

It is always of the greatest importance constantly to remember that no matter how large the gross margin that is obtained on a purchase of merchandise for resale, no net profits possibly can be realized unless the merchandise is sold.

Merchandise of unproved salability, no matter how great the gross margin offered, should be bought, if at all, only in minimum quantities, until it has proved its salability.

The question the buyer always should ask himself in considering the purchase of merchandise to sell to his customers is just this.

*How much of this merchandise can I sell and how long will it take me to sell it?*

If staple merchandise of proved salability should be bought in quantities not to exceed one to two months' anticipated sales, how important it is to purchase merchandise of unproved salability in more than minimum quantities until customers have shown their willingness to buy it.

The importance of turnover and volume in determining net profits earned from the sale of merchandise in a drug store will be considered in the next article of this series. Also in that article, will be a consideration of what can be done about cut prices and other drug store price problems.

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### RADIO MERCHANDISING.\*

BY ROBERT WILLIAM RODMAN,<sup>1</sup>

Radio to-day offers the enterprising retailer one of the most exceptional opportunities in recent years to sell more merchandise.

The value of radio entertainment and advertising to the manufacturer who pays the bill is judged by whether or not such advertising sells more merchandise for him. The success of this new and unique advertising medium has been well established during the past few years and its popularity is shown in the ever-increasing number of manufacturers who are "on the air" regularly.

The question which should interest all druggists and particularly this section on commercial interests is "Who is getting this new business which is being stimulated by the radio programs of manufacturers of products sold through retail drug stores?"

We believe that the druggist should receive his share and have set out to show him not only that he can if he will tie-up with radio advertising, but also to show him just how to do it.

The most important method of radio tie-up is unquestionably by window and counter display. These should feature the fact that the products displayed are the ones which the customer or passerby heard about on the radio the evening before. While the interest of the public in a product has been aroused by the manufacturer's broadcasts, while they are "sold" on it by the sales message of the radio announcer, a display of the merchandise in the store window will crystalize their thoughts and "clinch" the sale. It is the final link in the chain. The druggist's lack of initiative in capitalizing on this factor will unquestionably furnish the department store or some other agency with profitable sales which otherwise might well have been his.

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\* Section on Commercial Interests, A. P. H. A., Miami meeting, 1931.

<sup>1</sup> Associate Editor—*The Druggists Circular*.

To demonstrate the value of radio merchandising to the neighborhood druggist, we established a test store at Lyndhurst, N. J., last April to try out the effect of radio window and counter displays in an average community.

The first test featured products advertised over the Columbia Broadcasting System, and included a face powder, a toothpaste, proprietary medicines, Kodaks and films, shaving cream, toiletries, cigars and cigarettes. All of this merchandise was sold at full price.

The display consisted of dummy cartons of merchandise, photographs of artists appearing on the several programs, a radio loud-speaker, and two dummy microphones, and a large sign—"Here are the products you hear about over the Columbia Broadcasting System." A record of the sales of these products was kept for the week preceding the installation of the display and this was compared with a similar record of sales during the week that the display was in the store.

The results were astounding. Not only was the sale of the products featured increased 141 per cent, but the total sales of the store were increased 15 per cent. The display aroused tremendous interest, brought new customers into the store, and all departments felt the stimulus.

The first test was so successful we decided to establish another—this one in a city neighborhood. For the city test we chose Gillbard's drug store in East Orange, N. J. The store is located on the main street of this city of 75,000 inhabitants. In this store we used two windows as well as counter display space and featured products advertised over the National Broadcasting network, including a toothpaste, an antiseptic, proprietary toilet items, shampoos and foot products. All of this merchandise was sold at full price over the cut-price competition of the local representatives of two national drug chains located in the same block.

The displays consisted for the most part of similar material to that used in the first test with the addition of some manufacturers' display material. The large sign in this display read "If you hear about it over the Radio you can buy it at Gillbard's." The result confirmed those of the first test as the sales of every product featured were increased from 5 to 50 per cent. Although the percentage increases in sales of the second test may not appear to be as impressive, on their face, as those of the small town drug store, used in the first test, they represent a much greater increase in actual cash volume.

Where a small town store may report a 300 per cent increase by selling four tubes of a tooth paste, as compared to one tube the week before the test, the city store must sell four dozen to each dozen sold before the test to duplicate the former's percentage increase.

Both of the tests clearly demonstrate the increased business which can be secured through radio merchandising. All of the displays were simple in construction and could be duplicated by any druggist at a low cost.

Many companies are already starting to distribute display material featuring their radio programs. We receive countless inquiries daily from retail druggists expressing interest in our forward movement and asking where radio display material may be secured. We plan to make more tests under varying conditions, we have offered our services to manufacturers in the preparation of display material and are aiding retail druggists in securing and installing those displays in order to get the greatest possible value out of this new project.

Some of the most interesting programs on the air are those of manufacturers of products sold through retail drug stores. The enterprising druggist will make the hosts of radio fame, salesman for his retail drug store.

Radio broadcasting is a new element in the social life of the public which brings outstanding entertainment into the private home at small cost. Radio advertising opens up a new medium for manufacturers through which they can reach millions of consumers and sell their product by word of mouth. Radio merchandising is a new field for the retail druggist which offers great returns if he will take advantage of its opportunities.

Broadcasting, Advertising and Merchandising are all in their comparative infancy—all have latent possibilities which are gradually being developed.

The report I have made to you is based on the results of less than six months' research.

Our first studies of this interesting and profitable subject have not only shown what can be done but have given us the perspective to plan further studies. Future work will undoubtedly develop additional methods of going after this valuable new business. The effectiveness of radio display under new and different conditions will shortly be studied and valuable compilations of data released.

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## A PROPOSED FORMULA FOR ZINC OXIDE OINTMENT.\*

BY R. K. MILLER, H. G. DEKAY AND C. O. LEE.

### INTRODUCTION.

The dispensary at Purdue University School of Pharmacy has the privilege of furnishing the Athletic Department of the University with a number of pharmaceuticals, including ointments, rubs, etc. About four years ago the trainer in charge of the athletes complained that the ointment of zinc oxide was so stiff and harsh in cold weather that the boys objected to it and refused to use it upon abraded areas. He asked if it could not be made a little softer. We replaced a part of the paraffin in the formula with liquid petrolatum and the preparation was acceptable to those concerned.

While we have not hesitated to supply a modified ointment of zinc oxide to our Athletic Department, we have continued to teach our students to make it according to the U. S. P. It is quite difficult to make an elegant ointment from the official formula. Few ointments give the average class in pharmacy as much trouble as the zinc oxide formula. We have tried all sorts of ways in technique in an effort to get a better product with the U. S. P. formula without any marked success.

During the past few months we have given some study and experimentation to the development of a more satisfactory ointment. It has been our purpose to do two things. *First*, to develop a more acceptable formula and, *second*, to simplify the method of making so that any pharmacist would always be able to

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\* Section on Practical Pharmacy and Dispensing, A. P. H. A., Miami meeting, 1931.