

# Newspaper Advertising by Logical Merchandising Zones

## "Cold Facts for the Man Who Pays the Freight"

This nation of 100,000,000 people cannot be handled efficiently from a sales standpoint until it is broken up into sections. Every large organization purposing to cover the entire United States finds branch houses, district managers, sales territories, etc., absolutely imperative. With population equal to that of a dozen European kingdoms and vast distances, it becomes a number of logical merchandising units such as are shown on the map opposite.

No jobber can sell the Chicago grocer but the Chicago jobber. No jobber can sell the San Francisco grocer but a San Francisco jobber. The grocers of Vinton, Iowa, are sold by jobbers from Chicago and from Iowa cities, but seldom by New York jobbers. The grocers of White Pigeon, Michigan, are sold by jobbers from Michigan and from Chicago, but never by jobbers from Philadelphia.

These are obvious merchandising axioms. One would think that his everyday knowledge of their truth would inspire every advertiser to adopt the corollary of localized advertising effort. Nevertheless, John Sullivan, Secretary-Treasurer of the Association of National Advertisers, recently made the following statement to correct certain misapprehensions concerning his organization:

"There is another mistake often made, and that is as to what constitutes a 'national advertiser.' It is astonishing how many men think that a national advertiser is an advertiser who uses the general periodicals. IF ONLY ADVERTISING MEN WOULD THINK OF ADVERTISING IN TERMS OF DISTRIBUTION, SUCH A MISTAKE WOULD NEVER BE MADE. A national advertiser is a firm which has obtained more or less thorough distribution of its products throughout the United States and which advertises to support or extend that distribution."

"Advertising per se does not pay. Finding the market and knowing the market and then co-ordinating sales and advertising does."

As a matter of fact, the most efficient form of national publicity is that which utilizes metropolitan newspaper advertising to co-ordinate sales and advertising.

The following are a few of the advantages inherent in this policy of merchandising and advertising by zones.

### Make Each Zone Self-Supporting

A manufacturer may have a thriving national business. He may be selling his goods in every corner of the United States and his net profits each year may be quite satisfactory. He is a success and he, therefore, argues that his methods of advertising are correct.

Nevertheless, this same man may find on analyzing his sales and his costs (including advertising) by zones that some zones are exceedingly profitable; others merely break even, and in still others his profits are not sufficient to pay for their share of his advertising. In other words, if he could cut off all sales and advertising in the thirty states which lose him money and concentrate his efforts on the ten states which make him money and the eight states which would make him money if properly cultivated, he would be vastly better off, even though his total volume of business might be much less.

Most of each dollar that a manufacturer takes in he must pay out again. He must take varying percentages of it to pay for raw material, for labor, for distribution expenses, for interest, for rent, and it is only the residue that remains in his possession in the form of net profits.

Scientists, business efficiency experts, production engineers and mechanical geniuses have shaved off every bit of unnecessary cost in the production of advertised goods. Economies have centered in this end of the business. Only by the adoption of the zone system of merchandising and advertising can corresponding economies be made in distribution costs. By careful study of distribution the proportion of each dollar that remains with the manufacturer in the form of net profits can be greatly increased.

And the first step is to make each zone self-supporting, which can be done only by localizing sales and advertising campaigns.

### Adapt Pressure to Needs

Any sales manager knows that every section of the United States is not entitled to the same amount of sales effort. He knows that there are some districts where his product is so thoroughly established that a small amount of advertising pressure will produce maximum results. He knows that there are other districts where he cannot break in without an advertising effort prohibitive in its cost. He knows that there is an indefinite number of gradations between these two extremes.

When he limits his campaign to advertising in big national periodicals which boast of having in every community the same proportion of circulation to population, he is over-advertising in some sections and under-advertising in others.

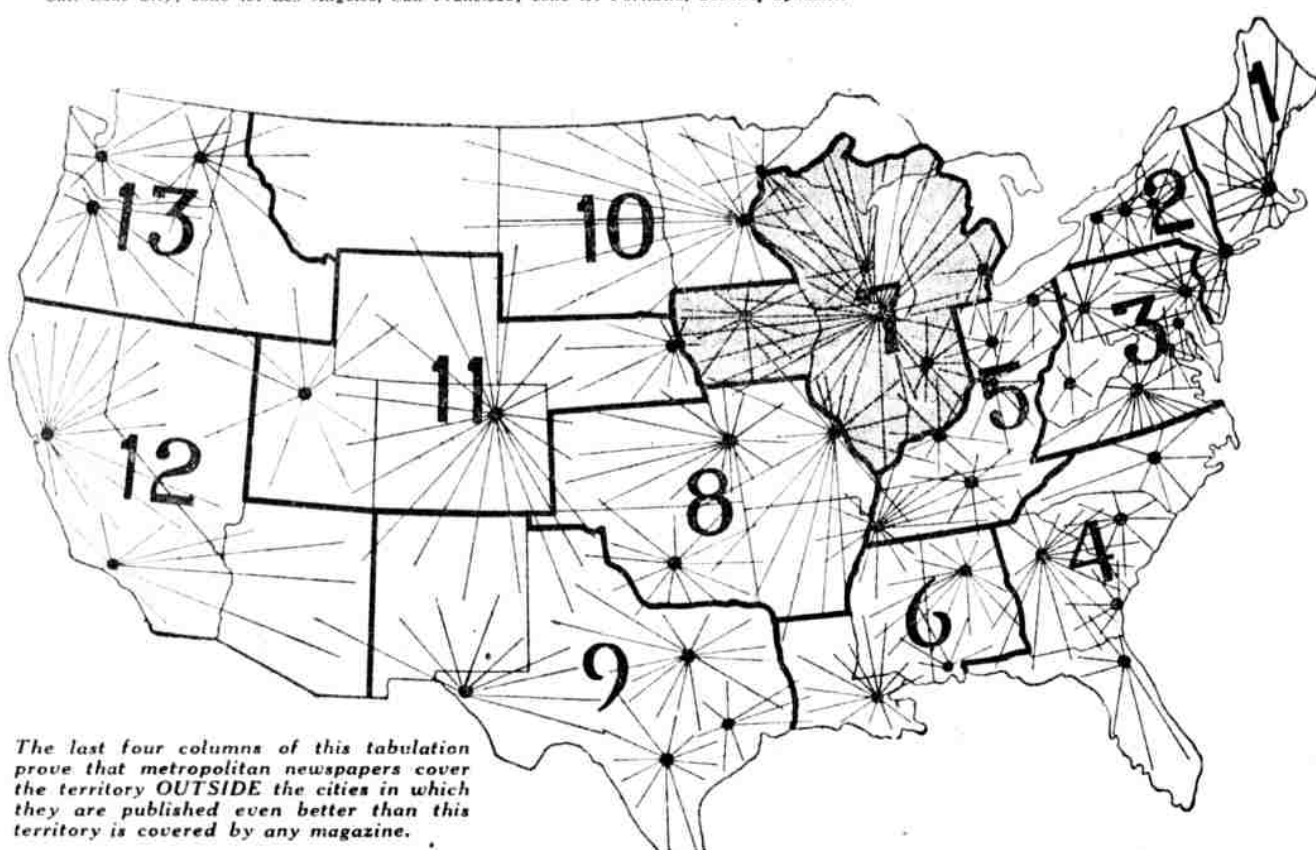
Newspaper advertising permits him to exert precisely the amount of pressure needed in each and every section of the United States.

### Meet Competition Squarely

By zoning sales and advertising efforts the manufacturer can meet and smash competition wherever it arises. His machinery of attack is mobile—it can be shifted from point to point and adapted to the particular conditions in each section. He can sell his motor trucks in Kansas City because the town has hills, and in Chicago because the town is flat. He can feature his five-ton model in Philadelphia and his one-ton truck in Denver. He can take into consideration every factor of competition, of season, of topography, of local custom, of buying habits, of legislation, of transportation in every section where he sells goods. The advertiser in national magazines is sometimes in the ridiculous position of fighting competition in a score of places where it does not exist in order to meet it in one place where it bothers him.

This map shows the United States divided into thirteen logical jobbing and merchandising zones. It also shows how each of these zones, and therefore the entire United States, can be covered by advertising in the following forty-eight cities, using newspapers with radiating circulation.

Zone 1: Boston; zone 2: New York, Buffalo, Rochester, Syracuse; zone 3: Philadelphia, Pittsburgh, Washington, Baltimore, Richmond, Charleston; zone 4: Raleigh, Columbia, Atlanta, Savannah, Jacksonville; zone 5: Cincinnati, Cleveland, Columbus, Louisville, Memphis, Nashville; zone 6: Birmingham, Mobile, New Orleans; zone 7: Chicago, Detroit, Indianapolis, Milwaukee, Des Moines; zone 8: Kansas City, St. Louis, Oklahoma City; zone 9: Dallas, San Antonio, Houston, El Paso; zone 10: Minneapolis, St. Paul, Duluth; zone 11: Omaha, Denver, Salt Lake City; zone 12: Los Angeles, San Francisco; zone 13: Portland, Seattle, Spokane.



The last four columns of this tabulation prove that metropolitan newspapers cover the territory OUTSIDE the cities in which they are published even better than that territory is covered by any magazine.

ZONE	CITIES	FAMILIES IN CITIES	FAMILIES OUTSIDE CITIES	POPULATION	ADVERTISING EXPENDITURE	ADVERTISING PER FAMILIES	ADVERTISING PER POPULATION	ADVERTISING PER SQUARE MILE
Zone 1	1	514,823	916,504	2,597,598	55	1,220,771	20	2,693,367
Zone 2	4	1,818,774	825,504	7,120,067	2.03	1,193,283	1.53	2,131,744
Zone 3	3	1,260,697	1,649,047	9,703,808	1.46	948,897	1.36	1,404,994
Zone 4	5	215,275	1,338,257	5,154,547	.39	59,017	.08	268,413
Zone 5	6	723,176	1,213,420	7,941,594	1.15	329,479	.705	862,403
Zone 6	5	369,762	852,910	3,125,037	.29	120,364	.20	302,162
Zone 7	3	1,201,200	2,148,605	5,759,436	.94	644,883	.75	1,348,629
Zone 8	3	372,841	1,463,566	3,459,026	.6075	377,225	.5475	789,973
Zone 9	4	134,730	833,209	4,171,601	.42	83,685	.25	324,585
Zone 10	3	187,975	645,681	3,160,064	.21	512,062	.38	366,164
Zone 11	3	156,760	411,655	1,553,577	.245	232,810	.335	419,198
Zone 12	2	350,080	310,187	4,133,507	.785	741,486	1.22	396,980
Zone 13	3	230,000	329,707	1,559,917	.37	135,707	.25	358,294
TOTAL	48	7,536,010	12,911,315	59,648,975	9.4475	4,858,183	6.5875	10,011,412

### Make Copy Seasonable

Our tremendous variations in climate are a matter of common daily discussion. We know that bathing suits are being worn at Palm Beach while furs are necessary in New England. We know that raincoats are bought in California during the winter rainy season, and in Chicago during the summer rainy season. We know that the buying habits of vast masses of population with regard to food, clothing and many other necessities are controlled by the weather. But the advertiser who confines his copy to national periodicals cannot take advantage to the fullest extent of these appeals of varying seasons and climates. The local advertiser finds climatic and seasonal changes the very breath of life for his advertising. But the national advertiser in an attempt to talk to Maine and California in the same ad loses this direct sales producing punch.

### Make Copy Timely

Advertising should be news if it is good advertising. It may be sincerely news of the merchandise to be sold. But a great element of value can be added to advertising by tying it up with the big events of the hour. Here again the local merchant is Johnny-on-the-Spot with his timely announcements, linking his sales talks with the big topics which are uppermost in every mind.

The man who relies upon national periodicals, on the other hand, is apt to find his copy given the lie by events taking place between the time it is printed and the time it is circulated. Thus, for a considerable period after the armistice magazines were filled with excited advertising almost ludicrously unconscious that the war was over.

### Suit Advertising to Transportation

The zone system of marketing enables the manufacturer to adapt his sales and advertising campaigns to exigencies of transportation. The freight embargo of a year ago caused many an advertiser to concentrate all his sales effort (except

his advertising) in limited territory within which he could ship his merchandise. He cut off all sales expense in the zones which were barred to him, except his advertising. Over his advertising, however, unless it was localized by zones, he had no control. Freight rates have arisen to a point where many manufacturers find it unprofitable to attempt to cover the entire United States. They find that increased volume in distant sections does not mean anything like the increased net profit that a smaller volume would produce nearer home. Every such advertiser should, as a matter of course, adopt the zone system for his advertising and merchandising.

To pay for advertising in a section where he does not and cannot sell his merchandise is like paying freight rates on goods he does not ship.

### More Circulation for Less Money

Every advertiser in national publications is now spending from one-sixth to one-fifth of his appropriation in Illinois, Indiana, Iowa, Michigan and Wisconsin, because from one-sixth to one-fifth of the circulation of the magazine which he uses is in these five states. If his appropriation is \$100,000, approximately \$20,000 should be charged to the Chicago Territory.

It is therefore pertinent that he ask himself whether he is using the most efficient, economical means of covering this great market from an advertising standpoint. Advertising in various publications must be reduced to some common denominator before comparisons can be made. The usual basis is the cost per square line of space per thousand circulation. The following figures showing cost of space per square line per thousand speak for themselves:

21 Standard Magazines	.....0062
17 Women's Magazines	.....0054
7 Leading Weeklies	.....005
Saturday Evening Post	.....004
403 Sunday Newspapers (minimum)	.....0017
395 Morning Newspapers (minimum)	.....0019
1647 Evening Newspapers (minimum)	.....0023

59 Metropolitan Morning Newspapers (gross)	.....0015
38 Metropolitan Evening Newspapers (gross)	.....0014
78 Metropolitan Sunday Newspapers (gross)	.....0013
Chicago Daily Tribune (minimum)	.....001
Chicago Sunday Tribune (minimum)	.....0008

But this tells only part of the story of the economy of the zone system of merchandising and advertising. Suppose, for instance, a manufacturer has distribution in the Chicago Territory only. He uses the 21 standard magazines noted above to stimulate a demand for his product—a demand that he can cash in on only in Illinois, Indiana, Iowa, Michigan and Wisconsin. The combined rate of the 21 magazines is \$38.55, for which the advertiser would receive in the Chicago Territory 1,107,000 circulation.

Suppose, on the other hand, he used the largest Sunday newspaper in each of the five states named. He would then secure 1,143,000 circulation at a combined rate of \$1.10 per line—a greater circulation for his purposes—with a minimum of duplication—for a thirty-fifth of the cost—using five publications instead of twenty-one.

### Radiating Metropolitan Influence

This question may arise in the advertiser's mind: "By using one newspaper in each state am I not reaching only one city in each state? Will it not be necessary to utilize at least one newspaper in every town in the five states?"

The answer is found in the radiating influence of metropolitan centers. Every great city dominates the surrounding territory commercially. Many newspapers have a large circulation out of town as in the city of publication. The Chicago Tribune has a larger circulation in Iowa than any national periodical and larger than any except a very few Iowa newspapers.

The map and tabulation on this page shows how the entire United States can be covered with upwards of ten million circulation by using 78 newspapers in 48 metropolitan centers at a cost of \$15 per line. Not only do these newspapers reach practically every English reading family in these cities, but two out of seven families OUTSIDE the cities.

### Exert Maximum Dealer Influence

By localizing advertising, that much sought and much misunderstood asset, "dealer influence" is multiplied. "Dealer Influence" is the influence which a manufacturer has with a dealer because the dealer believes that the advertising planned by the manufacturer will move the goods he has stocked.

The dealers of the United States have found to their sorrow, in many instances in the past, that this confidence on their part has been misplaced. They have come to realize that the influence of some of the advertising to which they trusted was in truth "dealer" influence. It influenced them to buy but did not influence their customers.

Distant pastures look green and dealers have often been deluded into thinking that a few beautiful pictures in a big national magazine would have a powerful effect on their trade. But experience has given them a keener understanding of advertising and they now demand copy of sufficient size and frequency and in such mediums as will actually MOVE THE GOODS.

Investigation has shown that the average jobber or retailer in the Chicago Territory ranks advertising mediums in the following order:

- LOCAL NEWSPAPERS,
- CHICAGO TRIBUNE,
- NATIONAL PERIODICALS.

In short, the dealer is coming more and more to demand advertising support which can be given only by the adoption of the zone system of merchandising and advertising.

### The Chicago Territory, Zone No. 7

When considering the order in which various sections of the United States should be developed, there can be no question that the rich market made up of Illinois, Indiana, Iowa, Michigan and Wisconsin comes first.

These five states contain one-sixth of the population of the nation, in one-eleventh of its area. This one-sixth of the population produces one-fifth of all the products (raw materials) of fields, forests and mines; makes one-fifth of all manufactures, and possesses one-fifth of the national wealth.

Chicago being the greatest railway center in the world, has the finest facilities in the country for distribution. The people are most receptive to advertising and the metropolitan newspaper situation is such that the advertiser can cover this wonderful market with extraordinary economy.

### THE CHICAGO TRIBUNE REACHES ONE FAMILY IN FIVE IN THE CHICAGO TERRITORY.

### Chicago Tribune Merchandising Service

Some years ago The Chicago Tribune formulated this theory:

The Tribune considers it a waste of money to advertise a product distributed through the retail and jobbing trade until that trade has been supplied with merchandise to take care of the consumer demand when created.

How radically this differed from the old method of using advertising to force distribution only one familiar with jobbing and retailing can appreciate. The story of how The Chicago Tribune spent fortunes in order to live up to its theory—the story of Chicago Tribune Merchandising Service—is too big to tell even on another page like this. It is a story which has new chapters every day.

If you are interested in the sale of any product, ask a merchandising expert to call and give you the advantage of the enormous practical experience of The Chicago Tribune in establishing products in the greatest market in the United States—the one marked Zone No. 7 on the map above.

## WRITE ON YOUR LETTER HEAD FOR 1919 BOOK OF FACTS

# The Chicago Tribune

## THE WORLD'S GREATEST NEWSPAPER

### Circulation in Excess of 400,000 Daily and 700,000 Sunday

EASTERN BRANCH OFFICE—251 FIFTH AVENUE, NEW YORK