

PRIZE ESSAY COMPETITION.

PITFALLS OF THE RETAIL TRADE.

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YOUR efforts in securing the opinions of the trade upon this important subject are commendable, and although dry goods men generally are not given to literary pursuits, I will endeavor to enumerate a few of the errors which I have observed during my dry goods career of fifteen years. Aside from the chance of securing your valuable prize, the placing of my thoughts upon paper will undoubtedly result in good to myself and perhaps be of use to you and others. For convenience sake, let us begin with

NO. 1—THE CREDIT SYSTEM.

Giving credit that is not sure, or giving credit at all, is a hindrance to any business, but more especially to ours. The successful retail dry goods merchants on this continent to-day sell for cash only. The more advanced, if able, buy as well as sell for cash, and the merchants who are coming to the front at the present time are guided by a desire to pay cash and get discounts. In their endeavor to do this, they generally succeed in avoiding

NO. 2—OVERBUYING.

This pitfall is large and deep, and if more attention were paid to buying lightly, the business man would be better able to pay his bills. A merchant should buy only what he is fully confident he can pay for when settling day comes, but his confidence should not be based upon an undue appreciation of his ability to pay for the same. Many a merchant at the beginning of his career says to himself: "My capital is so-and-so; how many dollars' worth of goods can I buy with this amount as a cash payment?" Instead of which he should ask himself: "How can I buy the least goods with which to commence business on a sure and safe foundation, looking forward to the raising of a superstructure that will stand the test of financial depression and that will be a source of pride and a monument of success?"

This naturally brings us to

NO. 3—CLOSELY ALLIED TO THE FORMER—BUYING WITHOUT AN ESTIMATE.

The retail buyer who is likely to get into this pitfall will go haphazard to look at travelers' samples, purchase a little here and more there, losing track of the lines bought and the houses from which he bought them. It is always better to buy from one house which can furnish most of the goods required to run the business. Estimating of requirements is simply illustrated by the example of a tailor, who, we will presume, has sold during the first six months of 1893, 20 suits, 10 overcoats and 200 pairs of trousers. Having this estimate for 1893, he now ascertains how many suits, overcoats and pant-lengths he has to begin the first six months of 1894, and upon the expectation that business will be as good as during the previous year, he buys accordingly, and it is therefore unlikely that he will fall into the error of the haphazard purchaser.

This also applies to the dry goods merchant who last year bought 300 pieces print. He sold 200 pieces and carried over 100 pieces; he should therefore buy only 100 pieces more, and, if necessary, sort up. This estimating of requirements reduces to a science the buying in all departments of the dry goods business where proper care and attention are bestowed. Run your business on as small a stock as possible. A good motto is:

"Keep down the stock and keep up the assortment"; but this cannot be done without a very careful estimate of your requirements, based upon the business of the previous year.

NO. 4—INATTENTION TO EXPENSES.

Keep track of your expenses. A merchant who loses control of his expenses might as well shut up shop; but he who has proper control of his outlay possesses the key to success. A fair profit may be made on a large turnover, yet the end of the year may show that expenses have swallowed it all up. Have a keen eye to the minutest outlay, and keep expenses in a proper ratio to the gross profits.

NO. 5—SELLING AT TOO LITTLE PROFIT.

One cannot conduct business without a profit. We are not in business as public benefactors. Make all the noise you wish—but get your profits just the same, and keep them in cash in the bank, not in stock or doubtful book accounts. It is an error to push lines your opponent is cutting—rather hold them back. It is better to fraternize with your neighbor in business and agree upon price of staples. In these days of syndicates and trusts it must prove of advantage to combine to keep prices, not high, but so as to enable you to secure a reasonable profit. No monopoly is desired, but sacrifice must be prevented.

NO. 6—CARRYING OVER UNSALEABLE GOODS.

We may presume that a merchant takes stock twice in a year—once at the end of the spring season, and again in the fall. If a line is seen on the spring stock-sheets, and it appears on the stock-lists at the end of the fall season, it is an evidence of its unsaleable pattern or slow selling quality, and hardly worth while retaining in the shop. Better dispose of it at once at whatever it will realize, or consign it to the auction room. Don't allow it to appear again. It is only costing you so much interest, if nothing else. Turn it into cash, and it will help to pay your bills.

Push out at whatever cost goods likely to become bad or unsaleable on account of changes in styles and patterns. Remember that this season's styles are next season's bad stock. It is hardly necessary to add that this does not apply to staples, which should never be sacrificed.

NO. 7—NOT ADVERTISING.

Merchants who do not advertise can, I think, gain one-third more business by judicious use of advertising.

NO. 8—INATTENTION TO CUSTOMERS.

Select your clerks with great care, and see that you set them a correct example. Don't be over polite, but make your patrons feel that you can be always relied upon. Never mislead a customer; if you are not sure as to whether a line will wash or wear, let your customer know your doubt. The writer never guarantees that a print will wash unless he has demonstrated that fact by actual experience at the wash tub. Therefore be straightforward, be honest, be courteous, and have your clerks exercise the same qualities. Inspire them with a lively interest in your customers and it will be money in your pocket. The moment a customer enters, have him waited upon with a cordial greeting. If you haven't what is required, show the nearest, or something else that ingenuity should discover as likely to sell instead of the line asked for. Don't force your customers, but use all legitimate methods to cater to their tastes; assist rather than persuade. Your help should understand that it is no test