

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.

Prescription compounding and similar professional services of pharmacy distinguish retail pharmacies from all other retail stores. This professional service, which retail pharmacies are equipped and qualified to render, gives pharmacists both privileges and responsibilities. No opportunity should be lost to acquaint drug store patrons with them.

In the layout and arrangement of drug stores this unique position of retail pharmacy creates opportunities which should not be disregarded. For instance, in the comparatively few locations in which strictly professional drug stores can be established, it is obvious that the appearance and atmosphere of the store should be such as to impress customers with the character, responsibility and experience inherent in its pharmaceutical services.

Side lines of merchandise are, however, a necessity in the operation of most drug stores in the United States. Without the additional revenue produced by these side lines, many communities would be deprived entirely of pharmaceutical service, because drug stores devoted exclusively to professional pharmacy could not obtain a sufficient volume of business in such places.

These side lines in drug stores should be so placed and arranged, however, that they do not interfere with that fundamental characteristic which all who enter a drug store should recognize instantly—here is a store equipped and able to render the professional services of pharmacy.

In the creation of such an impression, drug store layout may take the following form. On one side of the store can be grouped the prescription counter and sick-room and other medicinal supplies which are usually to be found only in drug stores. The other side of the store can be devoted to the so-called side lines, ranging all the way from perfumes and cosmetics to candy, soft drinks and the so-called sundries and novelties. Drug stores laid out in this manner enforce some separation of their patronage so that people waiting for prescriptions do not interfere with those selecting face powder. Yet the complete service of the store can be observed at a glance by all who come in.

While a complete separation of the business of a drug store into these two fundamental divisions is not always practical, it is of the utmost importance, in my judg-

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ment, to recognize that in store layout, the more closely this idea is approached, the greater the advantage.

No line of merchandise should be emphasized or even included in the drug store's stock which will result in the destroying or interfering with its recognizability as a drug store. The vaudeville jokes about drug store merchandising result almost entirely from a violation of this basic principle. These violations don't help the stores which are guilty and they tend to decrease the public understanding and appreciation of the services of all retail pharmacists.

Variations in the demand for the various classes of merchandise sold in drug stores result not alone from the type of the community in which the store is located. One of the most important additional causes of variations in demand is the seasonal changes. No druggist needs to be reminded how important they are. Rubber bathing caps occupy prominent display space in many drug stores in June and July. Their display in the same space in January would be, of course, an absurdity except, perhaps, in south Florida and in the extreme southern part of California.

That exception illustrates something very important: seasonal variations, just like sectional variations in demand, must be determined individually by each drug store. A druggist in Miami Beach, for instance, may find of all the months in the year, the first two weeks in January are the most effective in which to display bathing caps.

It is dangerous to trust the memory, however, as to what merchandise sells best at various times of the year. Between this January and next the Miami Beach druggist above will have made many displays and, in addition, will have had many other business and professional problems occupying his time and attention. Under these conditions, it is only natural that in January 1933, he might forget about his success the preceding year in the sale of bathing caps in the first two weeks of the month.

There is a sure, simple way to determine and record the effectiveness of displays of merchandise in drug stores at different times of the year. This can be done with an inexpensive diary. On the day a test showing is started, a brief description of it is written in the diary, including the amount and kind of merchandise shown, the space occupied and its position in the store.

Most important of all, how effective was the display? Was it worthwhile and, therefore, is it worth repeating at that time the next year?

Fortunately, there is a simple way to obtain answers to these questions. An aisle table for instance, is piled high, immediately after Christmas, with bars of castile and other superior soaps. Is the use of this space at that time justified for this purpose? To get the answer to this vital question, for his future guidance, all a druggist needs to do is to put on the cash register nearest this display a card and promise himself and instruct all his assistants that every time a sale of any item so displayed is made, a tally will be recorded on the card.

The simple record of the number of sales made of various classes of merchandise shown will create a sufficiently accurate record to permit a determination of the ways to use most effectively, at various times of the year, the selling space in the store.

The number of sales made from that particular display is, of course, recorded with the other information about it in the display diary. After a year or two a drug-

gist who faithfully maintains such a diary soon will have created for himself an exceedingly accurate record of what to display to produce the most sales at all times of the year.

It is a fact, mentioned previously in this series of articles, that people do not enter drug stores in important numbers just to look around and shop. When they come in they have a definite purchase in mind. Confirmation of this fact is afforded by observations which show that practically all purchases made in a drug store are of a single item. Occasionally displays or personal recommendation of sales people will cause these customers to buy additional merchandise and the gain from these sales are welcome additions to a store's profits. However, the fact that people entering a drug store usually go directly to the department in which they are interested makes less important the grouping of related lines of merchandise than is the case in department stores or variety stores, for example.

On the other hand, the various classes of merchandise in drug stores should be so placed that one class will not interfere with the sale of the other. That is the purpose behind the suggestion earlier in this outline—that the professional departments of a drug store should be grouped on one side of the store. Care should be taken, also, in the grouping of the so-called side lines so as not to put merchandise of too dissimilar a nature close together. Obviously, for instance, insecticides and candy should not share the top of a case nor should dog foods be displayed on the back bar of the soda fountain.

Experiments conducted by some druggists have shown that men's toilet goods can be sold in increasing amounts when displayed in the cigar department. This is not always the case, however, and illustrates the importance mentioned earlier, of testing and measuring the effectiveness of displays shown of all merchandise.

FINDING BUSINESS DOWN THE STREET.

BY FRANK B. KIRBY, PHAR.D., M.D.*

There are two ways to have fish for dinner. Either you wait for the fish man to call, or you go a-fishing. There are those who say that the cure of to-day's conditions is entirely in the hands of the clerks and salesmen of the country. In other words, production is at par and selling lags. Are you sales-minded? If not, sell out and change your job. If so, there are only two ways to make good. Sales are like fish for dinner—you either wait for them to come to you or you go out after them. There is no other way.

Now advertising does not go out after sales. Advertising is one of several invitations by which sales come to you. So advertising is not the answer.

Suppose we assume that leaders and service, one cent sales and personality, good will, advertising and the square deal have brought to your store every last prospect in sight and still "we need the business." It remains that your problem is exactly that of our large mail order houses. For years they have been mailing ten million catalogs twice yearly, not car loads but train loads and they find that such promotion is still only an invitation by which to have purchasers come to them by mail. Their solution of the problem is just what we are suggesting

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