

# BOOKS AND NOTIONS

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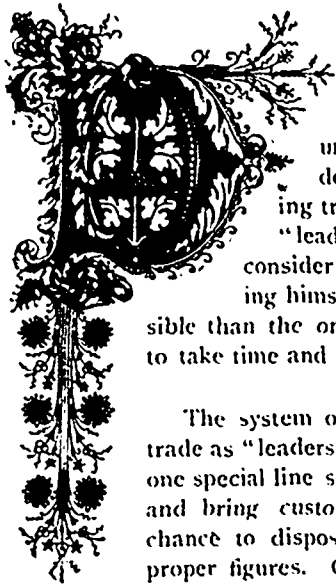
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DOES it pay to use "leaders?" is the question put to me in another column by a "new hand" who is evidently seeking some system for pushing trade, and having hit upon the idea of "leaders" is wise enough to take time to consider and to ask questions before spreading himself. His course is so much more sensible than the one ordinarily adopted that I propose to take time and space to discuss the object with him.

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The system of attracting business known to the trade as "leaders," which consists of cutting prices on one special line so low as to attract public attention and bring customers to the store, thus getting a chance to dispose of other stock which is held at proper figures. Generally the cut is made on some staple line which is in general demand. Dry goods merchants run cotton cloth, thread, sometimes blankets, sometimes fans. Grocers generally cut prices of sugar or canned goods, and as my correspondent says booksellers have used school books as leaders.

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I have always been decidedly opposed to the system and have discussed the subject with men in almost every line of business, and it is an instructive and remarkable fact that the members of these trades which have had the longest and most thorough trial of leaders are the most bitterly opposed to them. Here is the substance of the remarks of a leading dry goods man on the subject.

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First comes the announcement that Jones, "the great Jones," is selling spool cotton for one cent a spool, then Smith, Brown and Robinson offer it at the same price, then every one in the trade has to follow suit, and what was at first a temporary leader for Jones is now a permanently low priced article all over town. The price cannot be raised again because each dealer is afraid of his neighbor and each buyer knows that she got the last spool at the low price. Next, Smith starts in on blankets. He cuts the price below cost with the hope of getting ahead of Jones and the rest of them, but it is not long before the whole pack are after him full yelp and some of them manage to cut low, a little lower than he did result, another staple commodity permanently reduced in price, and so it continues until bankruptcy wipes out the whole lot.

So it would be in the book trade. If A cuts on school books, B and C will not be very long in following his example, and D will start in for a cut on stationery. Nobody would make a living excepting the sheriff and the assignee, and the smart clerk who started the trouble would grumble the most about the result. There is nothing so contagious as the reducing of prices. Possibly it is the streak of insanity which the doctors tell us is inherited in every brain. There is no reason in it. We know when we argue it out that it is sheer folly, that it decreases the general trade, and increases our own for but a very short time, and that at a loss of business reputation, friendship and credit.

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Let me give you what is, I think, a better way. Your object is to attract new customers to the store. How can you do this without cutting on prices? A bright clean window, dressed entirely anew as frequently as possible, a good bulletin board, a good stock, these are, any of them, much better than the leader system and do not create short profits, ill-will, and contention. Use all of them constantly, but I want you to add a leader of another sort.

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I travelled Ontario for many years, and, like most of my brother travellers, I spent a good deal of my leisure time, when in the hotel or the train, in reading. Therefore, every town I stopped at, one of my first visits was to the news agent to get a Toronto paper, and generally I bought at the same time a book, postage stamps, or some other article of which I stood in need. On my first visit to several towns I had some difficulty in purchasing the daily paper. "All sold out," "get supply only for regular customers," etc., were the answers I received, but by diligent inquiring I ordinarily found that some one dealer in the town had the enterprise and the good sense to buy more papers than he ordinarily could sell, just in order to accommodate the travelling public and to draw trade.

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Did it pay him? Of course it did. I let the other travellers know where a paper could be had in that town, no matter what increased demand there might be for them, for usually, my enterprising friend knew enough to have a standing order with the publishers to send him plenty of extra copies when there was anything special. As a result, this dealer was certain to secure all the travellers and transact trade, then naturally, he secured the hotel trade, then the friends of the travellers and their customers.

Here was a fine business made of new customers without any cutting of prices or other unpleasantness, the store was found to look fresh and business-like because it was so largely patronized by business men, full of snap and originality and the leader was, take