

it somewhat differently. They say, "Miss Jones is our best salesgirl, she costs us $2\frac{1}{2}$ per cent on her sales; Miss Smith is not very good, she costs us 7 per cent." Really, the store is paying Miss Smith, the inefficient saleswoman, at a high rate and Miss Jones at a low rate. This difference in attitude on the part of management is the key to building a sales organization!

The training of the sales force should be handled on an individual basis. Group

talks are important in disseminating style information or indoctrinating the sales staff relative to store policy. But the improvement of an individual's sales techniques can best be accomplished by the department salesmanager or the training director, who have the opportunity to observe the saleswoman in action and are able to offer really constructive help.

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MARKETING'S PART IN GETTING BACK TO SOUND PROSPERITY*

BAD JUDGMENT in overestimating market opportunities, leading to overproduction, has been a heavy contributor to previous boom and bust cycles. Right now we are in a period of scarce goods which makes it look as though unlimited quantities can be sold, at fancy prices. Millions of idle workers are making matters worse by refusing to produce until they get enough money to help force prices still higher and make their incomes worth less than before they got pay increases. In a few days or weeks they will go back to work, the boom will begin, and the stage will be all set for tremendous production. What can marketing men do to head off the debacle that might follow? Some suggestions are the following:

1. *Scale down forecasts of the apparent potential market for goods*

Whenever research analyzes how many people would like to buy a washing machine, amazing totals are found. When hundreds of other items are surveyed for potential sales, huge pent-up demand is

always revealed. Put 50 of these surveys together, project them in dollars, and you will find that people will tell you that they plan to spend several times the entire national income.

We should remember that all goods compete with other goods in that they all seek the same limited number of dollars. If an automobile is bought, it lessens the opportunity to sell that family a radio.

A number of deflationary factors are already apparent. (a) Savings Bonds are being redeemed at too fast a rate for safety. (b) Hundreds of millions of dollars are being lost forever in strikers' wages, company earnings, government funds paid out in unemployment insurance, refunds of excess profits taxes, and private loans or credit given that will never be repaid. Also being lost are the production and earnings of workers and companies who are made idle by strikes in other industries. The total may run to billions before the battle for power is ended. (c) Life insurance policy loans in the latter part of 1945 were up 50 per cent over the same period of 1944. (d) Huge sums of money are being sent abroad. Many other danger

* Based on an address before the New York Chapter of the American Marketing Association.

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signals are flying; they urge caution in estimating future markets.

2. *Work for lower distributing costs*

While our country has always made its progress on an economy of heavy spending rather than of thrift, every contribution that marketing people can make to cutting out wasteful spending on advertising and selling is a step toward more goods that consumers can buy for their dollars. That is our job; no one else can do it as well, and it will do much toward easing the unrest over low purchasing power of the dollar.

3. *Actively oppose the trend toward nationalization of industry*

By facts and figures, it can be demonstrated that the competitive system of business can deliver more and better goods or services than government monopoly, dictated by whoever can seize the power to rule.

Big labor leaders are working to impose on us the British or Russian methods of nationalized industry. They have already proved that they can dictate to the President of the United States and to the Mayor of New York City, and they feel sure that as their power increases they can control the entire government. They will be prevented from carrying out their scheme as soon as good American working men realize how they are being used as pawns in the game.

4. *Counsel against syphoning customers up to higher priced goods*

For a brief while, manufacturers can make more profit by creating scarcities of low and moderate priced merchandise, forcing people to buy high priced lines that are above what they can afford. We must get back to the old formula on which this country prospered: making high quality merchandise to sell at prices

that will constantly expand the number of customers who can afford to buy.

Raising wages merely to let workers buy exorbitantly priced goods is a game that leads up to and over the cliffs of inflation. Cost of living index figures are fallacious because people cannot buy the basic needs that are included at the index prices but are forced to buy substitutes at far higher prices, available because they are exempt from ceilings. It is time for some really smart labor leader to seek a common ground where his members and the public interest can meet.

5. *Do all possible to raise the standard of living*

President Truman believes that wages should go up and selling prices go down, but he has no clear ideas on how to do it. Nothing in his background or that of his close advisers gives them competency to express anything more than a personal opinion. None of the leading labor leaders seem to be any more skilled in understanding the complex processes that control the cost of living.

Marketing people can do much by using their skills and experience. Government can do little more than apply temporary patches through price and material controls. Passing legislation to curb labor or management does not get to the heart of the situation.

The goal can only be accomplished through teams of technicians, each well qualified in his own phase of the task. Many specialized skills have a place on the team, for example, designers, engineers, cost analyzers, metallurgists or other experts in materials, production methods men, and marketing technicians who know the psychology of the public, all working under the direction of management executives who make the decisions on which ideas are most deserving of financial backing.

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Marketing men know the formulae for improving the standard, and lowering the cost, of living. We know that the war prosperity was fictitious, being founded only on the Government's unlimited ability to go into debt and disregard all cost. We know that our country can make real progress only by making dollars buy more, not by grabbing for more dollars.

Let us apply our specialized skill to our share of the task, eliminating every waste

in distribution cost. Let us count upon the good sense of the American public to slap down those who seek to rouse the unthinking minority with wild theories. Then we shall have done our part in restoring the country to a sound economy based on real wealth, created by giving the public more value for whatever amount they can afford to spend.

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TEACHING MATERIALS

THE following report is submitted by the Subcommittee on Visual Education of the A.M.A. Committee on the Teaching of Marketing:

SELECTED MOTION PICTURES

Where sizes are not given, motion picture films are 16 mm. and slide films 35 mm. Sound and silent films are not interchangeable in a projector. Films may be secured at a nominal service charge from the Film Library, The College of the City of New York, 17 Lexington Avenue, New York 10, New York.

A. General Marketing

1. *Who Pays the Freight?*

A strip film showing the economies that may be effected in making freight shipments. Silent. (Montgomery Ward Training Film.)

2. *Packaging the Bounty of a Nation*

A motion picture showing the packaging of several products, and the machinery and techniques used in packaging. Color sequences of the prize winners in the All-American Package Competition (Prewar); 45 minutes, sound, part color. (Sponsored by *Modern Pack-*

aging—may be withdrawn from circulation.)

B. Marketing Research

The Value of Sales Analysis

A strip film showing the use and importance of market research. Several charts and graphs are reproduced. Silent. (Sponsored by McGraw-Hill Publishing Co.)

C. Advertising

1. *Copy Testing*

The technique of copy testing as conducted by the *Family Circle* magazine (split run). Students are given the opportunity to judge copy before results are given. Excellent teaching device. Strip film, sound, color. The *Family Circle* Magazine, New York City.

2. *Four Roses Rings the Bell*

The importance of advertising, value of identification through use of brands, and the advantages of magazines as an advertising medium shown. Strip film, silent, color. (Sponsored by Frankfort Distilleries.)

3. *The Making of a Magazine*

The method employed, and some of