

LOWERING THE PRICE THROUGH ADVERTISING

Too many manufacturers believe that if they "spend" money in national advertising (they don't see that it is an investment) they must make it up somewhere else.

They want to get their money back the first year, and they turn to a raise in their prices as the means—a means which is usually a sure road to failure.

In reality, the amount put into advertising is a *deferred profit*. It comes back later through increased volume of sales.

The normal result of advertising, rather than an increase in price, is a *decrease* in price, or a better article for the same price, which amounts to the same thing.

And this in turn automatically brings still greater volume of sales.

* * * * *

The case of the Hoosier Manufacturing Company, of Newcastle, Indiana, is in point. This company attributes its success to several factors, and chief among them these:

(1) Constant effort to give the maximum for the money.

(2) Advertising.

The Hoosier Company began advertising when it first began making kitchen cabinets, fifteen years ago. Its first advertisement was a small one in a woman's publication, costing \$47.50. Today it is one of the leading national advertisers, doing a business of millions.

The story is perhaps best told by some direct quotations from a statement made by the Hoosier Company itself.

"For a great many years the Hoosier Company did not take a penny of profit out of the business, but put everything back into the quality of the article, and we feel that it has been this policy more

than anything else that has founded the present reputation the Hoosier Cabinet has among women.

"There has not been a single year since we began making cabinets that we have not increased the value put into the cabinet and improved manufacturing and packing methods *as a result of increased volume*.

"During the panic of 1908 we brought out a cabinet which we featured exclusively in our advertising. As a result of this campaign, our sales increased 36 per cent.

"A Hoosier Cabinet now is a much greater value for the consumer than the one which sold for the same money a few years ago; this in spite of the fact that lumber in the past ten years has greatly increased in cost and that our labor costs have come up about 20 per cent.

"We feel that our case offers an unusually clear example of the benefits that accrue to the consumer, dealer and manufacturer from good merchandise *persistently advertised*."

* * * * *

A testimony of a trade paper publisher as to the effect of the Hoosier advertising is as follows:

"They started in on a vigorous advertising campaign, both through magazines of general circulation and the trade papers, and all of a sudden the kitchen cabinet became the most-talked-of article of furniture made. Today the kitchen cabinet is the best-advertised and most easily sold article of furniture manufactured."

* * * * *

What this company did with a new product, by advertising and by foregoing immediate profits for the sake of future greater profits, many a manufacturer whose product is already well established can do much more easily.

After all, courage is the essential factor.

THE CURTIS PUBLISHING COMPANY
INDEPENDENCE SQUARE, PHILADELPHIA

The Ladies' Home Journal

The Saturday Evening Post

The Country Gentleman