

Greater Detroit is the toughest market for major food outlets in the nation. Moving up is one 'family store'



Grocery shopping is a serious matter. (Staff photos by Douglas Bauman)

Weisberg takes care of business

By ALICE COLLINS

"Sure there's a supermarket war going on here. Detroit's always been one of the toughest markets in the country."

Bernard Weisberg took a sip of hot coffee and discreetly checked his watch. Time was crucial. In a few hours he would be on his way to Europe with three top officials of Chatham Complete Food Centers, Inc., and he still had some packing to do.

"Being on the lookout for new ideas is a must; we don't care where they come from or who the author is, this trip is to study the most progressive merchants in several cities in Europe," said Weisberg, who is president of Chatham, the fastest growing "superstore" in the greater Detroit metropolitan area.

Since Weisberg's family started the Chatham chain in 1967, it's multiplied to 44 stores with 45,000 employees throughout the Oakland, Wayne, Macomb and Washtenaw counties. There are four more stores in various stages of development and planning.

And it's nipping at the heels of Farmer Jack, current sales leader in the area.

"Farmer Jack has almost twice the number of stores we have," said Weisberg, "and we're less than one percentage point behind them in total sales volume."

CHATHAM also claims to have the

largest average sales volume per supermarket store in the United States.

"Farmer Jack, Great Scott, Wrigley and Kroger are all tough, good competitors," said Weisberg, "but we're much tougher."

Weisberg said Chatham supermarkets will "ultimately" expand outside of Michigan. "The basic business environment is such that you have to grow...if you stand still in a given market, you become vulnerable."

The 35-year-old president, who lives in Franklin, credits Chatham's constant search for new ideas and innovations for its current success.

The latest innovation is a new computer-driven checkout system Chatham is testing at its supermarket at 2323 Van Dyke in Center Line.

"Studies of this system have shown significant cost savings that can help combat rising food prices," he said. "We want to see for ourselves if there are real economic benefits to customers and the company."

"MOST PEOPLE don't understand just how low profit levels are in the food industry. The business is so competitive we have to take aggressive steps that can lower the profit even more," he declared.

"In 1972," said Weisberg, "the profit level for the total food industry was six-tenths of one per cent. We don't have comparable figures for 1974 yet."

"We recognize that most people aren't affluent, and we're determined to sell our things for less money than anyone else in the market."

"The things we sell other than groceries are also everyday needs...no high style."

"But we do a lot of research before we open a store and all of the merchandise in a particular area is designed for the people who will be shopping there."

"GOING WAY BACK," said Weisberg, Chatham was the first to put delicatessens in their stores, a part of the emerging superstore concept.

In the last 10 years, the typical supermarket has evolved into the superstore—a total shopping environment offering food, clothing, home merchandise, furnishings and supplies—things that can be found in a variety of other stores.

"In our superstores we carry from 18,000 to 20,000 items, and only about 8,000 of these are generally found in supermarkets," he said.

Chatham was the first to introduce unit pricing in the Detroit area several years ago. The chain also hired a consumer affairs specialist, and was the first in the industry to put into service a mobile laboratory for quality control and environmental sanitation inspection.

The Peter Weisberg family had a store on the east side of Detroit when

their son, Bernard, was born. "I started working in the store before I was born," he tells people. "My mother worked there while she was pregnant and I grew up in the store."

Peter Weisberg is now chairman of the board of the corporation, and another son, Harvey, is executive vice president.

WEISBERG SAYS the average wage and benefit package for employees of Chatham is 13 cents a minute. Its central distribution center in Warren has more than 500,000 square feet of storage, packing and shipping space, and a new meat processing complex is being constructed there.

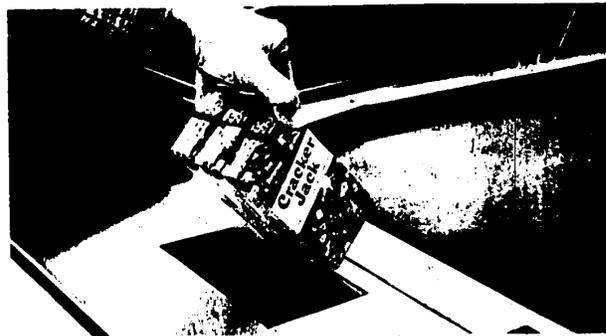
Chatham recently entered the real estate field, adding a Chatham Properties division. "It's relatively new and in the formative stages," said Weisberg. Three years ago the corporation purchased the old Detroit Shopping News, now named the Metro Shopping News.

Despite the liberation movement and the sharing of household and shopping chores, Weisberg says most of his customers are women.

"I think it's something like 80 per cent of all grocery shopping is influenced by women, and between 75 and 80 per cent of it is done by a woman shopping alone. Between 10 and 15 per cent are couples and only about 10 per cent are men shopping alone."



BERNARD WEISBERG



Chatham's "total scan" reads product symbols.

Automated checkouts tried to cut costs, add service

The day of the computerized checkout system is almost here for high-volume merchants like supermarkets and discount houses.

The series of thin, black bars stamped on many of the items being sold today are evidence of industry gearing up for the change.

Chatham supermarket is testing its IBM-manufactured "total scan" version of the system at its store at 2323 Van Dyke in Center Line.

"Studies elsewhere have shown its efficiency and cost savings," said Chatham president Bernard Weisberg. "We want to see how it works for our customers and us. So far, it's going well."

Generally a computer checkout system is expected to operate as follows:

• A store computer is fed all information on prices, including multiple-priced items; taxable and non-taxable items; merchandise that may have been listed for recall; inventory information; food stamp items; and anything else the management would want stored.

• Unit pricing would be eliminated in favor of shelf marking only. Any price change would have to be fed into the computer.

• Each item is passed across a scanner at the checkout counter. The scanner reads a manufacturer's label code—a series of black bars above a 50 digit number. The first five digits identify the manufacturer, and the last five the product.

The universal product code (UPC) is to appear on 50 per cent of all grocery items produced in the United States by the end of 1978. The UPC equipment was agreed upon by the grocery industry and food manufacturers.

Until all items are UPC marked, un-coded products would have to be keyed into the system for pricing or handled separately on a cash register.

• As a cashier pulls an item across the scanner, the price and product description are flashed back to a view screen on the register for the customer to see, and onto a receipt tape for the customer's permanent record.

Unlike the tapes normally used today, they will carry individual identifications of the item along with the price.

If the decision is made to convert Chatham stores to the computer checkout system, Weisberg says there will be no employee layoffs because of it.

"We have a large turnover, and we may not replace some employees when they leave the job." There will be people moving from one job to another as a result of the new technology, he said.



After an initial break-in period, new computer checkout is expected to eliminate lines like these.



By the end of 1978, most grocery items will carry universal symbols for the computer.



Receipt tape carries product information.