

DEPARTMENT OF BUSINESS MANAGEMENT

Conducted by Paul C. Olsen.*

COMMENTS, QUESTIONS AND SUGGESTIONS ARE INVITED AND WELCOME.

Readers are invited to submit comments, criticisms and suggestions regarding the material which appears in this department. The Editor will also undertake to answer questions regarding general problems of business management. Letters of general interest will be published, but the writer's name will not be revealed without his permission.

ADVERTISING AND SELLING PROBLEMS IN DRUG STORES.

Store Layout and Arrangement—Continued.

Drug store layout and arrangement is definitely and inseparably connected with drug store profits. Just why this is so was the subject of the preceding article in this series. The purpose of this and a following article is to point out the simple and easily understood principles, which must be considered in drug store layout and arrangement if maximum profits are to be obtained from the operation of the store.

These principles are of the greatest importance to all types of drug stores. Their application sometimes varies from store to store but the principle is the same. They apply to drug stores located in the busiest shopping sections of the large cities. They apply to drug stores in the smallest and most remote trading centers. They apply to professional drug stores. They apply to drug stores in which the fountain and luncheonette service is the greatest single revenue producer. They apply to neighborhood drug stores in the poorest sections of large cities and to drug stores in the most exclusive residential suburbs.

They apply to drug stores with a floor area of less than a thousand square feet and to drug stores with floor areas of fifteen thousand to twenty thousand square feet.

They apply to drug stores in corner locations and to those with inside locations. They apply to square stores, triangular stores and to stores which are long and narrow. They apply to drug stores not only of all types and sizes but to drug stores in all sections of the United States and Canada.

What are these principles which have these widespread though varying applications? They seem so obvious when stated in the abstract that one wonders that they ever are disregarded. The reason that they are disregarded is not because of a failure to recognize the existence of the principle but because of difficulties and handicaps in applying the principle in a particular situation.

For instance, it is generally recognized that goods in the widest demand should be most accessible. That is to say the stock from which such sales are made should be the most easily and quickly reached, thus saving sales people's time and their consequent salary costs and increasing the speed with which customers are served.

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In most drug stores the great bulk of the sales made are of prescriptions, chemicals and drugs, proprietary medicines and toilet articles with, in addition, small but frequently profitable soda fountain, cigar and candy departments.

If the majority of the customers who enter a drug store go to the drug counter, why is this most important counter almost invariably located in the rear of the store? Of course, it is an advantage to the proprietor and his assistants, who customarily are to be found in the adjoining prescription room when they are not waiting on customers.

The placing of the drug counter in the rear of the store has more to recommend it than mere convenience to the store's selling staff. Consider the frame of mind of people who enter a drug store. Almost invariably, they have a definite purchase in mind before they ever enter the store. Women and men don't come into a drug store just to look around the way they do in department stores and in variety stores. They come to the drug store only when they are ready to buy something upon which they have definitely decided.

The extra few seconds required to reach the counter at which they can make their purchases are, therefore, not enough of a handicap to keep a person from making the purchase. Of course if people, in order to reach the drug counter, have to thread their way through a labyrinth of soda tables, filled with loud talking, sprawling women in order to reach the drug counter, they are likely to go elsewhere the next time they want to make pharmaceutical purchases.

The fact that people do have a definite purchase in mind when they come to a drug counter in the rear of the store is fortunate, because they involuntarily must pass through other parts of the store and see there the merchandise it has to sell. It is to be hoped always that the store and its merchandise on display will create favorable impressions and, in a satisfactory number of cases, a willingness to buy this merchandise.

Considering still this same general principle that goods in widest demand in a drug store should be the most accessible, it will be seen that the arrangement of merchandise in the cases, shelves and drawers at and near the drug counter should be such as to put the merchandise most frequently sold closest at hand. It is amazing how often this seemingly obvious principle is disregarded to the disadvantage of the store and its customers.

From the standpoint of sales, tooth paste is the most important single line of toilet goods for sale in drug stores in all but the poorest neighborhoods. It follows, therefore, that a large proportion of the customers who come to the drug counter of a drug store come there to buy tooth paste. Yet I saw one drug store in Indianapolis with annual sales over \$60,000 in which every time a customer asked at the drug counter for tooth paste, it was necessary for the sales person to come out from behind the drug counter, walk twenty steps to a wall case near the front of the store, open the case to get the merchandise and then walk twenty steps back to the drug counter again to wrap it.

Most merchants recognize that merchandise which already sells most easily and in largest volume is the type of merchandise on which it is easiest to create additional sales by displays—particularly displays which will be seen by people as they stand at the drug counter. Therefore, they are not content merely to have

the selling stock of this merchandise easily accessible at the drug counter but they put it out on display so that even more sales of it can be made.

Frequently, however, merchandise of this kind is chosen by some druggists for vigorous price slashing and even sale at prices below its cost. If a druggist does not care to engage in this price competition, any more than he has to, he feels that to attempt to push the sale of such merchandise at what he considers a fair price would adversely affect his reputation for fair prices on other items of merchandise on which price competition is not keen.

This situation does not alter the fact that such merchandise should be accessible quickly at the drug counter, for a large number of sales are certain to be made in it. This accessibility can be achieved, as any druggist will recognize, without displaying the merchandise if he does not care to do so.

The principle of accessibility in the location of the cigar department in a drug store is equally important. Cigar departments are frequently to be found in drug stores just inside the entrance. One familiar arrangement is for the cigar department to be on one side and the fountain on the other and as close to the entrance as possible. If the cigar department occupies small space, it often happens that the cigar department adjoins the fountain, the cigar cases occupying the position closest to the entrance.

The theory back of these arrangements is that purchases in the cigar department are casual and made on impulse and won't be made at all if obstacles, such as the necessity of walking long distances inside the store, are interposed. This is true if an important number of customers enter a drug store only for the purpose of making purchases in the cigar department. The conditions under which this is most likely to be true are to be found in drug stores in the centers of the larger cities. It is not so true of neighborhood locations and locations in the smaller communities. A little observation will prove the truth of this statement.

Recognizing this fact, druggists in other than city center stores have seen that they could speed customers' service and save their own steps and time if the cigar department were located on a side of the store and nearer the rear so that it would be only a few steps from the drug counter.

Rapping on the glass of the cigar case with a nickel is an ancient drug store custom to attract the attention of the sales person in the rear of the store. It illustrates how many extra steps must be taken to serve the cigar counter in drug stores in which the volume of sales in this department is not large enough to justify one sales person spending all his time there. Under such situations, it probably is true that cigar customers could be served more quickly, with a cigar counter nearer the drug counter, even though they have to take extra steps inside the store to reach it. At the same time, the store would have the advantage of these customers coming far enough inside to see most of the merchandise it has on display.

Under other circumstances, the combination of service at the fountain and at the cigar department may be practicable if they are placed side by side. Such conditions exist when one or more persons must be employed constantly at the fountain yet there is not enough cigar business to justify the employment of an additional person there. The combination naturally should not be attempted if it slows up service either to fountain or to cigar customers.

As I suggested earlier in this article accessibility is not the only governing principle in the layout of a drug store to permit the production of maximum profits. Other principles of similar importance will be the subject of the next article in this series.

WHY WE TEACH PRINCIPLES OF WINDOW DISPLAY.*

BY L. C. ZOPF.¹

Why we teach Principles of Window Display in the College of Pharmacy, State University of Iowa is a question asked us many times. I am sure that all colleges of pharmacy have had similar questions asked of them. The familiar question of why do the colleges not teach more subjects which will be of direct application to the general routine of the store can be answered in two ways; *first*, in the two-year course there was absolutely no time available for the teaching of such courses and *secondly*, the duty of the colleges of pharmacy is to educate students to be competent pharmacists.

In the three-year course we have only been able to find one hour for an additional commercial course. After a thorough study and discussion by our faculty it was decided that the course of greatest value, from the standpoint of actual use, would be principles of window display.

Possibly the paramount reason for the introduction of such a course was the demand made upon us by the students enrolled in our College. It was not a very uncommon thing, and is not at the present time, to receive letters from prospective students asking us for a bulletin listing the courses given by our College and particularly asking if we are in position to give a course in window display work. This one reason, above all others answers the "why" of this question.

If men, who are entering this profession, can see far enough ahead to demand such a course, it is apparent that the men who have been in the field for several years should be able to predict just how much value these men would receive from such a course.

With this thought in mind our faculty made an analysis of the graduates of our College. This survey revealed the fact that 72% of our graduates enter and remain in the retail division of pharmacy. This means that these men will have use for such a course from the first day they receive a position in a retail pharmacy.

The remaining 28% of our graduates are employed in manufacturing or research laboratories, in hospitals, in teaching, as salesmen; some enter medicine and other professions. Of these 28% many are in position to use such a course, for at times it is necessary for them to seek employment in a retail pharmacy while waiting for an opening in their desired division.

A thorough study of the requests made of a graduate pharmacist when first entering the retail store, revealed the fact that the employer wanted not only a competent pharmacist, but preferred a man who also had a thorough business knowledge.

It is not uncommon for the owner of the store to ask the pharmacist during the first week he is employed to change the display in the window. If he is not in

* Section on Commercial Interests, A. PH. A., Miami meeting, 1931.

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