

Oil & Soap

Editorial

Economic Distribution

MANUFACTURERS in every line have rejoiced at the passing of 1931, looking forward with renewed hope for more favorable conditions during the year to come. In the soap business, trade volume has been reduced less than in many other lines, but in spite of this fact, most of the leading manufacturers have reported some shrinkage in production and sales for the year.

In seeking a formula for the support of business, forward-looking executives in all lines are agreed that economical distribution of manufactured products presents the major problem of the day; the problem offering greatest return in exchange for its satisfactory solution. Perfection of quality and uniformity in production, control of manufacturing costs, while still subject to improvement, as they doubtless will be until the end of time, have in most instances been so standardized that they offer but little opportunity for major cost-reduction operations.

Distribution, on the other hand, is admittedly the stepchild of today's manufacturing business. Duplication of sales effort by manufacturer and wholesaler, faulty location of manufacturing plant, oppressive freight, warehouse and hauling charges, all contribute their quota to the burden which increases consumer cost of efficiently produced products. The soap industry has suffered from these conditions in like degree with many others. The time-honored method of promoting national distribution of soap and allied products has been the maintenance of extensive warehouse stocks in many parts of the country, which resulted in huge inventories, expensive back-hauls and many other harassing contingencies. More modern practice leans toward decentralization of manufacturing facilities, with reduction in size of production units and distribution service to smaller area from each of a number of smaller manufacturing plants.

Some branches of industry have lately perfected a remarkable forward step in distribution, perhaps best exemplified in the commercial mayonnaise business. Here the very perishable nature of the product made efficient distribution imperative. That the most important consumer sales outlets were found in delicatessen stores, which were generally free of that marked jobber-devotedness so characteristic of grocers and druggists, undoubtedly contributed to the development of the direct distribution system for mayonnaise and salad dressings. The large producers of these products have prospered chiefly because of their establishment of the motor-truck sales-delivery system, by means of which a factory's production is rapidly transferred to consumer markets, generally through cash transactions between the salesman-driver and the merchant.

Other industries, chiefly in food lines, are working on the upbuilding of similar methods of distribution. They seem readily adaptable in the soap manufacturing field and it is entirely reasonable to expect that within the next ten years we shall see the distribution of our largest soap manufacturers organized according to these principles.

New Orleans in May

IN the sad winter of our discontent, what prospect can be fairer, or more alluring, than that of New Orleans in May. Bright sunshine, gentle breezes, ancient vistas, the repose of dimly-lighted old cathedrals, wisteria and the bougainvillea, golf tournaments, Antoine's, Louisianne, the Forest Club. Small wonder that, 'mid February's snows and blows, our heart leaps to meet such thoughts. Yes, the Oil Chemists will be there for their Annual Meeting, May 13 and 14, Headquarters The Roosevelt. Start preparing now, for none can afford to miss this golden opportunity to combine the pursuit of knowledge with inevitable pleasure.