The Editor's Page

A Field for Standards

IN THESE days of scientific control, mass production and cost accounting, it is almost inconceivable that an entire industry of considerable magnitude can be conducted along the old lines of "Rule of thumb" purchasing. We have constant evidence, however, that such is the case among purchasers of sulfonated oils of all grades.

The manufacturers of sulfonated oils are busily engaged in strenuous "price competition," and most purchasers of these products are ready to listen to any salesman whose story includes a cent or a half-cent lower price than the other fellow's. The methods for determining the grade and quality of sulfonated oils are not at all well defined, so that the salesman who sells 40% total fatty matter oil, describing it as 50% and offering it at bargain rates, is often able to impress the purchaser with the idea that he is being overcharged by competitors, who, on the other hand are actually delivering 50% oil at a fair price for that grade.

Here lies a splendid opportunity for the manufacturers of these oils and for the American Oil Chemists' Society. If the manufacturers will encourage their chemists to join the Society, the day when critical methods of analysis and grading of their products will be adopted will be near at hand. At the same time it would be well for the reputable manufacturers of these products to form a trade association for general elevation of the standards in their industry and for cooperative advertising to inspire confidence in the purchasers of their products.

The manufacture of these products is a legitimate business, and is capable of being conducted along modern lines of frankness and confidence, as all successful businesses are being conducted today.

Free Goods

IT IS a far cry from the oil mill to the counter of the retail store where the finished fatty food products eventually find their way to the consumer, but what takes place in the marketing of any product has an ultimate bearing on those who produce the materials which go to make up that product. Cut-throat competition in the sale of any commodity invariably brings a direct pressure on respective production departments to reduce their costs. One of the time-honored means of helping to reduce production costs is to beat down raw material prices wherever possible.

For years, the custom of giving away so many bottles or cans of this or that product with each case ordered by the dealer has been in vogue. The "free goods offers," so-called, have been almost numberless. The object, of course, has always been to increase the size of the order from the individual dealer, and to get him to push the item in question to reduce his thus acquired larger-than-normal stock.

Irrespective of the merits claimed for free goods, the intelligent dealer realizes that there is nothing free in this life. He has found that he gets what he pays for and little else. If he buys too much of an item in order to get the free goods, he pays for the "free goods" nevertheless in time, trouble, and worry in reducing this stock.

The recently announced policy of one of the largest mayonnaise manufacturers in the country to eliminate all free goods, special offers, and other trick sales methods, and to sell all wholesalers at the same list price and no other, is unquestionably a wise step. Giving free goods in any perishable food product to wholesaler or retailer is a sure method of overselling, causing too large stocks, prolonged storage and possible deterioration before reaching the consumer. This applies to shortening, cooking oils, margarin, and similar products as well as to mayonnaise. The competition which is also engendered reflects back all the way to the supplier of the raw materials.

Free goods are merely a subterfuge and a cause of endless trouble to dealer and manufacturer alike. They have no place in a sensible merchandising plan.

Contracts

INNUMERABLE raw and finished products are sold on contracts extending over a period of months or a year. Most of these contracts carry a flat price per pound, ton, or gallon, and some of them protect the buyer against decline in price. That is, if the market goes below the contract price, the goods covered by the con-