

DEPARTMENT OF BUSINESS MANAGEMENT

Conducted by Paul C. Olsen.*

THE PSYCHOLOGY OF EFFECTIVE DISPLAY.

(Continued from November JOURNAL.)

Retail merchants are frequently criticized because they do not make fullest use of the elaborate and expensive window- and store-display materials which are supplied them by various manufacturers whose products are sold in their stores.

Manufacturers and distributors are usually lavish in supplying this kind of material because they realize that any use which is made of it is bound to produce increased sales, with increased possibilities, necessarily, of profit to themselves as well as to the retail merchants selling their products. Moreover the help which manufacturers and distributors give to their retail merchant customers is likely to concentrate upon these window- and other display materials because window- and store-displays are practically the only kind of sales stimulant used by many stores. In fact, for some stores—neighborhood stores in large cities, for example—it is one of the very few advertising media which can be employed profitably and readily.

The point of view of many a large manufacturer or selling agent whose product enjoys wide distribution is as follows: Suppose the article is a cod-liver oil. The manufacturer naturally would like to have every drug store in town displaying it at one and the same time. The more displays the better, he contends.

To the retail druggists he says, "Every man, woman and child who comes down town this Saturday is pretty sure to pass every one of the six drug stores we have clustered here in the center of the city.

"They will see this cod-liver oil display in the first drug store they pass. It may not impress them enough to make them want to buy. They will see the same display in the second drug store they pass as they continue to shop down town. This second impression reinforces the first, and so on as they see more and more of the same displays. The process is repeated both down town and in their own neighborhood stores. Just as twelve advertisements are better than one so are twelve displays better for all concerned than one.

"Each druggist gets his share of the increased business just as each individual profits in any coöperative advertising campaign."

That is one side of the picture. The other side is this: If all windows are trimmed exactly alike, as they surely must be if the same display material is used in all of them, aren't all the stores using this same display material going to look exactly alike? Verily, the windows are a store's opportunity to distinguish itself. Just as people are distinguished primarily by their appearances, so are stores distinguished, externally at least, by their windows.

Granting that individuality in a store helps to set it apart from its competitors, does a store need to so distinguish itself? In the cod-liver oil example just cited,

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each store obtained business as a result of the cumulative effect of the similar displays of its competitors, although this business was obtained at a sacrifice necessarily of its individuality. Why be individual?

One thread doesn't make an overcoat. Neither does one sale make a successful retail business. A store depends for its continued success upon the repeated patronage of satisfied customers. How does a store which does not employ the principle of individuality in attracting attention to its displays fare with respect to this vitally necessary repeat business?

Think of it in terms of the individual customer who finally succumbs to the lure of the repeated effect of the six or seven similar cod-liver oil displays which he has seen, and buys a bottle in the seventh store.

How about his next purchase of this or any other merchandise? Where is he likely to go? What chance has the store which made the first sale to reclaim his further patronage?

For what reasons have manufacturers of competitive merchandise found it advisable to spend millions of dollars in trade-marking and otherwise distinguishing their merchandise from that of competitors? They spend countless dollars to tell people about the trade-marks and other distinguishing qualities of their merchandise so that their prospective customers may be sure that they are getting what they intend to get. Moreover, when a succeeding purchase is to be made, the trade-mark or other identification is the thing that enables a purchaser to assure himself that he has obtained the same thing as before. The wise manufacturer takes no chances that the vitally necessary repeat business shall go to somebody else because he failed to distinguish adequately his own merchandise.

Why should the progressive merchant, anxious to develop a clientele of satisfied customers, do differently? His window and his store displays are the most evident and widely seen media for individualizing his store. Five men dressed in clothes almost exactly alike can't possibly have the individuality each would have if he were dressed in a strikingly different manner. Neither can five stores each with windows practically alike.

Individuality is the thing that sets one store apart from its competitors, just as trade-marks and other marks of individuality set apart particular brands of merchandise. It is vitally necessary for new customers attracted to the store by outside advertising and by recommendations of present patrons; it is of even greater importance in holding the continued business of the patrons it has obtained.

A lack of individuality in displays, in fact, very definitely tends to reduce the power of these displays to attract attention. Seattle residents see nothing unusual in the Indian women who sit daily on the sidewalks of the business section with the reed and raffia baskets they have made for sale spread before them. People who live in Seattle simply have become accustomed to the sight and it therefore attracts no unusual attention. The secret of the attention-compelling power of individuality is the universal human interest in something new and something different. That is the reason of course that even the best display ever created won't continue to attract attention indefinitely if it is allowed to remain unchanged for a long period of time.

Do not infer from what I have said about displays created by manufacturers and distributors that I am undertaking a wholesale criticism of their use by retail

merchants. Quite on the contrary, many displays obtainable from manufacturers and wholesalers have in them an individuality far greater than the retail merchant with his more limited facilities could possibly create for himself. In many cases, too, one store may be the only one in a wide area at which the particular line of merchandise is sold.

Then, too, there are some storekeepers so lacking in initiative and ability that they can't create displays of their own. Obviously, for them, any displays at all are better than no displays.

I simply am saying that in the use of displays designed and worked out by someone else, the individual merchant must take care that they do not transcend or destroy his own individuality. This individuality is the priceless asset which distinguishes one merchant from all his competitors.

(A sixth article in this series will appear in the next issue.)

THE CHAIN STORE.*

BY FRANK H. FREERICKS.

My promise to say something about the Chain Store and its present-day extension was made months ago. Even now it may not be my fortune to discuss the subject in a new and interesting manner. It will not be my aim to present statistical figures and research, because the generally recognized condition of to-day will permit that the value of my observations and conclusions be weighed without the burden of figures.

We all know the Chain Store, in its several fields, to be of recent development, not dating beyond the early business life of those who are now just past middle age. In late years it has grown by leaps until it is attracting the serious attention of the business world and of economic research. Those who are engaged in it see only a rightful, commendable exercise of business ability, frequently of superior character, and the use of honest capital, legitimately employed. Those who are engaged in individual retail business and affected by the chain store see primarily a dangerous and unscrupulous form of competition. On the side lines stand a yet small but growing number who are not concerned directly on the outcome and success of either one or the other, but rather give thought and study to the economic life of our country as a whole and to the influence which apparently important changes will have on its future.

It is the people as a whole who will need to decide whether chain-store growth shall go unhindered, and they will do so in the broad aspect of the public good or harm. The people as a whole are just awakening to the fact that the chain store may measurably alter the economic life and even the political life of the country and the well-being of their children and future generations. At present the masses confine their notice of the chain store to the impression that they are buying some things cheaper there, and that, as a rule, they are conducted in an attractive, business-like manner. The people have their own everyday care, and as long as they do not directly appear to suffer, they are satisfied or unconcerned, just as, unfor-

* Section on Commercial Interests, A. PH. A., St. Louis meeting, 1927.