned by low income homemakers in area B was two, compared with six and seven for the area's medium and high income homemakers. These findings suggest that in both areas, low income homemakers--who usually are associated with some transportation immobility--tended to feel there was an insufficiency of available types of stores, but so also did most inner city homemakers, regardless of income. Two explanations for this are possible. First, the location of stores in the inner city area may actually have been such as to render certain types of foodstores inaccessible, and thus inconvenient for some residents. Second, there may have been differences in how some inner city residents perceived the convenience of physically accessible foodstores.

With respect to the first possibility, it was noted that many of the chainstores were located around the periphery of the inner city area. Therefore, many residents of the low income area may have had only one chain food market located within 2 miles of their homes. With respect to the second possibility, other studies have suggested that the concept "convenient" may be regarded differently among different groups of residents. One study suggested that among some residents who live in the heart of the inner city, the term "convenient" may apply to only those stores located within 1 block of the home. Among residents who live further away from the heart of the inner city, "convenient" may apply to stores located within 3 or 4 blocks. Among residents of suburban areas, the term "convenient" may refer to stores located within several miles. 4/ Thus, it appears that convenience may be a function of available transportation and also a function of psychological distance perceptions. Based upon the limited evidence produced in the present study, both functions apparently governed responses of homemakers to the questions about convenience of foodstores.

FOODSTORE FACILITIES

The median number of square feet of selling space was about the same in both income areas by type of store--chains, voluntaries or cooperatives, and independents. However, the mean number of square feet of selling space differed by income area. The means for inner city stores were about 8 percent less for chains, 14 percent less for voluntaries or cooperatives, and 45 percent less for independents than for their area B counterparts. Differences

3/ The 8 types of stores included grocery stores with and without fresh meat; meat and fish, and fruit and vegetable markets; candy stores; dairy products stores; bakery products stores; egg and poultry dealers; delicatessen stores; and all other foodstores.

4/ For discussion of subjective distance, see Donald L. Thompson, New Concept: Subjective Distance of Store Impressions Affect Estimates of Travel Time, Jour. Retailing, vol. 39 (Spring 1963): 1-6.

were accounted for by the absence in area A of especially large stores of each of the three store types. Most of the apparent difference between the average size of store in the two income areas was due to the preponderance of small independent stores which populated the inner city.

To obtain a more objective appraisal of various store characteristics, selected store attributes were evaluated by having observers appraise a sample of stores in both income areas. Other characteristics were evaluated by conducting personal interviews with owners and managers among the same sample of stores but in a completely different field operation. The independent observations of facilities and services may be summarized as follows.

Buildings which housed one in three inner city stores were observed to be dilapidated and rundown, with dirty exteriors. This included 40 percent of the independent stores in that area. About 12 percent of the stores in the outer city were observed to be similarly rundown, including 20 percent of that area's independent stores. The general appearance of store interiors was somewhat better, although most of the untidy interiors were found in independent stores in both income areas.

The meat departments in 9 in 10 stores were observed to be clean. Only among some independents were less than clean conditions noted, and of these, most were located in the low income area. Observers noted virtually the same profile with respect to the arrangement of meat in display cases. Some 13 percent of area A and 9 percent of area B stores were observed to have meat displays which appeared jumbled and thrown together.

Virtually all chain and voluntary stores in both areas appeared to maintain clean fresh fruit and vegetable departments, but some discrepancies were found among independents. About one in four low income area independents had relatively unclean and untidy fresh fruit and vegetable departments. Although most stores kept fresh fruits and vegetables separated and well displayed, a few inner city stores--of all three types--displayed items that were mixed up. Some 10 percent of the inner city chains and voluntaries and 18 percent of the independents had jumbled produce departments, compared with 3 percent of the area B voluntaries and 22 percent of that area's independents. None of the area B chains were observed to have untidy produce departments.

Very few stores in either income area had store directories. About one in four stores had aisle signs. In the outer city, aisle signs were observed in 53 percent of the stores. The deficiency in the low income area was contributed to, for the most part, by independents; only 2 percent of these had aisle signs. To a lesser extent, voluntary stores were a cause of the deficiency, with 37 percent having aisle signs.

All chainstores in both income areas had shelf prices; they were observed in only about one in 10 independents. Among voluntaries, about six in 10 area A stores had shelf prices, compared with only three in 10 area B voluntary stores. Chain and voluntary stores in both income areas marked prices clearly on canned and packaged products, but only about three-fourths of the independents marked individual canned and packaged products. There were no differences between areas in this tendency.

In the main, chain and voluntary stores in both income areas maintained well stocked shelves. Shelves of 20 to 25 percent of inner city independents were found sparsely stocked. Observers noted whether coffee, canned peas, and frozen food were stocked, as well as products in meat and product departments.

FOODSTORE SERVICES

Virtually all chain and voluntary stores accepted food stamps and provided check cashing, package delivery to cars, air conditioning, packers at checkout counters, shopping carts, and car loading space. Seventy to 80 percent of the independents provided check cashing services, but only 60 to 70 percent delivered packages to the car, provided air conditioning, had packers at checkout counters, provided shopping carts, and had car loading space. Fifty to 60 percent of the independents and voluntaries provided home delivery and offered credit, but no chains performed these customer services.

Chains performed the same assortment of services, irrespective of location, and voluntaries were almost as consistent. Among independents, several significant differences were noted. A larger proportion of area B independents provided check cashing, air conditioning, shopping carts, car loading space, and home delivery, while packers at checkout counters, credit, and acceptance of food stamps were slightly more prevalent among independents in area A.

Reasons given by independents and voluntaries for not offering various customer services basically stemmed from the small size of stores, small size of orders, unavailability of space, lack of peak business activity, and lack of perceived needs. These same reasons seemed to apply regardless of income area.

Two customer services most frequently offered by independents and voluntaries but not by chains--home delivery and credit--were typically provided without charge, but credit was usually offered only to "old," regular, or preferred customers. This pattern appeared to persist regardless of income area. These services were not offered by chains, largely because of the high cost involved.

Although most stores cashed checks, policies differed between chains and other types of stores. Both independents and voluntary stores typically offered check cashing privileges only to persons known by management and to regular customers. Chainstores usually had established check cashing policies which applied to all stores in the chain. Some would cash checks in the amount of the purchase. Others would cash no personal checks but would honor payroll and government checks. Despite differences in policies among types of stores, there appeared to be no significant differences between income areas.

All chainstores operated on a 6-day week, being closed Sundays. Over half the voluntaries and independents in area A remained open 7 days a week, but only 29 percent of the voluntaries and 39 percent of the independents in area B maintained Sunday hours.

For the most part, stores opened for business between 7 a.m. and 9 a.m., with independents and voluntaries more likely to open at 7 or 8 a.m. Closing hours were more varied. Although most stores closed at 5 or 6 p.m., some independents closed as early as 3 p.m. and others remained open as late as midnight or 1 a.m. Sunday hours varied more widely, with some stores maintaining shorter Sunday hours, while others appeared to maintain the same long-hour operations as they did during weekdays.

Two significant patterns in business hours were observed among types of stores and between income areas. First, voluntaries tended to maintain longer hours than chains, but independents tended to maintain longer hours than voluntaries. Second, voluntaries located in area A tended to have longer hours than those in area B. This same pattern was even more pronounced among independents. Chainstores, however, maintained the same hours regardless of location.

Homemakers in both income areas indicated their interest in patronizing foodstores which had personnel who treated customers fairly, who were friendly, and who made customers feel at ease. They were interested in stores which had products attractively displayed and prices marked. They wanted stores which were kept clean, were well stocked, had no long waits at the checkout counter, had someone to weigh produce, had aisle signs, and maintained suitable store hours. These store attributes were rated in the top third of a list of 55 store characteristics.

Of somewhat lesser importance were such attributes as wide aisles, attractiveness of the store and merchandise, space for customers to load groceries in cars, and off-street parking. These attributes were rated by homemakers in the middle third of all items rated. Of less importance were air conditioning, prepackaged products, delivery service, food directory, check cashing, sale of money orders, and extension of credit.

Inner city homemakers were relatively more interested in patronizing stores which made them feel at home, maintained suitable hours of operation, had wide aisles, and presented merchandise, especially meat, so that products could be inspected; however, in the main, homemakers wanted about the same array of facilities and services, regardless of income or area of residence (table 5).

With few exceptions, about the same proportion of area A homemakers indicated that their primary foodstore possessed the store attributes designated most important as homemakers residing in area B. Differences between areas seemed to reflect the more crowded conditions and more personalized services of some inner city stores (table 7). Among the attributes rated among the lower two-thirds in importance were more crowded conditions, lack of parking and loading space, and lack of adequate check cashing services in inner city stores. The somewhat higher proportion of inner city homemakers who indicated that their primary store provided money orders and credit services suggested that at least some inner city stores were attempting to respond to the special needs of residents.

Inner city homemakers seemed to want about the same types of facility and service attributes, regardless of their household income. Perhaps the

most noticeable difference among respondents in the three income groups was that fewer high income homemakers living in area A seemed to feel their primary store had the array of facility and service attributes for which ratings were obtained. This appeared to be an across-the-board feeling and was not especially focused on any particular type of facility or service, although there was a hint that they may have been somewhat more sensitive to shelf stocks and long waits at checkout counters than other homemakers. Although these ratings applied to stores which were used for major food purchases, and while some of these stores may have been located outside area A, higher income homemakers living there may have been more responsive to these store characteristics than their lower income neighbors.

Most homemakers in both income areas whose primary store was a chain seemed to feel that it had the most important store characteristics. Chains fell short only in terms of hours of operation and long waits at checkout counters. Those who shopped primarily in voluntaries were similarly pleased and were even less critical of hours of operation and long waits at checkout counters. Fewer inner city homemakers who spent most food money in independents felt that independents possessed the most important characteristics. Deficiencies reflected relatively poorer condition of stocks, more crowded conditions, and lack of parking and loading space.

FOODSTORE OPERATIONS

General Characteristics

In earlier sections, it was noted that differences in retail food systems existed between the two income areas. Many of these aggregate discrepancies resulted from a substantially different profile of stores by store type, rather than serious differences among stores of the same type. Nevertheless, several differences were apparent. First, although the median size of store was similar between the two areas by type of store, there were few especially large stores of any given type in the inner city. Second, about the same proportion of chains in both income areas had been in operation for 10 years or longer. Although no new voluntaries among the stores sampled had opened in the inner city within the past 10 years, several had opened in area B. About the same percentage of independents had appeared in both areas during this period. Third, about 40 percent of area A independent stores were in rundown buildings compared to 20 percent in area B. Fourth, about one-fourth of inner city independent stores and less than 10 percent of area B independents were sparsely stocked with merchandise. Fifth, inner city independents tended to carry more restricted inventories in breadth and depth of stock than area B independents. Sixth, although most chains and voluntaries in both areas were substantial users of advertising and promotion, about seven in 10 inner city independents claimed to have used no paid advertising during a specified 30 days, compared with half the area B independents. Seventh, although there were only minor differences in market basket prices among chains and voluntaries between the two income areas, the highest market basket prices were found among inner city independents.

Results of the retailer survey indicated that median annual sales volume of inner city chains was about \$1.8 million, or about 20 percent less than the \$2.25 million generated by area B chains. Volume among inner city voluntaries also ran about 20 percent less, or \$551,000, compared with \$691,000 per year in area B. Although there was less difference in sales volume between the two groups of independents--about 13 percent more in area B--some 62 percent of inner city independents had annual sales volumes of less than \$100,000.

Sales in all foodstores in the inner city were estimated at \$86 million, while sales in area B were estimated at \$820 million. Comparing the "capture" rate of stores in their respective income areas, it appeared that inner city stores captured only about 78 percent of the available market while area B stores captured 103 percent. These estimates, although crude, reflect retail sales lost by inner city stores to competing stores in area B because of their apparent greater attraction.

Inventory Dimensions

Chainstores in both areas carried about 7,500 items per store. Inner city independents appeared to carry slightly narrower merchandise lines than their area B counterparts--about 1,400 versus 1,600 items. Inner city voluntaries, on the other hand, seemed to carry slightly broader product assortments than voluntaries in area B--4,100 versus 3,700 items. When translated into dollar value of inventory carried, no important differences were detected between areas by type of store. The median value of merchandise stocks for chains was a little over \$90,000, for voluntaries about \$25,000, and for independents a little less than \$5,000.

The differential in sales volume but similarity in size of inventories thus means that stores located in the two areas experienced a differential in stock turns (turnovers). Expressed another way, area B stores were yielding a higher dollar return per inventory dollar. It should be noted, however, that stock turn performance was based on data derived from estimates of annual sales volume and average inventory rather than from direct questions involving stock turn.

Retailers were asked to indicate whether they thought their profit margin was above, about the same, or below average compared with other similar stores in the Cleveland area. Only about 5 percent of respondents judged their profit performance to be above average and 20 to 27 percent felt their performance was below average; however, there was no perceptible difference in responses between the two income areas.

Availability of Personnel

Some chains claimed to have difficulty obtaining adequate help in inner city stores. One-third of the inner city chains claimed to have such difficulty, compared with only about 10 percent of those in area B. Although close to 40 percent of the voluntaries and 25 percent of the independents claimed to have similar difficulty obtaining adequate help, discrepancies between the two income areas were less severe than among chains. Thus, both voluntaries and

independents apparently had difficulty getting help but the difficulty was not restricted to the inner city.

While chains gave a variety of reasons for their difficulties, both voluntaries and independents attributed difficulties to long hours and inability to pay sufficient wages to attract adequate store personnel. This position seemed to be borne out by the fact that many chainstore managers felt they had no difficulty acquiring adequate help because they could provide good working conditions and high pay. Many of the voluntaries and independents who appeared to have little difficulty relied on family members and longtime employees. A significant proportion of managers in all three groups also stated that employment conditions in the Cleveland area were such that many persons needed jobs and were willing to work in retailing. Many added that this soft employment situation was a fairly recent phenomenon and was not the case a few years earlier.

Claims of difficulties or lack of difficulties in getting and maintaining an adequate staff of store personnel were supported and at least partially explained by the relative wage scales paid. Because the chains were unionized, wages were set by negotiation and depended on experience and specific job qualifications.

Number of Suppliers and Services Provided

Another potential source of variation in operations between stores in the low and higher income areas might have stemmed from different supplier profiles. But such was not the case. Although differences were found in supplier profiles between income areas and among the three types of retailers, only nominal differences were found between retailers of each type located in the two income areas.

Most merchandise supplied to corporate chainstores was drawn from the local branch warehouse, but independent wholesalers generally supplied bread, dairy, crackers and cookies, soft drinks and beer, and selected nonfood items. The number of independent suppliers ranged from 20 to 40, but differences were not associated with income area. The range in number of suppliers used by voluntaries tended to be greater and reflected store size more than income area location. Typically, the voluntary organization negotiated with various suppliers to supply their stores at predetermined price structures. However, within this framework, the individual store manager generally had some latitude in number and specific suppliers he chose to use. Although there were some differences in number of suppliers used by independent stores according to location, these tended to reflect size of store more than location.

Chains purchased 80 percent or more of their merchandise from the branch warehouse and used 20 to 40 independent suppliers to provide the remaining 15 to 20 percent of their merchandise requirements. This pattern did not differ between income areas. At first glance, it appeared that area A voluntaries had a more concentrated supplier profile than area B stores. This tendency, however, appeared to result more from the heterogeneous size profile of area B stores than from other factors relating directly to location. Although some evidence suggested that independent grocers in area A may have had a more

dispersed purchasing pattern, the evidence was refuted by the number of area A retailers who found it difficult to comment on this question.

Seldom did the most important supplier provide special services to independent grocers; however, some suppliers provided promotional and advertising materials to voluntary stores. Chainstores were in a somewhat different situation because the corporate chain organization provided all promotional and merchandising services as well as serving as the dominant supplier of merchandise. That this basic pattern differed little between income areas was important.

Virtually all suppliers, regardless of type of store or area, provided delivery services, although half the independents and about the same proportion of voluntaries claimed that a few suppliers charged for delivery. Differences in charging patterns by suppliers among stores in the respective income areas seemed to reflect the larger number of small independent stores in area A more than any discrimination resulting from area of location. Deliveries to chainstores were made without charge.

A few suppliers required cash on delivery, mainly beer and wine distributors. Ohio law requires that beer and wine be paid for in cash on delivery at all points. About half the independents and voluntaries were required to pay cash on delivery for other supplies. This practice seemed to stem from supplier's trepidation about credit ratings of retailers, although the study did not develop explicit evidence on this point. What was important was that stores in lower income areas appeared more likely to be required to pay cash on delivery--but whether this practice resulted from location or size and credit ratings of particular stores was not determined.

Some 65 percent of the voluntaries, 39 percent of the chains, and 36 percent of the independents expressed their opinion that services provided by suppliers could be improved. Of those who expressed their concern with improvement in services, independents appeared most interested in prompt deliveries. Few chains expressed concern about improved services by suppliers. This probably resulted from the concentration of "purchases" from the branch warehouse and the attendant handling of all store services by the headquarters office.

Spoilage, Pilferage, and Vandalism

Another area of analysis was an evaluation of losses due to damaged or lost shopping carts, spoilage, pilferage, and vandalism. The underlying hypothesis was that such losses may have been more severe among low income area stores, hence may have accounted for higher prices and deterred some owners and managers from continuing operations.

Two factors somewhat clouded this analysis. First, no retail stores maintained detailed accounting records for various losses of this type. Chainstores maintained some information on "disappearance" but little effort was made to quantify the various components of this term. There seemed to be a feeling that except for unusual situations, the added cost of maintaining such records would be more than the benefits accrued. Second, few retailers

appeared to have a sufficient grasp of the dimensions of the problem to provide very close estimates on such losses. The problem was especially prevalent among owners of relatively small independents. This is not to say it was not serious nor that retailers were not concerned. Many small independents had been especially hard hit because such losses directly affected already meager returns. Even the slightly larger voluntaries and the much larger chainstores regarded such losses as related to a reduction in profits more than as a fairly small percentage of gross returns. The problem appeared to be critical and most retailers seemed to feel it was growing worse.

Half the independents did not provide an estimate of loss due to spoilage. This may have been because many handled only prepackaged items or because they were unable to estimate such losses. However, of those independents who ventured an estimate, the average loss amounted to about \$43 during the month then past. About the same proportion of voluntary store managers provided quantified estimates and these ran substantially higher--about \$98 during the month past. Close to 60 percent of the chainstore respondents offered estimates, which averaged \$300 per store. Although there were apparent differences by income areas, these appeared to be related more to relative volume levels of paired groups of stores and the extent to which fresh meats, fruits, and vegetables were carried more than to differences in spoilage rates between areas.

Many respondents also found it difficult to provide quantitative estimates of losses due to pilferage during the month past. Estimates given by respondents who felt that they could provide dollar estimates showed significant differences between stores in the two income areas. Average loss by area A independents was about 45 percent higher than average loss incurred by those in area B. Among voluntaries, area A stores had about 9 percent higher losses. Chains operating in area A were particularly hard hit; their losses were about three times those experienced by area B chains. Even if adjustments were made to compensate for differences in average sales volume, significant differences would still remain. Discrepancies in pilferage rates were supported by the fact that 58 percent of area A chains felt that their losses were above average, versus only 5 percent for area B chains. Similarly, 19 percent of area A independents felt that their losses were above average for all stores in the Cleveland area, compared with only 2 percent in area B.

Half of all stores had experienced acts of vandalism during the preceding year. Vandalism was reported by six in 10 area A stores and four in 10 area B stores. Chain, voluntary, and independent stores in area B fared about equally in experiencing vandalism. Although a high proportion of all three types of stores in area A reported acts of vandalism, chainstores were especially hard hit.

Average dollar losses in inner city stores were three to five times as much as in area B. Although estimates of vandalism were expressed in absolute dollars, losses expressed as a percentage of sales would have been substantially higher for stores located in the inner city area. About one-third of the area A respondents representing all three types of stores perceived their losses as above average for all stores in the Cleveland area. An additional 15 to 24 percent of area A respondents were unable to estimate whether their losses were above, below, or about average for the Cleveland area.

About two-thirds of the stores in both areas reported on losses from damaged or lost shopping carts during the past year. Those who did not report on such losses were all independent stores which did not appear to provide shopping carts. Of those who reported some information, two out of three reported some loss. The average loss for area A stores ran about 70 percent higher than for area B stores. Expressed in dollar losses, area A chains had an average loss of about \$2,500 per store, compared with only \$665 for chains in area B. Area A independents estimated their losses at \$343 per store, compared with only \$26 for independents in area B.

Adding the losses together for damaged or lost shopping carts, pilferage, and vandalism, the average annual loss was about \$2,100 for all Cleveland area stores. In area A, chainstores lost over \$10,000, voluntaries lost slightly less than \$5,000, and independents loss more than \$1,500 per year.

Expressed in relative terms, area A chainstores experienced an average loss four times that of area B chainstores; area A independents, an average loss twice that of the area B independents; and area A voluntaries, an average loss $1\frac{1}{2}$ times that of their area B counterparts.

Accounting Statistics

In the on-site survey for the 22 stores for which accounting data were obtained, except for independent stores, all stores in area A were rated clean, neat, and well arranged, and provided clearly priced merchandise. A further appraisal of independent stores suggested that deficiencies noted were not dramatic.

Cost of Goods Sold.--In both areas, chainstores tended to have a lower cost of goods sold, expressed as a percentage of net sales, than voluntaries and independent stores, but many variations from this general pattern were evident. The pattern results from the relative differences in buying power of the three types of stores.

Although there was 1 percentage point difference in cost of goods sold between low and higher income area chains, the difference was accounted for almost entirely by the relatively poor performance of one area B store. With this single exception, cost of goods sold between pairs of chainstores was virtually the same.

Clear-cut conclusions could not be drawn from the sample of voluntary stores, especially the sample of area B stores. There appeared to be some evidence, however, to suggest that the cost of goods sold was slightly higher among area A voluntary stores than among area B stores. The difference seemed to be largely attributable to differences in the operation of particular retailer organizations rather than to differences in area location, but these factors may be interrelated.

The average cost of goods sold for area A independents was influenced strongly by one store whose cost of goods sold was 88.9 percent of net sales. This store was located in an especially poor area and the owner expressed in

very strong terms the growing difficulty of maintaining an acceptable operation. Despite the influence of this one store, the data pointed to the shrinking margins within which independent stores must operate.

The apparently favorable position of area B independent stores was influenced by two stores whose cost of goods sold was well below 80 percent. They were located in well-to-do neighborhoods which permitted them to carry high-quality lines of merchandise and to charge somewhat higher prices than other stores in the same area. Excluding the three unusual independent stores, the cost of goods sold in area A was about 1 percentage point higher than that for independents in area B.

Profits (Return to Owners).--Profit cannot be used as the sole measure of return to owners in an analysis which includes small independent retailers because of varying practices these retailers follow in handling salary and profit accounts. In some cases, wages recorded as going to employees may have been paid to family members and thus would represent part of the effective returns to owners. By using several different measures of return to owners and managers, some insight into the relative attractiveness of operating different types of stores in each area was obtained.

At first, it appeared that chainstores in area A were significantly more profitable than those in area B. The average profit performance of both groups was influenced sharply, however, by the unprofitable operations of one store in each income area. Of these, the store with higher losses was in area B. Discounting the effects of the two unprofitable stores, the average profit was 3.2 percent for area A chainstores and 3.4 percent for their counterparts in area B. Although not of major importance in this particular analysis, differences between higher and low income area chainstores remained nominal even when all wages and salaries were added to profits (to make chains comparable with independents, where wages to family members are part of returns to owners).

Using profit as a single measure of return, the two voluntary stores in area B were significantly more profitable than the four voluntaries in area A, although the area A stores had slightly higher average sales volumes.

Owners of independent stores in area B received about \$14,000 per year return, including both profit and salaries. Those in area A received less than \$13,000. In some instances, these returns may have been shared with more than one participant entrepreneur. Nevertheless, the data point to the severe plight of many small grocers who are caught between higher cost of goods sold and the necessity of taking enough out of the business to support their families, and who are unable to build their volume high enough to generate a satisfactory dollar return. It must be understood that the independent stores used in the profit analysis had annual sales of over \$100,000. Although none of the smaller stores checked had a sufficiently good set of books to include in the analysis, it was evident that many of Cleveland's independent retailers had returns from food merchandising that were quite modest--perhaps not much higher than the poverty level. The retailer survey showed quite clearly that many of these very small independent food stores were in the low income area, area A.

Expenses.--Except for inner city independents, total expenses for the other types of stores in both areas ranged from about 16 to 19 percent of net sales. In contrast to the performance of these stores, total expenses for independents operating in the low income area averaged only 7.1 percent. The performance of the five independents that constituted this group ranged from 10.9 to 4.4 percent. The highest expense percentage among this group of stores was lower than that for any of the other 17 stores from which data were obtained.

Because two voluntary stores in area A presented only one consolidated category for all wages and salaries, it was impossible to obtain a clear picture of relative performance based on the total of profit and owners' or managers' salaries. But, even when based on performance of two stores in each income category, available evidence continued to support the better performance of area B voluntary stores. When all salaries and wages were added to profits, relative performance remained unchanged.

A review of the summary data suggested that profits among area A independents were substantially higher than among those in area B. However, this situation resulted from the accounting practice followed by all five area A storeowners of deriving their total return from the business in the form of profits rather than paying themselves a salary and reporting it separately. When salaries were added to profits, the apparently favorable performance of area A independent stores virtually disappeared.

Perhaps the most significant finding regarding returns to independents was that, despite the slightly better percentage yield from area A independents compared with area B independents, the absolute take-home return expressed in dollars (profits plus owners' salaries) was less. In fact, the independent stores sampled in area A averaged about 11 percent less than their area B counterparts.

Store rentals tended to run somewhat lower among area A stores, but this finding was not clear-cut. Two of the five area A independents paid no rent because the retailers owned the space; one area B voluntary paid an exceptionally low rental rate (0.1 percent) which was atypical; and one area B chain showed an inordinately high rental rate which reflected its low sales performance and concomitant loss in revenue.

A review of other fixed expenses failed to reveal any clear pattern on an item-by-item analysis; however, when viewed in the aggregate, area A stores tended to exhibit a lower rate for these fixed expense items.

HOMEMAKERS' VIEWS AND STUDY OBSERVATIONS OF MERCHANDISING PRACTICES

Product Quality

Homemakers considered the quality of products carried by foodstores to be very important in selection and patronage of a store. Ratings on importance of carrying graded beef and top quality fresh fruits and vegetables ranked among the top eight of 55 items rated. While no significant overall difference

existed in the ratings of relative importance among income groups, middle and higher income homemakers in area A seemed more concerned about quality of products than lower income homemakers in the same area. Except for graded beef, the importance of quality among income groups was the same for area B homemakers.

Most homemakers seemed to feel that their primary foodstore provided top quality meat and fresh vegetables and fruit. Moreover, the feeling seemed to persist, irrespective of area of residence, household income, or type of store patronized.

Product Assortments

Except for ratings relating to availability of nonfood items, the ranking order of items involving merchandise assortments tended to cluster among the top third of all characteristics rated. Thus, data indicated the importance placed on product assortments among all store characteristics by homemakers in both income areas. This was not affected by income or type of store shopped.

Within this overall framework, several observations were made. First, the importance of a store carrying broad product assortments tended to be higher among lower income homemakers living in the inner city than among higher income homemakers living in the same area. Second, the importance of a store carrying nonfood products seemed to be low, regardless of area of residence, household income, or type of store in which most shopping was done.

No significant overall discrepant pattern existed between homemakers in the two income areas or among household income groups on the extent to which the primary store carried all of the different kinds of products, meats, fresh fruits, and fresh vegetables homemakers looked for. Some discrepancies emerged when data were analyzed by type of primary store. Quite consistently, area A homemakers whose primary foodstore was an independent found product assortments inadequate. If the selection of stores was made in view of other feasible alternatives, such as chains or voluntaries or cooperatives, then some trade-off process operated to render independents the best choice despite certain inadequacies. However, if the selection of stores was made under condition of uncontrollable constraints, such as immobility, then these homemakers may have been truly constrained from shopping in stores more suitable to their needs or preferences.

To obtain a more detailed profile of possible assortment deficiencies, homemakers were asked whether the foodstore in which most money was spent "carries enough variety" of several different product lines. Except for meats, some nine in 10 homemakers in both income areas indicated that their primary store carried enough varieties of the eight product lines asked about. Although meat assortments were regarded as less than satisfactory by a larger proportion of homemakers in both income areas than the other product lines, the discrepancy was slightly more pronounced among higher income homemakers in area B. Meat items cited as missing included calves' liver, sweetbreads, old-fashioned sausage, fresh turkey, and fresh duck. Thus, it appeared that perceived deficiency of meat departments may have been due as much to broadly

based homemaker preferences as to any marked deficiencies in stores located in a particular area or of a particular type.

Size and Variety Purchasing Alternatives

Whether a store had many or few product sizes from which to choose appeared not to be of major importance in the selection of foodstores by homemakers of either income area. Whether a store carried the "right number of product sizes" appeared to concern low income homemakers living in area B. While somewhat fewer inner city homemakers seemed to feel that size assortments were adequate in their primary foodstores than did those in area B, this perceived deficiency was more pronounced among the higher income homemakers living in the inner city.

When data on product sizes were analyzed by type of store patronized most often, several significant observations were noted. First, about 93 percent of the homemakers in each income area who patronized chains perceived their primary store as carrying many different product sizes from which to choose. A slightly higher proportion of homemakers who patronized chains, also in both areas, felt that their primary store carried about the right number of product sizes. Second, the proportion of homemakers in the low income area who held this feeling dropped off markedly, according to whether the respondents did most of their shopping in chains (93 percent), in voluntaries or cooperatives (78 percent), or in independents (57 percent). This same decline also was found in regard to whether the primary store carried the right number of product sizes. Third, similar opinion on relative deficiencies of voluntaries or cooperatives and independents was not found among higher income area homemakers, although data among area B homemakers who did most of their shopping in independents was so scanty that results were not statistically significant.

To develop an objective measure of merchandise assortments by sizes and varieties, information on the number of sizes and varieties of selected products including canned and packaged foods, fresh meat products, fresh fruits and vegetables, and health and beauty aids was obtained in the on-site survey. Results indicated that there were marked discrepancies in number of sizes and varieties of most products checked, but this discrepancy resulted largely from the predominance of independent groceries in the low income area.

A summary of observations for selected canned and packaged goods indicated that chains carried by far the broadest range of inventory and the breadth did not vary significantly between low and higher income area stores. Voluntaries or cooperatives had slightly less breadth in their inventories than chains. Further, there appeared to be some differences among voluntaries or cooperatives in the two income areas; area A stores carried somewhat more narrow lines than those in area B. In contrast, independents tended to stock only one or two brands. They also restricted their inventory to the more popular sizes and varieties that were in demand in their particular markets.

To appraise the range of meat products carried, the smallest and the largest sizes of prepackaged pork chops and ground chuck were observed as were the varieties of prepackaged cuts of chicken. A larger proportion of area A stores offered meat cut to order than stores in area B. Among chains

and voluntaries or cooperatives, this service was generally provided in addition to assortments of prepackaged meat and poultry. In contrast, most independents in both income areas cut meat and poultry to order only.

Although relatively few independent stores had prepackaged pork chops in stock, there was little difference by type of store or by income area with respect to either the smallest or largest size of prepackaged pork chops carried. Similar treatment was observed for ground chuck. Among stores which had prepackaged chicken on display, chains carried a broader inventory than voluntaries or cooperatives, and both carried a broader line than independents. Within this overall pattern, both chains and voluntaries or cooperatives in area A tended to carry fewer cuts than their area B counterparts, but area A independents tended to carry a wider line than area B independents. Some discrepancy in breadth of assortment between income areas may have reflected differences in demand. For example, a higher proportion of all types of area A stores carried whole chicken, quarters, legs, legs and thighs, wings, and backs.

Although chains carried a broader line of fresh fruits and vegetables than voluntaries or cooperatives and all three carried a broader line than independents, area A stores of a given type tended to carry a more limited line than area B stores. At the same time, there was clear indication that stores stocked items which their customers tended to purchase. For example, a higher proportion of all types of area B stores carried such items as cucumbers, corn, pears, radishes, cauliflower, mushrooms, broccoli, pineapple, asparagus, parsley, parsnips, green peppers, rhubarb, green onions, garlic, eggplant, coconut, beets, limes, endive, artichokes, and parsley roots. Area A stores, on the other hand, tended to stock such items as various varieties of greens and sweet potatoes to a greater extent than those in area B.

Virtually all chains and voluntaries or cooperatives and most independents stocked health and beauty items. There were no significant discrepancies between stores in the two income areas with respect to number of items carried or the proportion of stores which carried individual items.

Brand Assortments

Whether a foodstore carried many different brands, the right number of brands, nationally advertised brands, or house brands did not appear to be of major importance to most homemakers in their selection and patronage of foodstores. Importance ratings for brand-oriented store characteristics were ranked in the lower half of all items rated. A slightly higher proportion of area B homemakers appeared to feel that availability and selection of brand items were a bit more important than area A homemakers did, although there were no wide differences in opinions between areas.

No clear-cut pattern existed between income areas in regard to the proportion of homemakers who felt their primary foodstore had many different brands, the right number of brands, or nationally advertised brands of merchandise. There was a slight tendency, however, for higher income homemakers living in area A to feel their primary foodstore had limited brands available compared with other homemakers living in the same area. Discrepancies appeared,

however, when data were analyzed by type of primary store. Of those who patronized chains or voluntaries in either area, 90 to 100 percent seemed to feel their primary foodstore had an adequate assortment of brands. Only those who lived in area A and whose primary foodstore was an independent seemed to feel their store had an inadequate assortment of brands. Although only 63.3 percent of the homemakers in area A felt their primary independent carried many different product brands, some 80.0 percent felt the store carried the right number of brands for their needs. In other words, while more than half of area A homemakers who purchased most of their food in an independent were well aware of the more restricted assortments of merchandise available in their primary stores, only about 20 percent felt the brand assortment was inadequate for their particular needs.

The on-site appraisal of brand assortments showed that chains in both income areas tended to carry national and private brands of canned peas and frozen vegetables as well as other brands of these. Most carried both national packer and other brands of margarine but only about half carried private labels. This pattern was consistent between the two income areas. Most chains carried both national packer and private brands of coffee but a substantial proportion of area B chains also carried other labels.

Voluntary stores tended to follow this same brand-type profile except that few voluntaries carried private brands of coffee. Voluntaries tended to show the same brand profile in both income areas, except for coffee; area B stores tended to stock other brands of coffee to a greater extent. Except for coffee, independent stores tended to place less emphasis on national brands and to stock other brands instead. This pattern was consistent between income areas. Independents tended to stock only national packer brands of coffee, except for those in area B, where other brands were stocked in addition to national packer labels.

Observers also noted the variety of brands of headache remedies carried by sample stores. While chains and voluntaries carried comparable lines of such merchandise, both of which were larger than lines carried by independents, lines carried by area A chains and voluntaries appeared to be more restricted than those carried by their area B counterparts.

Advertising and Promotion

Most homemakers indicated that their primary foodstore conducted some form of advertising or promotion. Several noteworthy variations appeared among groups of homemakers, however, in awareness of use of promotional media by stores. About 10 percent fewer area A homemakers indicated that their primary store conducted one or more advertising and promotional activities than area B homemakers. Awareness of newspaper, television, and food circular advertising sponsored by the primary store was lower among low income homemakers in area A than among homemakers in other income groups in the same area. Awareness of radio advertising, on the other hand, was higher among these same area A low income homemakers than among higher income groups residing in the same area.

Virtually all area B homemakers were aware of newspaper advertising and about 46 percent were aware of radio advertising conducted by their primary store. These proportions were quite stable among the three income groups. At the same time, a larger proportion of the lower income homemakers living in area B were aware of television and promotional circulars used by their primary store. This was the reverse of the pattern found among low income area A homemakers.

Trading stamps or store shopping games were considered quite unimportant as a factor in the selection or patronage of a foodstore. These factors ranked among the lowest of the 55 items rated. Close to 6 in 10 homemakers in area A whose primary store was a chain indicated that their primary store gave stamps, compared with about 5 in 10 homemakers in area B. Of the homemakers who shopped most frequently in voluntaries or independents, 20 percent or fewer indicated that their primary store used either stamps or shopping games. No important discrepancies were noted between the two income areas on use of these forms of purchase incentives as perceived by homemakers.

A review of findings from the retailer survey indicated that few independent stores used any promotions during the 30 days preceding the survey. Most chains and a substantial proportion of voluntaries used cents-off coupons and home mailers and both types of stores also used right-to-buy offers. Only chains used trading stamps to any significant degree.

Some area A chainstores tended to use more--and independents to use fewer--promotions than their area B counterparts. Area A voluntaries tended to use more home mailers and fewer cents-off coupons than their area B counterparts. None of these differences was substantial, however. As might be expected, the most frequently used promotions were also regarded as the most effective.

Meat (including poultry and seafood), dairy products, and fresh fruits and vegetables were featured more often than other products by independents. Health and beauty aids and other nonfoods, and canned and frozen food items were seldom featured in reduced-price specials. Moreover, when such features were used, only one to three items were typically involved. Within this aggregate profile among the sample independents, there were also substantial differences between independents serving the two income areas. Item for item, the proportion of area A independents which featured particular items in reduced-price specials was about half that found among area B independents.

Chainstores frequently used reduced-price specials, especially on meat, poultry and seafood, dairy products, and fresh fruits and vegetables. In addition, health and beauty aids, other nonfood items, and frozen food were fairly heavily promoted in reduced-price specials. Unlike the pattern for independents, however, the pattern of reduced-price specials in chainstores ran about the same between areas. When such features were used, chains usually promoted four to six products in each department, while some of the more promotion-oriented chains featured 20 or more products in each department. Emphasis on reduced-price specials by voluntary stores tended to follow the pattern set by chains, except that a slightly smaller proportion of voluntaries offered reduced-price specials. A smaller proportion of area A voluntary stores used this form of promotion than their area B counterparts.

About three of four chains normally featured reduced-price specials all week long, while the remaining chains offered such specials from Wednesday through Saturday. This pattern was substantially the same in both income areas. Among both independents and voluntaries, there was greater reliance on weekend specials. Moreover, area A independents and voluntaries who used reduced-price specials tended to use the weekend special more heavily than area B stores.

There were no significant differences either among types of stores or between stores in the two income areas on time of month when reduced-price specials were featured. In the main, such specials were offered weekly rather than according to the weeks of the months.

Use of window displays by about one in three independents represented the only significant use of "paid advertising" by respondents in that group. About 7 in 10 area A independents and 5 in 10 area B independents claimed they used no form of paid advertising in the 30-day period before the survey. Virtually all chains used daily newspapers and a substantial proportion used mail circulars and radio. This widespread use of selected mass media stemmed more from corporate policies than from the choice of individual store managers. Voluntary stores relied heavily on window displays and handbills. Area A voluntaries apparently tended to rely more heavily on weekly newspapers, mail circulars, radio, and handbills than those in area B.

Overall, the major difference in store use of paid advertising between areas related to the relatively minor use of such advertising by area A independents.

Findings from the on-site survey indicated that more point-of-purchase materials were used by area B stores, but differences were due almost entirely to the effect of the much larger proportion of independent stores in area A. A comparison of point-of-purchase materials used by the chains indicated no difference between areas. A similar comparison between the two groups of voluntaries suggested there may be more use of point-of-purchase materials in area A stores than in area B stores. The situation was reversed among independents; area A independents tended to use fewer point-of-purchase materials than those in area B.

While the median number of point-of-purchase materials used differed significantly according to type of store, only among independent stores did significant differences exist between areas. Differences among independents appeared to reflect both the number of stores which did not conduct any promotional activities and the meager efforts by those who did.

As just shown, there were marked differences in promotional activities by type of store; however, there were only nominal differences by income area within each type of store. Essentially, all chains, about half the voluntaries, and only a few independents used promotion.

EFFECT OF TRANSPORTATION ON SHOPPING BEHAVIOR

The homemaker survey made it apparent that some homemakers in both income areas were disadvantaged with respect to transportation to their foodstore.

That is, some homemakers purchased their food requirements in other than "most preferred" foodstores because they could not travel to more desirable locations. Transportation constraints may have existed because a person was physically handicapped or did not have access to suitable transportation because of age, lack of money, or other reasons. While certain individuals may have been disadvantaged irrespective of income level, the problem was more widespread among low income families.

Of the 47.5 percent of area A homemakers and 6.2 percent of area B homemakers who used some mode of transportation other than an automobile to travel to their primary foodstore, it may be assumed that at least some found walking, taking a taxi, or riding a bus reasonably convenient. However, for many of these homemakers, transportation to purchase their food requirements was likely to be a problem. The proportion of residents who shopped in a less-than-preferred foodstore due to unavailability of suitable transportation could not be determined with certainty. Nevertheless, an analysis of distance of travel to primary store, mode of travel, and type of store patronized shed some light on this issue.

Although the median distance traveled by area A residents to reach their primary foodstore was only three-fourths of a mile, compared with about $1\frac{1}{2}$ miles for area B residents, about one in six area A residents traveled more than $2\frac{1}{2}$ miles to reach their primary foodstore, compared with less than one in 10 area B residents. In contrast, 17.3 percent of area A residents did most of their food shopping in a store less than one-quarter mile from their home, compared with only 2.5 percent for area B residents. Thus, it appears that while a significant proportion of inner city residents preferred and were able to shop some distance from their own neighborhoods, another significant proportion shopped at stores located within a few blocks of their homes. Further, more than a fourth of the inner city homemakers did some food shopping in the higher income area. However, only 7.0 percent of area B homemakers did any food shopping in stores located in the inner city. The tendency for area A homemakers to travel to area B for at least some of their food increased with the level of family income.

A review of the relationship of distance traveled by type of store patronized suggested that among inner city residents, the greater the distance traveled to the primary store, the more likely the homemaker was to shop mainly in a chain supermarket (table 3). Also, for any specified distance of travel up to 1 mile, the tendency to shop in a chain increased with the level of household income. This suggested that some inner city homemakers preferred and were able to travel some distance to shop in a larger chain-store or, conversely, other residents were constrained in their travel patterns and hence, had to shop in stores closer to their homes which may not have included a store of their choice.

As indicated in the section on shopping behavior, proportionately more homemakers who traveled by automobile in area A shopped in a chain compared with homemakers who walked to their primary store--71.3 percent versus 29.0 percent (table 4). Furthermore, the greater the distance traveled by automobile to the primary foodstore, the greater the tendency to shop in a chain. These relationships were not so sharp among homemakers in area B. Apparently transportation was not a problem, and they were more inclined to select a primary store and then find the means to travel to it.

Although the extent of disadvantage in transportation could not be precisely measured within the framework of the data developed, it was possible to establish some estimates based on given assumptions. First, if it is assumed that all homemakers who used modes of transportation other than an automobile and whose primary store was located more than one-quarter mile from their homes found it inconvenient to reach that store, then one-third of the inner city homemakers were disadvantaged. It was not determined to what extent the primary store was most preferred or if it was a compromise selection.

Second, if it is assumed that those who purchased most of their food needs at an independent grocery store did so because of transportation constraints rather than preference, then up to 15 percent of the inner city residents may have been constrained in their food shopping habits because of transportation problems. This finding should not be overinterpreted, because a few independents and a few voluntary foodstores were actually large supermarkets and may well have served as a primary foodstore.

Third, if it is assumed that the profile of stores selected by those who traveled more than 1 mile represented the preference patterns of all area A residents, then the patronage distribution of 74.6 percent chain supermarkets, 16.4 percent voluntaries, and 9.0 percent independents represented a preferred pattern. This pattern represented about the same distribution found among area B homemakers. If it is also assumed that the higher proportion of voluntaries and independents selected by inner city residents who traveled a shorter distance represents a compromise between distance and the availability of a preferred store, then about 20 percent of the inner city residents were disadvantaged in transportation.

The first estimate (that one-third were disadvantaged) probably is an overstatement of the dimensions of the transportation problem and the second (up to 15 percent) is probably an understatement. The third estimate (20 percent) appears to be the most reasonable estimate of the proportion of all inner city residents who were disadvantaged in transportation, although there is insufficient information to support it completely. The third estimate assumes that area A homemakers whose primary store was a voluntary or cooperative less than 1 mile away were disadvantaged, compared with other area A homemakers. In this instance, about 50,000 inner city residents appeared to be disadvantaged in transportation with respect to their food purchasing patterns.

FOOD PRICE COMPARISONS BY AREA AND TYPE OF STORE

In selecting a primary store, homemakers tended to place less emphasis on food prices than on quality of products, condition of store and merchandise, and facilities and services. About three in four area A homemakers reported that their primary foodstore charged prices for meat, fresh vegetables, and fresh fruits that were in line with prices charged by other stores. About 9 in 10 homemakers in area B held similar feelings about their primary store (table 6).

When asked to indicate whether their primary foodstore charged less for meat, fresh vegetables, and fresh fruits than other stores, homemakers differed markedly in their responses for each of these products. Whereas close to half of area A homemakers felt that their primary store's meat prices were

less than those in other stores, only 23.2 percent of area B homemakers shared that view. Feelings about meat prices varied significantly by income group within each income area.

Although satisfaction that their primary foodstore charged less for meat seemed to decline as household income increased among area A homemakers, the reverse occurred among area B homemakers. Low income homemakers in area B seemed less satisfied that their primary store charged lower prices for meat than they might be able to obtain elsewhere.

Homemakers' evaluations of fresh vegetable prices tended to follow quite closely the pattern of meat price evaluations, including the conflicting patterns among income groups in the two areas. About three-fourths of area A homemakers felt their primary foodstore charged lower prices for fresh fruit than other stores. This compared with about 9 in 10 among area B homemakers. Feelings did not vary with income in either income area.

About one-fourth of area A homemakers felt that prices for food--at least meat, fresh vegetables, and fresh fruits--in primary foodstores of all three types were not in line with those charged in other stores. Some 20 percent of area A homemakers who shopped in chains felt that prices were not in line for meat, vegetables, and fruits, compared with only 10 percent among the chainstore shoppers in area B. Some 30 percent of area A homemakers who shopped in voluntaries and close to 50 percent who shopped in independents felt that their primary store charged prices that were not in line with prices charged elsewhere. This variation by type of store did not persist to any marked degree among area B residents. However, data on area B homemakers whose primary store was an independent were so scanty that results cannot be used with confidence.

Thus, in reviewing the attitudes and opinions of homemakers, it was concluded that prices charged for selected items were not as important in selection and patronage of foodstores as quality of merchandise, condition of merchandise, and certain facilities and services offered.

In addition to consumer attitudes and opinions regarding food prices, a separate study was conducted to determine whether area A stores charge more for comparable food items than area B stores. Prices were collected for selected food items among a sample of 31 foodstores spanning both income areas (see Market Basket Survey in section entitled Procedure, p. 3).

Results of an analysis of prices on 16 items carried in 24 stores--four chain, four voluntary, and four large independents in each income area--indicated a slightly higher market basket price of about 2 percent in area A stores (table 9). Although this small difference was not statistically significant, an analysis of prices on 28 items carried in the same stores but under slightly relaxed price collection criteria gave substantially the same results (table 9). This loosening of criterion specifications provided a larger list of products which could be included in the analysis, but also permitted some variation in prices resulting from differences in pricing policies and practices with respect to the several brands covered in the analysis.

A third analysis, conducted on a market basket of 60 products in the same 24 stores and under still more relaxed price collection criteria, provided similar results. In this analysis, results were susceptible to some variation in prices because second and third choice brands were used when preferred brands were not in stock. This analysis also included sale prices when original prices could not be ascertained. It also included prices obtained in rechecks when such information was not part of the original field check. Under these most relaxed of pricing conditions, the difference between the average low and higher income area market basket was less than 2 percent (table 9). Further, the difference between the highest priced market basket of \$28.62, for area A independents, and the lowest priced market basket of \$26.75, for area A chains, was only \$1.87--or about 7 percent.

Because the smaller stores did not have many of the items that were included for pricing, a separate analysis was conducted to compare the market basket price in small area A independents to similar prices in larger independent, voluntary, and chainstores in the same area. Results indicated that small independent stores tended to charge more for products than chains, voluntaries, and larger independents. Differences were about 10 percent between small independents and chains.

It was concluded that area A residents who patronized area A stores may have paid slightly more for comparable food items than area B residents who patronized stores in area B. However, these differences were not statistically significant. Moreover, there appeared to be a significant discrepancy in the price of the market basket between small independent area A stores and other types of stores and larger independents located there. The food dollar of area A residents would go further if they shifted their primary food purchases from independents and voluntaries in that area to chainstores located in either income area.

FACTORS AFFECTING DIFFERENCES IN FOOD RETAILING SYSTEMS

Although discrepancies could be observed between low and higher income area retail foodstores when comparisons were made on the basis of aggregate data, patterns of discrepancy were clearer and could be better understood when attention was directed to subgroups of stores operating in both income areas. Further clarification was gained from considering the impact of other factors which affect low and higher income area stores differently.

Relative Influence of Independent Grocery Stores

An important portion of identified discrepancy in the aggregate profile of store characteristics may be attributed to the strong influence of many relatively small independent stores in the inner city. Indications were quite strong that many characteristics and some inadequacies also applied to independent stores in the higher income area. However, there were at least two crucial differences between areas.

First, while independent stores accounted for 80 percent of the stores and 32 percent of retail food sales in area A, they accounted for only 40 percent of the stores and 16 percent of sales in area B. Thus, the smaller size, lower sales volume, more restricted merchandise assortments, higher prices, and other characteristics of these stores contributed more heavily to the overall profile of all area A foodstores than stores of this type contributed to the overall profile of stores in area B.

Second, inner city independents were used by a significant proportion of inner city residents as the main source of food purchases. Thus, inadequacies of independent stores compared with offerings of the larger chain supermarkets were reflected in attitudes and opinions of homemakers, including negative feelings about prices, assortments, and services. In contrast, few area B independents were used as the main source of food purchases by that area's residents. Instead, they were used for purchases, including both convenience and luxury items, which tended to complement purchases in chain supermarkets. Area B residents appeared more willing to pay and to accept slight price differentials for this convenience.

Operating Patterns of Independent Grocery Stores

The operating data survey indicated that area A independents were having a substantial struggle and owners were working long hours to earn a meager living from their store operations. They were aware of the necessity of keeping retail prices as low as possible. At the same time, they were trying to keep expenses to a bare minimum so as to generate enough return to provide themselves and their families with a modest living. All area A independent store owners complained of the high prices they must pay for their merchandise but recognized that these prices were the penalty for their purchases being small compared with those of the larger chains and voluntaries.

Median sales volume of inner city independent stores as shown in the operating data survey was only about \$81,000. Thus, assuming the combined percentage of wages for owners and managers and profits before taxes was about 13 percent, as was found among area A independents, about half of these inner city independents generated \$10,000 or less in returns per year. Consequently, the higher prices that may have been charged by area A independents stemmed largely from the necessity of generating some modest return after purchasing their merchandise and meeting expenses. Although this may not have applied to all independents in the low income area, it appeared applicable to at least half of these stores.

It is ironic that a portion of available financing for small business in low income areas appeared to be used more to help marginal operations stay in business than to help encourage new vitality in the food retailing community. It is also ironic that any major structural change that may be effected in the food retailing system serving the low income area would very likely force many of these small marginal operations out of business. At the same time, any recommendations that are seriously considered for improving the food retailing system must face the issue of whether the major objectives are to be economic or social as related to the present population of inner city stores.

Operating Patterns of Chainstores

Although much criticism of the area A food retailing system has been focused on alleged unfair practices of chains, little was uncovered in this study to support these allegations.

Discussions with representatives of chain organizations showed that these organizations attempted to have all stores meet sales and profit objectives regardless of the area in which they were located. The analysis of operating data for chainstores tended to support this contention. Furthermore, results of the market basket study indicated clearly that prices in low and higher income area chainstores tended to be comparable. In short, there was no evidence to support the charge that chainstores were pursuing a policy of charging higher prices in their low income locations.

Operating Patterns of Voluntaries

Evidence gathered from voluntaries on possible discrepancies between low and higher income area stores was less conclusive than that for other store types. The profile of voluntaries in both income areas was quite broad with respect to volume and operating characteristics. Several stores in both income areas appeared to be rather profitable, while others were less profitable. Discussions with representatives of voluntary organizations indicated they were working hard to help participant retailers make a profit. This was accomplished by working with suppliers to obtain the best prices possible for high-volume purchases, by providing accounting assistance in the form of standardized accounting procedures or the complete absorption of the accounting function, and by providing advertising and promotional support handled largely at the voluntary organization level. No evidence was found to suggest that as a group, voluntaries had any overt policy to charge more in low income area stores. Results of the market basket survey tended to support this conclusion.

The Commercial Evolution of the Inner City

In the inner city sections of most major cities, the relative abundance of small independent grocery stores and the number of older and small chain supermarkets reflect commercial history. The streetfront locations, the lack of parking space, and the strip shopping center layouts are stark evidence of earlier and more affluent days in these neighborhoods when homemakers either walked or took public transportation to reach neighborhood grocery stores. A drive through most major cities from the center city business district to the fringes of the city and into the suburban communities enables anyone to observe the increasing newness of residential structures from the core outwards to the suburbs, with their current wave of residential development.

The Chicago Experience

An analysis conducted by Real Estate Research Corporation describes changes that have taken place in older business districts and shopping strips

in Chicago. The report describes the population decentralization which occurred in Chicago in the 1920's and brought about a substantial reduction in the relative importance of the downtown business district as a retail center. Outlying retail districts sprang up along many major traffic arteries and public transit routes leading to the downtown area. These districts formed a ring of intercepting shopping facilities which captured some of the business formerly monopolized by the downtown retail district and much of the new business created by increased population in outlying areas. There are five such intercepting rings of shopping facilities encircling downtown Chicago at various distances. Both the larger shopping districts and the smaller supplemental shopping facilities between them grew up before the automobile was a major factor in consumer movements; hence, these facilities were originally oriented mainly toward pedestrians and consumers using public transportation.

Increasing use of automobiles by consumers for shopping created extremely difficult problems for older shopping districts. Use of large numbers of automobiles on streets designed largely for public transit and horse-drawn vehicles caused tremendous congestion, particularly where two such arteries intersected. Since most older districts were located at such intersections, they became engulfed in automobile congestion. Thus, the very condition of accessibility which had made them attractive to consumers who walked or used public transportation later became extreme drawbacks in dealing with consumers who drove automobiles.

In the residential and commercial expansion that occurred after World War II, alert retailers created new types of retail facilities designed specifically for the auto-driving consumer. Integrated shopping centers, containing a wide variety of retail outlets located on one parcel of land in pleasantly designed buildings of uniform construction, were created on city fringes where there was sufficient room for extensive free parking. These new shopping centers made heavy inroads on sales volumes of older business districts. These inroads occurred not only because the new shopping centers intercepted customers from outlying areas who had formerly patronized older business districts, but also because these more convenient new facilities attracted consumers from the very neighborhoods in which older districts were located. Therefore, even though most new shopping centers were built in low-density suburban areas and were designed primarily to serve highly mobile suburban populations, they had an immediate effect upon older business districts lying closer to the downtown area.

A further change in the environment of older business districts which had caused the decline in sales volumes was the shifting character of Chicago's population. The transition from white to black in many areas of the city resulted in an income transition; that is, middle income whites were replaced by lower income blacks, which resulted in lower total purchasing power. A doubling of population density would have been required to provide the same total income level (and level of purchasing power) which existed before the transition. As a result of these changes, many older business districts forming inner city intercepting rings outside the downtown business district have suffered severe declines in sales volumes compared with historical peaks. Many retail units have, in fact, lost money, but their losses have been concealed by the willingness of operators to accept very low returns on investment or low wages per hour rather than to abandon the facilities entirely.

Although this apt description was written about the population and commercial changes that occurred during the past 20 to 50 years in the metropolitan area of Chicago, it applies equally well to similar changes that have occurred in most American cities. The findings of the retailer survey, the observation survey, and the operating data survey certainly bear out the impact of these historic changes that have also occurred in Cleveland, Ohio.

Other Types of Change

Another factor contributing to the creation of surplus retail space in the inner city is the tendency of sales to concentrate at fewer retail outlets than previously. For example, supermarkets today are much larger than they were 20 years ago, so fewer establishments are needed to carry on the same amount of business as formerly. Furthermore, the volume of business per square foot has risen because of changes in merchandising techniques accompanying this concentration of volume in a smaller number of stores. Therefore, even where total sales have risen in a given business district, the number of profitable units within that district has often declined. This decline creates the same kind of surplus in retail space as an outright decline in overall sales volume.

OPPORTUNITIES FOR FOOD RETAILING IN THE INNER CITY

Inner city homemakers wanted about the same purchasing alternatives that were available to homemakers in the higher income area. Some homemakers traveled to the suburbs to avail themselves of these alternatives. At the same time, they needed conveniently located stores. Convenience was hard to define or measure in the inner city and apparently even more difficult to provide. Part of this difficulty arose because convenience could not be measured in compacted areas of the inner city in the same terms as in the suburbs. Another part of the difficulty arose because a significant proportion of inner city residents were less mobile than most suburbanites and even some of their inner city neighbors. Because of these and other difficulties, designing and establishing a satisfactory food retailing system would represent an unusual challenge and probably involve an areawide planning and development authority. To be responsive, a system would have to be convenient by inner city standards and provide broad assortments of merchandise in spacious accommodations, and at the same time, be economically viable.

A review of each of the three major types of retail food outlets suggested that a solution to the problem as it existed at the time of the study did not lie in the extension of a particular type of store then in existence or the creation of a new form of retail outlet. What appeared to be called for was a better geographical distribution of a mixture of store types, a distribution that would take into account the transportation problems of inner city residents. Another critical aspect was the need for improvement of foodstore operations which serve the inner city. Such improvements would involve merchandising methods, accounting procedures, purchasing practices, and other management-related problems which would affect assortments, quality of service, and prices. The management problem was especially crucial among the independents and perhaps some voluntary operations.

Incentives Needed for Effecting Improvements

Results of the retailer survey indicated quite clearly that there was virtually no new construction activity going on among retail foodstores in the inner city. This lack of new construction suggested that the market was stagnant, that incentives were insufficient to encourage the creation of new outlets, or that there were barriers to entry which discouraged those who otherwise may have been interested in going into the retail food business.

During interviews, representatives of chain organizations operating in the inner city said they believed that market conditions had favored new construction in higher income areas. At the same time, these retailers indicated that they had attempted to maintain and to modernize existing inner city stores to an extent in keeping with market conditions and the profits generated from the stores. The common practice among chains was to review each location regularly and decide what action was called for--replacement with new facility, modernization of present facility, routine maintenance of present facility, or closing the facility. Criteria for evaluation revolved mainly around age of the store and expected profitability of operation. Pilferage, vandalism, and similar problems also weighed in these considerations and decisions.

The retailer survey indicated that most independent stores were operated by individuals who had owned and managed them for many years. Although the composition and affluence of the neighborhoods had changed dramatically since these individuals began operations many years ago, they were reluctant to move or to close their stores. At the same time, many owners expressed deep concern about the future in view of declining sales and profits and increasing vandalism and pilferage and related problems of insurance and personal safety.

Some individuals had recently entered the retail food business by acquiring stores made available as owners retired or went out of business for other reasons. This activity represented, for the most part, a trend toward new black management of independent grocery stores. Although these newer owners appeared to be most sincerely interested in serving local neighborhoods, they appeared to lack sufficient experience to build large and profitable businesses.

In the main, voluntary stores appeared to be stable and profitable. Little could be determined from this study about potential growth of this type of operation. Although there was little evidence to back up the observation, it appeared that some independent owners were electing to become a part of a voluntary or cooperative in an effort to improve their operations and to increase profits.

During interviews, several real estate men and developers who operated in the inner city indicated there was general interest in helping to develop and to upgrade the inner city community. There were indications that the Cleveland Redevelopment Program was moving very slowly and that some investors in other development programs had become discouraged with accomplishments to date. Conversations with developers and with city officials indicated that land is available for development projects at reasonable costs. It would be necessary only to show that the planned project would be an improvement over the parcel's present use.

Banking officials interviewed expressed interest in supporting retailers and developers who wished to expand or to build new facilities. Bankers said they reviewed a loan application looking not only at the project under consideration but also, more importantly, at the business experience and the ability of the individual or group to repay the loan. While they said that each applicant was carefully considered, they indicated that small retailers tended to be poor risks because they often were poor managers of the financial aspects of their businesses.

Insurance executives interviewed said most small retailers could obtain insurance coverage but rates varied according to risks. Several inner city food retailers supported the fact that the problem was less a matter of obtaining insurance coverage than it was of paying high premiums for insurance in certain high-risk areas. Rates were perceived as being so high that some small independent food retailers preferred not to have coverage and to absorb the risk rather than pay the premiums. A review of profit and loss statements of independents included in the operating data survey showed that large insurance premiums could easily mean the difference between profit and loss for these retailers.

Dimensions of the Inner City Market Opportunity

As was pointed out earlier, the 265,000 persons who lived in Cleveland's inner city at the time of the study spent about \$110 million in grocery stores, out of a total of \$124 million spent for all food. Inner city stores generated an aggregate retail sales volume estimated at \$86 million per year. Thus, inner city stores were losing about \$24 million annually to their higher income area counterparts. This \$24 million represented 22 percent of the available market that was lost because some residents chose and were able to patronize higher income area stores. This volume also represented the potential retail sales volume which could be recaptured if the inner city food retailing system were improved sufficiently to attract these residents back to stores located closer to their homes.

The potential market can be measured in several ways. First, it can be viewed as equaling a 28-percent, across-the-board increase for all existing stores. Second, based on the average retail sales per store being generated by inner city stores, the potential can be viewed as equivalent to 11 new chainstores, 37 new voluntary stores, or 163 new independents. It can also be viewed in terms of a whole range of combinations of the three basic types of stores.

Another approach to measuring the potential market available to retail stores, should the inner city food retailing system be improved, would be to calculate the aggregate volume of retail sales being absorbed by marginal independents and to estimate the effects of reallocating this volume to more viable retail store operations.

Unfortunately, there is no completely satisfactory way to determine what constitutes a marginal operation. A review of the profit and loss statements for the independent stores included in the operating data survey indicated that the total annual yield (manager salary plus profits) for stores in the

\$100,000 to \$200,000 category ranged from \$8,000 to \$16,000. Adding about \$2,000 to allow for the retail value of food for the manager's family (which the retailer most certainly was taking from the store at cost), it may be assumed that a yield of about \$10,000 would constitute a minimum return to warrant maintaining a viable retail foodstore operation. Even this return was below what the owner or manager could expect if he became a manager of one of the corporate chainstores. Using this crude guideline, it would appear that a marginal retail foodstore would be one which was generating a retail sales volume of less than \$100,000 per year.

Some 120 inner city independent stores captured an aggregate volume of about \$9.6 million per year. This \$9.6 million in retail store sales was equivalent to the sales volume of 4 inner city chain supermarkets or 15 inner city voluntaries. Alternatively, it represented an across-the-board increase of close to 12 percent for the remaining stores if the marginal independents went out of business.

It would appear, then, that there was a total of about \$34 million in retail sales annually that could be attracted into an improved inner city food retailing system, if ways could be developed to attract this available volume.

RECOMMENDATIONS

Study findings indicated that certain actions could be taken which would effect improvements in the inner city food retailing system. These actions could provide more attractive business opportunities for food retailers and could lead to improvements needed by inner city homemakers. The recommendations should be more fully explored and developed prior to implementation. What cannot be known until pilot programs are launched and tested, is what kind of effort will bring about an amount of improvement that affected inner city homemakers will perceive as significant.

Recommendation 1: Develop and promote a management training program for inner city food retailers.

A major problem of the inner city food retailing system was the weak management of many of the smaller stores. Weak management prevented such foodstores from generating enough capital to grow. Many problems identified by area A homemakers stemmed from the large number of small stores that appeared to be inadequately prepared to serve the inner city market. Half of the inner city's independent stores were grossing less than \$100,000 per year in sales; 40 percent were in dilapidated buildings; about one-third were observed to be dirty and untidy, with inadequately maintained stocks of merchandise; half used no promotional activities; and one-third carried fewer than 500 items in stock. Moreover, the analysis of operating data found them to have inadequate recordkeeping systems.

Recommendation 2: Continue and expand educational programs for low income families designed to help them adopt food purchasing patterns more favorable to their needs.

The study showed quite clearly that discrepancies existing between the Cleveland food retailing system that served area A compared with the system that served area B were not substantial. Much of the identified consumer disequity could have been minimized by area A families if they had been more selective in choosing among stores that were available to them and if they had exercised prudence in their food purchasing patterns. It can only be concluded that a significant part of the problem was lack of knowledge of what was available and what constituted an economical purchase.

It is strongly suggested that present educational and informational programs be continued and expanded. New programs may be necessary to cover such aspects of food purchasing as use of unit pricing, open dating, selection of food products, Government grading, nutrient values, and the like. Care must be taken in developing these programs and in selecting media to effect communication and understanding.

Recommendation 3: Organize and mount a cleanup, fixup campaign among inner city retail foodstores.

While the recommended management training program should have as one important result the improvement of the physical appearance of stores and the arrangement of merchandise in ways that are more pleasing to customers, some time will be required to organize and mount that program. As a more immediate action a concerted effort by these inner city food retailers to clean up their stores and rearrange their stocks could create a markedly improved shopping environment for their customers.

What may be even more important, a coordinated, areawide, cleanup, fixup campaign could measurably improve the image of inner city foodstores among inner city residents, making the area a more acceptable place to shop.

Recommendation 4: Encourage inner city food retailers to improve their merchandise offering.

Inner city homemakers felt that the quality of products and product assortments were important in the selection of a foodstore. Inner city homemakers who did most of their shopping in an independent or voluntary foodstore also observed that these two types of stores tended to fall short in providing adequate merchandise assortments.

While smaller independent and voluntary stores could not be expected to maintain inventories comparable to those maintained by the larger supermarkets, it appeared that many of these smaller retailers could better serve their customers by improving their buying and merchandise inventory practices. Improvement here should enable even the smaller stores to maintain fresher stocks of fresh fruits, vegetables, meats, and other food items. It appeared that some of the criticism by homemakers that stores did not maintain fresh, high-quality

produce and meats stemmed from inadequate buying practices and inadequate display and storage facilities.

This special effort to improve the merchandise offered by smaller stores could be coordinated with the cleanup campaign recommended above. And, like the cleanup campaign, it could be launched immediately and provide for early results while the longer range management training program was being organized and implemented.

Recommendation 5: Serious consideration should be given to providing a transportation program for the disadvantaged.

There appeared to be no way to eliminate or even substantially reduce the discrepancies of the inner city food retailing system by working exclusively with the supply side of the system. No distribution pattern of supermarkets, for example, could be developed which would place one within walking distance of those who had no automobile available or who were inconveniently located with respect to public transportation. One possibility, and this is not a new suggestion, would be to provide some sort of direct support which would help the one-sixth to one-third of the inner city residents who were disadvantaged in transportation travel to one or more stores which have adequate assortments of merchandise.

On the surface, a direct transportation subsidy has some appeal, but upon closer inspection the idea leaves much to be desired. First, many low income families may not have refrigeration and other storage space to accommodate a week's supply of food. Second, some low income homemakers who work for daily wages probably must purchase most of their food requirements daily, having little time or money to make major shopping trips. Third, there appear to be few ways to control the program and to ensure that such subsidies would be used wisely or used at all for the purpose intended.

A second possibility would be to establish a minibus system in the inner city to link residential areas with major shopping districts. Another closely related transportation concept is "Dial-A-Ride" which was planned for testing in Haddonfield, N. J. According to this concept, local residents would telephone their transportation request to a central office and small motor vehicles would be dispatched on a route that would serve the various requests. These and other ideas could be explored with the U.S. Department of Transportation, which has been investigating several transportation concepts designed for inner city residents and especially those disadvantaged in transportation.

Recommendation 6: Explore the advisability of providing direct subsidies to low income families that would bring about a better match between food purchasing patterns and incomes.

More than 15 percent of the low income families did not purchase food economically because they had to purchase much of their food supplies on a day-to-day basis or had to patronize small independent stores. Still others had to purchase most of their food biweekly or semimonthly because of the payment period for welfare checks and the food stamp program. This situation

placed pressure on such families to request credit, even though it meant paying somewhat higher prices in small independent stores that maintained credit operations. Some relief from the problem of matching income with food purchasing patterns could free low income families from constraints which prohibited or seriously deterred efforts to develop economical food purchasing patterns and to purchase their food supplies at better available prices.

One possibility would be to set aside some portion of welfare payments for food purchases.

Recommendation 7: Encourage the construction of a large, modern supermarket in the general vicinity of East 55th Street and Euclid Avenue, in area A.

Shopping centers, with their large, modern food supermarkets, have completely changed the physical profile of the retailing structure in Cleveland's suburban areas. Most of the inner city stores are in street-front business districts and at locations that were suitable several decades ago but not for present-day market requirements. If the needs of inner city homemakers are to be better served and if foodstores are to attract lost business back to the inner city, it is essential that new, attractive facilities which are designed for today's purchasing patterns be made available to the area's residents.

Although this study was not designed to delve deeply into the marketing feasibility for specific shopping centers, an evaluation of the shopping patterns of residents suggested that a large, modern supermarket located in the heart of the inner city would have every opportunity to be successful. This is supported by the number of area A residents who did their primary food shopping in area B and who also shopped near the East 89th and Euclid shopping complex in area A. While several likely locations were identified, the general area centered at East 55th Street and Euclid Avenue appeared to offer an especially excellent opportunity. About 64,000 persons live in that area; most of them did not appear to be purchasing major food requirements from larger supermarket operations. The problem of finding adequate sources of food supplies appeared to be especially serious for residents who lived in this general area.

The drawing power of this recommended supermarket could be further enhanced if it were made a part of a large neighborhood or community shopping center. Such a shopping center should provide for some 70,000 to 100,000 square feet of retail space and contain a variety store and food supermarket as major tenants to be supplemented by 10 to 20 smaller shops and service outlets, all served by adequate off-street parking space. The grouping of stores would permit the use of adequate exterior lighting and joint security measures which should help reduce risks due to crime. Shared promotional efforts could provide increased sales volume with a more favorable cost structure to permit more profitable operations.

Of the seven recommendations discussed above, numbers 1, 3, and 4 relate to the supply side of the inner city food retailing system. They involve actions which mostly can be carried out within the framework of the existing structural system, taking into account the limited means of smaller retailers.

Recommendations 2, 5, and 6 relate to the demand side of the inner city food retailing system by focusing on actions designed to facilitate the improved utilization of existing sources of supply. These six recommendations are firmly rooted in the findings of this study and are action programs deemed likely to result in an immediate response to the needs and preferences of inner city residents.

The seventh recommendation involves a specific suggested change of the present physical structure of the inner city retailing system. This recommendation represents longer range improvements which may require a level of effort beyond that which could be made by retailers themselves. It takes into account the fact that many of the problems identified in the inner city food retailing system were an integral part of the larger and more complex inner city problems. The concerted attention and efforts of many individuals and groups both in the private and public sectors would be required to implement the recommendation, as would the actions of groups operating at several levels. Such a joint planning group could extend this recommendation to develop a master retail plan supported by further research for providing an economical number of stores of varying sizes which would meet the product and service needs of residents and problems associated with shopping and transportation.

Table 1.--Types of foods generally purchased by homemakers who shop weekly, by family income class, Cleveland, 1969-70

| Types of products: purchased | Area A <u>1/</u> | | | Area B <u>1/</u> | | | | |
|---------------------------------|------------------|--------------------|----------------------------|------------------|--------------------|----------------------------|--------------------|-------|
| | Total | Under :\$4,000: | Over :\$4,000:\$10,000: | Total | Under :\$4,000: | Over :\$4,000:\$10,000: | Over :\$10,000: | Total |
| | <u>Percent</u> | | | | | | | |
| Meats | 95.5 | 90.0 | 100.0 | 95.8 | 95.6 | 100.0 | 94.3 | 95.1 |
| Dairy products ... | 96.4 | 95.0 | 97.8 | 95.8 | 93.4 | 78.6 | 97.1 | 95.1 |
| Bread | 96.4 | 92.5 | 97.8 | 100.0 | 91.2 | 78.6 | 100.0 | 87.8 |
| Canned goods | 91.8 | 90.0 | 93.3 | 91.7 | 90.1 | 64.3 | 91.4 | 97.6 |
| Fresh vegetables .. | 91.8 | 87.5 | 97.8 | 91.7 | 85.7 | 92.9 | 85.7 | 82.9 |
| Poultry | 87.3 | 90.0 | 86.7 | 83.3 | 71.4 | 71.4 | 68.6 | 75.6 |
| Fresh fruits | 85.5 | 80.0 | 84.4 | 95.8 | 89.0 | 85.7 | 91.4 | 87.8 |
| Grain products ... | 90.0 | 90.0 | 93.3 | 83.3 | 83.5 | 85.7 | 85.7 | 80.5 |
| Other nonfoods ... | 88.2 | 85.0 | 91.1 | 87.5 | 84.6 | 92.9 | 82.9 | 82.9 |
| Other foods | 82.7 | 85.0 | 86.7 | 75.0 | 83.5 | 50.0 | 85.7 | 95.1 |
| Frozen food and juice | 67.3 | 57.5 | 71.1 | 79.2 | 81.3 | 64.3 | 85.7 | 82.9 |
| Other bakery | 64.5 | 60.0 | 64.4 | 75.0 | 56.0 | 42.9 | 51.4 | 63.4 |
| Health and beauty aids | 61.8 | 67.5 | 64.4 | 50.0 | 46.2 | 35.7 | 40.0 | 53.7 |
| Fish | 60.0 | 67.5 | 62.2 | 45.8 | 39.6 | 42.9 | 40.0 | 36.6 |

1/ In all tables, area A is the inner city and area B is the rest of the Cleveland metropolitan area.

Table 2.--Distance traveled to primary foodstore and mode of transportation used, by family income class, Cleveland, 1969-70

| Distance traveled and mode of transportation | Area A | | | | Area B | | | |
|--|---------------------|--------------------|----------------------|----------------------|-----------|--------------------|----------------------|----------------------|
| | Total | Under :\$4,000; | \$4,000- :\$9,999 | \$10,000 and over | Total | Under :\$4,000; | \$4,000- :\$9,999 | \$10,000 and over |
| | ----- Percent ----- | | | | | | | |
| Less than ¼ mile: | | | | | | | | |
| Walk | 94.3 | 100.0 | 87.5 | 85.7 | --- | --- | --- | --- |
| Car | 5.7 | --- | 12.5 | 14.3 | <u>1/</u> | --- | <u>1/</u> | <u>1/</u> |
| Other | --- | --- | --- | --- | --- | --- | --- | --- |
| ¼ to ½ mile: | | | | | | | | |
| Walk | 63.1 | 71.3 | 64.3 | --- | 5.3 | 20.0 | --- | --- |
| Car | 31.6 | 19.2 | 35.7 | <u>1/</u> | 94.7 | 80.0 | 100.0 | 100.0 |
| Other | 5.3 | 9.5 | --- | --- | --- | --- | --- | --- |
| ½ thru 1 mile: | | | | | | | | |
| Walk | 29.7 | 44.8 | 25.0 | --- | 5.5 | 28.6 | 5.3 | --- |
| Car | 53.1 | 27.6 | 70.8 | 80.0 | 89.0 | 28.6 | 94.7 | 100.0 |
| Other | 17.2 | 27.6 | 4.2 | 20.0 | 5.5 | 42.8 | --- | --- |
| Over 1 mile: | | | | | | | | |
| Walk | --- | --- | --- | --- | --- | --- | --- | --- |
| Car | 88.1 | 80.0 | 87.8 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Other | 11.9 | 20.0 | 12.2 | --- | --- | --- | --- | --- |
| Total: | | | | | | | | |
| Walk | 37.2 | 50.5 | 30.1 | 19.3 | 3.5 | 17.7 | 2.4 | --- |
| Car | 52.5 | 33.7 | 64.4 | 74.3 | 93.8 | 64.6 | 97.6 | 100.0 |
| Other | 10.3 | 15.8 | 5.5 | 6.4 | 2.7 | 17.7 | --- | --- |

1/ Fewer than 5 respondents.
 --- = no data.

Table 3.--Distance traveled to primary foodstore, by type of store patronized and family income level, Cleveland, 1969-70

| Distance traveled and type of store patronized | Area A | | | | Area B | | | |
|--|----------------------------|--------------------|----------------------|------------------------|--------|--------------------|----------------------|------------------------|
| | Total | Under :\$4,000: | \$4,000- :\$9,999 | \$10,000 :and over: | Total | Under :\$4,000: | \$4,000- :\$9,999 | \$10,000 :and over: |
| | ----- <u>Percent</u> ----- | | | | | | | |
| Less than 1/4 mile: | | | | | | | | |
| Chain | 28.6 | 40.0 | 25.0 | --- | 1/ | --- | 1/ | 1/ |
| Voluntary | 34.3 | 25.0 | 37.5 | 57.1 | --- | --- | --- | --- |
| Independent | 37.1 | 35.0 | 37.5 | 42.9 | --- | --- | --- | --- |
| 1/4 to 1/2 mile: | | | | | | | | |
| Chain | 36.8 | 33.4 | 35.8 | 1/ | 94.7 | 100.0 | 100.0 | 85.7 |
| Voluntary | 36.8 | 38.0 | 42.8 | --- | --- | --- | --- | --- |
| Independent | 26.4 | 28.6 | 21.4 | 1/ | 5.3 | --- | --- | 14.3 |
| 1/2 to 1 mile: | | | | | | | | |
| Chain | 57.8 | 44.8 | 58.3 | 90.0 | 75.4 | 85.7 | 73.7 | 74.1 |
| Voluntary | 21.9 | 24.2 | 25.0 | 10.0 | 19.3 | 14.3 | 26.3 | 16.2 |
| Independent | 20.3 | 31.0 | 16.7 | --- | 5.3 | --- | --- | 9.7 |
| Over 1 mile: | | | | | | | | |
| Chain | 74.6 | 80.0 | 66.6 | 72.7 | 77.1 | 80.0 | 78.6 | 75.0 |
| Voluntary | 16.4 | 8.0 | 26.0 | 18.2 | 17.2 | 20.0 | 14.3 | 18.7 |
| Independent | 9.0 | 12.0 | 7.4 | 9.1 | 5.7 | --- | 7.1 | 6.3 |
| Total: | | | | | | | | |
| Chain | 54.9 | 51.6 | 54.8 | 61.3 | 78.9 | 88.2 | 80.5 | 74.5 |
| Voluntary | 30.4 | 33.7 | 30.1 | 22.6 | 16.7 | 11.8 | 17.1 | 18.2 |
| Independent | 14.7 | 14.7 | 15.1 | 16.1 | 4.4 | --- | 2.4 | 7.3 |

1/ Fewer than 5 respondents.
 --- = no data.

Table 4.--Distance traveled to primary foodstore, by distance traveled, mode of transportation used, and type of store patronized, Cleveland, 1969-70

| Mode of travel and: type of store patronized | Area A | | | | Area B | | | |
|--|---------------------|---------------------------------|------------------------------|----------------|--------------|---------------------------------|------------------------------|----------------|
| | Total | Less than $\frac{1}{2}$ mile | $\frac{1}{2}$ thru 1 mile | Over 1 mile | Total | Less than $\frac{1}{2}$ mile | $\frac{1}{2}$ thru 1 mile | Over 1 mile |
| | ----- Percent ----- | | | | | | | |
| Travel by: | | | | | | | | |
| Walking | | | | | | | | |
| Chain | 29.0 | 24.6 | 42.1 | --- | $\frac{1}{}$ | $\frac{1}{}$ | $\frac{1}{}$ | --- |
| Voluntary | 36.8 | 40.3 | 26.3 | --- | $\frac{1}{}$ | --- | $\frac{1}{}$ | --- |
| Independent .. | 34.2 | 35.1 | 31.6 | --- | --- | --- | --- | --- |
| Car | | | | | | | | |
| Chain | 71.3 | 57.2 | 67.6 | 76.6 | 80.4 | 95.3 | 76.4 | 77.1 |
| Voluntary | 17.6 | 21.4 | 20.6 | 15.0 | 14.0 | --- | 17.7 | 17.2 |
| Independent .. | 11.1 | 21.4 | 11.8 | 8.3 | 5.6 | 4.7 | 5.9 | 5.7 |
| Other | | | | | | | | |
| Chain | 60.0 | $\frac{1}{}$ | 54.5 | 67.1 | $\frac{1}{}$ | --- | $\frac{1}{}$ | --- |
| Voluntary | 20.0 | --- | 18.2 | 28.6 | $\frac{1}{}$ | --- | $\frac{1}{}$ | --- |
| Independent .. | 20.0 | --- | 27.3 | 14.3 | --- | --- | --- | --- |
| Total | | | | | | | | |
| Chain | 54.9 | 32.9 | 57.8 | 74.6 | 78.9 | 95.5 | 75.4 | 77.1 |
| Voluntary | 30.4 | 35.5 | 21.8 | 16.4 | 16.7 | --- | 19.3 | 17.2 |
| Independent .. | 14.7 | 31.6 | 20.3 | 9.0 | 4.4 | 4.5 | 5.3 | 5.7 |

$\frac{1}{}$ Fewer than 5 respondents.

--- = no data.

Table 5.--Respondents' average ranking of importance of store characteristics, by family income class, Cleveland, 1969-70

(0--not important at all; 8--extremely important)

| Statement on store characteristic | Area A | | | Area B | | |
|---|----------------|-----------------------|-------------------|---------------|-----------------------|-------------------|
| | Under \$4,000 | to \$4,000 to \$9,999 | \$10,000 and over | Under \$4,000 | to \$4,000 to \$9,999 | \$10,000 and over |
| | Accessibility: | | | | | |
| Store is within walking distance | 6.42 | 5.95 | 5.73 | 4.38 | 3.70 | 4.13 |
| Store can be reached easily by bus | 5.46 | 4.75 | 4.27 | 3.13 | 2.32 | 3.04 |
| Products available: | | | | | | |
| Store carries all of the different kinds of products I am looking for when I go grocery shopping | 6.35 | 7.01 | 6.39 | 6.60 | 6.93 | 7.54 |
| Store carries all of the different kinds of meats I am looking for when I go grocery shopping | 6.84 | 7.48 | 7.29 | 6.56 | 6.39 | 7.30 |
| Store carries USDA graded beef | 7.05 | 7.44 | 7.19 | 7.19 | 6.95 | 7.57 |
| Store carries all of the different kinds of fresh fruits I am looking for when I go grocery shopping | 6.42 | 6.33 | 6.50 | 6.73 | 6.75 | 6.76 |
| Store has top quality fresh fruit | 7.01 | 7.15 | 7.17 | 6.81 | 7.22 | 7.31 |
| Store carries all of the different kinds of fresh vegetables I am looking for when I go grocery shopping .. | 6.70 | 6.89 | 6.94 | 6.00 | 6.66 | 7.26 |
| Store has top quality fresh vegetables | 6.88 | 7.37 | 7.17 | 6.81 | 7.15 | 7.24 |
| Store carries health and beauty aid products | 4.97 | 4.64 | 4.23 | 2.56 | 3.36 | 3.59 |
| Store carries household products such as dishes, kitchen utensils, and glass-ware | 3.28 | 3.06 | 3.61 | 1.56 | 2.51 | 2.30 |
| Brands available: | | | | | | |
| Store carries both nationally advertised brands and other brands | 5.23 | 5.96 | 5.81 | 6.00 | 6.54 | 7.20 |
| Store carries nationally advertised brands | 4.98 | 5.93 | 5.77 | 6.47 | 6.71 | 6.81 |
| Store carries own brands | 3.97 | 3.67 | 3.48 | 3.80 | 4.25 | 4.34 |

Table 5.--Respondents' average ranking of importance of store characteristics, by family income class, Cleveland, 1969-70--Continued

(0--not important at all: 8--extremely important)

| Statement on store characteristic | Area A | | | Area B | | |
|--|---------------|------------|-------------------|---------------|------------|-------------------|
| | Under \$4,000 | to \$9,999 | \$10,000 and over | Under \$4,000 | to \$9,999 | \$10,000 and over |
| Store carries many different product brands from which to choose | 5.71 | 5.77 | 5.77 | 5.87 | 6.05 | 6.89 |
| Store carries a limited number of different product brands from which to choose | 4.06 | 3.86 | 4.96 | 4.93 | 4.35 | 4.63 |
| Store carries about the right number of product brands from which to choose | 6.00 | 6.03 | 5.90 | 6.47 | 6.52 | 6.69 |
| Prices: | | | | | | |
| Store prices charged for meats are in line with prices charged by other stores | 6.56 | 6.68 | 5.59 | 5.60 | 6.24 | 7.24 |
| Store prices charged for meats are less than prices charged by other stores in area | 6.23 | 5.94 | 5.61 | 4.64 | 5.12 | 5.74 |
| Store prices charged for fresh fruits are in line with prices charged by other stores | 6.19 | 6.41 | 5.90 | 6.00 | 6.34 | 7.04 |
| Store prices charged for fresh fruits are less than the prices charged by other stores in area | 4.97 | 5.11 | 5.87 | 5.75 | 6.05 | 6.24 |
| Store prices charged for fresh vegetables are in line with prices charged by other stores | 6.44 | 6.41 | 5.86 | 6.13 | 6.56 | 6.85 |
| Store prices charged for fresh vegetables are less than prices charged by other stores | 5.86 | 5.90 | 5.89 | 5.23 | 5.39 | 5.85 |
| Store has frequent price specials | 6.69 | 7.06 | 5.81 | 6.19 | 6.44 | 7.44 |
| Trading stamps, prizes: | | | | | | |
| Store gives trading stamps .. | 3.35 | 3.66 | 4.26 | 3.63 | 3.20 | 2.61 |
| Store gives the brand of trading stamps I save | 3.49 | 3.79 | 4.13 | 3.33 | 3.42 | 3.43 |

Continued--

Table 5.--Respondents' average ranking of importance of store characteristics, by family income class, Cleveland, 1969-70--Continued

(0--not important at all; 8--extremely important)

| Statement on store characteristic | Area A | | | Area B | | |
|---|---|------------|-------------------|---------------|------------|-------------------|
| | Under \$4,000 | to \$9,999 | \$10,000 and over | Under \$4,000 | to \$9,999 | \$10,000 and over |
| | Store runs shopping games or sweepstakes for which prizes are given | 2.11 | 2.03 | 1.96 | 0.60 | 1.71 |
| Store facilities: | | | | | | |
| Store is quite attractive in appearance | 5.94 | 5.66 | 5.90 | 6.50 | 6.32 | 6.30 |
| Store is kept clean | 7.08 | 7.15 | 6.87 | 7.25 | 7.27 | 7.46 |
| Store is air conditioned | 6.15 | 5.62 | 5.00 | 5.31 | 5.39 | 5.87 |
| Store has wide aisles | 6.16 | 6.47 | 6.23 | 6.00 | 6.24 | 6.36 |
| Shelves are kept stocked | 6.78 | 7.04 | 6.70 | 6.94 | 7.17 | 7.17 |
| No long waits at the checkout counter | 6.79 | 6.93 | 6.70 | 6.50 | 6.83 | 7.15 |
| Store provides off-street parking | 5.54 | 5.99 | 5.87 | 5.44 | 6.44 | 7.06 |
| Store has space for customers to load their groceries in cars | 5.58 | 5.86 | 6.19 | 5.88 | 5.61 | 6.30 |
| Store services: | | | | | | |
| Prices of products are well marked on each item | 7.17 | 7.15 | 6.77 | 6.94 | 6.78 | 7.39 |
| Store has a food locator directory on the wall | 3.47 | 3.69 | 3.77 | 3.00 | 3.50 | 2.66 |
| Store has signs above the aisles showing the products contained | 6.15 | 6.78 | 6.87 | 6.31 | 6.76 | 6.85 |
| Fresh meats are prepackaged .. | 4.80 | 4.74 | 4.85 | 3.44 | 4.87 | 4.87 |
| Meat is displayed so that you can get a good look at it .. | 7.20 | 7.31 | 6.87 | 7.33 | 6.85 | 7.30 |
| Meats are attractively displayed | 6.27 | 6.67 | 6.26 | 6.80 | 6.10 | 6.52 |
| Fresh vegetables are prepackaged | 4.54 | 4.14 | 3.76 | 2.88 | 3.80 | 3.33 |
| Store carries many different product sizes from which to choose | 5.97 | 5.69 | 6.16 | 5.00 | 6.17 | 5.89 |
| Store carries a limited number of different product sizes from which to choose .. | 4.33 | 4.13 | 5.14 | 4.27 | 4.32 | 5.00 |

Continued--

Table 5.--Respondents' average ranking of importance of store characteristics, by family income class, Cleveland, 1969-70--Continued

(0--not important at all; 8--extremely important)

| Statement on store characteristic | Area A | | | Area B | | |
|--|---------------|------------|-------------------|---------------|------------|-------------------|
| | Under \$4,000 | to \$9,999 | \$10,000 and over | Under \$4,000 | to \$9,999 | \$10,000 and over |
| Store carries about the right number of different product sizes from which to choose | 6.28 | 6.23 | 6.00 | 6.93 | 6.57 | 7.09 |
| Store sells money orders | 3.48 | 2.69 | 2.16 | 0.38 | 1.50 | 0.65 |
| Store is open when I like to shop | 6.42 | 6.70 | 5.81 | 6.38 | 5.85 | 6.45 |
| Store provides delivery service | 4.50 | 3.31 | 4.30 | 1.38 | 1.29 | 1.46 |
| Store extends credit | 2.50 | 2.00 | 0.86 | 0.50 | 1.05 | 0.69 |
| Store will cash my checks | 5.57 | 5.49 | 5.67 | 3.81 | 4.45 | 5.52 |
| Store always has someone to weigh produce | 6.71 | 6.81 | 6.52 | 7.06 | 6.61 | 6.96 |
| Store always has someone to carry packages to car | 4.82 | 4.48 | 4.60 | 4.44 | 4.80 | 4.93 |
| Personal relations: | | | | | | |
| Feel at ease in store | 6.63 | 6.79 | 6.35 | 6.31 | 6.44 | 6.87 |
| Store employees treat you in friendly manner | 6.68 | 6.85 | 6.42 | 6.38 | 6.98 | 7.19 |
| Store treats you fairly--does not try to gyp you | 7.15 | 7.40 | 6.87 | 7.38 | 7.24 | 7.78 |

Table 6.--Proportion of respondents agreeing with statements on characteristics of primary stores, by type of store, Cleveland, 1969-70

| Statement on store characteristic | Area A | | | Area B | | |
|---|--------------------------|-------------------------------------|-------------------|--------------------------|-------------------------------------|-----------------------------|
| | Corpo- rate chains | Volun- tary cooper- atives | Indepen- dents | Corpo- rate chains | Volun- tary cooper- atives | Indepen- dents <u>1/</u> |
| | ----- Percent ----- | | | | | |
| Accessibility: | | | | | | |
| Store is within walking distance | 51.4 | 66.7 | 73.3 | 50.0 | 36.8 | --- |
| Store can be reached easily by bus | 79.3 | 83.3 | 83.3 | 61.4 | 52.6 | --- |
| Products available: | | | | | | |
| Store carries all of the different kinds of products I am looking for when I go grocery shopping | 91.0 | 83.3 | 73.3 | 92.0 | 100.0 | --- |
| Store carries all of the different kinds of meats I am looking for when I go grocery shopping | 86.5 | 85.0 | 83.3 | 78.4 | 94.7 | --- |
| Store carries USDA graded beef | 97.3 | 95.0 | 90.0 | 94.3 | 94.7 | --- |
| Store carries all of the different kinds of fresh fruits I am looking for when I go grocery shopping | 96.4 | 85.0 | 83.3 | 90.9 | 100.0 | --- |
| Store has top quality fresh fruit | 93.7 | 80.0 | 80.0 | 89.8 | 100.0 | --- |
| Store carries all of the different kinds of fresh vegetables I am looking for when I go grocery shopping .. | 92.8 | 86.7 | 73.3 | 89.8 | 94.7 | --- |
| Store has top quality fresh vegetables | 90.1 | 80.0 | 80.0 | 89.8 | 89.5 | --- |
| Store carries health and beauty aid products | 91.9 | 98.3 | 73.3 | 97.7 | 89.5 | --- |
| Store carries household products such as dishes, kitchen utensils and glass-ware | 86.5 | 78.3 | 53.3 | 87.5 | 89.5 | --- |
| Brands available: | | | | | | |
| Store carries both nationally advertised brands and other brands | 94.6 | 93.3 | 86.7 | 100.0 | 94.7 | --- |

See footnote at end of table.

Continued--

Table 6.--Proportion of respondents agreeing with statements on characteristics of primary stores, by type of store, Cleveland, 1969-70--Continued

| Statement on store characteristic | Area A | | | Area B | | |
|--|-----------------------|------------------------|--------------|-----------------------|------------------------|------------------------|
| | Corporate rate chains | Voluntary cooperatives | Independents | Corporate rate chains | Voluntary cooperatives | Independents <u>1/</u> |
| | ----- Percent ----- | | | | | |
| Store carries nationally advertised brands | 96.4 | 95.0 | 86.7 | 100.0 | 94.7 | --- |
| Store carries own brand | 98.3 | 78.3 | 40.0 | 95.5 | 78.9 | --- |
| Store carries many different product brands from which to choose | 90.1 | 90.0 | 63.3 | 93.2 | 94.7 | --- |
| Store carries a limited number of different product brands from which to choose | 46.8 | 45.0 | 56.7 | 29.5 | 36.8 | --- |
| Store carries about the right number of product brands from which to choose | 92.8 | 93.3 | 80.0 | 95.5 | 100.0 | --- |
| Prices: | | | | | | |
| Store prices charged for meats are in line with prices charged by other stores | 82.0 | 68.3 | 53.3 | 88.6 | 89.5 | --- |
| Store prices charged for meats are less than prices charged by other stores in area | 52.3 | 48.3 | 30.0 | 26.1 | 10.5 | --- |
| Store prices charged for fresh fruits are in line with prices charged by other stores | 80.2 | 76.7 | 50.0 | 86.4 | 89.5 | --- |
| Store prices charged for fresh fruits are less than the prices charged by other stores in area | 87.4 | 75.0 | 46.7 | 92.0 | 94.7 | --- |
| Store prices charged for fresh vegetables are in line with prices charged by other stores | 79.3 | 70.0 | 56.7 | 89.8 | 89.5 | --- |
| Store prices charged for fresh vegetables are less than prices charged by other stores | 41.4 | 41.7 | 30.0 | 21.6 | 21.1 | --- |

Continued--

See footnote at end of table.

Table 6.--Proportion of respondents agreeing with statements on characteristics of primary stores, by type of store, Cleveland, 1969-70--Continued

| Statement on store characteristic | Area A | | | Area B | | |
|---|--------------------------|--|----------------------|--------------------------|--|----------------------|
| | Corpo- rate chains | :Volun- : tary : cooper- : atives | :Indepen- : dents | Corpo- rate chains | :Volun- : tary : cooper- : atives | :Indepen- : dents |
| | ----- Percent ----- | | | | | |
| Store has frequent price specials | 94.6 | 91.7 | 60.0 | 97.7 | 94.7 | --- |
| Trading stamps; prizes: | | | | | | |
| Store gives trading stamps ... | 64.0 | 10.0 | 6.7 | 51.1 | 5.3 | --- |
| Store gives the brand of trading stamps I save | 62.2 | 8.3 | 6.7 | 50.0 | 5.3 | --- |
| Store runs shopping games or sweepstakes for which prizes are given | 38.7 | 8.3 | 20.0 | 23.9 | 10.5 | --- |
| Store facilities: | | | | | | |
| Store is quite attractive in appearance | 91.0 | 68.3 | 53.3 | 88.6 | 84.2 | --- |
| Store is kept clean | 96.4 | 93.3 | 86.7 | 100.0 | 84.2 | --- |
| Store is air conditioned | 45.0 | 46.7 | 33.3 | 21.6 | 10.5 | --- |
| Store has wide aisles | 85.6 | 56.7 | 53.3 | 79.5 | 78.9 | --- |
| Shelves are kept stocked | 95.5 | 95.0 | 80.0 | 92.0 | 100.0 | --- |
| No long waits at the checkout counter | 41.4 | 58.3 | 73.3 | 51.1 | 89.5 | --- |
| Store provides off-street parking | 86.5 | 68.3 | 56.7 | 96.6 | 84.2 | --- |
| Store has space for customers to load their groceries in cars | 88.3 | 68.3 | 53.3 | 85.2 | 73.7 | --- |
| Store services: | | | | | | |
| Prices of product are well marked on each item | 91.9 | 88.3 | 73.3 | 88.6 | 94.7 | --- |
| Store has a food locator directory on the wall | 27.9 | 16.7 | 26.7 | 17.0 | 5.3 | --- |
| Store has signs above the aisles showing the products contained | 95.5 | 71.7 | 43.3 | 100.0 | 89.5 | --- |
| Fresh meats are prepackaged .. | 96.4 | 85.0 | 60.0 | 97.7 | 89.5 | --- |
| Meat is displayed so that you can get a good look at it .. | 93.7 | 93.3 | 83.3 | 92.0 | 100.0 | --- |
| Meats are attractively displayed | 95.5 | 86.7 | 80.0 | 92.0 | 100.0 | --- |

See footnote at end of table.

Continued--

Table 6.--Proportion of respondents agreeing with statements on characteristics of primary stores, by type of store, Cleveland, 1969-70--Continued

| Statement on store characteristic | Area A | | | Area B | | |
|---|--------------------------|-------------------------------------|-------------------|--------------------------|-------------------------------------|-----------------------------|
| | Corpo- rate chains | Volun- tary cooper- atives | Indepen- dents | Corpo- rate chains | Volun- tary cooper- atives | Indepen- dents <u>1/</u> |
| | ----- Percent ----- | | | | | |
| Fresh vegetables are pre- packaged | 78.4 | 56.7 | 53.3 | 73.9 | 47.4 | --- |
| Store carries many different product sizes from which to choose | 92.8 | 78.3 | 56.7 | 93.2 | 100.0 | --- |
| Store carries a limited number of different product sizes from which to choose .. | 50.5 | 48.3 | 60.0 | 34.1 | 36.8 | --- |
| Store carries about the right number of different product sizes from which to choose .. | 98.2 | 90.0 | 76.7 | 95.5 | 100.0 | --- |
| Store sells money orders | 35.1 | 50.0 | 23.3 | 19.3 | <u>1/</u> | --- |
| Store is open when I like to shop | 86.5 | 93.3 | 93.3 | 87.5 | 78.9 | --- |
| Store provides delivery service | 7.2 | 60.0 | 43.3 | 1.1 | 5.3 | --- |
| Store extends credit | 9.9 | 43.3 | 23.3 | <u>1/</u> | <u>1/</u> | --- |
| Store will cash my check | 78.4 | 81.7 | 66.7 | 85.2 | 89.5 | --- |
| Store always has someone to weigh produce | 90.1 | 95.0 | 80.0 | 81.8 | 94.7 | --- |
| Store always has someone to carry packages to car | 29.7 | 60.0 | 33.3 | 44.3 | 84.2 | --- |
| Personal relations: | | | | | | |
| Feel at ease in the store ... | 96.4 | 96.7 | 83.3 | 96.6 | 100.0 | --- |
| Store employees treat you in friendly manner | 95.5 | 98.3 | 90.0 | 97.7 | 100.0 | --- |
| Store treats you fairly--does not try to gyp you | 93.7 | 93.3 | 86.7 | 94.3 | 100.0 | --- |

1/ Too few for analysis.

Table 7.--Proportion of respondents agreeing with statements on characteristics of primary store, by family income class, Cleveland, 1969-70

| Statement on store characteristic | Area A | | | Area B | | |
|---|---------------------|------------|-------------------|---------------|------------|-------------------|
| | Under \$4,000 | to \$9,999 | \$10,000 and over | Under \$4,000 | to \$9,999 | \$10,000 and over |
| | ----- Percent ----- | | | | | |
| Accessibility: | | | | | | |
| Store is within walking distance | 65.2 | 52.1 | 67.7 | 50.0 | 53.7 | 40.7 |
| Store can be reached easily by bus | 83.7 | 83.6 | 71.0 | 56.3 | 61.0 | 57.4 |
| Products available: | | | | | | |
| Store carries all of the different kinds of products I am looking for when I go grocery shopping | 83.7 | 89.0 | 83.9 | 100.0 | 90.2 | 94.4 |
| Store carries all of the different kinds of meats I am looking for when I go grocery shopping | 88.0 | 84.9 | 77.4 | 100.0 | 73.2 | 83.3 |
| Store carries USDA graded beef | 97.8 | 94.5 | 90.3 | 100.0 | 90.2 | 98.1 |
| Store carries all of the different kinds of fresh fruits I am looking for when I go grocery shopping | 93.5 | 89.0 | 90.3 | 100.0 | 87.8 | 94.4 |
| Store has top quality fresh fruit | 85.9 | 91.8 | 83.9 | 100.0 | 87.8 | 92.6 |
| Store carries all of the different kinds of fresh vegetables I am looking for when I go grocery shopping .. | 87.0 | 90.4 | 83.9 | 93.8 | 92.7 | 88.9 |
| Store has top quality fresh vegetables | 83.7 | 89.0 | 83.9 | 100.0 | 90.2 | 87.0 |
| Store carries health and beauty aid products | 91.3 | 93.2 | 87.1 | 100.0 | 95.1 | 96.3 |
| Store carries household products such as dishes, kitchen utensils and glassware | 77.2 | 80.8 | 77.4 | 93.8 | 90.2 | 83.3 |
| Brands available: | | | | | | |
| Store carries both nationally advertised brands and other brands | 91.0 | 95.9 | 90.3 | 93.8 | 100.0 | 100.0 |

Continued--

Table 7.--Proportion of respondents agreeing with statements on characteristics of primary store, by family income class, Cleveland, 1969-70--Continued

| Statement on store characteristic | Area A | | | Area B | | |
|--|---------------------|------------|-------------------|---------------|------------|-------------------|
| | Under \$4,000 | to \$9,999 | \$10,000 and over | Under \$4,000 | to \$9,999 | \$10,000 and over |
| | ----- Percent ----- | | | | | |
| Store carries nationally advertised brands | 92.4 | 98.6 | 90.3 | 100.0 | 97.6 | 100.0 |
| Store carries own brand | 77.2 | 79.5 | 80.6 | 87.5 | 92.7 | 90.7 |
| Store carries many different product brands from which to choose | 84.8 | 90.4 | 77.4 | 100.0 | 90.2 | 94.4 |
| Store carries a limited number of different product brands from which to choose | 56.5 | 38.4 | 41.9 | 31.3 | 34.1 | 27.8 |
| Store carries about the right number of product brands from which to choose | 92.4 | 95.9 | 77.4 | 100.0 | 95.1 | 96.3 |
| Prices: | | | | | | |
| Store prices charged for meats are in line with prices charged by other stores | 73.9 | 76.7 | 64.5 | 87.5 | 85.4 | 92.6 |
| Store prices charged for meats are less than prices charged by other stores in area | 57.6 | 41.1 | 32.3 | 12.5 | 19.5 | 29.6 |
| Store prices charged for fresh fruits are in line with prices charged by other stores | 77.2 | 74.0 | 67.7 | 87.5 | 82.9 | 88.9 |
| Store prices charged for fresh fruits are less than the prices charged by other stores in area | 71.7 | 82.2 | 83.9 | 87.5 | 90.2 | 94.4 |
| Store prices charged for fresh vegetables are in line with prices charged by other stores | 71.7 | 76.7 | 71.0 | 75.0 | 87.8 | 96.3 |
| Store prices charged for fresh vegetables are less than prices charged by other stores | 45.7 | 39.7 | 25.8 | 18.8 | 22.0 | 22.2 |
| Store has frequent price specials | 88.0 | 93.2 | 80.6 | 100.0 | 95.1 | 96.3 |
| Trading stamps; prizes: | | | | | | |
| Store gives trading stamps ... | 35.9 | 41.1 | 48.4 | 56.3 | 48.8 | 29.6 |

Continued--

Table 7.--Proportion of respondents agreeing with statements on characteristics of primary store, by family income class, Cleveland, 1969-70--Continued

| Statement on store characteristic | Area A | | | Area B | | |
|---|--------------------------|--------------------|-------------------|--------------------------|--------------------|-------------------|
| | Under \$4,000 to \$9,999 | \$4,000 to \$9,999 | \$10,000 and over | Under \$4,000 to \$9,999 | \$4,000 to \$9,999 | \$10,000 and over |
| | ----- Percent ----- | | | | | |
| Store gives the brand of trading stamps I save | 38.0 | 37.0 | 41.9 | 56.3 | 48.3 | 29.6 |
| Store runs shopping games or sweepstakes for which prizes are given | 30.4 | 24.7 | 22.6 | --- | 39.0 | 13.0 |
| Store facilities: | | | | | | |
| Store is quite attractive in appearance | 78.3 | 79.5 | 74.2 | 100.0 | 92.7 | 81.5 |
| Store is kept clean | 94.6 | 97.3 | 83.9 | 100.0 | 97.6 | 96.3 |
| Store is air-conditioned | 71.7 | 82.2 | 83.9 | 87.5 | 90.2 | 94.4 |
| Store has wide aisles | 73.9 | 78.1 | 48.4 | 87.5 | 75.6 | 79.6 |
| Shelves are kept stocked | 93.5 | 94.5 | 87.1 | 100.0 | 87.8 | 94.4 |
| No long waits at the checkout counter | 53.3 | 54.8 | 32.3 | 81.3 | 53.7 | 57.4 |
| Store provides off-street parking | 76.1 | 79.5 | 71.0 | 100.0 | 90.2 | 96.3 |
| Store has space for customers to load their groceries in cars | 79.3 | 75.3 | 74.2 | 81.3 | 82.9 | 81.5 |
| Store services: | | | | | | |
| Prices of products are well -marked on each item | 84.8 | 91.8 | 87.1 | 87.5 | 85.4 | 92.6 |
| Store has a food locator directory on the wall | 27.2 | 24.7 | 16.1 | 18.8 | 9.8 | 20.4 |
| Store has signs above the aisles showing the products contained | 76.1 | 84.9 | 80.6 | 100.0 | 97.6 | 96.3 |
| Fresh meats are prepackaged .. | 88.0 | 90.4 | 77.4 | 93.8 | 97.6 | 96.3 |
| Meat is displayed so that you can get a good look at it ... | 94.6 | 90.4 | 87.1 | 100.0 | 90.2 | 96.3 |
| Meats are attractively displayed | 91.3 | 90.4 | 87.1 | 100.0 | 90.2 | 96.3 |
| Fresh vegetables are pre-packaged | 91.3 | 90.4 | 87.1 | 100.0 | 90.2 | 96.3 |
| Store carries many different product sizes from which to choose | 85.9 | 80.8 | 77.4 | 100.0 | 92.7 | 92.6 |

Continued--

Table 7.--Proportion of respondents agreeing with statements on characteristics of primary store, by family income class, Cleveland, 1969-70--Continued

| Statement on store characteristic | Area A | | | Area B | | |
|---|---------------------|--------------------|-------------------|---------------|--------------------|-------------------|
| | Under \$4,000 | \$4,000 to \$9,999 | \$10,000 and over | Under \$4,000 | \$4,000 to \$9,999 | \$10,000 and over |
| | ----- Percent ----- | | | | | |
| Store carries a limited number of different product sizes from which to choose .. | 58.7 | 43.8 | 45.2 | 37.5 | 43.9 | 25.9 |
| Store carries about the right number of different product sizes from which to choose .. | 94.6 | 94.5 | 80.6 | 100.0 | 95.1 | 96.3 |
| Store sells money orders | 41.3 | 38.4 | 29.0 | 18.8 | 17.1 | 13.0 |
| Store is open when I like to shop | 91.3 | 90.4 | 83.9 | 100.0 | 87.8 | 81.5 |
| Store provides delivery service | 30.4 | 30.1 | 22.6 | 6.3 | 2.4 | 1.9 |
| Store extends credit | 22.8 | 21.9 | 22.6 | --- | --- | 5.6 |
| Store will cash my checks | 73.9 | 79.5 | 80.6 | 62.5 | 87.8 | 90.7 |
| Store always has someone to weigh produce | 90.2 | 87.7 | 93.5 | 93.8 | 73.2 | 88.9 |
| Store always has someone to carry packages to car | 42.4 | 35.6 | 35.5 | 50.0 | 48.8 | 57.4 |
| Personal relations: | | | | | | |
| Feel at ease in the store | 93.5 | 97.3 | 90.3 | 100.0 | 100.0 | 94.4 |
| Store employees treat you in friendly manner | 94.6 | 97.3 | 93.5 | 100.0 | 100.0 | 96.3 |
| Store treats you fairly--does not try to gyp you | 91.3 | 91.8 | 96.8 | 100.0 | 92.7 | 96.3 |

Table 8.--Incidence of retail foodstores in the low and higher income areas, Cleveland, 1969-70

| Type of store | Area A | | | Area B | | | |
|---|--|--|----------------|--|--|----------------|------|
| | Total :Square: 100,000 :\$1 million :Total :Square: 100,000 :\$1 million | : stores: mile :residents: household : 1/ : 2/ : income 3/ : | : Stores per-- | : Total :Square: 100,000 :\$1 million :Total :Square: 100,000 :\$1 million | : stores: mile :residents: household : 1/ : 2/ : income 3/ : | : Stores per-- | |
| Total food stores | 816 | 62.8 | 308.4 | 2,243 | 3.3 | 137.3 | 0.68 |
| Grocery stores without fresh meat | 70 | 5.4 | 26.5 | 117 | .2 | 7.2 | .04 |
| Grocery stores with fresh meat .. | 241 | 18.5 | 91.1 | 709 | 1.1 | 43.4 | .21 |
| Chainstores | 18 | 1.4 | 6.8 | 258 | .4 | 15.8 | .08 |
| Voluntary or cooperative stores: | 29 | 2.2 | 11.0 | 142 | .2 | 8.7 | .04 |
| Independent | 194 | 14.9 | 73.3 | 309 | .5 | 18.9 | .09 |
| Delicatessen stores | 139 | 10.7 | 52.5 | 466 | .7 | 28.5 | .14 |
| Meat markets, fish markets | 95 | 7.3 | 35.9 | 216 | .3 | 13.2 | .07 |
| Fruit, vegetable stores | 108 | 8.3 | 40.8 | 84 | .1 | 5.1 | .03 |
| Candy, nut, confectionery stores : | 65 | 5.0 | 24.6 | 112 | .2 | 6.9 | .03 |
| Dairy products | 27 | 2.1 | 10.2 | 226 | .3 | 13.8 | .07 |
| Bakery products | 41 | 3.2 | 15.5 | 250 | .4 | 15.3 | .08 |
| Egg, poultry dealers | 17 | 1.3 | 6.4 | 33 | .05 | 2.0 | .01 |
| All other food stores | 13 | 1.0 | 4.9 | 30 | .04 | 1.8 | .01 |

1/ Area A contained 13 square miles; Area B contained 674 square miles.

2/ Area A contained 264,616 people; Area B contained 1,633,150 people.

3/ The total household income for area A was \$327,000,000; the income for area B was \$3,312,000,000.

Source: Square miles: Estimated by Chilton Research Services.

Population: Bureau of Census (Census of Population, 1960).

Household income: Census of Population.

Stores: Census of Business, 1963 and Cleveland Real Property Inventory, 1968.

Table 9.--Market basket analysis, Cleveland foodstores, 1969-70

| Product category | Prices for 16-item market basket | | | | | |
|------------------|----------------------------------|-----------|-------------------|--------|-----------|-------------------|
| | Area A | | | Area B | | |
| | Chain | Voluntary | Large independent | Chain | Voluntary | Large independent |
| | ----- Dollars ----- | | | | | |
| Meats | 1.63 | 1.80 | 1.71 | 1.79 | 1.72 | 1.73 |
| Dairy | .91 | .91 | 1.01 | .90 | .93 | .95 |
| Produce | .61 | .56 | .59 | .57 | .56 | .59 |
| Bakery | .80 | .81 | .84 | .77 | .81 | .82 |
| Canned | .85 | .93 | 1.15 | .84 | .87 | 1.04 |
| Staples | 1.12 | 1.14 | 1.22 | 1.09 | 1.12 | 1.13 |
| Other | .71 | .70 | .75 | .69 | .72 | .70 |
| Nonfood | .37 | .36 | .38 | .37 | .39 | .38 |
| Total | 7.00 | 7.21 | 7.65 | 7.02 | 7.12 | 7.34 |
| | Prices for 28-item market basket | | | | | |
| Meats | 2.73 | 2.93 | 2.80 | 2.87 | 2.73 | 2.80 |
| Dairy | 2.79 | 2.66 | 2.96 | 2.81 | 2.78 | 2.91 |
| Produce | 1.56 | 1.45 | 1.47 | 1.58 | 1.46 | 1.45 |
| Bakery | 1.54 | 1.59 | 1.62 | 1.50 | 1.56 | 1.61 |
| Canned | 1.28 | 1.38 | 1.60 | 1.26 | 1.34 | 1.47 |
| Staples | 2.16 | 2.20 | 2.30 | 2.10 | 2.19 | 2.17 |
| Other | .71 | .70 | .76 | .69 | .72 | .70 |
| Nonfood | .37 | .36 | .38 | .37 | .39 | .38 |
| Total | 13.14 | 13.27 | 13.89 | 13.18 | 13.17 | 13.49 |
| | Prices for 60-item market basket | | | | | |
| Meat | 5.42 | 5.59 | 5.36 | 5.58 | 5.34 | 5.50 |
| Dairy | 2.95 | 2.82 | 3.21 | 2.97 | 2.94 | 3.08 |
| Produce | 1.66 | 1.54 | 1.57 | 1.64 | 1.57 | 1.55 |
| Bakery | 3.82 | 3.80 | 4.02 | 3.76 | 3.83 | 3.81 |
| Canned | 3.12 | 3.24 | 3.64 | 3.09 | 3.21 | 3.36 |
| Staples | 4.27 | 4.38 | 4.71 | 4.18 | 4.33 | 4.38 |
| Other | 3.99 | 4.26 | 4.50 | 4.12 | 4.27 | 4.17 |
| Nonfood | 1.52 | 1.49 | 1.61 | 1.53 | 1.56 | 1.56 |
| Total | 26.75 | 27.12 | 28.62 | 26.87 | 27.05 | 27.41 |

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