

THE PITFALLS OF THE RETAIL TRADE.

AN "HONORABLE MENTION" ESSAY, BY N. HOCKIN, FORMERLY OF PORT HOPE.

THAT there are hidden and unknown dangers existing, and besetting the retailer of to-day, must be conceded by all thinking and observing men.

If it be true that more than 90 per cent. of those who enter mercantile life—many of them with bright and sanguine hopes of becoming successful business men, or, perhaps, attaining to the proud position of merchant princes—sooner or later discover their mistaken aspirations, and utterly fail to even lay a solid foundation upon which to rear a permanent business structure, but one by one disappear from the ranks of the thousands struggling for wealth and position. Now, there certainly must be difficulties, dangers and pitfalls, unknown, unseen and unexpected by the huge majority of our fellows who fall by the way, and whose names, instead of being found upon the roll of honor, are only inscribed upon the list of mercantile failures.

For the average but uninitiated young man, the life of a merchant has many attractions. He is usually dressed in "purple and fine linen," lives in good style, fares sumptuously every day, figures away up in "G" in society. His work is easy, and considered to be highly respectable. Brains, skill, or training are not supposed to be at all necessary in the make-up of a man capable or competent to run a store.

So the farmer's son, who has grown tired of the humdrum and monotonous life on the old homestead, joins his comrade, the blacksmith's son, who has also become dissatisfied with the dirt and toil at the forge, and these two decide to become merchants, and carve out for themselves fame and fortune that will be the envy of their slower and more plodding companions.

To the young man's share of the farm is added the hard earned savings of the mechanic, and the new firm of Smith & Jones make their debut on the field of mercantile glory with flying colors and trumpet blast, in double-column advertisements proclaiming themselves as merchants of the latest cut and design, who intend capturing the entire trade of the community by their wonderful skill in being able to buy better and sell cheaper than any other house on that part of the earth.

With a capital of a few hundreds, several thousand dollars' worth of goods have been bought on credit—and the play begins.

Leading articles, already sold below paying rates, are cut a little closer, as baits, many lines are sold below what they cost, and wonderful and astonishing bargains are to be had at the new store. Like the new broom, the new store sweeps every thing before it for a time, but, unfortunately, the gilt is soon off the gingerbread, the bargain lines quickly run out, drafts and bills payable begin to mature, expenses have eaten up most of the cash receipts, a little more capital is secured from confidential friends—the evil day is but postponed, for the bubble soon bursts, and this new and brilliant firm of merchants suddenly goes down, sadder but wiser men, into the pitfall of ignorant delusion.

That there are pitfalls in the way of the retailer all admit. Where are they to be found? What are they? How can they be detected and avoided is to be the object of this paper to explain.

NO. 1—LACK OF TRAINING.

Perhaps one of the most dangerous pitfalls, and at the present time most frequently met with, is lack of training. In days gone by, when merchants were not to be found ready-made, the young man entering mercantile life was compelled to serve from five to seven long years, and was under bond to keep his engagement and serve the full time. The discipline was exceedingly strict and rigidly enforced, the training in every department was severe and thorough, with the result that when the young man's time was out he was a competent and well-trained merchant's clerk, fully prepared to take a position in any leading city house, from which, with extended experience and sufficient capital, he was fitted to go into business on his own account.

To-day, in Canada, in a majority of cases the training is very superficial. Life here is too rapid for our young men to spend more than a few months in acquiring a knowledge of any business, especially such a simple trade as that of keeping store. Important factors in the make-up of a successful and intelligent merchant—such as stock-keeping, a knowledge of qualities and values, trained skill in colors and designs, etc.—are generally overlooked. The one great qualification in merchants' clerks to-day appears to be "ability to sell." A young man may be an excellent salesman, but without a thorough training in all departments, thus securing a proper knowledge of his business, he will not likely prove a successful merchant when he attempts to conduct a business for himself.

NO. 2—LACK OF CAPITAL.

Next in importance to a proper business training is the possession of ample capital. Competition for trade is now so keen, and profits so exceedingly slim, that the trader who is not in a position to get inside quotations, take his discounts on pre-payments, and make his purchases at the fountain head, is badly handicapped—in fact, he is not in the race. Buying on credit, renewals, and compound interest soon produce low mercantile rating, limited credit, with certain failure in the near future. Going into business without sufficient capital is a delusion and a snare. Of the many who attempt it, those who succeed are few and far between, the greater number fail to extricate themselves from the pitfall of lack of capital.

NO. 3—OVER-CROWDED TERRITORY.

Competition is said to be the life of trade. The axiom may be correct up to a certain point, beyond which it may become the opposite and prove to be the death of the trader. A man may be thoroughly trained and have ample capital, and yet his venture in business may be entirely unsuccessful. Blood cannot be drawn from a turnip. Trade cannot be secured where trade does not exist. The population of a community can absorb but a given quantity of goods. If the trade of the village or town is already cut up and so competed for that existing merchants barely succeed, how will it be possible for a new establishment to secure a paying trade, without forcing out the old firms or finding themselves entrapped and destroyed in the pitfall of an overcrowded territory?

NO. 4—OVER-BUYING.

In these days of telephonic communication, rapid locomotion and cheap fares it is not necessary for the merchant retailer, as it might have been thirty years ago, to purchase six months' supplies in advance, nor carry heavy reserve stocks upon which interest has to be paid. The wholesale trade now keep stocks