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Packaging: major factor in the marketing of food

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BOSTON UNIVERSITY

College of Business Administration

THESIS

Packaging

a Major Factor in the Marketing of Food

By

Bernard Cleret de Langavant

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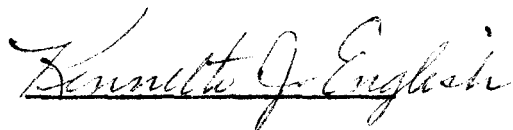
1961

This thesis was prepared under my supervision and
approval is hereby indicated.

A handwritten signature in cursive script, appearing to read "David Carson", is written above a horizontal line.

Doctor David Carson
First Reader

This thesis was read by me and is approved.

A handwritten signature in cursive script, appearing to read "Kenneth J. English", is written above a horizontal line.

Professor K. J. English
Second Reader

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INTRODUCTION

All over the world millions of people are still buying a loaf of bread at the bakery, a pound of steak at the butcher's shop, a quart of milk at the creamery and a dozen oranges at the fruit-and-vegetable stand. All these products are still cut, weighed or measured and bagged in front of the customer by more-or-less attentive clerks. This time-consuming shopping expedition takes place practically every day of the year.

Exposed to the American system of Food Distribution but a few years ago, the author of this thesis has been very impressed by the now-typical, giant Supermarkets. He has been puzzled by, if not at first critical of, these shopping habits, yet fascinated by the extensive self-service approach, as are most visitors coming to America for the first time . . . including Chairman Nikita Khrushchev!

All the wonderful packages, colorful and appealing, lined row upon row on every shelf of the store, shouting to everyone passing by, "Pick me up . . . look at me . . . don't you like me? . . . Why don't you take me home with you?" and which will, almost without exception, end up a few days later in the trash barrel, broken, cut, torn, squashed, junked, pose a real problem to the practical person who would stop to think to himself: Why all these beautiful packages? . . . Why all the work to make them, to carefully pack them, to seal them, etc., if only to finally destroy them without any feeling of culpability? Is it not a "tremendous waste," as Mr. Vance Packard claims in his latest book,¹ The Waste Makers? What could possibly justify this drain on American resources? Is packaging so important to the marketing of food? How

should the actual situation be improved?

The answer will be the subject of this thesis.

A food package, in the sense we now understand, is more than a container; it is also a preserver, a salesman, and a dispenser. How this evolution from a simple container has come about and its corresponding effects on the development of food distribution will compose the first part of this study. How the right package is selected in each case will be studied in the second part of this thesis. The introduction of a new package, often requiring more research and effort than the product it contains, will be illustrated by a case study of an actual situation involving a Retailer, a Processor, and a Supplier.

Finally, the many problems created for suppliers, packers, and retailers alike by the revolution in packaging will be examined, as well as the various approaches which could be employed to overcome them and to limit unnecessary expenses. And this will comprise the fourth and final part of this study.

Many interviews with people in the trade were conducted by the author to supplement the written material to be found on various aspects of the subject. These interviews have been conducted on an informal basis, in person whenever possible. Written questionnaires, examples of which are shown in Appendix I, II, and III, have also been used to supplement these personal contacts.*

* In references to Appendix, Roman Numerals indicate the Appendix number, and Arabic Numerals refer to the particular question in the corresponding questionnaire.

Although primarily of a regional nature, the author found these interviews to correspond closely with nationally expressed opinions.

In addition, three companies have been selected as case studies to illustrate the various points discussed: The Elm Farm Foods Company, of Boston, a food Retailer; the Colonial Provision Company, also of Boston, (the author's own company) a food Packer; and the Edwin J. Schoettle Company, of Philadelphia, a Packaging Supplier.

The respective roles of each of these three companies in the introduction of a new package have been studied in some detail in Part III of this thesis.

PART I, CHAPTER I

DEVELOPMENT OF THE VARIOUS FOOD PACKAGES

A. The Origins.

For centuries man has placed his food in some sort of container to carry it from one place to another or to store it, baskets, barrels and jars being the most widely used for these purposes. As the years went by, the tendency was to adapt the size of these containers for more convenient handling and to develop the most appropriate materials possible to better keep the items to be stored. A package is and always will be, above all else, a container.

But if we consider the food package not as a simple recipient but rather as an integral part of the food product sold, we are referring to a concept of relatively recent origin.*

As long as men have traveled, they have had to take food with them or find it on the spot. Salting and drying were the only known means of preserving food, and they solved the problem only for short periods of time. Sea-going voyagers were forced to take livestock on board ship with them to be killed for meat as the need arose. This method was obviously very impractical for armies on the move, involving much time, care and trouble. Many times more soldiers died of scurvy and starvation than in battle.

Napoleon, known to have said that "an army marches on its stomach," was obviously disturbed by these food-supply problems which

* Alcoholic beverages, bottled of necessity since ancient times, will be eliminated from this study as they are not generally considered food.

limited his mobility and decimated his troops. In 1795 he offered twelve thousand francs to anyone who could develop a package which could easily be carried with the Army and which would preserve food in good condition.

Almost ten years later, in 1804, Nicolas Appert discovered a method of preserving food in glass containers by heating and hermetically closing the bottle, making the product satisfactory for consumption long after preparation. This was the beginning of canning and, to some extent, the real beginning of packaged foodstuffs. Nicolas Appert had earned his twelve thousand francs.²

All kinds of products were bottled by him: vegetables, meat, fruit, even milk. In 1810 his book Art of Preserving Animal and Vegetable Substances was published and for many years was reprinted all over the world, the main concern at that time being the care which should be taken in applying the closing cork to insure the desired preservation.

Napoleon, in his last days, must have doubly appreciated this discovery because some of the earliest cans are said to have been sent to St. Helena where the diet, without these supplements, was very limited and rudimentary.

From Appert's discovery, progress followed slowly. In 1810 an Englishman, Peter Durand, invented the tin can (short for canister), which was used first by Dankin, Hall and Gamble for the preservation of all kinds of food. These early cans were used for sea voyages, explorations, etc., and were very successful, but few of these reached the general public.

In 1817, William Underwood came to this country from England to start a cannery which he established in Boston in 1819. He and a Thomas Kensett, established in New York, were the first American canners.³ Progress was slow at first, but with the coming of the Civil War, canning of all kinds of food became widely accepted.

In this early period, cans were very elaborate containers, made by hand by a good tinsmith at the rate of about ten a day. The top and bottom were already soldered to the side with only a small opening of about one inch at the top, making the filling of the can slow and extremely delicate; later, at the cannery, the hole at the top was soldered by hand, completing the operation.

Paper bags were pretty generally used in these early days, but they had to be made and glued by hand. It was only in 1852 that Frances Wolle developed the first paper-bag machine, making this simple package available at a low price.

In 1879, Gair invented a machine to make cardboard boxes. They had previously been made by hand and were, consequently, too expensive to pack foodstuffs.

One year later a certain Mr. Crowell, associated with the American Cereal Company, imagined the possibility of gaining brand-name recognition by using these new, inexpensive cardboard boxes to pack his cereals.⁴

This idea was quickly picked up for other cereals like Quaker Oats, which, in 1886, appeared on the market in small square boxes, glued, filled, weighed and labeled by hand. By 1895 they were already using a machine which could pack twenty boxes a minute.

B. The New Era.

It was only in 1899 that the National Biscuit Company took "the Crackers out of the barrel" to make the first modern consumer package; the Uneeda package was made of a paperboard folded around a wax liner and could resist moisture.

Meanwhile, Michael Owens was inventing a machine to make glass bottles automatically, replacing the costly glass blowers who produced at a very slow pace. This made the glass container cheap enough to be used for packaging food. Hermetic seals and vacuum caps were then quickly developed to close these glass jars.

By 1900 the sanitary can was introduced. This new can, especially developed for food preservation, had an open top, making loading very easy, and was automatically closed at the time of the canning operation. With this innovation the price of canning was drastically reduced.

In a very short time the pre-packaging of food became very popular and many improvements followed. All kinds of preservative papers came out, and printing of labels became a big operation as efforts increased to identify the new packages. In 1910 a glassine paper was developed, permitting the wrapping of greasy foodstuffs, such as dairy products.

After the First World War this pre-packaging trend gained fresh impetus. In 1921 canned citrus juices were introduced making fruit juice available to everyone in the country. In 1927 R. S. Reynolds built the first plant to make aluminum foil exclusively for the packaging of products in an air-tight wrap. About one year later Mr. Birdseye

developed a new method of freezing food products inside boxes, and this marked the beginning of unit-packed frozen foods.

Around 1923 a revolutionary new film called "Fenestra Paper" came over from France; this material was transparent and made it possible to see the packaged product. The Dupont de Nemours Company was the first manufacturer in America to produce the now well-known Cellophane. This new firm was followed by the Cellulose Acetate film in 1930; and in 1931 the Ethyl Cellulose Vinyl-type films and Pliofilms provided the necessary spark to set off the dizzy revolution in the pre-packaging of food.

In no time, everything imaginable was prepacked - bread, candy, potato chips, etc., etc. Even the natural casing of animals was replaced by an artificial, transparent casing in the manufacture of all kinds of processed meats.

At the same time, a tremendous interest in package design developed. All sorts of vivid colors, designs, shapes and sizes were introduced to better attract the consumer's attention. A multitude of brand names, identifying quickly and easily each line of products, invaded the market.

All these developments, and particularly the transparent films, considerably helped the sale of food during the hard period of the big depression in the 1930's when the advent of the Self-Service Markets was forcing packages to sell themselves. The package had really become its own salesman, fighting competition for the consumer's approval.⁵

Practically every year from then on was marked by discoveries of new packaging materials or improvements of existing ones. Cans were adapted for specific products, e.g. tin, an expensive metal, was being

progressively replaced by various kinds of special coatings, which gave very satisfactory results; now aluminum cans are becoming more and more popular for certain uses.⁶ Glass containers were made lighter and more break-resistant. High-gloss papers were developed, printing methods improved, and thermoplastic paper coating accepted. Frozen-food packages were developed to make this new process acceptable in terms of price. New transparent films, like Saran and polyethylene, have been developed; Cellophane is now available in many varied styles with specific properties; and various films have been coated together to combine their various advantages.

Many food-processing industries had to change their approach to marketing, as bulk products were no longer acceptable. Everything had to be shipped prepacked and ready to sell; from processors, most companies had become largely packers.⁷

The Second World War brought out the convenient unit package of rations C and K, which gave the fighting troops all over the world a well-balanced, ready-to-eat food supply. These unit rations may well have generated the new concept of convenient packaging.

After the War, the trend continued. Many fresh meats, vegetables and fruits were wrapped by the stores to cut down on the selling time and to make appealing displays of these products.

But the American food shopper, essentially the housewife, was no longer satisfied with a container, a preserver and a salesman she now demanded a convenient dispenser.⁸ The package had to be easy to open, to reclose and to store - factors neglected until now in the packaging revolution. So, convenient packages are replacing outmoded

ones every day. The Aerosol can is a perfect example of this trend, and its application to the food industry was not long in coming. Squirtable whipped creams are but the beginning of push-button foods.⁹

And this is where we stand today. Packers, once again, are re-evaluating their packages in terms of convenience. The packaging industry is still working hard to design the perfect dispenser.

C. Present Situation of the Packaging Industry.

Making all the new packages available requires 1) the talents of many people, 2) the development of large converting machines and 3) the adaptation of ingenious packaging methods. Researchers all over the country are working on new products or improving old ones;¹⁰ every large package manufacturer has important research facilities with very specialized laboratories where pure and applied research is conducted continually.

A new profession of specially trained Packaging Engineers are developing new packages able to compete successfully in an already saturated market.¹¹

Many electronic, mechanical and electrical engineers are working on faster machines - totally automatic and with tremendous capacities.

Market Researchers are studying the ever-changing desires of the consumer.

Designers and commercial artists are creating new ideas, images and designs that will attract the never-satisfied customer.

And too, there are all those in production working relentlessly to build the new machines, make the new packages, and package the tons

upon tons of food attractively.

These are the people involved in packaging; let us now look at some of the machines.

To produce all these various packages, giant converting machines able to turn out containers at extremely high rates of production had to be developed. Today, a production rate of over six hundred cans a minute is common; eighty glass jars a minute can be made with all kinds of desirable shapes.¹²

Printing capabilities are also astonishing. It is now possible to print paperboard, or even plastic films, in five or six colors in less time than it used to take to print in one color, and the quality of reproduction is amazing.¹³

It is possible with today's equipment to cut any type of cardboard according to specifications, print it, dry it and ship it to the user overnight.

All these giant machines have cut enormously the cost of the packages they produce because of their speed. For example, the cost per one thousand square inches of polyethylene and cellophane is now only three cents, Saran is six cents and new Mylar is approximately seven cents. Also, and perhaps more important, all these packaging materials and containers are produced with near-perfect uniformity, this being essential for use on highly automatic packaging machinery. These packaging machines are amazing in the way they perform, replacing thousands of people and doing jobs that could never have been done manually. This makes understandable the high level of perfection in the present packages offered to the consumer.¹⁴

Some industries, such as Canning and Frozen Foods, are highly automatized because of the uniformity of the product to be packaged. Others, however, involved principally with the packaging of meat or fresh products, are far behind because of the variations in the product and the quality checks which have to be performed when the packaging operation takes place.

Many types of machines are available on the market, each performing a specific operation at speeds up to one thousand cans a minute (in some canning applications); more usually a speed of twenty-five to one hundred packages a minute is considered satisfactory in most industries.

If we look at some statistics, the size of the packaging industry becomes readily apparent. Last year over eleven billion dollars worth of packaging material and machinery were produced in the United States. The growth of this industry has been tremendous in recent years. (See Table I) This growth has been steadily greater than the corresponding increase in the gross national product. In checking the percentage of increase since 1939, we notice that:

Transparent films are used twelve times more than in 1939;

Labels, tags, etc. are used ten times more than in 1939;

Paperboard and boxes are used seven times more than in 1939;

Metal cans are used six times more than in 1939; and

Glass jars are used five times more than in 1939.

The increase in the amount of dollars spent on packaging machines is also important and shows the increasing use of automation in the packaging industry.¹⁵ (See Table I)

TABLE I.

Indicates the increase (in millions of dollars spent)
in use of packaging materials from 1939 to 1959.

Type of Container or Material	1939	1947	1954	1959
Paper, Paperboard and Boxes	700	2300	3700	5000
Metal Containers	400	900	1800	2500
Glass Jars and Closures	200	600	800	1100
Transparent Films	60	120	300	750
Labels, Tags	80	400	400	800
Other	144	660	1070	1180
Packaging Machinery	16	120	130	170
Total	1600	5100	8200	11500

Source: Compiled from data in Modern Packaging
Encyclopedias, 1958 edition, p. 198-201,
and 1961 edition, p. 37-41.

TABLE II.

Indicates the percentage of total package production
used for food in 1955 and 1959.

Type of Container	1955	1959
Folding Paper Boxes	41%	48%
Metal Cans	62%	61%
Glass Jars	46%	47%
Transparent Films	58%	68%

Source: Compiled from data in Modern Packaging
Encyclopedias, 1958 edition, p. 198-201,
and 1961 edition, p. 37-41.

Packaging materials are not used proportionately to the same degree in food packages. Some of them are definitely preferred, and their total share in percentage is shown on Table II, where comparison is made with the percentage of use in 1955. Thus the trend of use can be easily established. A conservative estimate shows that at least 50 to 55% of all packages produced are used for food packaging, which means that about six billion dollars a year are spent for food packages.

Of this sum, Paper products represent about 2,500 million dollars;

Metal cans represent about 1,500 million dollars;

Glass containers represent about 550 million dollars; and

Transparent films represent about 500 million dollars.

The transparent films are gaining favor but are still a long way from equaling paper products or even metal cans.

D. Case Studies

The progressive evolution in the use of packaging materials in the food industry is well illustrated by the background and cases of the following two companies; The Colonial Provision Company, a meat processor; and the Edwin J. Schoettle Company, Inc., a cardboard manufacturer.

Case No. I : The Colonial Provision Company

This company was founded in Boston in 1918 by Sidney Rabinowitz, the current president, and two other partners. Their business was primarily concerned with the pickling of briskets. Later they began to make some sausage products, such as frankfurters and bologna; and eventually, they added to that the smoking of shoulders and hams.

The small business survived the depression, as it dealt in an inexpensive food line, and continued to grow, which necessitated its moving into larger and larger quarters. Finally, in 1956, the Colonial Company moved into the new market area of Boston. Their new plant was one of the most modern in the country; and there, in less than five years, they have been able to triple the business they had previously enjoyed.

Colonial has been relatively late in the introduction of pre-packaged food; most of their concern in earlier years had been to improve their processing facilities. It is to be noted, however, that they were among the first to use the now-popular artificial casings for sausage products. In this regard, many and varied experiments were conducted with Mr. Freund, of the Visking Corporation, the inventor of the new transparent casing which serves as a package as well as a component part of most of today's processed meats, (e.g. bologna, liver sausage, frankfurters, etc.).

During the war, Colonial engaged in an extensive canning program for the Army, which they discontinued after the war.

In 1947 the partnership was broken, and the Rabinowitz family became the sole owner of the company. They then began to embark on the new self-service distribution approach. Their first attempt was not an outstanding success, as they lacked experience in this approach; many of the new packages did not go over well.

One of their first new ideas came as a result of observing how Oscar Mayer placed an identifying paper band around their frankfurters. Colonial bought equipment from Kartridge Pack and bands from the Marathon Company and began to "band" their frankfurters in bulk form.

This method is still used successfully by Colonial for first quality bulk products. Then, in 1949, they started to use a tray package with overwrap for their one-pound frankfurters, using an F A packaging machine.* Even though this system is still widely used around the country, it did not seem to be the right package for this particular area, and the frankfurters did not sell well. In 1952 they experimented again, this time with gold aluminum foil from the Reynolds Company; this package also proved to be unsuccessful as the frankfurters did not stand well in the display cases, and their shelf life was sharply decreased as well.

Finally, in 1953, Colonial, in conjunction with the Cry-O-Vac Company, developed a new, one-pound, vacuum package for the fat German All-beef Frankfurters; and this new package with its visual appeal soon proved to be a huge success. In fact, in less than six months, the volume of this item rose from an absolute zero to over sixty thousand pounds a week! This was Colonial's first triumph in the individually packaged products.

After a serious strike lasting over one year which made impossible any real progress in prepackaging, in 1956 Colonial Provision moved into new quarters where they had many different kinds of packaging machinery installed - all the latest equipment available at that time. This machinery included: a Wrap King unit for the Cold Cut products, a Corley Miller unit for the wrapping of frankfurters in printed cellophane, two bacon-wrapping units for the pre-slicing of bacon, and also, a complete canning set-up for hams and PicNics. This clearly indicated

* A semi-automatic wrapping machine made by Package Machinery Co., Holyoke, Mass.

a recognition of the importance of the package to successful marketing and the consequent desire to go all out in the efficient and attractive pre-packaging of meat products. Since that time, new machines have been bought as new developments have become available; among these are a new Flex Vac machine for Cold Cuts and Tux-style machine for the packaging of bacon. And Colonial is continually working on improving their packaging facilities to catch up and overtake competition enjoying an earlier start.

However, keeping up with the newest and best of the packaging machines, in itself quite an undertaking, is not all that is necessary to stay competitive in the ever-changing world of pre-packaging. Over \$500,000 a year is spent on packaging materials of extensive variety and representing over one thousand various items. A large number of Colonial products are packaged under private label brands for large chains, which, of course, automatically increases the amount of packaging material carried in inventory.

Colonial sales territories cover all of New England and most of New York state. The sales volume is over \$25 million a year, with its entire production packaged in some way; however, only about 60 per cent of this figure refers to unit-sales packages because of the large quantity of smoked-meat products which require no protective package other than the shipping cartons.

Case II: The Edwin J. Schoettle Company, Inc., of North Wales, Pennsylvania. This study is based principally on interviews with Mr. Ted Heidenreich, Jr., their New England representative.

This company was founded ninety-nine years ago by Edwin J.

Schoettle in Philadelphia, and was operated as a family-owned enterprise by succeeding members, thus remaining in the Schoettle family until 1954 when the company was purchased by two individuals from the former owner's estate. Douglas Neale, principal purchaser, became the head of the Corporation and the president of the Company.

Prior to 1946 the company produced a variety of packaging materials, few of which were for the food business, i.e. protective food packaging. Most of the production was in the dry-carton field, and what little food business there was was in the over-all master cartons for individual food-retail units.

Subsequent to 1946 the company became interested in paraffin-coated cartons and other protectively coated packages. The first large volume attained in this area was in ice cream and frozen foods. The Schoettle Company was one of those responsible for the development of suitable cartons for use of automatic packing equipment in the ice cream industry, and they developed many cartons which tied in with the advent of automatic packaging of food.

During this period, the company operated principally in the middle Atlantic states and became a major supplier to concerns in Pennsylvania, New Jersey, Maryland and southeastern areas of New York.

As the amount of food packaging being produced increased, the amount of dry cartons and non-protectively coated cartons decreased; general quality increased as the demand for quality increased. Special skills needed for high-quality printing of pictorial packages were developed, and equipment was brought in from suitable plants to produce this type of packaging. One area in which the company has operated always and in which they still do receive a large volume of business, is that

of high-quality drug packaging.

Today the Schoettle Company is moving more and more into the area of machine-formed cartons, developing machines for completely automatic packaging - even for carton forming. Waxing and lining of packages, too, is done in their plant, particularly for the ice cream producers. They have upgraded their ability to produce cartons by securing over the past four years the most modern equipment available in the world, some of which has been imported from Switzerland.

About eighteen months ago a four-color offset press was installed to get improved pictorial representation. This press was bought at the same time the company built a new plant outside of central Philadelphia in North Wales to take advantage of an ideal labor market and to obtain a one-floor operation. This expanded the capacity of the plant by about 50 per cent over the previous plant.

At this time, about 70 per cent of the business is in protective food packaging; i.e., in paraffin, plastic-lamination, glassine lining, grease-proof boards, and products of similar nature. The other 30 per cent is in candy boxes or the like which require a much less complicated process. A total of 85 per cent of the business is in food packaging.

The Edwin J. Schoettle Company began business relations with Colonial at the end of 1956. At this time they were asked to take care of most of the supplies of cardboard folders for the packaging of bacon. And over the years their business relations with Colonial have been increasing steadily; this will be seen in Part III of this study.

PART I, CHAPTER II

THE DISTRIBUTION OF FOOD - AS IT WAS, AS IT IS NOW

A. Evolution.

The marketing of food began when men who had always produced everything necessary for their own subsistence decided to specialize in particularly successful products which they exchanged for other commodities. The public market evolved to facilitate these exchanges where it became possible to buy, in one location, all that was necessary to supplement the home-grown diet. The street stands grew into small shops, usually specialized in the handling of certain products. Shops such as the butcher's, the baker's, the grocer's, etc., were alimented largely by local producers.

As various means of transportation were improved, so it became possible to ship food farther and farther from production areas; and in 1868, when the first refrigerated railway car was put on the tracks, even perishable goods became available to consumers all over the country. With the coming of the freezer, it was not only possible to buy perishables anywhere, but also to keep them for long periods of time. It became necessary to buy merchandise in large quantities to take advantage of these facilities and to get better prices; this, in turn, encouraged the development of food chains.¹⁶

In 1859 George Hartford founded the Great Atlantic and Pacific Tea Company, opening up small stores in many places. Very quickly other chains were organized, and a multitude of small stores directly connected to a central buying point reduced their cost of operation, and, subsequently, their prices. Competition became very keen between the chain

stores and the independents, and in most cases, the chains were in a position to outsell the small independent stores on almost every item. It took the independents a long time to organize themselves to fight back efficiently.

Around 1920, many retailers started to group themselves around wholesalers and to establish contracts whereby they could buy their foodstuffs at prices comparable to those set by the chains. Also, about this time, other retailers decided to organize cooperative groups among themselves where they could buy merchandise cooperatively and get refunds according to their amount of purchases for the year. Both these methods proved satisfactory in fighting the chain-created squeeze, and in 1929 a multitude of small retail stores were flourishing all over the country.

Then came the depression. Sales dropped but operating costs remained the same; a substantial drop in profits resulted. To the retailers who wanted to stay in business, the only solution was to cut operating expenses; and, as "Necessity is the mother of invention," so the self-service idea was born. By eliminating most of the selling personnel and letting the consumer fill his own orders, it was possible to cut costs considerably and thereby salvage a part of the diminishing profits as prices in general started to rise. These new self-service stores attracted many people anxious to save their hard-earned dollars; the loss in service was more than compensated by the lower prices.¹⁷

As the new approach gained popularity, it became evident that still more money could be saved if several operations were combined under one roof; this immediately led to larger stores, able to accomo-

date more customers and to carry a larger variety of produce, all without increasing the relative cost of labor. From this point on, chains and independents began with a tremendous drive a program of re-examination and renewal of their stores. Every year witnessed the replacement of more unprofitable small stores by larger and larger ones, which came to be known as "supermarkets". This has been the trend for the past thirty years, one which has completely transformed the distribution of food in this country.¹⁸

B. How the Change Has Been Accepted by the Consumer

As it happens, this transformation of the distribution of food, caused by the depression, corresponds very closely to the needs of today's consumer.¹⁹ As a result of the cuts in income during the depression and even more important, the scarcity of manpower during World War II, more and more women began working both part and full time. After the war this situation had become commonplace; the new society failed to frown on the practice, and many families welcomed or actually depended upon the additional income. In 1958, 16 million women were working as compared with only 7 million in 1940. Consequently, the time available for these women to shop having been considerably reduced, the convenience of finding all the food for the family in one stop was almost unanimously welcomed.²⁰ Surveys prove that the majority of women, whether or not they work, shop only in an average of two stores; some, in only one; few in more than three.²¹ (See Table III)

TABLE III.

Indicates in percentage how many Food Stores are shopped in a week by a representative sample of housewives. This table shows the U.S. average, and the breakdown into income groups, age groups and population density.

	One Store	Two Stores	Three Stores	Four Stores	Five Stores
U.S. AVERAGE	17%	43%	27%	8%	4%
BY INCOME					
Under \$3,000	15%	42%	29%	9%	2%
\$3,000 - \$6,999	17	42	27	9	4
\$7,000 and over	17	45	26	7	5
BY AGE					
Under 25	22%	50%	16%	7%	4%
25 - 34	18	46	26	6	3
35 - 44	19	38	28	10	4
45 - 54	19	36	33	7	5
55 and over	10	45	28	10	5
BY POPULATION DENSITY					
Rural	19%	45%	24%	6%	3%
City 2,500 - 49,999	16	42	33	3	2
Metropolitan area, over 50,000	16	42	27	10	5

Source: National Family Opinion Survey, published by Sales Management, October 21, 1960, p. 39.

During the last thirty years, refrigeration in the home has become widespread, thus making it possible to keep food in the house longer without spoilage. This fact, combined with the increased number of automobiles (two out of three women shop by car), has automatically reduced the number of times per week that people have to shop. Surveys show that the majority of people shop only twice a week - the first time for most of their needs, and the second time for supplementary small items. (See Table IV) Those who do shop more often are usually in higher income groups and have more available time. However, people with lower incomes have more of a tendency to "shop around," searching for the best buys available. As the total income of the population goes up and people have more money available for food, they discontinue the time-consuming "shopping around" to reserve their leisure time for more interesting activities.

It is significant that the measure of success of these new distribution methods varies with the different age groups, as with the population density. Young people who have been exposed to self-service since early childhood find this mode of shopping perfectly natural; and, as the tendency is to marry younger each year, they often find that it is the only way with which they are familiar. On the other hand, older people who have known the older ways are harder to convince and they are apt to continue shopping in several places. (See Table III)

As people seek more and more to fill their leisure hours with profitable or amusing activities,²² this one-stop shopping trend grows, and will continue to grow, throughout the entire country.

Moreover, women like big stores where they can browse around, pick and

TABLE IV.

Indicates in percentage the number of shopping trips per week made by a representative sample of housewives, and also how food shopping is usually performed during the week.

Number of Shopping Trips per Week	Percent
1 or less	32.9%
2	45.8%
3	12.6%
4	5.3%
5 or more	3.4%
Total	100.0%
<hr/>	
Shopping Habits	
Day to day basis	4.5%
All on one day	22.0%
Bulk on one day, fill in on others	73.5%
Total	100.0%

Source: SuperMarket Shopping Habits and Attitudes of McCall's Readers - a report from McCall's Research Department - 1954.

choose, or leave empty-handed with no pressure put on them to buy (i.e. other than that exerted by the many tempting packages!). The supermarket is becoming the most popular of this type of market, (see Table V), and received the bulk of the food dollars spent per trip. (See Table VI)

C. Importance of Food Distribution.

In 1960 only seven per cent of the total food consumed in the United States was home grown (as compared to 18 per cent in 1929), 24 per cent was eaten in restaurants or the like and the remaining 69 per cent was purchased in retail stores for the sum of \$56 billion.²³ Furthermore, sales through supermarkets represent 68 per cent of the total retail food business (as compared with 44 per cent in 1952), with the big chains stealing the show in taking over 45 per cent of the total retail sales, even though the number of stores is decreasing.²⁴ (The increasing importance of the chains during the past 20 years can be readily seen in Table VII).

The voluntary group wholesalers, although they represent one fourth of the independent sales, are not very successful because these companies have the tendency to pull out of the group as soon as they are large enough to take advantage of quantity buying by themselves. Cooperatives are much more successful because they are better adapted to the large size of the new supermarkets.²⁵

The average sales volume for a supermarket is about \$1.9 million a year, compared with only \$1.1 million in 1950.²⁶ Some stores, however, enjoy gigantic sales volumes - such as the three Schwegmann's Stores in New Orleans, which total over \$50 million a year. An interesting survey conducted by the Supermarket Institute shows to what extent self-service

TABLE V.

Indicates in percentage the comparative frequency of visits made to various Food Stores.

Type of Store	Percent
Supermarket	40.9%
Clerk Grocery Store	23.9
Bakery Shop	13.6
Butcher Shop	8.4
Delicatessen	4.1
Fruit and Vegetable Store	3.5
Other	5.6
Total	100.0%

Source: Supermarket Shopping Habits and Attitudes of McCall's Readers - a report from McCall's Research Department - 1954.

TABLE VI.

Indicates the percentage of shopping trips and grocery dollars going to each store shopped.

No. of Stores Shopped	% of trips		% of \$		% of trips		% of \$		% of trips		% of \$	
1	100	100										
2	86.2	89.2	13.8	10.8								
3	72.5	76.8	21.3	18.6	6.2	4.6						
4	72.6	74.7	18.7	18.3	6.8	5.5	1.9	1.5				
5	59.8	63.2	23.3	23.4	11.8	9.6	3.6	2.9	1.5	0.9		
6	53.8	65.0	24.6	19.8	11.1	8.7	5.0	3.8	4.0	1.0	1.5	0.7
	First Store		Second Store		Third Store		Fourth Store		Fifth Store		Sixth Store	

Source: How People Shop for Food - p.9 - an unpublished survey made by the Market Research Corporation of America's National Consumer Panel in 1960.

TABLE VII.

Indicates in millions of dollars and percentage the retail food trade in 1940 and 1960 by type of outlet.

GROCERY STORES	1940		1960	
	Independent	\$5,830	51.4%	\$26,330
Chains	3,180	28.0	22,140	39.7
SPECIALTIES STORES	2,340	20.6	7,240	13.0
	<u>\$11,350</u>	<u>100.0%</u>	<u>\$55,710</u>	<u>100.0%</u>

Source: Based upon Food Topics, Feb. 1961, p.26; and the Progressive Grocer, Portfolio of Facts and Figures on Food and Grocery Distribution, 1941, p. 2.

TABLE VIII.

Indicates the extent in percentage of self-service in supermarkets.

Department	Complete Self-Service	Partial Self-Service	Service	% of Supermarkets with this Dept.
Grocery Dept.	100%	--	--	100%
Dairy	99%	1%	--	100%
Meat	88%	10%	2%	100%
Produce	61%	39%	--	100%
Complete Bakery	53%	19%	28%	38%
Extensive Delicatessen	75%	6%	19%	27%

Source: Based upon Supermarket Institute's Supermarket Industry Speaks, 1959.

is now part of supermarket operations. (See Table VIII)

D. Case Study: The Elm Farm Foods Company

The Elm Farm Foods Company owes its origin to a small pickle and herring store opened in 1898 by Mr. Morris Winer, founder of the company, in Boston. A few years later, Mr. Winer went into the creamery business, making sour cream, cottage cheese, etc., and selling everything in bulk form. As his store grew, he opened a second store which also grew; when his sons were ready to start in business, many more stores were opened; and all were basically the old-type creamery specialty store. The Winer stores became well known in Boston.

Gradually they expanded into the grocery business, using from the very beginning their private label "Elm Farm". The Elm Farm name became well known in the area for the grocery items carried by the Winer stores, which numbered close to ninety at the beginning of the depression.

In addition to these, they were offered two grocery departments in the first supermarkets that opened in old mills. These were so successful that they opened their first supermarket under the Elm Farm name in 1938.

As they built up supermarkets, they closed down the old Winer stores. Today there are no Winer stores left - only twenty-seven complete Elm Farm Supermarkets, plus seventeen franchise stores where they operate the grocery departments (such as Daggett's and Columbia Markets).

Because Elm Farm is strictly family-owned, it is somewhat limited in capital available for expansion; however, five new supermarkets will be opened this year.

The introduction of pre-packaged fresh food actually began in 1944 in Fitchburg, with Elm Farm being the first to start this operation in the Greater Boston area. There was a great deal of experimentation in the beginning, but as the years went by, they progressively increased the self-service, as did every other supermarket to follow them. Many innovations, such as special wrapping equipment installed in 1949 and 1950, are still in use at the Elm Farm Stores and have been copied by many supermarkets all over the country.

Elm Farm Foods Company, like every other chain in the business, is keeping a close watch on every new operational change that could improve performance in the stores and thereby cut costs. Right now, close to 99 per cent of their meats are pre-packaged for self-service, of which 75 per cent are packed at the Elm Farm stores. (Incidentally, Elm Farm's sales of meat account for 27 per cent of their total business, as compared with a 24 per cent national average.)

In the Fish-and-Appetizer Specialty Department, 88 per cent of the foodstuffs are pre-packaged for self-service, and close to 98 per cent of the Produce Department is pre-packaged, most of it done outside by suppliers.

The average store has twelve thousand square feet of selling space, and does an annual sales volume of \$1.9 million per store (counting the franchise stores). The smallest store does about \$1.25 million in sales volume per year, and the three largest do over \$5 million.

Elm Farm has developed excellent business relations with Colonial Provision Company over the years. They were first among the chain stores to have their own brand of bacon pre-sliced and packaged on the new bacon line set up on 1956.

PART I, CHAPTER III

WHY IS PACKAGING SUCH A BIG FACTOR IN THE MARKETING OF FOOD?

Without the background facts on the development of food packaging and on channels of distribution, discussed in Chapters I and II, it would be very difficult to understand the real effect of packaging on the marketing of food. Now, with this background behind us, we may examine their relationship to each other in answering the following questions:

- A. Is unit packaging essential to the new method of food distribution?
- B. What effect did unit packaging have on the consumer's shopping habits and on his standard of living?
- C. How did unit packaging change the marketing of food?

These answers will provide the basis for an honest judgment of the true value of packaging and of its necessity.

A. Is unit packaging essential to the new method of food distribution?

Self-service would never have started in the early 1930's had pre-packaging not already been in existence. This opinion is shared by everyone in the field of distribution. As Mr. Shankman, Meat Buyer of the Elm Farm Food Company, put it:

Packaging in itself was instrumental in self-service. Even later, during the war, when sales personnel were scarce, it was practically impossible to display fresh merchandise at peak hours. The idea came that if other products were sold in boxes and bottles, without service, so too could fresh and perishable merchandise be sold in overwrapped trays.

It would have been impossible to eliminate the sales personnel in the store originally if canned products had not already been widely available, if most of the crackers and cereals were not already in attractive boxes and if the new transparent films were not available for wrapping many varieties of products in unit packages and through which the customer could see what he was buying. Packages had already banished the cracker barrel from the grocery store, but that was nothing compared to what it would do to the grocery-turned-supermarket! (See Appendix I, 1)

The supermarket trend, in turn, had its effect on packaging, for the demand for more and better packages able to sell themselves, gave the packaging industry the boost it needed to progress at such an astounding rate.

The old packages of the past quickly became obsolete. They did not stand up well enough on the shelves; they did not attract the consumer's attention enough nor create the necessary desire to buy. And these things were now musts if no one were to influence the customer. Pictorial descriptions of the contents quickly replaced the austere printing which merely indicated the name of the products. Suggestive colors, beautifully contrasted or harmonized, replaced most of the one-color jobs which had previously been used. Attractive shapes were developed to increase display appeal. Private branding became widely used by national and regional processors seeking to sell their name and thus promote sales of lesser-known products.²⁷ By institution of families of brand products, recognition and attachment for a name was created; thus, through the packaging, sales of the less-popular

products were advanced.²⁸ This private branding has also been widely used by retailers in an attempt to bring loyal customers back to their stores in search of products they like and can find only in their stores. Private brand names have also been used to bring pressure against prices of manufacturers' brands.²⁹

And so, as Mr. Carmen Lanza, Head Buyer of the Star Market, puts it: "Without packaging there would be no self-service; these two go hand in hand. They have started modestly, have grown together, and they will continue together to who knows what limits?"

B. What effect did packaging have on the consumer's shopping habits and on his standard of living?

Extensive pre-packaging has made it possible for the American consumer to have available all year long, in or out of season, products from all over the world if he so desires.³⁰ This could not be said of many other countries. The varieties available, the quality offered make of this country one of the best-fed nations in the world. Appropriate packages are available to each family, and the variety of sizes and brands guarantees that each one will find something to his satisfaction.

Packaging has had a tremendous effect on the way people live, as well as on the way in which they shop. As we have noted earlier, many women hold outside jobs, and thus the time they have available for housework is extremely reduced, and they do not like the idea of spending most of their leisure time in the kitchen. The more time they save on meal preparations, the more time they will have for more interesting activities. This explains why such packaged foods as prepared mixes,

instant meals and TV dinners have received a highly enthusiastic reception. Women are no longer ashamed of using convenience foods; they look for them and buy them wherever they are available.³¹

Pre-packed foods are also very convenient for the housewife because they spoil less easily, take less room, stack more readily, are already weighed and cleaned and require very little preparation before cooking.

Is the high attraction the pre-packed foods hold for the American woman an indication that she is fast becoming extremely lazy?³² It may be that some of our women are, but most of them are taking care of their homes and children, entering into varied civic and social activities and perhaps holding part or full-time jobs as well.

Another consequence of the housewife's lack of time and her desire for convenience is that she is planning her purchases less and less and using her shopping list more and more as a very general reminder - or perhaps for the basic staples only. In this manner she makes herself more receptive to what looks practical and appealing to her in the store and tends more and more to buy upon impulse. Dupont has made some very interesting surveys on this trend, and these surveys make it clear that the packaging of food has a great deal to do with this new tendency.³³ (See Table IX) Because of this tendency and because the housewife feels that most brands compare, more or less, in quality,³⁴ it has become of primary importance for the package to be able to hold its own in competition with others on the shelf. It must stand out to win that final decision to buy on the part of the housewife. How this is accomplished will be studied later.

TABLE IX.

Indicates in percentage how the consumers plan their supermarket buying, and the relative fluctuation of these percentages from 1945 to 1960.

	1945	1949	1954	1960
Items specifically planned and purchased	48.2%	33.4%	29.2%	30.5%
Items planned in a general way and purchased	11.0	26.7	21.0	15.9
Items purchased as a Substitute	2.6	1.5	1.8	2.7
Items purchased without any previous plan	38.2	38.4	48.0	50.9

Source: 6th Du Pont Consumer Buying Habits Study 1961 -
 "Today's Buying Decisions", p.3.

C. How did unit packaging change the marketing of food?

To begin with, packaging has eliminated the spoilage of tremendously large quantities of food. It was not so long ago that close to half of the food production was wasted because the food could not be consumed when fresh and had to be thrown out because of spoilage. Now, because it is possible to preserve these food products, comparatively little is wasted; any surplus can be kept for a leaner season. This preservation is done mostly by freezing, and the amount of food stored in this manner is surprising. In 1959, five hundred and ninety million pounds of vegetables, almost 40 per cent of a year's pack, and one thousand and sixty million pounds of fruits and juices, way over a year's pack, were frozen and stored in warehouses across the country.³⁵

Storage on such a scale has, obviously, the advantage of leveling prices and of avoiding seasonal fluctuations. It has also made possible the use of contracts between growers and processors where the crop is bought in advance, which provides a more stable income to the agricultural sector of the national economy.³⁶

After they are packed, many food products are sent to warehouses and handled through brokers, a steady distribution of the product then being assured - wherever and whenever it is needed.³⁷

Fresh products have also benefited from the qualities of new packaging materials, seeing their shelf-life increased considerably. Now, if correctly handled, these products will no longer suffer the spoilage of the past due to poor preservation.³⁸

The chief principle of canning, as we all know, is to place the food in tightly closed containers wherein all bacteria are destroyed

by heat. Without suitable containers there could be no canning. However, something that many people do not realize is that the freezing of food could not be done without a package.³⁹ In order to remain in good and sound condition, the product must be sufficiently protected from contact with the air to stop oxidation. In addition, and perhaps even more important, the product must be wrapped in such a way to prevent loss of moisture or dehydration. Should this loss of moisture occur, the food product would turn black with what is commonly known as "freezer burn," caused by absence of water. Consequently, some sort of moisture-proof package is absolutely necessary. It is also obvious that no liquid or viscous products could be marketed unless they were contained in leak-proof packages.

It is true that all these products do not have to be sold in fancy packages, nor do fresh meats, fruits and vegetables need to be pre-packed at all. But if we were to forget pre-packaging, we would immediately push the economy back to the level it held thirty years ago.

What, then, would happen? True, fewer people would be employed in the Packaging industry; but what would the situation be in the retail trade? If we consider that since 1930 the population of this country has increased by 50 million, and that the consumption of home-produced food has declined from 18% to 4%,⁴⁰ how many small stores would it take to handle all the additional consumers? How many people would be needed in retail selling, and most important, how much would it cost? Finally, what would happen in the future when the population will have soared over 200 million?!!

This method of distribution is a must in this kind of growing economy; it is not a waste - it is, in fact, the only economical way known at this time to successfully market food. Consequently, the unit package is a necessity in the marketing of food, not only as a container, but also as a preserver, a salesman, and a dispenser.

PART II, CHAPTER I

WHO SHOULD DECIDE ON THE PACKAGES? HOW IS IT DONE?

In every case it is the consumer who will make the final choice of a package, and rightly so. If a package is attractive to him, he will buy it; and this will mean the success of the package. If, on the other hand, the consumer does not show a real interest for the package, it will stay on the shelf until it is finally removed because of its lack of appeal.

But the consumer would not find the package on the shelf - to buy or reject - if, before that, the management of the store had not decided to carry it as part of his line. Many thousands of packages are offered to the retailer every year. He cannot possibly carry them all and must decide on the basis of what he believes to be the desires of his customers and his own feelings of how well the package will fit into his store.⁴¹ He may decide to package some products himself if his equipment permits him to handle the job;⁴² but in most cases these thousands of products have been packed by the processors anxious to offer what will please their customers, the retailers, and, of course, the consumers.

It is, then, the processor who will have to make the decision of how to pack his product according to what he feels is right and what he knows he can produce.⁴³ Picking the right package is an important decision and, in many cases, the one responsible for the success or expensive failure of the operation. To reach his decision, the processor will call on the package manufacturer to learn what is available on the market, what can be expected of the various packages and how much they

will cost. On the basis of this information, the processor will pick his next package always considering, of course, the consumers' tastes.

A. Choice by the Consumer.

Many surveys have been made to determine why a consumer will select one package rather than another beside it on the same shelf, to find out what really affects his decision in the store - so important in impulse buying. Most of these surveys, conducted by such companies as Dupont de Nemours and by such magazines as Time and McCall's, have not been concerned with the choice of packaging as such, but rather with studies of shopping habits in general. However, some conclusions can be derived from these studies concerning the importance of the package in the selection of certain products.

More important to our study are the results of the survey conducted in early 1960 by the National Family Opinion, Inc., of Toledo, Ohio, a well-known research organization. This survey, sponsored by the magazine Sales Management as a service to its readers, was specifically concerned with packaging, entitled "Food Packages as Housewives See Them." It was conducted in the form of a questionnaire upon which the women checked agree or disagree after each question. The results are extremely interesting and, in some cases, surprising. (See Table X, which will give an idea of the questions and answers given.) At the end of the questionnaire, preferences for specific package characteristics were expressed. Obviously, these opinions have a direct bearing on the way in which the housewives select their packages when shopping. A summary of their view shows that:

- 1) The housewife is sufficiently concerned about the qualities

TABLE X.

Indicates what homemakers think about packaging in general.

Would be willing to pay a little more for a product in a convenient or efficient package.	AGREE DISAGREE	60% 36%
Think there is altogether too much advertising on packages; space could be better used for directions and descriptions of product.	AGREE DISAGREE	75% 22%
Know the brands I like, and will continue to buy them regardless of the way they are packaged.	AGREE DISAGREE	59% 38%
The package or container is especially important today since there is little difference between major brands of food products.	AGREE DISAGREE	37% 59%
Dislike packages that shout. How nice it would be to see a cereal or a soap powder in a solid color package.	AGREE DISAGREE	40% 55%
The appearance of a package or container is quite important to me.	AGREE DISAGREE	39% 57%
Would much prefer to buy products in old-style packages at lower cost.	AGREE DISAGREE	36% 57%
Like the packages that are designed to look nice on my shelves rather than to stand out on a grocery shelf.	AGREE DISAGREE	68% 27%
A "new improvement" in packaging is often a change for the worse, in my opinion.	AGREE DISAGREE	26% 68%
Sometimes change brands if a competing company comes out with a package I prefer.	AGREE DISAGREE	42% 54%
When I buy foods and household products, the package or container has a great influence on my choice of brands.	AGREE DISAGREE	24% 73%
Wish food packages and containers came in more sizes. I often must choose between "too much" and "too little".	AGREE DISAGREE	67% 31%
Believe that products in the large "economy-size" packages often cost more per unit of weight than they do in smaller packages.	AGREE DISAGREE	24% 71%
Wish manufacturers wouldn't try to fool me by packing a small amount of product in an oversize package.	AGREE DISAGREE	78% 20%

Source: Sales Management, October 21, 1960, p. 40-41.

of a package to change brands if she feels another brand would give her a package more convenient to use.

2) She is more interested in a package which will look well in her pantry than in one which looks well in the store but would be impractical for home use.

3) She buys the size package appropriate to her own needs.

4) She wants a package which will keep its contents fresh until finished.

However, it is important not to forget the other factors which influence a housewife's decision to make such and such a purchase. The quality of the merchandise itself remains a very important one, of course. Another important factor is the "on sale" sign, always a big buying incentive for the shopper, as are special offers and quantity discounts.

So much for the consumer, his tastes, desires and impulses, which, fortunately, vary enough to make all kinds of packages good selling items and eliminate a dreadful uniformity.

B. Choice by the Retailer.

In definite contrast to that of the consumer, the approach used by the retailer in selecting a package is based on more clearly defined thinking and varies little from company to company. In most cases, the product will be selected directly by the head buyer, assisted by his buyers,⁴⁵ the reason for this being that very few basic products are new; therefore, it is only the difference in the package which distinguishes one product from another. (See Appendix I,2)

Meat products, to the contrary, are usually handled through a Buying Committee because most retailers feel that "several heads are

better than one" to make such decisions. However, it is worth noting that some chains, such as Elm Farm, prefer to leave the decision here with the head buyer for quicker action which enables them to take advantage of competitive situations.

An interesting approach is that used by the First National Stores which have an executive merchandising committee that meets every three months under the chairmanship of Mr. Harrigan, Merchandising Vice President, to discuss and to accept or reject new products. This approach is considered slow by many chains, but First National feels that there is no rush to carry a new product; to the contrary, there are certain advantages to waiting, e.g. the profit to be gained from knowing the success or failure of a competitor in introducing the new product.

All companies agree that the package is a big factor in the consumer's choice of a product but that it could not be of primary concern to the retailer when he is deciding on a new product. The retailer's chief concerns are still to achieve the highest possible quality and to secure prices in line with his competitors. (See Appendix I,3)

The question of whether it is good business to change the design of a package which is already selling well is one which seems to lead to two schools of thought, practically opposed to one another. Some chains, such as the First National, would hesitate to change a package which is moving well for fear that the effort spent on establishing a good product would be lost. Mr. Shankman of Elm Farm does not feel that the increase in sales brought about by a new package is too important because that increase would correspond to a loss in the sale of another product, due to the consumer's limited buying power; thus there

would be no real gain to the company. (See Appendix I,4)

However, there are other chains, such as the Stop & Shop or the Star Market, who strongly believe that a new package catches the attention of the consumer and automatically increases sales. For this reason, they would not hesitate to change a good-selling package.

But none of the retailers would contemplate paying more for an attractive package unless it offered a real improvement in the quality of the product (increased shelf life, etc.). The feeling is that any additional cost to the manufacturer for a new package should be compensated by a corresponding increase in sales rather than by an increase in the cost of the product, as there is no real reason why the consumer should pay for this improvement. (Appendix I,5) However, it is interesting to note that, according to surveys, 60 per cent of the consumers claim to be ready to pay a little more for better packaging. (See Table X)

C. Choice by the Packer.

The burden of the choice of the right package lies with the packer. Not only must he select the package, but if additional expenses are incurred, he is expected to absorb them. This explains why so many processors are more and more preoccupied with selecting packages, trying to avoid costly errors while endeavoring to increase their sales.

Almost all the large packers now have very elaborate packaging departments with sections including package research, art, testing, market research, and so on. The development of a new package, in many cases, requires as much - if not more - work than does the product it contains. As these elaborate procedures involve a lot of time and money, it is not surprising that the results are usually satisfactory, sometimes spectacular. (See Appendix II, 1)

Less fortunate companies who cannot afford this type of department often use the services of packing specialists, with good results.

In many companies the responsibility for the choice rests with the director of packaging, assisted by a packaging committee, composed of representatives of the various company departments, usually including Sales, Merchandising, Product Development and Advertising. This approach seems to be gaining in popularity as more companies realize how many departments are directly involved with the selection of a package.

In most of the companies interviewed, the sales and marketing departments were responsible for the final decisions in the selection of new packages; quite often, however, more weight is being given to the opinions of the packaging experts who are familiar with the sales problems as well as with the other aspects of the business affected by packaging decisions. (Production is usually involved only in the execution stage of the programs.)⁴⁶ (See Appendix II, 2)

Some small companies are still depending on the judgment of one or two individuals for their packaging decisions and are evidently experiencing great difficulty in keeping up with progress in the field, e.g. in developing new packages that sell. As much as possible, these people surround themselves with technical advice inside and outside the company, but the final decisions remain their own; and although these decisions are more quickly made, they are also a good deal more risky.

In seeking to discover where ideas for new packages come from, the retailer has been mentioned as a source only once. This seems to indicate that the retailer is generally satisfied with the variety of packages offered to him by the processors and can usually find just what

he wants. On the other hand, packaging suppliers have been constantly mentioned as fruitful sources of packaging ideas.

D. Choice by Suppliers.

The importance of the role played by the suppliers in the selection of new packages is evident, and not too surprising, for it is their business to find outlets for the terrific amount of new packages that they are constantly developing. (See Appendix III,1)

Most suppliers avail themselves of the best market-research departments in the country. As they are involved essentially in the creation of packages, or of materials, which are ultimately to be sold to the consumer, they must be constantly aware of what the consumer desires. (See Appendix III, 2) To guide their research in the right direction, large companies, such as Dupont de Nemours, are making giant surveys of the consumers' shopping habits.

To a large extent, then, it is the supplier who is actually choosing the packages which will be sold to the consumer, rather than the processor, who has to use whatever is available to him. However, it is worthwhile to point out that most revolutionary new packages have been created through the combined efforts of the manufacturer (or processor) and the supplier. (See Appendix III, 3)

PART II, CHAPTER II

DOES THE PACKAGE FILL THE FOUR REQUIREMENTS OF A GOOD PACKAGE?

Until recently, package planning was quite simple and not at all the complex operation, involving much time, money and research, that it is today. The products were developed first and then packaged in a hurry. As Mr. Robert G. Neubauer, a noted package designer, has observed, "Before the advent of self-service, the attitude might have been: 'Don't touch the merchandise.' Now, with the new packaging, the entire concept is: 'Please do touch the merchandise'!"⁴⁷

This new concept requires of the package four distinct traits, recognized earlier, which are: container, preserver, salesman and dispenser. As we have seen before, each one of these characteristics must be considered when a package is designed if it is to be accepted by the retailer and bought by the consumer. Let us now examine just what this entails.⁴⁸

A. Is it a Container?

To deserve this name, a package must have certain characteristics, sometimes neglected by the packers, which follow:

1) It must be of the right material.⁴⁹ Strangely enough, it appears that women have a peculiar feeling about the type of material used to pack specific products. In the study published by Sales Management, previously mentioned, housewives were asked to choose the type of package they felt to be best fitted for certain foods.⁵⁰ (See Table XI) Contrary to all expectations, they had very definite and marked opinions, and there was very little doubt in their minds as to what material was appropriate for given products.

TABLE XI.

Indicates in percentage the definite opinions which housewives have concerning the type of container suitable for packaging various food products.

	Plastic	Cardboard	Metal	Glass	N.A.
Juices	12%	2%	42%	42%	2%
Processed (canned) fruits and vegetables	3	1	58	35	3
Frozen fruits	45	35	8	5	6
Frozen vegetables	38	54	2	2	5
Dry cereals	12	82	1	2	3
Dairy products (such as cottage cheese, ice cream, etc.)	49	38	1	8	4

Source: Sales Management, November 4, 1960, p.41.

2) It must be of sufficient strength to hold the product it contains. This is demanded not only by the housewife but also by the retailer. No one wants a milk carton that leaks or a cellophane bag that breaks open in the shopping cart.

3) It must be the right size. Attempting to attract more attention on the display shelf, many packers have tried to explode the sizes of their packages. These packages will most certainly be noticed; but if they are too large to fit into the pantry or kitchen cabinet, the housewife is not apt to buy them. Retailers, too, are getting short of shelf space and, more and more, tend to avoid the giant-size packages.⁵¹

4) It must be of the right shape. Shape is important to the housewife as well as to the retailer; the space in her refrigerator or in her cabinets is fully as limited as the retailer's shelf space in his store. A square carton of ice cream, for example, takes much less room than a round carton.

5) It must stack easily. This is requested by the retailers who know that a package must stack well to make a good display. If the packages don't make an attractive display, they don't sell; if they don't sell, who wants them?!

6) It must be uniform. Standardization is a must, for if the package is to be identified easily, it should always have the same characteristics. Also, lack of uniformity gives a very bad impression on the store shelf.

B. Is it a Protector?

To be termed a protector, a package must keep the intrinsic qualities of the product intact, which means that it should meet the

following requirements:

1) It must conserve freshness. Too often packages are so inferior that the product is dry before it reaches the consumer, or before the entire product can be consumed.⁵²

2) It must preserve the color. One of the disadvantages of the transparent films is that they often fail to meet this requirement, e.g. under the fluorescent lights of the cases, many products packed in these films lose their natural colors and fade.

3) It must keep odors out and flavor in.⁵³ The package should be a barrier between the product and the atmosphere. Of course, each product has its own peculiarities which make it imperative that a certain type of material be selected for its package. Some materials will let the air in; others will be perfectly airtight. Some materials will keep moisture in; others will let it escape. A material has been developed for almost every need; the processor has only to choose the right one.

4) It must not affect the product within. If it is important that the package keep strange odors out and the product's own flavor in, it is equally important that the package, in itself, not affect the taste, odor or color of the product in the least degree. In the early days of canning, an unusual taste of the preserved food was attributed to the can containing the food.

5) It must increase the shelf life of the product. The package which will preserve the quality of its product for the longest period is the most valuable one to the retailer. He is responsible for the merchandise he sells; obviously, if his products were to spoil quickly (due to

inferior packaging), it would reflect upon the good name of his store.

C. Is it a Salesman?

To create sales, the package must be both functional and attractive; it is thus easily seen that a retailer will expect affirmative answers to each of the following questions in regard to any new product or newly packaged product he is considering for his store.⁵⁴

1) Does it have eye appeal? Will it stand out from the others on the shelf?

2) Does it have the right combination of colors? Are the colors appropriate to the kind of product being sold? Does the color effect of the package make the product easily identifiable?

3) Is the design well proportioned? Does it fit with the product packed?

4) Is the label informative? Will the consumer know what he is buying? Can the label be read from a distance of four or five feet?

5) Does the illustration give a flattering impression of the way the product will look when it is on the table?

6) Does the package allow the buyer to see the product? In the case of fresh produce, can the product be seen completely?

7) Are the serving suggestions easy to understand, (or are they so complicated that they can scare away the prospective buyer)?

8) Is there a place on the package for the pricing of the product?

9) Is the weight or content of the package clearly indicated?

10) Is the package fully appropriate to the product packed?

11) Will the package create sales?

D. Is it a Dispenser?

More and more, the consumer is demanding packages that are easy to use, ones that truly live up to the points brought out below:⁵⁸

1) Can it be opened easily? A negative answer to this question causes much criticism on the part of the housewife. She becomes increasingly more irritated by so-called "easy-to-open" packages which must be broken or ripped to open.

2) Can it be reclosed to keep the remaining contents fresh? As packages become larger and larger, more of the contents remains after the initial opening; quite naturally, the consumer wants and expects the contents to keep for future use.

3) Can it be easily disposed of? Some packages are so bulky that they alone will fill the trash barrel, and this is not a popular feature. Other pet peeves are the no-return bottles which will not burn.

4) Is it clean to use? Unfortunately, most packages are so impractical that the housewife, in her kitchen, finds them of little or no use to her.

5) Are they re-usable? Whenever a shopper finds that something "extra" is included in the price of the product he or she wants to buy, the product becomes more interesting, and especially if the buyer has a real use for the "extra". An example of this is the ready-to-eat jellied salad or cole slaw, the container of which continues to serve the housewife long after its contents have been consumed by storing "leftovers" in her refrigerator.

6) Does the package simplify preparation of the product inside? The selling of related items together, such as spaghetti and sauce, often

boosts sales. Several varieties of cold cereal, each cereal in its own, one-serving pack, the whole in one large package, is another example of this type of packaging.⁵⁶

All these features are desirable in packages. They will all please the customer and increase sales. But is it possible to combine them all in the same package? Unfortunately, not at the present time. Packers are constantly faced with a difficult choice between the different advantages of various packages. They must decide which qualities are less important, for some qualities will have to be let go.⁵⁷ With every new package, these decisions must be made - how well they are made will be immediately reflected by the ensuing sales.

PART II, CHAPTER III
IMPORTANT DECISIONS TO BE MADE

A. Should it be Before All a Salesman?

For a package to sell well, it has to be a good salesman. But should this point be stressed at the expense of making a functional container, a good preserver and an appropriate dispenser?

Listening to the opinions expressed by most buyers in the big chains, it appears that their biggest concern with a package is to know how well it will sell the product. Mr. Fleishman of Stop and Shop, Inc., summarizes this position when he says:

First of all, a package must look good. A package which is not attractive has a very small chance of making sales in the new area of self-service. It must be an eye-stopper and create a desire for the consumer to buy it. Convenience has a much lesser role at the time of purchase.

Mr. Shankman of Elm Farm Foods Co. is more specific when he says:

The package should create in the mind of the consumer a picture of what he is going to eat at home and how it will look on the platter. The label of the package has to create this image in the mind of the consumer.
(See Appendix I, 6)

If we compare these opinions with the express desire of the consumer for improved packaging, it would seem that there is a serious difference between this desire and the conception of the retailers toward packaging. By improved packaging, the housewife-consumer does not mean a new design, a new label, or a new shape; what she wants is a package that will make her work easier in the kitchen. She will not remember particularly how she was impressed by the appearance of the package in the store; what she will remember - and this is being brought out more

and more - is what happens on a day-to-day basis as she uses the package. For instance, if a package is hard to open and she frequently has to struggle with it, using all kinds of tools, she will remember. She will not forget a package too big to fit in the pantry that she had underfoot for two weeks. Nor will she forget a product that she has had to throw out before it was half gone because it didn't keep.

Evaluating this problem leads directly to one of the major difficulties of self-service distribution - how to create repeat sales. From the point of view of the retailer, the most difficult thing to do, first of all, is to attract the consumer into his store. To do this, he has to offer packages which will stand up against the competition. He has to create a display which will tell the consumer that the best place to shop is in his store where all the products are so appealing that no other store could give her what she finds there. Attracting the consumer is half of the battle. Once she is in the store, there are so many varieties of all the products that if she is not pleased with one, she can always try another. The retailer's primary concern is to develop loyal customers who will shop in his store week after week, and which brand the customer buys matters little to the retailer as long as she does buy and is satisfied.

For the processor, the problem is quite different. He does not care where his product is bought as long as it is bought in preference to others on the shelf. He is therefore primarily interested in pleasing the consumer, in making her happy with her purchase. However, to assure the availability of his product for purchase in the store, he must also, of course, please the retailer; he must convince him that the package is

attractive enough to appear on his shelf and that it will be an asset to his store. This should explain the difficulty for the processor in choosing his packages, as he must choose between or compromise these conflicting interests. He may decide to first impress the retailers and get his line on the shelf, hoping that eventually the consumer will like it too; or he may prefer to select a package which is sure to please the consumer, but less likely to convince the retailer to accept it. (See Appendix II, 3)

In addition, the processor must consider his own problems; i.e., how to protect satisfactorily the product he is selling. This is another major selling point for him; and, too, improved shelf life will facilitate his processing schedules. But as he improves the preservative qualities of his package, how much will he affect its attractive appearance and convenience? For example, transparent packaging has a terrific sales appeal but is usually unsatisfactory in preserving the color of the product. Fancy openings can affect the sealing of the package and ruin a good part of the preservative properties of the package. If the product is not well-preserved and does not stand up well, the consumer will not like it and will quickly dismiss any real advantages of the new package in his disgust at its one failure. This is not a simple problem to solve, and there is no one magic formula when a sacrifice has to be made. (See Appendix II,4)

Opinions on this problem are very divergent among the various companies. However, it would seem that in all of them during this past year, the consumer's point of view has been gaining progressively. This seems to indicate that the primarily aesthetic package will tend progressively to be replaced by the more convenient one.

B. How does the consumer's concern for the quality of the product packed compare with his desire for a convenient package?

A retailer will always insist that quality is his first concern when considering a new product for his store; the reason generally given is that the reputation of the store is at stake. If a product is not satisfactory and does not please the consumer, she will go back to the store and complain; she may even stop buying in that store if she feels it does not carry the quality she demands. This is a situation the retailer cannot afford to risk. (See Appendix I,3)

True, the consumer will not accept anything but quality; she expects it, but is she, herself able to evaluate quality? This point could be argued very strongly. As long as the product that she buys is acceptable, and especially if she is told that it is first quality, will she be able to recognize the true quality of the product? (See Appendix I,7.)

It appears that the consumer expects the retailer to act as a screen between the processor and herself, and thus whatever is sold by the store in which she has elected to shop is, or should be, of the highest quality. Unless she is really dissatisfied, she will probably take this for granted; and thus so assured, she may, in all safety, shop for an appealing package.

How many times has a woman bought one brand of jam or jelly because the glass container was appealing and she wanted to complete a set, when although the contents were little more than acceptable, for the same price she could have bought a superior product with an international reputation? This tendency is so true-to-life that most women will switch brands on the basis of a new package alone, especially the younger women

for whom shopping is no longer an adventure, but only a habit. An interesting study just published by the Market Research Corporation of America, "How People Shop for Food", shows that there is a very small difference between the loyal shoppers and the occasional shoppers in regard to the quality of private-brand goods bought in the store.⁵⁸ However, this attitude does not license the processor to put second-grade merchandise into his package unless specifically indicated on the package. The retailer, who does know quality, would not allow such a package in his store. However, many processors have built an important business with products which are far from being the best available on the market, but which have become successful because of the functionality and the quality of their packages.

C. Is the price of the package commensurate with the value of the product packed?⁵⁹

The similarity of price between like products in the supermarket aisles is striking, even to the casual observer. Usually the store brand will be the cheapest; the local brands, two or three cents more; and finally, the national brands, backed by their tremendous advertising power, two or three cents more again, or selling at a slight premium..

All types of packaging materials can be found enveloping the same basic product: foil, cardboard, transparent films, etc. Does the fact that these products are sold at practically the same price mean that the cost of the packaging is the same? No, absolutely not.

Certain items, through the years, have been given a more-or-less specific retail value. This retail value will obviously fluctuate slightly during the year according to the market value of its raw material: but the

various packaging materials used for wrapping the product will not affect its retail value. Why? Because the retailer does not feel he should pay more for a better package which, he feels, acts as the manufacturer's salesman. This is one of the reasons why the retailer's private label will always be slightly cheaper - he does his own selling at a lesser cost. (See Appendix I, 5)

The consumer has expressed his willingness to pay a little more for a better package. The validity of this statement can be questioned, if we consider that the consumer is in no position to justly evaluate a package; all she knows is what she sees, which can be extremely misleading.

The processor, on the other hand, knows exactly how much it will cost him to use the various packages from which he can choose, and it is up to him to decide how much should be spent on the package in relation to the cost of the product.⁵⁰ (See Appendix II, 5)

How then should he proceed - what will dictate his decision? In some cases, the easiest way is to match as closely as possible what is being done by the competition, while developing more efficient methods to decrease costs and increase profits. This approach can be very practical for small operators who cannot get involved in package development; they take packages already known to be successful and have only to use new colors or different pictures to make them their own.

As a general rule, the processor will never be happy with the amount of money he has to spend for packaging. He realizes that good packaging is imperative to sell his products, to preserve them, and to make them more convenient; but he will always try to do the same things for less money if possible. In this effort to reduce the cost of packa-

ging, the processor should never forget how much he may affect the sales of his product. Going overboard and dangerously reducing the costs of packaging can seriously impair growth, as some processors have done by producing packages which have nothing to offer.

In most cases, processors have learned through the years that there is little hope of reducing their costs and at the same time increasing their sales. Usually, they will be very satisfied if they can put out an improved package for the same price; the increase in sales would then represent a direct profit.

Unfortunately, it is not possible to keep the cost of packaging down. New materials and packages cost more; and the packager is left to work out how far he can go without hurting himself too badly. Every fraction of a cent increase represents so much less final profit, even if the volume increases because of the change.

The practically uniform prices of like products in the store are used to determine how much is reasonable to spend on the packaging; if a product is not priced in its range, it will not sell.

When developing a completely new product, the cost of its packaging is worked out at the same time to establish an appropriate final retail value. Anyone entering the market later will be more-or-less obliged to work within the established price; the cost of packaging will then immediately indicate whether or not the undertaking would be profitable.

The relation between the packaging cost and the total cost of a product varies widely among the industries. And it is extremely difficult to compile any statistics on the situation, as each processor has a different conception of what is included in packaging costs. However, some research

conducted by Modern Packaging in 1954 found some standards which are pretty widely accepted: Cost of packaging material, packaging labor and packaging costs. (See Table XII)

TABLE XII.

Indicates the average percent of manufacturer's selling price represented by packaging (this includes cost for materials, labor and overhead) for various types of food.

AVERAGE FOR FOOD PRODUCTS	21.3%
Fancy Mixes	53.8%
Baby Foods	30.0%
Candy	21.2%
Vacuum-packed Luncheon Meats	19.0%
Potato Chips	17.0%
Cakes	14.0%
Cereals	13.0%
Crackers	9.0%
Baked Goods	7.8%
Meat	6.5%
Flour	5.0%
Butter	3.0%

Source: Modern Packaging, March 1954, p. 140, and April 1959, p. 143.

PART II, CHAPTER IV

PITFALLS TO AVOID IN SELECTING A PACKAGE

A. Packages that Deceive the Consumer

"If a package looks like a golden case, only gold is expected inside. A package should not be deceiving, but should be a reflection of the quality of the product which it contains," according to Mr. Harrigan, First National Stores.

Such a point of view is rather unexpected in a modern supermarket, which in these terms could easily be confused with a jewelry store. Everything is shiny, sparkling; lights are dramatically focused on display cases, judiciously located throughout the store, featuring all kinds of attractive packages. In such a setting, it would be out of place to show anything but brilliant packages, scintillating in all their splendor. However, the products sold are not jewels. But the observation is well taken: don't try by means of your package to sell more than you can deliver.

It is very tempting when so many beautiful packaging materials are within reach to overdo the package, trying to make it do something it cannot do; i.e., improve the basic quality of the product. Even assuming that it passes the buyer in the supermarket, it is very unlikely that the consumer, who has been influenced by the splendid package, will not feel cheated regardless of the price. Her expectations have not been fulfilled, and it is doubtful that she will again allow herself to be so "taken in."

(See Appendix II, 6)

Equally deceiving are the packages which appear, whether accidentally or purposely, larger than the quantities within. This is sometimes

hard to control, as with cereal boxes, where there is a good deal of settling during the shipping. Unfortunately, the housewife does not always realize this and feels she is paying for more than she is receiving. The new aerosol cans have also been criticized for not expelling their full contents; in reality, it is practically impossible to have enough pressure inside the can to eject every last drop.

Aside from these unavoidably misleading packages, there are those which are deliberately dishonest - such as containers with false bottoms, or bottles with very thick walls or large cartons which are but half-filled. These irritate and sometimes infuriate the consumer who does not like to find that she is being cheated. Fortunately, the consumer is protected to a large degree by the Federal Trade Commission which screens very carefully those packages which would tend to mislead either by their size or by inaccurate descriptions on the label regarding the quality of the product.

Food processors who are inspected by the government have to have all their packages, as well as their product, inspected and approved before either can be sold to the public.

Whatever the regulation, it is good policy for the processor never to fool the consumer; she would resent that, even more than poor quality or inconvenience.

B. Impractical-to-Pack Packages

Continually attempting to develop better-looking packages, which are also easier to use and are better preservers, the processors are often inclined to forget one important point - how the package will handle on the packaging line. (See Appendix II, 7)

The author of this thesis has witnessed many times extremely extravagant methods of packaging, which resulted from a package selection where little attention was given to production problems. This is not unusual. A survey made by Modern Packaging shows that production people have very little to say about new package decisions. (See Table XIII) But the survey also shows that they are most concerned with the execution of the decision; if not consulted, they may have to live with a package which creates extreme problems at the packaging stage and might even increase the cost very substantially. For example, many products sold in glass jars have to be packed by hand because the opening is not large enough for efficient loading by machine. It is not enough for a package to look attractive; it must also be economically usable and adaptable to an efficient production line. Many packaging manufacturers come up with excellent ideas but fail to develop the proper equipment at the same time which, in fact, eliminates most of the advantages gained by the new package. (See Appendix III, 4)

Lack of concern for the actual packaging operation seems to be one of the most common pitfalls in the selection of a package. The sales and marketing departments are not usually concerned with, if even aware of, the technicalities of the packaging process. Much too often, the packaging engineer devotes all his attention to developing the package which will please the consumer and the retailer. The purchasing department is involved in locating the necessary materials as economically as possible. Few people on any packaging committee are really interested in how efficiently the production department will be able to pack the product. Here, therefore, is an area in which a great deal of improvement could be made in the future.

TABLE XIII.

Indicates the order of importance assumed by the various members of a Packaging Committee in making policy and planning decisions, and in executing operations.

	In making policy and planning	In executing operations
1.	Sales and Marketing	Production
2.	Packaging Department	Packaging Department
3.	Vice President	Sales and Marketing
4.	Production	Purchasing
5.	Purchasing	Advertising
6.	Advertising	Plant Superintendent
7.	President	President

Source: Modern Packaging Encyclopedia, 1961, p. 19.

C. Misunderstanding Type of Package Needed

Many times packages which have taken months to develop, have undergone numerous tests, and have been judged as corresponding perfectly to the desires of the consumer, have met with very mediocre sales success, if not occasionally with complete failure once on the market. Why, after so much expensive research did the package not receive the enthusiastic reception anticipated? This kind of disappointment is rather frequent in the packaging industry and represents one of the greatest dangers in new package development. (See Appendix II, 8)

People are not alike in every way; they do not always think and feel the same way about things. People do not usually express freely their feelings when questioned about themselves. And too, their opinions, even if honest, can change. Surveys are conducted continually on how people buy and on why they buy the way they do. Results are then compiled, studied, published and interpreted. The value of these interpretations depends on the quality of the study, as the survey is only as good as the questions asked, the size of the sample and the cross-section of people interviewed. Facts of seemingly capital importance to one may seem irrelevant to another, and vice versa. So it would be possible to find surveys on the same subject which seemingly disprove one another.

The timing in the introduction of a new package can be extremely important. General dissatisfaction with a package at a certain time might make any substitute welcome at that time; but the same substitute, a few weeks later, might lack interest.

Late timing is also one of the disadvantages with prolonged studying of a new package. The time involved can be so great that, by the

time the package is put on the market, it is already obsolete in that the consumer's preference may have shifted to another type of package. Accordingly, the rapid introduction of a package considered by experts to be far from perfected, can occasionally meet with wide success to the great surprise of those same experts. However, this example does not represent the majority of cases. A well-planned package is much more apt to please the consumer than a half-done, rush job.

PART III
THE INTRODUCTION OF A NEW PACKAGE
A CASE STUDY

Every industry obviously faces different problems when introducing a new package; in fact, every package entails particular problems relating to the product to be packed. It would be impossible to describe satisfactorily what takes place generally when a new package is introduced. Consequently, to illustrate this point, the author has chosen to study one specific case, analyzing the various steps involved. How the processor, Colonial Provision Company, went about selecting the package and preparing for it; how the supplier, Edwin J. Schoettle Company, prepared to make the package; and how the retailer, Elm Farm Foods Company, introduced the new package under their private brand will be studied as we recount and analyze the introduction of the new Tux-style Bacon Box.

PART III, CHAPTER I
BACKGROUND

The packaging of pre-sliced bacon is of relatively recent origin. Before the advent of self-service, bacon was sold in a slab form or was sliced in the store at the buyer's request. Only when it became practically impossible to keep up with the demands during rush hours was bacon sliced ahead and wrapped in wax paper, ready to be sold. Then, for appearance purposes, it was decided to present the bacon shingled on a parchment paper; then, to avoid improper handling during the selection, the package was covered with a glassine paper, through which it was possible to see the

product. It was in 1936 that Oscar Mayer developed a package in which the bacon was lined up on a folder and overwrapped with transparent cellophane film. This was the first really convenient way of selling pre-sliced bacon, and it is still the most widely used method today.

Several machines were developed to overwrap the film on the folder. One of these, an F. B. wrapping machine from the Package Machinery Corporation of Springfield, was installed in Colonial Provision Company's brand new plant in 1956; Colonial had decided that the bacon business could be a profitable one and hoped to produce around thirty thousand pounds of bacon a week on the new machine.

After investigating many suppliers, they decided to have the Edwin J. Schoettle Company produce a fraction of their bacon folder requirements. The first folder designed by the Schoettle Company was the Faneuil Hall Bacon Board for Colonial's second-grade quality products; it was very successful. Following this first order, several private labels were designed for Colonial by Schoettle. Gradually, over the years, most of Colonial's bacon folder business was converted from other suppliers and given to Schoettle, whose service was speedy and whose warehousing facilities were extensive.

Very soon the Elm Farm Food Company indicated an interest in pre-packing bacon under their private label. After working very closely with Schoettle on the design of their own boards, they introduced, in 1957, bacon sold in three different packages: the one-pound package, the half-pound package, and the package of thick-sliced bacon. These were immediately a great success; in less than six months they had more than doubled their most optimistic estimates, and their tonnage has grown steadily since that date. They attribute their success to the control which has been exercised

all the way on the bacon packaging, which includes the coding, freshness of the product, the service and the excellent appearance of the package.

Meanwhile Colonial Provision Company was experiencing similar success with their bacon. A second machine was bought, and over fifty brands were added to the original line. It now takes two lines of two crews, each working fifteen hours a day, to keep up with the business.

On the following page appears a sample of the old style Elm Farm folders, such as those used up until February 1961.

**ELM
FARM
BRAND**

MADE IN BOSTON, MASS.

HICKORY
SMOKED



PACKED FOR ELM FARM FOODS CO.
BOSTON, MASS.

U.S.
INSPECTED
AND PASSED BY
DEPARTMENT OF
AGRICULTURE
No. 432

HICKORY SMOKED
Sliced **BACON**

NET WT.

KEEP REFRIGERATED

1 LB.



MADE IN BOSTON, MASS.

SLICED BACON

HICKORY
SMOKED



TO BROIL:

Pre-heat broiler to 350°F. Arrange bacon slices on broiler rack and place 4 to 5 inches below heat. Broil 4 to 5 minutes until bacon is crisp and golden brown. Turn only once.

TO BAKE:

Lay slices on wire rack in shallow baking pan. Bake in hot oven (400°F.) until slices are crisp (12 to 15 minutes). Do not turn during baking.

TO FRY:

Place slices in cold frying pan. Cook over low heat. Turn frequently and allow to brown evenly on both sides. Remove from pan and drain on absorbent paper.

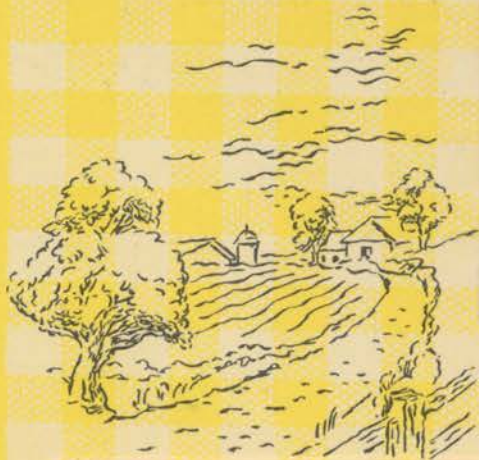
NET WT. 1 LB.

HICKORY
SMOKED



**ELM
FARM
BRAND**

MADE IN BOSTON, MASS.



PACKED FOR ELM FARM FOODS CO.
BOSTON, MASS.

Sliced **BACON**

SODIUM CYCLAMATE, AN ARTIFICIAL SWEETENER ADDED

U.S.
INSPECTED
AND PASSED BY
DEPARTMENT OF
AGRICULTURE
EST. 432

KEEP REFRIGERATED



TO OPEN: LIFT UP FLAP TO CLOSE: TUCK IN FLAP

ELM FARM BRAND
MADE IN BOSTON, MASS.

ELM FARM BRAND
MADE IN BOSTON, MASS.



**ELM
FARM
BRAND**

MADE IN BOSTON, MASS.

SLICED BACON

SODIUM CYCLAMATE, AN ARTIFICIAL SWEETENER ADDED

HICKORY
SMOKED



New!

EASY TO USE PACK

1. LIFT FLAP, slide out board with bacon . . .
2. LIFT OFF bacon slices desired, slide board back in . . .
3. TUCK FLAP into pack, replace into refrigerator . . .



ELM FARM BRAND

MADE IN BOSTON, MASS.

PART III, CHAPTER II
SELECTION OF THE NEW PACKAGE

Early in 1959, the management of Colonial Provision Company became aware of the great success being experienced in the West by a new type of window box, called the "Tux package", developed by the Marathon Company. This package, already used by Hormel for bacon, had an excellent appearance. It was a cardboard box, about 9-1/2 by 6-1/2 by 3/4 inches, with a transparent window in the front panel. The bacon was shingled on a small cardboard tray inside the package, which slid in and out through the opened side. The package was easily opened by a large flap which could be re-closed to keep the remaining portion of the bacon fresh. The packaging operation was performed by a semi-automatic machine which bellies the box for loading, closes the box, glues it and ejects the package all ready for sale.

At the same time, another concern, the Integral Company, had developed another type of bacon box for Swift and Company. This box, using another principle, was made available to other users.

The new packaging approach for bacon, although very promising, did not seem feasible for Colonial at that time because of the large folder inventory which had been accumulated to cater to the various brands handled by the company and, also, because of the large cost which would be involved in converting the existing design and wrapping equipment, which was only three years old. However, by the end of the year 1959, pressure from several chains made changing to the new type of bacon box imperative. One large New York chain, Grand Union, withdrew a

large part of their order to give to another company which used the new packaging equipment. By the first of the year 1960, the decision to go ahead on the new box was made, but the exact type of box and the machines to perform the operation had yet to be chosen.

The Schoettle Company was not making the new box at that time, nor did they have a license with any of the bacon-machine manufacturers. They did, however, suggest the possible application of a machine originally used for frozen foods which could easily be converted to handle the new bacon box. This proposal was ultimately rejected as impractical.

During this time, Colonial investigated the various machines available on the market. Many types of machines had been developed in the preceding few months, and the choice was becoming more complex. The reaching of a decision was made even more difficult by the fact that, quite understandably, there was very little data available in regard to the quality and performance of the new machines. Only Marathon could claim some experience, but the price of their boxes (made under patent) was extremely high.

None of the other companies interviewed could guarantee the kind of service or warehousing facilities that Colonial had experienced with Schoettle; nor were these considerations, for a company involved with such a large number of private-brand accounts, to be dismissed lightly. It was a difficult decision. However, the Edwin J. Schoettle Company, anxious not to lose such an important bacon account, worked feverishly to find a solution whereby they could produce the new boxes for Colonial. Finally, by the end of September, they were able to work out a sub-contract with a licensee of the Clybourn machine, a new machine which had been successfully

installed in six other plants. Then they were able to make an acceptable bid to Colonial. Because of their previous service and the extensive knowledge they had gained in the Colonial bacon packaging, the Schoettle Company was retained with the agreement that by January 1, 1961, the eleven largest-selling folders (of the fifty odd private brands carried) would be converted into boxes. It was a large commitment for Schoettle because of the short time allowed for this operation; but having already suffered from being late with the new bacon box, the management of Colonial felt it imperative to delay no longer.

PART III, CHAPTER III
THE PREPARATORY WORK

Several very important tasks had to be performed immediately:

- A. Colonial had to secure final approval on the new box and the new design from the various retailers involved.
- B. Inventory of the old folders had to be adjusted for depletion at the time of the introduction and orders prepared for the new-style box.
- C. Schoettle had to work closely with Colonial on the designing of the new boxes, most of which were adaptations of the old folders.
- D. Colonial had to secure the necessary governmental approval to use the new-style box.

A. Securing the Approval of the Retailers.

Two of the new bacon boxes had already been impatiently requested by the Grand Union Company; they had already been sold. Colonial had only to match the boxes used by the other processor as closely as possible so that both might represent the retailer's own brand.

Six of the boxes were private brands for chains. One of the chains did not want the new box at the time, preferring to continue to use the old folders, not yet converted. The approval of the other five was obtained after they had considered, at some length, the advantages to be gained.

The Elm Farm Foods Company, which had experienced a very big success with its old folder, was very concerned about the change. Several top-level meetings were called to discuss the real value of the new box and its possible effects on future business. When they finally had agreed, it was decided that the original design should be kept as much as possible.

One of the main difficulties was in leaving visible to the customer as much bacon as he was accustomed to see in the old folders, for the new box cut visibility down from 80 per cent to 40 per cent. After a great deal of deliberation, it was agreed that a compromise of 60 per cent visibility would be satisfactory, and the box was altered accordingly. The colors were not changed and the basic design has been conserved - even to the serving suggestions on the back of the package. (See sample II.)

One of the deciding factors in favor of the change was the fact that the new box is known to keep the bacon fresher, and is also much more convenient for the housewife to use; she can open the box easily, slide out the tray of bacon, take what she needs, slide the tray back, and re-close the box completely, conserving the unused portion in perfect condition. This replaces the messy Saran wrapper which could never be rewrapped efficiently, leaving the bacon to dry out and discolor. This convinced Elm Farm that the new box would not hurt its business and might eventually increase it, once the housewife recognized its advantages.

The last three boxes were for Colonial's own brands. The designs were completely done over by the artist who handles all Colonial's artwork, featuring the bright new red, blue and white colors which characterize all new Colonial packages.

B. Adjusting the Inventory

To introduce the new boxes as smoothly as possible while limiting the loss of old folders, it was essential that inventory be leveled in such a way that the supply of old folders would be exhausted at the beginning of the year, when the new boxes were expected. An estimated average weekly sales was then established for each folder, and an order was placed for them

4
—

5
—

6
—

in adequate quantities. Such estimates are extremely delicate because sales of bacon are rather unpredictable. As it is used by most chains as a promotional item, bacon on promotion may triple sales for the week, thus throwing off all estimates.

It was decided to figure the weekly usage based on the previous ten-week average, allowing for a 10 per cent increase which is the normal trend for that time of the year. Only one type of folder was found to be overstocked. A small order was placed for the others to cover up to January first. Also, an order for one million new boxes was written, taking advantage of the quantity discount. Unfortunately, during the period prior to January 1, the bacon business did not come up to the estimates. The reason for this might be the fact that the price of raw materials did not drop, as is usual for the time of year; or, perhaps, the new boxes already put on the market by the competition were hurting sales more than anticipated. Whatever the reason, this situation was to create a serious problem when the new boxes arrived.

C. Designing the New Boxes.

It was agreed that the new box would be made in one basic size, 9-3/4 by 6 by 3/4 inches, on a fourteen-point board, with a 6 by 3-1/4 inch window always to be located in the same place. These standards were to be respected unless a change should be expressly requested by an important customer.

Having decided to change most of the designs of the folders as little as possible to speed the change-over and facilitate the customer's approval, it was not necessary to make too many art dummies. Most of the new designs were approved by the various retailers on tissue crayons, which

is a simple way of presenting a new design.

During this period of art change and art approvals, Schoettle was busy determining the proper window material to use on the boxes. Previously, the bacon folders had been wrapped with Saran but the strength of Saran was not needed for this type of window; it was felt that a higher clarity film would be more beneficial - with less bacon visible, the best impression possible had to be made with that little window. Several suppliers of Polystyrene film were interviewed and their materials tested; the Dow Chemical Company was finally selected.

From the art dummies, or tissue crayons, photostats were prepared to be sent to the Meat Inspection Division of the United States of Agriculture in Washington, D. C., for approval.

On receipt of the approvals, Schoettle was ready to proceed with the mechanical drawings. In this special case, because of the short time available, some new designs were prepared directly for the mechanical drawing without securing governmental approval; it was felt that minor changes could still be made before the final engraving.* The mechanical drawing employed was the black-and-white method, much more expensive than the regular pen and ink drawing usually executed, but also, much faster. From this black-and-white drawing, the original engravings were made.

For pictorial cartons, it was necessary to use color photography; however, owing to the nature of the medium, it was impossible to submit anything that looked like the final package before the actual engraving

* This approach can be extremely costly; if the sketch is not approved, it will involve a great deal of future expense to completely change the design.

was done. Consequently, this process had to be taken somewhat on faith, with trust that the final representation would not be disappointing. Fortunately, it was successful, and the engravings were sent to the electro-typer who cast the metal plates for the printing press.

D. Securing Government Approval.

Meat packages are very strictly controlled by two federal departments. The Food, Drug, and Cosmetic Administration, a section of the United States Department of Commerce, is concerned with the type of material used for the package if it is to come into direct contact with the meat, and guards against misrepresentation on the package. Consequently, it is good policy to secure guarantees from the supplier on any new packaging material that the package will conform to the Food and Drug Administration regulations. This guarantee was automatic for the new bacon package because the type of board used had already been approved.

The second control is exercised much more closely by the Bureau of Animal Industry, a section of the United States Department of Agriculture, which applies to any meat product. A rigid inspection of any meat sold through interstate commerce is exercised by the federal government; also, the packages and labels must comply with very strict specifications. When a new design is prepared, a photostatic copy or sketch, signed by the inspector in charge at the plant, is sent to the State Bureau of Animal Industry, and from there it will be forwarded to the head of the Label Department of the Meat Inspection Division in Washington, D. C. If the sketch is approved, it is returned to the packer after a few days with the "O.K." to proceed; if changes are to be made, they are pointed out at this time and the corrections scrupulously observed. When the package is finally

ready, it must be definitively approved, by the same process, before it can be used by the packer. (See Sample III)

In the case of the Elm Farm boxes, several details had to be closely checked before they could be considered for sketch approval. A specification of the Bureau of Animal Industries, designed to avoid confusion, states that whenever the word "farm" is used for labeling a meat product, the mention "brand" must follow if "farm" represents a name rather than a point of production. Therefore, "Elm Farm Bacon" would not be acceptable because it implies that the bacon is produced at Elm Farm; only "Elm Farm Brand" is acceptable. Furthermore, wherever the word "farm" appears, the name of the town in which the bacon is produced must also appear. This was neglected on the original sketch for the Elm Farm bacon box. (See Sketch) Also, whenever the word "bacon" is used, the word "sliced" must precede it - (this tends to crowd the design in some cases). All ingredients added to the product (in this case Sodium Cyclamate, an artificial sweetener) must immediately follow the name of the product whenever it is mentioned and must be printed prominently. The word "Keep Refrigerated" must appear on packages containing a product which would not keep without refrigeration. The exact weight of the package must also be indicated. Finally, the inspection legend must appear in a legible form on the front panel of the package with but one circle to enclose it. This had to be corrected on the original Elm Farm sketch. (See Sketch)

The sketch was conditionally approved with the observations mentioned. Once corrected, the sketch was approved without further difficulty, and the proposed package was ready for production.

PACKED FOR ELM FARM FOODS CO.
BOSTON, MASS.

KEEP REFRIGERATED

TO OPEN: LIFT FLAP ▲ TO CLOSE: TUCK FLAP



MADE IN BOSTON, MASS.

SLICED BACON

SODIUM CYCLAMATE, AN ARTIFICIAL SWEETENER ADDED

HICKORY SMOKED



New!

EASY TO USE PACK

1. LIFT FLAP, slide out board with bacon . . .

2. LIFT OFF bacon slices desired, slide board back in . . .

3. TUCK FLAP into pack, replace into refrigerator.



ELM FARM BRAND

HICKORY SMOKED

NET WT. 1 LB.



MADE IN BOSTON, MASS.



ELM FARM BRAND

ELM FARM BRAND

MADE IN BOSTON, MASS.

handle

PART III, CHAPTER IV

GETTING READY

Now the final steps to precede the introduction had to be executed:

- A. The new boxes had to be quickly printed.
- B. The new Clybourn machine had to be installed and tested.
- C. All the shipping cartons had to be redesigned and made to the new specifications.

A. Making the New Boxes

Both processes of printing, offset and letterpress, were used for printing the boxes, depending upon the design; e.g., for fine pictorial purposes, the offset process was most dependable.

By the time the Schoettle Company was ready to begin printing, time was running short - considering that the operation of printing this new type of box was much more delicate and complex than the printing of the old folders. It had been possible to print, dry and wax the carton in a relatively short period. Now, added to the operation were the die cutting of the window, the gluing of the transparent film and the gluing of the board to form the box. The procedure as performed involves:

1. The printing of the cardboard
2. The drying (accelerated by new methods)
3. The die-cutting of the window opening
4. The waxing of the board
5. The gluing of the window film on the waxed board
6. The gluing of the waxed board into box form. (Made much more difficult by the pre-waxing)

Fortunately, Schoettle personnel had done most of the designing of the conversion from folder to box in order to be sure that the new design could easily be handled by their equipment. This is of particular importance for a printer and explains why Schoettle always prefers to do the art work themselves rather than engage (for a fraction of the cost) an artist or advertising agent who would be totally unfamiliar with their production problems.

Despite these precautions, so little time remained for the actual printing that to keep Colonial's packing machines supplied with boxes they were obliged to make very short runs of the various designs - which was an expensive operation with their intricate, big press.

B. Installation of the Clybourn Machine

Little was known of this machine before it was brought to the plant, the only information available being personal observations of people already using the machine.

Basically, it is a 15-foot machine equipped with a hopper, where the empty cartons are stacked and a system of suction cups picks up the cartons and, one after the other, deposits them on a chain-driven conveyor. This conveyor does the following:

1. Opens the boxes ready to receive the sliced bacon
2. Closes the two ends of the box
3. Glues them tightly
4. Ejects the finished package at the end of the conveyor.

Standing close to the hamper there is a girl with a supply of bacon, already weighed to the exact pound, and neatly shingled on a cardboard tray. As the open box is presented to her, she inserts the pound of bacon into

the empty box.

This fast and efficient machine is extremely well constructed by the Clybourn Company of Chicago, a small manufacturer specialized in automatic equipment for the food industry. Parts are readily accessible and adjustments can be easily made. It operates on 220 volts and requires only a small vacuum pump for picking the carton out of the hopper. This machine was installed without difficulty in a new room especially designated for the bacon operation. For the time being, and probably for another three months, Colonial intends to run the two types of bacon machines - approximately one-half the production will be run on the new Clybourn machine and about forty old folders, representing many small brands, will be kept on the old wrapping machine until their conversion becomes appropriate and economical.

C. Converting the Shipping Cartons

Before the new package could be introduced, the ten different cartons used to ship 12 one-pound packages of bacon had to be changed to fit the new sized boxes.

After testing various methods, it appeared that the most practical would be to make two stacks of six boxes each. (The old cartons held one stack of twelve folders). This leaves a larger base surface. The boxes could then be inserted by the side of the carton, thus reducing the overall cost of the container and speeding up the boxing operation. By so doing, this reduced the cost of each 1000 cartons by approximately \$5.00, which is a substantial saving in this industry.

It was also necessary to adapt the old printing to the new style cartons; but this was a small job, most of them being only one or two colors.

To forestall any overstock of these old cartons at the time of the change-over, it was decided to discontinue the printing of the old-size containers; and, once the printed stock was depleted, plain cartons would be stamped with the various brand names.

Thus, the shipping carton changeover was easily accomplished with no real problems.

PART III, CHAPTER V
THE FINAL INTRODUCTION

A. Last-Minute Problems

When the first of January came around, the situation did not look too promising. The poor bacon business of the preceding three months, mentioned earlier, had far from depleted the inventory of old bacon folders. The inventory left on hand for the various brands was fluctuating between six and twelve weeks' supply, not to mention the overstocked brand which ran close to twenty-five weeks supply.

This left the management with a difficult decision: should they further delay the introduction of the new boxes, which were already late and perhaps contributed to the lack of business, or should they go ahead and dispose of the remaining folders, accepting their loss in the hope that it could be recovered with increased business? This surplus of old folders represented more than \$15,000, which is considerable when net profit, after taxes, is only one cent on each pound of bacon.

After much deliberation and consultation with Schoettle, who were experiencing important mechanical troubles with their six-color press, it was decided to compromise. Two brands would be introduced immediately despite the loss, because of excessive outside pressure for delivery of the new boxes. The three Colonial brands would be introduced on a fifty-fifty basis, running the new boxes along with the old ones and selling them wherever it was felt that the two-style packages would not hurt one another. The remaining five brands would be introduced as soon as the old folders were depleted, special sales promotion being used to increase the weekly usage of the old folders. This program has been carried through success-

fully and the introduction of all brands has been completed by the middle of March.

It is obviously too early to give any figures on the sales volume increase at this time; but all the boxes have been accepted with great enthusiasm by the retailers and the general feeling is that the new package will give a positive stimulus to future sales volume.

B. The First Run

To the surprise of everyone concerned, the first run was a complete success. A technician from the Clybourn Company was present to adjust the machine and teach the two bacon foremen and the Maintenance Department how to adjust the machine, take it apart, reassemble it and conduct general maintenance. Also present to witness the introduction of the new machine were two representatives of the Schoettle Company, Mr. Heidenreich and the engineer who in the future will take care of any problems concerning the machine. After a few hours, the girls working on the bacon line were able to make the standard, and after a few days were earning incentive as they had with the old wrapping machines.

Only a few adjustments had to be made. Some of the boxes, because of the way they were glued, could not be readily opened as they were coming out of the hamper - they had to be precreased during manufacture so that the board folded easily next to the opening flap. Some other boxes, because of the way the window was designed, were catching against a part of the machine and were automatically ejected. This was corrected by adjusting the part on which the window was catching. Also, the gluing operation was leaving white spots on the edge of the boxes which detracted from the appearance of the package. This was corrected

by adjusting the distribution of the glue on the flap of the box before the gluing operation. It was found that the outside shipping carton had been measured a little too tight. When the boxes came out of the machine, they were slightly bellied for a few hours, making them hard to stack. This was corrected by increasing the height of the carton one-half inch.

Apart from these few "bugs", the machines and the boxes were performing very satisfactorily.

C. The Elm Farm Introduction

The final remaining step was to introduce the boxes in the stores. It was decided that the new box shouldn't be heavily advertised in the newspapers, but rather should be introduced quietly. Too much publicity could scare the consumer, making him wonder why the changes had taken place and whether this would mean an increase in the cost of bacon later.

The best approach seemed to be to sell the new package to the meat managers and their employees, who would then personally introduce the new box to the consumer. To that effect, a memo published by the Meat Division was sent to every store explaining the advantages of the new box. (See Sample IV)

A few slight changes will be made in the next run and the plates have already been corrected. The circle for printing the price, for example, is not quite big enough and the girls have difficulty properly stamping the price on the package. Also, and more important, the instructions for opening and closing the box will, in the future, be placed on the front panel rather than on the side of the box to avoid any confusion. Eventually, when the consumer is accustomed to the new box, these instructions could be removed and replaced by cooking instructions, as it was with the old folders.

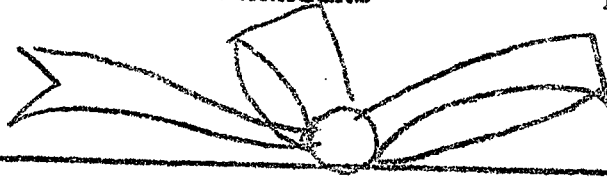
All in all, Elm Farm has enthusiastically received this new bacon package; and future sales volume will better judge the success of the venture, justifying, we trust, this important move for the retail food chains.

Page One

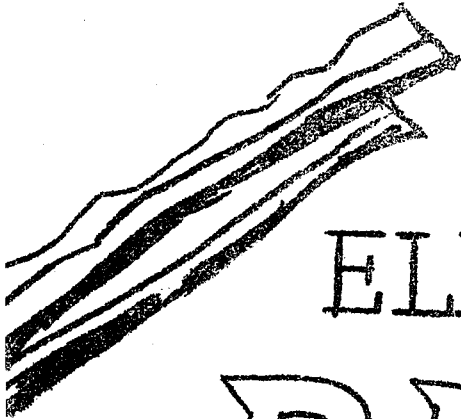
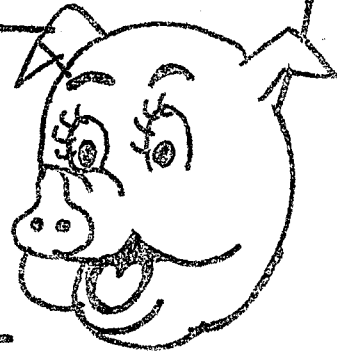
ATTENTION: ALL STORE & MEAT MANAGERS

February 24, 1961

cc: DMT, VS, VO, APM,
JB, VE, MB, FB, M-I
VIW, MD, SO, Doris, RS
Joel Kane.



GOT A SURPRISE FOR YOU



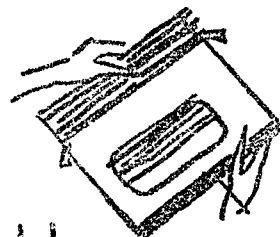
ELM FARM

BACON

is in a

New Package

- slides out
- slides back
- new reclosable package



Page Two

NOW.....FOR YOU.....ANOTHER ELM FARM PRIVATE LABEL FIRST!!

es, here's added new sales opportunity for your Meat Department!

ffective Monday, February 27th, we will proudly introduce
he new EASY TO USE PACK.. "ELM FARM SLICED BACON RECLOSABLE PACKAGE"

After many months of study, checking and testing, in co-
peration with our supplier, we are introducing, for the first time
nder Private Label, the new easy to close, easier to open and easier
o store Elm Farm Bacon Package. The secret of this package is that
our customer can control the amount of Bacon she needs at one time,
to re-store the balance and maintain constant freshness at home.

Each package has the following instructions which are easily
followed:

1. Lift flap, slide out the board with Bacon.
2. Lift off Bacon slices desired, slide board back in.
3. Tuck flap into pack, replace in refrigerator.

The distinctiveness of this package for bigger and better
as displays creates Bacon sales opportunities for your department.
Now all your personnel the advantages of this new package. Tell your
customers how much easier it will be for them to handle Bacon at
home and how much better control they will have, without bothering to
wrap in cellophane, saran or aluminum foil.

BACON IS BIG BUSINESS!

BACON SELLS MORE IN LESS SPACE!

BACON SALES CONTRIBUTE TO BETTER PROFITS!

Elm Farm Hickory Smoked Sliced Bacon has won many, many
friends. Let's continue to drive for bigger and greater tonnage.

**YOUR COMPANY
MEAT DIVISION**

/dc

: As of Monday, February 27th, Tom Thompson of Colonial Provision
will contact each unit for orders of the new pack Bacon. All old
style packages will be picked up and credit given by exchanging
product. Please follow through.

PART IV

PROBLEMS CREATED BY PACKAGING - SUGGESTED APPROACHES FOR SOLVING THEM

CHAPTER I - ARE THERE ALREADY TOO MANY PACKAGES?

Since the Second World War, packaging has developed at a tremendous rate. Has the point of saturation already been reached? This is an important question because signs of discontent are already coming from all directions.

A. Does the variety of packages available confuse the consumer?

For many women, shopping is a wonderful experience. They enjoy exploring the aisles of a supermarket discovering all the new packages which will make their lives easier and more enjoyable.

But for others, it appears that shopping is becoming more of a chore than a pleasure. Their observations and complaints seem to indicate a mounting displeasure and lassitude which, were it to grow, could eventually endanger the success of the self-service approach.

Some of the grievances which appear most often are the following:

There are so many different sizes, I can never find the one I am looking for . . .

Each product is packed so many different ways that I can't decide which one I should take . . .

Each package claims to be the best - how can I know?

I can never figure out which is the best buy when every package has a different weight . . .

How can I cook intelligently when, for the same product, the cooking instructions are different on every box?

I can never fit all those packages on my pantry shelf; each one has a different shape . . .

If I don't always shop in the same store, I can never find my favorite brand . . .

(See Appendix I, 8)

All these reflections indicate the same thing - confusion in the mind of the consumer. This is readily understandable when the number and variety of packages available in each store is so staggering.

Few women write shopping lists any more - probably because it requires great will power to ignore all but the items specifically listed, when so many beautiful packages try desperately to entice shoppers. By so doing, they are not helping themselves to eliminate the confusion; rather, they are leaving themselves wide open to the demands of the many tempting salesman waiting on the shelves to waylay the unsuspecting.

Will this confusion create mental blocks in the minds of the women consumers of tomorrow, and make them extremely suspicious and careful, as Mr. Walter Landor has imagined?⁶¹ Will we see develop as he suggests:

a fear of being manipulated by the manufacturer's effort to sell

a "see" sickness because packages with jarring colors and blatant design upset the shopper's psychological equilibrium

a frustration in use, both real and anticipated, due to difficulties in opening or closing these messy packages.

Or, an attitude already observed could develop dangerously - the consumer could become completely blasé and pay little attention to any of the packages, unconsciously taking whichever package falls under her hand.

Either of these attitudes would hurt the self-service trend, putting a stop to the progress in packaging. Will this happen? Who knows?

It is quite conceivable that the same reaction which occurred in the automotive industry with the compact cars could also happen in the supermarkets. The consumer could demand more functional packaging, varieties could be sharply cut down and sizes reduced to the minimum.

B. How does the Retailer feel about it?

Big retailers are inclined to agree that the multitude of varied packages may affect the consumer's attitude toward shopping. But they are not too concerned about the possibility of the consumer losing interest because people will always have to shop for food and, for the time being, self-service is still the best answer for mass distribution of food. Small stores would always exist, anyway, for those people who dislike supermarket shopping. (See Appendix I, 8)

The retailers are concerned with the lack of new products as compared with the amount of new packages.⁶² Too many times, in their opinion, new packages are only a repetition of something already existing, and their shelves are covered with identical products varying only by the shape or color of the label. They are anxious to offer their customers more new products, more convenience, and less new packages. They know that the consumer will eventually buy a new product in the store in addition to his regular purchases; but that he will not spend any more money on similar products wrapped in different packages. The retailers' case space is limited and each square foot of display is valuable. They can increase their volume only with a greater variety of products, not packages. Last year the average sales per square foot of selling area was \$3.71 per week. One year ago, it was \$3.77; and before that, \$4.00. This disturbs the retailer.⁶³ (See Appendix I, 9)

To increase the size of the supermarket to accommodate more new packages would only aggravate the situation by decreasing the ratio. They can realistically increase in size only to attract fresh business; and if they cannot find this additional business in food products, they will have to take on more non-food products.

Meanwhile, as they need more shelf space for new products, they will have to reduce the variety of brands carried; and here the small brands would suffer because the retailer would not want to cut down on nationally-advertised brands for which the consumer is asking.⁶⁴ This obviously becomes a tremendous risk for the small packers who can only expect to keep their space on the shelf by heavy cooperative advertising with the store.

A question which comes to mind when discussing the excessive number of similar brands is: if there are already too many brands, why does every chain, large or small, try to carry its own private brand in addition to the other labels in the store?⁶⁵ This is because private brands are very profitable for the store and often improve its competitive position. They are profitable because they create loyal customers who come back to buy the store brand. Profitable also because they have a tendency to stabilize prices and force national brands to stay competitively in line. Profitable, lastly, because they can be offered at better prices than other brands and thus develop larger turnovers; this is because the retailer who gives his total business to one or two packers can expect preferential prices for the large quantities of steady business that he gives the packer week after week. (See Appendix I, 10)

Retailers, then, will not hesitate to create their own brand at the expense of other brands, increasing even more the variety of packages

on the market.

A new trend to save the consumer shopping time, strongly encouraged by the retailers, is the selling of related items in the same package - such as spaghetti and sauce, assorted cereals, etc. It is also quite possible that in the future vending machines outside the store will carry many staple products - making them available day and night and making a trip inside the store for one or two items unnecessary. This would automatically generate a new revolution in food packaging to accommodate this new mode of distribution.

C. What advantage is there for the packer to pack private brands?

The question of multiplicity of brands creates real problems for the packers. The smaller they are, the tougher it is to get their brand on the retailer's shelf. For this reason, they desperately try to improve their package to make it more appealing to consumer and retailer alike. They cannot develop new products every day, but there is no limit to the number of packages in which their basic products can be packed if this will maintain or increase their sales volume. This is the reason why, in most cases, they have accepted or welcomed an increase in private labeling for the various retailers; at least this guarantees them steady business and income. (See Appendix II, 9)

But this tremendous increase in varied packages has been accompanied by many problems. Each time a new package is added to the line, it represents a new item to process, schedules to be made and special controls to be applied. Meanwhile, the amount of supplies carried in inventory keeps increasing; most packages require more than one material which means two, three or four new materials to carry in inventory. Shortage

of any one of the components of the package would completely stop production; so ordering in time, as economically as possible, is a real problem for small items. Delivery of supplies to the packing floor when needed is an important daily task. Storage space has become much too small and inappropriate for the various types of supplies. It is necessary to request assistance from the suppliers to extend warehousing facilities, make split shipments and offer purchase plans as a means of keeping to a minimum the growing carrying expenses. (See Appendix III, 5) This is what happens as a consequence of extensive prepackaging; the only way for the packers to control these tremendous amounts of supplies and their correct usage is to establish a very strong Material Control Department fully responsible for their administration.

What is ahead in the future is extremely hard to foresee. As the packers are going more and more into private brands for the retailers, they are placing themselves in a position of dependence. As they receive more volume from a few large customers, they may decide to drop some of their smaller accounts and, by so doing, could reduce the amount of packages carried in inventory; but they would also be putting themselves at the mercy of those few remaining customers. Will they take the risk of being absorbed by the big retailers, or will they try to stay competitive with the problems accompanying an extremely varied packaging inventory? This is the decision before each individual concern.

PART IV, CHAPTER II

WHAT WILL IMPEDE GOOD PACKAGING?

Two factors often neglected have an important effect on the success or failure of a food package: the quality of the automatic equipment and the attitude of the people making the packages.

There are also two obstacles to the efficiency of the packaging line: the short runs and the various coding procedures requested by the retailers.

The true import of these problems upon the packaging industry will be seen with due examination.

A. The All Automatic Plant

The packaging of food is not what it was a few years ago; hand-performed operations have been progressively replaced by fully automatic machines. For example, now weight checking is performed by elaborate electronic controls; package quality is automatically inspected, poor packages being immediately rejected; and many more operations, such as loading, wrapping and sealing, are now performed by machines. If handled properly, these machines produce neater packages than it is possible to produce by hand, they will guarantee uniformity, and they will work much faster.

However, the machines can also create many problems for the packers, turning out packages which are only mediocre and will not sell. Among these problems, a few are outstanding and must be solved before satisfactory results can be expected on an assembly line: (See Appendix II,10)

- 1) It is sometimes difficult or impossible to find trained and

competent operators. This is the result of the frequent changes occurring in the packaging machinery. As soon as the mechanics and operators become familiar with one piece of equipment, new machines are introduced which make their previous training useless.

2) Machines are becoming extremely complicated and delicate. The replacement of a number of manual operations cannot be accomplished by a single piece of equipment; each hand motion has to be reproduced through the use of well-coordinated parts, each having to operate in a specific manner. Understanding the complex mechanism requires many hours of training, and this is not always feasible.

3) Minor adjustments are usually the key to efficient operation; but if, through lack of knowledge, this is done improperly, the machine can be put completely out of working order without a single part being broken.

4) Too many machines are not worthwhile. In an effort to improve packaging operations a good many second-grade machinery manufacturers are working on new equipment, which they put on the market before it has been thoroughly perfected. These extremely large, poorly designed machines never perform satisfactorily and will soon become obsolete. Packers cannot exercise too much caution in staying away from this type of equipment. (See Appendix II, 7)

5) Excessive material spoilage caused by poor construction or unsatisfactory adjustments can create a tremendous amount of waste. Spoilage is sometimes controllable, but if allowed to get out of hand, it can radically affect the cost of the package.

Such difficulties can slow down packaging production, or what

is even worse, stop it altogether. Multiple breakdowns for a food packer, especially in the case of perishable products, are a positive death sentence. Many tons of products cannot be available for distribution without their packages and will invariably spoil. Customers' orders will have to be refused; and in the food industry, an order delayed is an order lost because the retailer cannot wait while his shelf stands empty, and must get what he needs elsewhere. Obviously, this creates a great deal of aggravation to the retailers, not to be quickly forgotten.

This situation can naturally be improved with very strong maintenance departments. Packaging companies which do not invest enough money in securing top mechanics and engineers are, in fact, committing slow suicide. Good maintenance is the best insurance for future smooth operations. Every piece of equipment should be kept in perfect running condition; if a machine is not working properly, it should be fixed immediately or disposed of. Any attempt to "get by" is really being "penny wise and pound foolish" because in most food-packaging installations, the cost of the equipment is relatively small compared to the amount of food dollars which will go through the machine. The cost of the packaging material alone for one year is far greater than the total value of the machine.

Because of the tremendous wear on a few moving parts in the machine, it has proven very valuable in many cases to store several of these specific parts as spares in the plant; this forestalls any delay caused in waiting for parts in the case of break-down or malfunction.

To reduce excessive repair costs and costly break-downs, many machine manufacturers offer an overhauling service to their customers whereby they take back the machine at regular intervals to adjust or

remove any worn parts in advance. (See Appendix III, 6)

All these precautions are to be strongly encouraged; they are the life-line of the booming mechanization in the food-packaging industry.

B. The Attitude of the People Employed in Packaging

No food product, despite its quality, will be appealing to the consumer in a sloppy package; the way it leaves the packaging line is the way it presents itself for sales. The only possible control of how the package will look to the consumer is left to the employees on the packaging line.

If these people are interested in their work and are conscious of the importance of their job to the company and to the success of the product they are packing, they will try their best to produce something they, themselves, would be the first to buy. Unfortunately, this attitude does not exist naturally in the average employee; it has to be created and developed by the management. A permanent reminder that the company sells only quality packages should encourage everyone's participation in the creation of that company image and should result in a continual, conscious effort to keep production up to the standards. (See Appendix II, 10)

Obtaining this from people whose first concern is to earn a living is not easy. Obtaining this from people in the food industries may be even more difficult because of the conditions under which they work. In most food-packaging industries, hours are far from regular. Some days require overtime in order to pack the product while it is as fresh as possible for big orders; on other days, employees go home early because sales are light. Work on Saturday is often hard to avoid if the

products are to be as fresh as is desirable on Monday. Some packers find themselves very constrained by rigid union contracts which, under ordinary circumstances, prohibit working over eight hours a day or on Saturday.

Only the consumer suffers from this lack of flexibility because the products he eats are not always as fresh as they could be. This is unfortunate, but what will happen when the working week will be reduced even more, to thirty-six hours or less?

C. Short Production Runs, An Obstacle to Efficiency

In an effort to have products as freshly packed as possible, retailers more and more are trying to cut the size of their orders, preferring to order several times a week. It is not unusual to see the same retailer place an order for the same product every day of the week. (See Appendix II, 10)

If this approach is used by most of his retailers, it means that the packer is obliged to run very small lots at a time, changing the type of package used on the machine several times a day. Because of the various sizes and shapes of the packages and the complete lack of standardization in the food-packaging industry, most change-overs from one product to another require adjustment of the machine which represents lost time. It is also well known that small production runs will cut the efficiency of a line considerably because it is never possible to attain the maximum momentum. A new run always starts slowly, and also finishes slowly - especially if an exact number of packages must be packed on the machine.

This is the cost of offering service to the customer; giving him what he wants when he wants it is very expensive for the packer, cutting his ability to produce sharply. The situation can be improved only through

better cooperation between retailer and packer. If the packer understands and fulfills the need for freshness in the product packed, and if the retailer has confidence in the efficient scheduling of the packer to divulge his requirements in advance, the packer would be in a position to deliver the best-possible merchandise, economically.

D. What About Coding?

Most food products sold in the supermarket today are coded on the package, i.e. dated to facilitate proper rotation and give an idea of freshness.

When products are received in a warehouse, they are not stored by date of arrival but rather by type of product. Without coding, it would be impossible to determine which product was the oldest and, consequently, which one should be used first. The greatest problem for the stockroom people is that each company seems to use a different coding method; therefore, it is very confusing for them to carry out an efficient rotation. Some companies use the date of packaging for their code; others, the date of shipment; and still others, an expiration date, i.e. the latest date on which the processor feels the package should be sold. (Appendix I, 10),

As a consequence, most retailers ask the packers to use a specific code for all products shipped to them; these codes differ from retailer to retailer, and it becomes the responsibility of the packer to make sure the right code is used for each customer. This obviously creates a chaotic situation for the packer. A regular product is no longer a stock item because it will not be accepted unless the code is right for the retailer; in fact, each product becomes a special order for each individual customer. (Appendix II, 10) If the code is not appropriate, the product has to be

re-packed, which involves a tremendous waste of supplies, or the product has to be run specially on the packaging machine, adding to the difficulties of short runs previously mentioned.

To solve these terrific problems, which add absolutely no value to the package, only hard-to-justify additional cost, a program of standardization has been embarked upon by the Supermarket Institute and the American Meat Institute. They have developed a coding system made up of four digits - the first and last digits representing the month and the middle two digits, the days of the month; but, as of now, this new code is not generally accepted, even in the meat-packing industry.

This approach, even if constructive, does not decide what date the code should represent; consequently, it solves only a very small part of the problem.

If the consumer pays any attention whatsoever to these codes, they certainly do nothing to improve the state of confusion already existing in his weary mind. A general agreement could only prove profitable for all.

PART IV, CHAPTER III

THE HIDDEN COSTS OF FOOD PACKAGING

The pre-packaging of food is very costly; the enormous buildings, expensive machinery, tremendous consumption of supplies - all are very large expenditures.

Added to these are hidden costs, such as high obsolescence and uncontrolled give-away, which can unduly increase the already considerable sum. Lack of price flexibility, caused by the package, can also impair the margin of profit. These hidden costs will be discussed in this last chapter.

A. High Cost of Obsolescence

Obsolescence can be found in many areas, e.g. a building, or a piece of machinery that is not suited to a new development in the packaging field, or the stocks of packages which have to be destroyed each year because they have lost their usefulness; all represent a loss to the packer. (See Appendix II, 11)

Many things can make a package obsolete: a new and better one appearing on the market, forcing all others to change if they would stay competitive; new government regulations stopping the use of a package; lack of consumer-appeal; private-brand customers deciding to change packers; or change of product formulation making the package useless. Whatever the reason, the result for the packer remains a loss which cannot be charged to anything but the total cost of packaging. Too often, this is not done and the picture is consequently distorted.

Is obsolescence purposely planned, as Mr. Vance Packard would

have us believe? This is very questionable because someone has to pay for it. The packer cannot usually recover his loss from the retailer or the consumer because the total price of the product leaves no room for recovery. So why should he hurt himself?

Obsolescence is inevitable, so what can the packer do to limit his loss? His only recourse is to keep his inventory of supplies as low as possible and to buy as little at a time as is economically possible. Unfortunately, suppliers do little to help. The cost of running small quantities on large converter machines makes it imperative for the suppliers to charge exceedingly high prices for such orders. (See Appendix III, 7) Few companies have a policy where the price of packaging is independent of the size of the order - those that do usually add provisions such as: no printing involved, which automatically detract considerably from the real interest of the offer.

The cost of obsolescence is becoming so important that many companies will not change a package if they can possibly help it until their old inventory is completely depleted.

B. Uncontrolled Give-Away

The second hidden cost worthy of examination is the amount of merchandise given away in exact weight packages. (See Appendix II, 12)

Rather than chance any legal problems consequent to the short-weight package or risk hurting their reputation, packers always make sure that slightly more than the amount stated on the package will be packed. This extra amount is very precisely determined so that no chances are taken; but every effort will also be made to keep the excessive amount as low as possible for obvious reasons. Excessive margins of security are not

acceptable either, as use of them could be considered unfair competition.

It is commonly believed that the normal give-away is figured on in the price and that, consequently, there is no loss at this point. But in most cases, it is practically impossible to control give-away, and a small amount of additional product will go into the package, causing the additional cost. Who can say positively how much of a certain product is given away in this manner? Who can pin-point exactly how much money is lost each year?

This becomes a real problem when the product packed runs heavier than it is supposed to do and, at the same time, a definite number of pieces is expected in the package, e.g. a pound of frankfurters when the standard package must hold ten of them.

Only very strict testing procedures could measure the leak; only extremely elaborate production control could eliminate this hidden cost. This is not always obtainable.

C. Lack of Flexibility Created by the Package

Most food processors and retailers are directly affected by the fluctuations in the market of raw materials. If the price of beef goes up in Chicago, all cuts of beef and all processed foods which use beef will be affected. If the price is not raised automatically, the margin of profit on the product will be decreased.

Pre-priced food packages dangerously limit this flexibility and consequently affect profits. If the price of the product is printed on the package as a convenience to the retailers (cutting their labor), it becomes impossible for the processor to increase his selling cost, regardless of how much he has to pay for the raw material. (Appendix I,12)

If the weight of the package is printed on the label, it becomes impossible for the retailer to cut down on the size of the package when the prices go up, thereby keeping about the same price on the package. This is considered particularly important by the retailers who feel that most customers buy their food according to the price of the package, rather than by weight or content. Finally, when ingredients are printed on the package, it becomes impossible to change them even if other combinations would be more profitable at a specific time. This occurs constantly in the meat-packing industry where each finished product can be made with various formulas; but, when the ingredients are printed on the label, switching to cheaper formulas to follow market fluctuations is not acceptable. (See Appendix II, 11)

It is only with these hidden costs in mind that the most suitable packages can be selected for profitable packing operations.

CONCLUSION. WHAT MAKES THESE DIFFICULTIES WORTHWHILE? THE REWARDS
OF PACKAGING

We have seen how important packaging is to the marketing of food products. Without a head-start in packaging, it would have been impossible to even think of self-service or supermarkets. Some other approach might have been developed to supply the tremendously increasing population, but everything seems to indicate that the present method adequately fills the actual needs.

Because of the importance placed on the package in this system of distribution, too much time and care could not be spent in choosing the package which will do the right job for the Consumer, the Retailer, and the Packer. This entails a lot of preparatory work before a package can be successfully introduced on the market. And all that is for what? Is it only to face the challenge of the various problems examined in the last part of this study? Fortunately, there is more to gain from packaging than just trouble and aggravation.

If properly executed, with properly exercised control, packaging can and should be extremely rewarding for those engaged in this work.

First, a good food package will keep the qualities of the product it contains much better than if it were left loose, exposed to the air. With the present achievements in packaging, it is now possible to preserve any product and offer it to the satisfaction of the Consumer in a condition never before imagined possible.

Second, a good food package will build a strong company image in the mind of the consumer, and will encourage him to try other products

offered under the same name, rather than continually trying all kinds of products made available by the competition.

Third, a good food package will create more sales. The first sale is only half the battle. Only a complete acceptance of the package and of its contents will create repeat sales - and, in this period of tight competition and small profits, only a large sales volume will guarantee the final success of any company engaged in the marketing of food products.

These rewards are sought by the retailers, the packers, and the packaging suppliers alike; and, obviously, they cannot be obtained by any one of them alone. It is only through their combined efforts and collective qualities that they will be successful.

Consequently, it would seem most beneficial for all to direct their efforts toward understanding and solving, if possible, the problems facing their associates - rather than blindly confining their attention to little, individual operating problems. This cooperative approach should be recognized as a mutually profitable and necessary goal for the 1960's, for everyone concerned with the prepackaging of food products.

One might very well say: "United we stand; divided we fall."

APPENDIX I
RETAILERS' INTERVIEWS

Beside numerous personal contacts, formal interviews were conducted by the author of this thesis with representatives of New England's four largest chains:

- Mr. Timothy F. Harrigan, Vice President of First National Stores, Inc., Somervill, Mass.
- Mr. Maurice Fleishman, Head Buyer of Stop & Shop, Inc., South Boston, Mass.
- Mr. Joe Shankman, Meat Buyer of Elm Farm Foods Co., Dorchester, Mass.
- Mr. Carmen Lanza, Meat Buyer of Star Market Co., Newtonville, Mass.

In addition, for a sampling of the smaller retailers' point of view, mimeographed questionnaires were mailed to the following New England independent retailers:

- Mr. Frank Brunelli, Co-owner of Brunelli's Super Markets, Franklin, Mass.
- Mr. Albert E. Smaha, General Sales Manager, Columbia Supermarkets, Portland, Maine.
- Mr. Mike Demoulas, President of Demoulas Super Markets, Inc., Lowell, Mass.
- Mr. Richard Dawson, Sales Promotion Manager, Fernandes Super Markets, Norton, Mass.
- Mr. Fred E. Schnaars, Grocery and Frozen Food Buyer of the Fulton Markets, Waterbury, Conn.
- Mr. Solomon Hermetz, Head Buyer of Growers' Outlet, Chicopee, Mass.
- Mr. Arthur Karambelas, President of Primrose Super Markets, Haverhill, Mass.

All the interviews were conducted according to the following questionnaire:

- 1) Was unit packaging essential to the development of the current methods of distribution? How did Self-service contribute to packaging progress?
- 2) In your company, who makes the decision to carry a new line? Why is this approach appropriate for your company?
- 3) What is your first concern in selecting a line: the quality of the product, the type of package used, or the price? Why?
- 4) Would you contemplate changing a package which is selling well?
- 5) Can you get more for an improved package? Would you pay more?
- 6) How would you define an attractive package? Will an attractive package improve sales?
- 7) In your opinion, does the Consumer choose a package for the quality of its contents, or for its appearance?
- 8) What are the major complaints expressed by the Consumer about Super-Markets? What do you do to combat this?
- 9) Do you package under your own name? What are the advantages and inconveniences?
- 10) What are your major complaints about packaging? What improvements would you recommend?
- 11) How do you feel about coding?
- 12) Do you like your packages to be pre-priced?

The opinions expressed in answer to these various questions were used in support of the different points presented in Parts II and IV of this thesis.

APPENDIX II

PACKERS' INTERVIEWS

As with the Retailers, some Packers were personally interviewed; while others were questioned by mail. The following were contacted personally:

- Mr. Bert Rabinowitz, V. P. Colonial Provision Co., Boston, Mass. (meat)
- Mr. Jack Satter, V. P. Colonial Provision Co., Boston Mass. (meat)
- Mr. John Musters, Industrial Engineer, NECCO Co., Cambridge, Mass. (candy)
- Mr. Joseph Gecel, Plant Manager, NEPCO, Boston, Mass. (meat)
- Mr. Nicolas Ruggiera, General Manager, Plymouth-Rogers, Abington, Mass. (pickled foods)

In addition, printed questionnaires were sent to:

- Mr. Richard Usen, V. P. O'Donnel-Usen Fishery, Boston, Mass.
- Mr. Arnold Wolf, Director of Purchasing, O'Donnel-Usen Fishery, Boston, Mass.
- Mr. Reid, Buyer of Elm Farm Bakery, Lynn, Mass.
- Mr. Joseph Foster, President, Foster Beef Co., Manchester, N.H.
- Mr. Jefferson, Head Buyer of Hood Milk, Charlestown, Mass.
- Mr. James P. Hintlian, President, John W. Leavitt Co., Everett, Mass. (candy and nuts)
- Mr. Parker P. Halpern, President, Parker Products, Inc., Holliston, Mass. (food specialties)
- Mr. Randolph Perry, Purchasing Agent of S.S.Pierce Co., Boston, Mass.
- Mr. Arnauld Meltzer, Supplies Buyer, Stop & Shop, Inc., South Boston, Mass.

The Packers' interviews were conducted according to the following questionnaire:

- 1) What kind of packaging department do you have in your company? What type of responsibilities does it assume?
- 2) How do you select a new package? Who most influences the final decision?
- 3) How would you define an attractive package?
- 4) In selecting a new package, what is your first concern: your operation's efficiency, the Retailer's acceptance, or the Consumer's satisfaction?
- 5) How do you determine how much to spend on packaging? Do you assume the additional cost of an improved package?
- 6) Does it pay for you to always try to develop the best-looking package for your product?
- 7) Are you satisfied with your automatic packaging equipment?
- 8) What are the major causes of failure with unsuccessful new packages?
- 9) Do you package under Retailer's Private Brands? How do you feel about this?
- 10) What type of difficulties do you experience most often when pre-packaging on a large scale? How do you go about solving them?
- 11) Is the obsolescence of packaging material a real problem for you? How do you control it?
- 12) How do you handle "give-away"?

The opinions expressed in answer to these various questions were used in support of the different points presented in Parts II and IV of this thesis.

APPENDIX III

PACKAGING SUPPLIERS' INTERVIEWS

Many Food Packaging Suppliers were interviewed by the author through informal discussions which revealed much interesting information concerning both their particular industries and, also, their customers in the Retailing and Packaging fields.

Among the Suppliers who have proven most helpful, it is appropriate to mention here:

- Mr. Ted Heidenreich, Sales Representative, Edwin J. Schoettle Co., North Wales, Penn. (paper boxes)
- Mr. Herman Jaffe, Sales Manager, Allied Container Corp., Dedham, Mass. (corrugated cartons)
- Mr. Bob Lassiter, Sales Representative, Continental Can Co., Chicago, Ill. (cans)
- Mr. Ralph Garson, District Sales Manager, and
- Mr. Henry J. Roth, Marketing Manager, W. R. Grace & Co., Cry-O-Vac Division, Cambridge, Mass. (vacuum bags)
- Mr. James B. Brooks, Manager of Packaging-Marketing Research, and
- Mr. Edwin H. Gessel, Marketing Research, E.I. Du Pont de Nemours & Co., Film Department, Wilmington, Del. (cellophane)
- Mr. Jim Young, Sales Representative, Marathon Co., Menasha, Wis. (boxes)
- Mr. Sid Rose, Sales Representative, Miller & Miller Inc., Atlanta, Ga. (labels)
- Mr. Marty Cohen, President, Pacific Paper Co., Lawrence, Mass. (wrappers)
- Mr. Jerry Silverstein, Sales Representative, Shawmut Glass Container, Boston, Mass. (glass containers)

- Mr. Richard Wienman, District Sales Manager, Tee Pack Co., Chicago, Ill.
(artificial casings)
- Mr. Charles Wheeler, District Sales Manager, and
- Mr. Robert C. Schoen, Sales Representative, Visking Co., Chicago, Ill.
(artificial casings, films)

The following questionnaire was used as a guide for the informal interviews conducted personally with the Suppliers:

- 1) What are your main objectives in developing new packaging materials?
- 2) Do you have a Market Research Department? Is your first concern learning the desires of the Consumer, or the needs of the Packer?
- 3) How do you go about developing a new package?
- 4) Are you concerned with the way your packages are handled by your customers?
- 5) What are you doing to help customers who handle a large variety of supplies?
- 6) Do you supply the equipment needed to use your packaging material?
Do you service this equipment?
- 7) Do you make small runs at no extra cost when needed by your customers to meet emergencies?

The opinions expressed in answer to these questions were used in support of the different points discussed in Parts II and IV of this thesis.

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