DEPARTMENT OF BUSINESS MANAGEMENT

Conducted by Paul C. Olsen.*

BUILDING A MARKET FOR YOUR OWN PREPARATIONS.

A DRUGGIST LEARNS A PRACTICAL PLAN FOR PROMOTING ONE OF HIS OWN PRODUCTS.

John Marsden's store had long enjoyed an excellent reputation among physicians and their patients. His professional interest in pharmacy had led him to make numerous laboratory experiments. Out of one series of these experiments had resulted a stable alkaline emulsion which he believed had excellent possibilities. Inquiry among his physician friends confirmed this belief. (These few preliminary words can hardly give an adequate representation of the months of patient experimenting which after many trials resulted in a product which met Marsden's high professional standards. It is outside the scope of this article to detail his manufacturing problems. Sufficient to say that they had to be satisfactorily solved before promotive activities could begin.)

Marsden persuaded some of his physician friends to try his new preparation. They reported good results, and soon prescriptions for it began to come in almost daily from the little circle of his medical acquaintances. Marsden was satisfied at last that he was on the right track, but he also realized there was a long distance yet to travel to ultimate success.

Here he wisely called in outside assistance. He reasoned this way—When I am sick I go to a doctor. I know the result I want him to accomplish for me—make me well. The methods he pursues to accomplish this result are medical technique which are out of my field. The same way with this problem. I know the results I want to get—more sales of this preparation. The technique of increasing sales of a proprietary preparation is outside my field. I will call in an expert and let him get for me the results I want.

The expert came. He asked innumerable questions, some pertinent and some which seemed impertinent. He spent hours in the laboratory, apparently staring vacantly at the various production processes. He borrowed Marsden's Pharmacopœia and studied the properties of the various ingredients of the preparation. Marsden heard he spent some time talking to doctors to get, independently, their views on the new preparation.

In a week he returned smilingly with a neat brown portfolio under his arm. Marsden told his head clerk not to disturb him for the rest of the morning and the two repaired to the laboratory.

"Why, what's that?" inquired Marsden in surprised tones, as the advertising man opened his portfolio.

"That's a sketch for a label," answered the advertising man casually. "What do you think of it?"

"Pretty fine, but say, if I use a label like that people will think I am in a class with large well known pharmaceutical manufacturers."

^{*} Instructor of Merchandising, Wharton School of Finance and Commerce, University of Pennsylvania; Lecturer on Business Administration, Philadelphia College of Pharmacy and Science.

"It's all true, isn't it? If you don't think well of your goods, you can't very well expect anyone else to, can you? You must inspire confidence."

Marsden's enthusiasm began to grow. "What's this?" he said, as he picked up a letter typewritten on one of his own letterheads.

"That's a sample of a circular letter to send to physicians to introduce your preparation to them."

Marsden read it. "That's certainly a 'jim dandy.' I see now why you spent all that time snooping around the laboratory and pouring over my Pharmacopœia. Nothing stereotyped or canned in that letter. It certainly ought to bring in the business. Why, I bet 2 out of 3 physicians who get that will answer it."

"I'm afraid not. As a matter of fact, if you get replies from 5 out of a hundred the letter is doing remarkably well. That letter is just a plain statement of the uses and advantages of your preparation, and has inclosed with it a return envelope and a little card on which the physician can request a free bottle for trial. Every doctor in this town gets ten to twenty circulars in his mail every morning and a letter like this has a lot of competition to attract enough attention to get an answer."

"But if 95 out of every hundred of these letters go in the waste basket, isn't that an awful waste of stationery and postage?"

"Not necessarily. These letters will cost you, including stationery, multigraphing, addressing and postage about \$5.00 a hundred. Now, the question is, is it worth \$5.00 to you to get 5 physicians interested enough in your preparation to write for a trial bottle of it?"

"I see the point. There are some physicians in this town it would be worth \$50 to me to get interested. Let me ask you a few questions. Do you put stamps on those return envelopes?"

"No, because if a doctor is interested enough to put his name on the card he is interested enough to reach in his desk drawer and get a stamp for the envelope."

"Wouldn't postal cards be cheaper?"

"Yes, but many physicians object to broadcasting to the postman, their office assistants and your clerks that they are writing for a free sample. They prefer a sealed envelope."

"Where will you get the names to send these letters to?"

"We can start out with the 500 physicians here in town; their names are all classified in the telephone book. If you get 5 or 6 per cent returns here in town, you can depend on the law of averages to bring you about the same results in other sections. If you don't get enough results to pay, your trial has only cost you \$25 and you can then test out another appeal on a different list of 500. That's the advantage of starting in a small way."

"What else will I need to do?"

"First, you want to capitalize all you can the interest of the doctors who write for trial bottles. I have here a sample of a letter which you might send out about 2 weeks after you send him the trial bottle. If he has used the bottle that may bring back a valuable report which you can use (if he gives his permission) in getting the interest of other physicians. If the doctor put your bottle on a shelf in his closet and forgot about it your letter of inquiry will politely call it back to his mind and perhaps interest him enough to use it."

"Second, you know as well as I do that a doctor has to be kept constantly re-

minded of a preparation if he is going to continue to prescribe and recommend it. This is only natural. These days there are so many new preparations being brought out and so many new ideas that a doctor has difficulty in keeping up with all of them. Yet you can't afford to harass or annoy him with your claims. I suggest that you mail monthly a blotter which has printed on it one or two important advantages or uses of the preparation. Here are some samples. Few people throw away a blotter because it is useful. In that way you keep your name before him.

"In the case of physicians who apparently ignore your first letter you will find you will get almost as great a response month after month as you did from the original letter, if you inclose with the blotter a return envelope and a card on which he can ask for a trial bottle.

"One benefit you will receive from this propaganda is that physicians who never knew of you before will become acquainted with your store and your entire business will benefit. Eventually, however, you will have to get other stores to carry your preparation to satisfy the demand which you create for it. The easiest way to do this is to telephone the druggists you know best and tell them whom you have detailed in their neighborhood. Any druggist will lay in a small stock of an article if he is assured there is going to be a demand for it and not left with dead stock on hand. You can talk the same way to the wholesale houses.

"Fourth, you can capitalize this widened distribution by writing to doctors in the neighborhood of each store you sell and tell them the name of the store. You will notice in this letter that there is also a request for him to suggest additional stores. Very few druggists will refuse to stock an article that a doctor asks him to carry provided he feels certain the doctor intends to prescribe the preparation."

"This all sounds very fine," said Marsden when the advertising man had finished, "but what's it all going to cost?"

"Just as much or as little as you want it to. You are making a living from the store now, so I would suggest that for the next couple of years you put back into this preparation all you take in on it. In this way as your sales increase you can gradually extend your detailing and with it your distribution. In two or three years you will be in a strong enough position to begin safely to draw some of the profits which have begun to accumulate because you have built upon this solid foundation."

Strict, unfaltering observance of the code of ethics at all times should be a prime essential in all undertakings promoted by pharmacists.

QUESTIONNAIRE FOR INVESTIGATION OF A MANUFACTURING ESTABLISHMENT.

Through the courtesy of a prominent manufacturer the JOURNAL is enabled to publish a questionnaire which is used as a basis for estimating the financial strength and future earning power of a pharmaceutical, proprietary, toilet or sundry article and of the establishment producing the preparation under consideration.