

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.

ADVERTISING MEDIA.

BY PAUL C. OLSEN.

One of the fundamental requirements of a successful advertising campaign is that the merchandise and services offered in the advertisements shall be easily obtainable by persons who read the advertisement. This is simply another statement of the well-known principle that the forces of demand creation and those of physically supplying the demand created shall be as closely coördinated as possible. The greater the degree of this coördination, the less the waste.

It sometimes is true, of course, that manufacturers deliberately advertise merchandise and services for sale in areas in which the merchandise and services are not then available. The purpose of such advertising is to force distributors in that area, as a result of the demand created, to take the necessary steps to physically supply this demand.

This is an exception, however, which does not apply with any force to the advertising of retail stores. In newspaper advertising the area in which the newspaper circulates should correspond, as closely as possible, to the trading area of the store advertising. The greater the lack of correspondence in these two areas, the greater the waste and, consequently the higher the costs of the newspaper advertising thus used.

As a result of the facts set down above, it is obvious that the larger the city in which a drug store is located and the more remote it is from such a city's central shopping area, the less the opportunity for effective newspaper advertising. Practically the effect of this restriction is to eliminate entirely profitable newspaper advertising by city neighborhood drug stores.

Only a moment's consideration is necessary to show why this is true. The *New York News*, a morning tabloid newspaper, has the largest circulation of any daily newspaper in the city of New York. It reaches on week-end mornings over 1,300,000 families in the city of New York and surrounding metropolitan areas. There are almost 4000 drug stores within the corporate limits of the five boroughs comprising the city of New York. A great majority of these drug stores are neighborhood drug stores. The fact that nearly 4000 drug stores can exist within the city of New York is an indication that the area which each drug store serves is

* Lecturer on Business, Columbia University and Philadelphia College of Pharmacy and Science.