

## The Retailers' Position in Advertising Campaigns

The Manufacturers Must Realize that Trading is an Economic Function in which both Producer and Buyer Should Gain

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Manufacturers and wholesalers too often overlook the paramount importance of the retailer when planning their advertising campaigns, and yet his co-operation is essential if the best results are to be achieved. Many manufacturers in the past have looked upon the retailer with a good deal of suspicion, considering him altogether selfish and self-centered, and lacking in the very rudiments of business methods. Careful investigation, nevertheless, discloses that whatever faults arise in these respects, they are not due altogether either to the will or the practice of the retailer, but rather to a lack of sympathy and understanding on the part of the manufacturer. The truth is, retailers better understand their economic position and functions to-day than ever before, and are very quick to see the dividing line between their own interests and those of the manufacturer and wholesaler, and are hardly to be blamed if they put their own needs and interests in the forefront. The modern retailer is better equipped both with respect to fact and theory than ever before and is fully capable of presenting his own side of the case. Manufacturers must take cognizance of this fact, as well as wholesalers, and readjust their methods to meet the needs of a new day. Particularly is this true in planning and carrying through an advertising campaign on any considerable scale.

### FREE ADVERTISING.

The retailer, for example, has learnt that free advertising in the shape of display cards, counter hangers, leaflets and pamphlets, does not come his way from sheer philanthropy on the part of the big advertiser. Indeed, in too many instances, the manufacturer is eager, not only to extend his market and increase his sales, but to establish a virtual monopoly as well — a monopoly in which there are no great future gains for the retailer. That is the reason why many manufacturers who desire to "educate the dealer" very often meet with only a half-hearted response to their efforts; for the retailer always suspects, as a shrewd business man, the getting of something for nothing, even if that something be presented in the shape of free advertising. Not only is there still much constructive work to be done by the manufacturer in this direction, but also in winning over the wholesaler who has experienced the pressure that can be exerted upon him through goods sold under a trade mark. The manufacturer, in fact, must realize that trading is an economic function in which both producer and buyer should gain, and he ought to be willing to give wholesalers and retailers as well, not only fair play but a fair margin of profit. The alert manufacturer has at length awakened to the fact that the retail distribution of goods is his most important problem; and that he cannot properly market his wares, efficiently and economically, unless he secures the co-operation of the dealer.

### LOYALTY OF RETAIL DEALER.

The good-will of the retail dealer may be secured in the first instance by making a bona fide attempt to increase his profits and thus gain his loyalty. In planning any extensive advertising campaign, it is advisable, therefore, to submit the plan as far as practicable to the dealer before it is given to the press. If in addition to this the manufacturer is able to devise some method which will give the retailer a competitive advantage over his rivals, he will gain thereby not only loyal co-operation, but enthusiasm in pushing his campaign. In the past manufacturers have given this advantage to retailers in the shape of a money return, enabling them to either buy or sell at a greater profit than their rivals. A favorite device in this regard has been the giving of a considerable discount to a selected list of dealers who order their goods in advance of the season, actual shipment being left until the season opens. This practice became so general, however, that it soon lost its competitive advantage. Other manufacturers have endeavored to win the support of the dealer by means of the "free deal"—a method by which the retailer was allowed a certain proportion of his orders free. Other manufacturers have used the coupon method by means of which the consumer could secure a package of goods free on presenting the coupon to his dealer, the latter in turn redeeming the coupons upon ordering a sufficiently great supply of goods. On the whole, however, retailers are averse to the continuance of such practices in so far as they favor some at the expense of others, and require the over-

stocking of their shelves with wares that are apt to go out of fashion or become stale.

A large American milling company advocates the "free deal" on the following ground: It is recognized that the retailer must first of all consider his own profits, and therefore the manufacturer in conducting a big advertising campaign must win his co-operation through some form of profit-sharing; second, emphasis is placed on the fact that the successful merchant is the one who buys right; third, the small merchant with limited buying power and handling at a fixed price is reduced to the position of an automaton; fourth, if the merchant buys in large quantities he should get special consideration in the shape of the "free deal"; fifth, the manufacturer who increases his output reduces his selling costs and therefore can give a discount; and sixth, the manufacturer insists upon the discount when buying on an extensive scale — whether buying bags, wrapping paper or advertising space, and therefore should be willing to grant a discount on quantity buying. The "free deal" therefore, really means "quantity" buying, with the added disadvantage of an attempt at concealment. The temptation to the merchant to overstock his shelves has proved a great handicap to the success of this plan, as well as the intense dislike of most business men to secret rebates.

### THE "PROTECTED PRICE."

In contrast to the method outlined — a method which has generally if not altogether lost favor among reputable retailers — is that followed by leading manufacturers in Canada and the United States which is known as the "protected price" plan. These manufacturers sell their goods at the same price everywhere, whether the order be large or small or the dealer near or far from the factory. The purchasing power of the dealer may be very limited yet better profits are assured him under this scheme which eliminates price-cutting. It puts the small dealer on the same plane as the large department store; the quality of the goods is maintained as well as prices, and the shelves of the retailer are not overstocked. Secret rebates in the end lead to the lowering of the quality of the product placed on the market as well as to price-cutting and the overstocking of goods.

Many manufacturers to-day are turning to other methods of enlisting the co-operation of the dealer. Prominent among these is the branding of the trade mark or the business policy of the concern on the public mind by extensive advertising. It is remarkable, too, to observe the amount of out-of-season advertising that takes place to-day. For example, a few years ago one of the largest milling

concerns in the United States carried on a winter advertising campaign for summer goods. On the street cars, in the press, and everywhere appeared a pictorial representation of their goods with the following legend thereunder:

Until next summer here we'll sit.

To remind you all of Porosknit.

This out-of-season advertising well repaid the company, as well as other concerns that advertised their fall and winter goods in the summer. For example, and much to their surprise, in the early history of the trade a company that advertised sweaters and other knitted goods in the summer built up a large business in connection with boating and other sports where it was least expected. It is essential therefore that the manufacturer advertise in season and out of season if he is to secure the best results.

### OTHER EXPEDIENTS.

In the distribution of expensive specialties, as a side line in the marketing of staple products, it is necessary to adopt other expedients. One New York firm in placing a high priced perfume on the market had prepared a number of beautiful and expensive booklets bound in Morocco, which were sent to a selected list of prospective purchasers through the local druggists. This brought splendid results, as did also the expedient of another concern in the same line of business which distributed through local druggists aluminum hearts filled with red absorbent and containing a drop of their non-alcoholic expensive perfume. Success was achieved by giving the dealer a financial interest great enough to secure his good will. Not only was the advertising matter beautifully gotten up, but it was planned beforehand that the dealer should use it to the best advantage. Many manufacturers make the fatal mistake of supposing that retailers will handle any kind of advertising material even if it is cheap and nasty. It is being realized, however, more and more, that the enterprising dealer will not litter up his store with cards, booklets, hangers and signs that do not reflect the quality and the high standard of his business.

Many manufacturers to-day who are spending real money on their advertising place dealers "in account" of advertising help. They attempt to furnish the retailer with high quality and attractive advertising material, and in return justly demand that he make the proper use of it. Advertising aids that are worth while are no longer distributed broadcast or presented to the retailer as a mere matter of form. Indeed, some manufacturers go so far as to allocate their advertising aids according to the amount of purchases made by the retailer.

Little need be said concerning the methods followed by manufacturers in carrying on an advertising campaign in the local press. This is done mainly by the free distribution of electors, space being left for the insertion of the dealer's name, etc.

Finally we may say that the manufacturer often spends money in vain in planning and carrying to a conclusion a large advertising campaign because he has left the local dealer out of account.

## Fixed Bread Prices in France

The Paris correspondent of the Glasgow "Herald," in a review of the food situation in France, says:

The main fact as regards consumption and cost of living in France which distinguishes it from any other belligerent or even neutral country is that the price of bread has not risen since just after the war commenced. And, too, the quality has remained the same. While in Britain the price has risen progressively each three or six months and the quality has deteriorated, here both have remained stationary and fixed by law. As a result it is not improbable that the French working classes have felt less the cost of the war than those of any other country engaged, for bread, which is saltier, crustier and more appetizing than at home, is the real staple food of the people.

This situation was artificially created by the Government, not unwisely, in the early days of the war by the fixture of the price of wheat at 33 francs the quintal. All home-grown wheat had to be sold to the millers at that price, and the margin on imported wheat was paid by the Government. This plan effectively prevented speculation, gave some guarantee to the home grower, and by spreading the burden of the war cost over the whole people avoided hardship among the poorest. At the time, too, when it was introduced the margin both in price and quantity of imported grain was not so great as to be disproportionate to the good obtained from the arrangement. Had the world crops in 1915 and 1916 been even up to average it would indeed have proved one of the soundest policies of war economies of any

country engaged. And even now it is indisputable that it was, in view of the fact that France, which is so largely engaged in the war, is such a bread-consuming country, both prudent and effective.

With the continuation of the war, however, and the various succeeding circumstances of the bad harvests, the increasing transport difficulties, and the shortage of labor it has lost something both in effectiveness and equity. The Government has found itself compelled to import more and more wheat at the ever increasing price, and the covering of the margin to the extent which it has now reached detracts from the real economy of such an undertaking. On the other hand, the shortage of labor in the country has made it appear a real hardship to the agriculturists that they should have to be content with the statutory price of 33 francs, while their costs for implements have more than doubled and their work has been more and more thrown on the shoulders of old men, boys and women. Inevitably the extent of ground sown has decreased each year, and therefore with the double object of recompensing the farmers and extending the corn areas if possible the Government has lately embarked on what may be called its second constructive programme for the supply of bread. They have promised a bonus of 3 francs on every quintal of wheat harvested this year, and a further bonus of 20 francs for every hectare (2½ acres) devoted to wheat raising, which was not so used last year.