



## Real Worlds

Among the industries vital to the future of the Co-operative Movement are funeral services, dairy distribution, retailing, and education. All are undergoing major changes - which are in many respects rapid and far-reaching. Indeed it is the very pace of these changes which justifies the inclusion of education in the list.

Change inevitably involves learning, and learning is or should be, the very essence of the education business. Moreover it is the education system which supplies the potential customers, members, and young staff for Co-operative Societies.

The Office of Fair Trading has recently (January 1989) published an account of investigations into the funeral services. The outcome (**Funerals: a Report . . . . 46 pages**) is a response to complaints from MP's and members of the public about prices charged for funerals. There is also a review of compliance with the industry's own standards, reflected in the National Association of Funeral Directors' codes of practice.

In 1987, a survey determined that the average funeral director's bill was £586 which represented an increase of 28% above the rate of inflation since 1975. Around 650,000 people die each year and the Co-op Movement's proportion of this "market" is about 25%.

The report shows that Co-ops are more likely to comply with the industry's own codes of practice. In particular they are better at telling customers just how much their services will cost. Perhaps, even in times of distress their members have been more careful to ask the price.

However, it is the changes in this most traditional of industries which are of considerable interest to Co-operators. See how swiftly estate agents have

undergone the “corporate treatment” in recent years. It now seems likely that something similar may happen in the funeral sector. Co-operatives will face larger, stronger, and more widely recognised competitors. Customer loyalty might in future be determined less by family tradition or local familiarity than by more memorable “corporate” images, professional staff and pre-paid financial incentives.

The report concludes that “people do not arrange funerals often enough to acquire the background knowledge which guides them when they make other major purchases”. So the funeral industry is not one where market forces alone can be relied upon to ensure that customers’ needs and wishes are fully and efficiently satisfied. Legislation or more firmly enforced codes of practice are the policy options.

**The Future of the High Street** (HMSO, £12.00, 186 pages) steers a fine course between “likely impacts”, “overprovision”, and “interests of acknowledged importance”. Again market forces are not expected to lead, unharnessed, to a consumer’s paradise. Nor is the U.S. experience of massive out-of-town shopping locations considered to be a reliable and relevant guide to the future in this country.

The arguments rehearsed in the report are that large-scale out-of-town developments may erode the vitality of the High Street. On the other hand High Streets might rise to the challenge, meet shoppers’ expectations, and survive. The synthesis attempted in the report suggests that there is need for control over major regional shopping centres in “off centre” locations, but the degree of control is not detailed explicitly.

However, the report argues that it is not possible to generalise about the impact of the out-of-town developments owing to the range of flexible responses which are open to town centre retailers. Retailers which are not flexible and which are already marginally profitable will face severe difficulties, as will those who simply cannot afford to invest in the trial and success route to out-of-town developments.

The “High Street” in this context is a misnomer. The relevant concepts are really “town centre” versus “out-of-town” shopping. The quality of life in town centres is seriously threatened, in the opinion of this reviewer, by many other factors apart from giant shops on the periphery or in the countryside. Cars are choking most big towns, and multi-storey car parks are an added misery to which families are reluctant to submit. These points are also addressed in the report, but they could be more forcibly argued.

**The Dairy Industry Supply and Demand to 1990** (NEDO; £9.00, 36 pages) is a report prepared by the Food and Drink Manufacturing Economic Development Committee. Changes are highlighted in the liquid milk market since de-control of retail prices in January 1985. The data present a depressing vision so far as doorstep delivery is concerned, and the report states that "there is no doubt that a declining share in a very slowly declining market has cut round sales quite drastically". More bad news for the Movement.

Growth in cheese consumption is another disappointing feature, at least in the United Kingdom though not in the EEC generally. Among community members, Greece is the only country to export less cheese than the U.K. . . . within or outside the EEC. Learning from other countries is essential to understand the scale and scope for the market development of fresh dairy products.

Whereas the overall health of the industry is affected by future EEC quota policies, the nearest pitfalls are the reputed "health problems" associated with dairy products. The authors, in this case, commend United States experience, in the shape of an aggressive calcium campaign.

A new challenge to large Co-operatives is the reduction in supply of young staff, young consumers and, for that matter, young members. There will be one fifth fewer 16-24 year olds between 1987 and 1995. In the 16-19 age group the reduction in numbers will be as great as 23%. Fewer births in the 1970's have caused the shortfall - **Young People and the Labour Market** (NEDO/ Training Commission . . . £8.00, 45 pages), catalogues the decline.

The report claims that most employers have not been aware of the scale of these changes. Strategic thinking about alternative employment policies will be required. So far only a minority of employers have laid such plans, and they have tended to concentrate on "improving their attractiveness to young people . . . through improved school/college liaison procedures, better marketing aimed at prospective recruits; and improved training or career prospects . . . which were thought to be more relevant than increasing wages".

There are other options for focussing recruitment efforts: "mature age" intakes, places for long term unemployed people, married women and students seeking part-time work. From 1992 the flow of workers between European Community countries may increase. Targetted productivity improvements provide an alternative strategy.

But retailers, including Co-ops, could obtain double value from investments in closer links with schools and colleges, and the development of a solid

reputation among teenagers. They stand to gain both staff and shoppers at an impressionable stage in the human life cycle.

“Young People and the Labour Market” quantifies the extent of the challenge. A serious solution for businesses is closer contact with the education system . . . at a national and local level. *Lets hope “the Co-op” makes this a core activity in the 1990’s.*

**The Author**

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