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& GENERAL STOREKEEPER

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SPECIAL TO OUR READERS.

As the design of THE CANADIAN GROCER is to benefit mutually all interested in the business, we would request all parties ordering goods or making purchases of any description from houses advertising with us to mention in their letter that such advertisement was noticed in THE CANADIAN GROCER.

Price-cutting may be prompted by aggressiveness or by self-defence. When the latter is the motive which leads to it, extenuating circumstances may be allowed to moderate the judgment that is pronounced on the general practice. But the difficulty is, that what is an effect becomes in turn a cause, and a cut which begins at one end of the street will run to the other, each addition to the cutting series pleading the irresistible example of his neighbor as his justification. The evil cannot be isolated. No cordon can be drawn around the infected district. One who is forced to price-cutting as a means of holding his own has to do it, but he ought to be sure first that he is forced. He must realize that he is helping on a general pell-mell in local business by the step he is taking to meet prices initiated by a cutting trader. To plunge the whole trade of a town into a state of demoralization is what no clear-headed, scrupulous, substantial business man will help to do unless driven by necessity, which knows no law.

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The man who is provoked to a contest in price cutting is usually in a position different from that of the trader who brings on

the contest in this respect: that the former has everything to lose, the latter everything to gain. The trader who begins a cut usually does so because he lacks customers, and resorts to an attack upon profits as a means of getting customers. His neighbor in the same trade has customers. The lowering of prices on the part of two such dealers is for the purpose of gaining customers on the one hand and that of saving customers on the other. With the one there is no risk, with the other there is the risk of losing his customers. It is this consideration which leads the legitimate, stable trader to take a hand in a cutting game that is inaugurated by his neighbor. He does not want to see his opponent get that which the opponent really needs to make competition a spirited thing between the two, namely, custom. The custom which years of square dealing has attached to the one store must not be let shift to another which makes a single momentary and not over scrupulous effort to get it. Once that custom becomes divided then the advantage of an established connection is lost, and the conditions of rivalry are equalized. To keep his customers a trader must be as adventurous as his rival who lacks customers.

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The established trader is in a better position than the one who seeks to get himself established. The former can choose between losing his profits or losing his customers. One is likely to be only a temporary loss, the other a more or less permanent one. The customers he must aim to retain. They must not be allowed to go. As long as they are kept there is business being done, and the more there are of them the greater is the quantity by which the small margin is multiplied. A profit, no matter how large, is no good without customers. There is no such thing as profit without customers. It is plain, therefore, that the maintenance of prices in the face of close competition which

narrows the margin of profit is an impossibility. Fire must be fought with fire. The main object of self-defence in such a struggle is to suppress the enemy in as short a time as possible. This can be done only by cutting off his supplies, by diverting all the money possible from his store into yours.

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Dull times often act as an irritant to traders' price-cutting propensities. Such traders may have their share of the business that is going, but they want more. They send round a boy to a competitor to buy a few pounds of currants, or this or that, the boy doing the business in the name of a consumer. The price is noted and immediately a campaign is started with this particular commodity or article as a leader. This is expected to liven up trade. Such an expectation is illogical, as it neglects the consideration that the other man will lower his prices as well, and hold all he held before. It is like the case of the old man who felt that the steps of the stairs he had to climb every night were too far apart. He accordingly laid a piece of two-inch plank on each of them. He didn't take account of the fact, that although each lower step was brought two inches closer to the one above it, the latter was brought two inches farther away. In the same way, the price cutter neglects to notice that though he moves a cent or two closer to the custom of his rival, the latter moves it a cent or two further out of harm's way. Price-cutting is a game, and two can play at it. And the element of bluff is not lacking to it. The man who begins it is usually not hard to outstay, if his antagonist have plenty of heart in him. The price-cutter wins where his opponent's spirits collapse under the worry of the continuous onslaught upon prices. The price-cutter goes to pieces when his opponent cheerfully follows him in every reduction.