

When is a business successful?

ONE manufacturer produces an article of unusual merit. Although the name of his product is practically unknown, and notwithstanding that only a small fraction of his market has been developed, his business is PROFITABLE.

Can his business be considered SUCCESSFUL?

Another manufacturer makes a similar article, which, while good, has not been developed to the same degree of perfection as the product of the first manufacturer. But he has created a tremendous consumer demand. His brand name is a buy-word on the lips of practically every man and woman throughout the country. Through sheer force of aggressive selling methods and advertising he placed himself in this dominant position. His business is PROFITABLE.

Can his business be considered SUCCESSFUL?

What is the measure of success?

If success is measured only by the "surplus" column on the financial statement, BOTH of these businesses are successful.

But if success is measured by comparison with the total possibility of achievement, NEITHER is entirely successful.

Manufacturer Number One has developed his PRODUCT and has given too little consideration to his MARKET. His production cost is greater per unit than his competitor's because he lacks the volume. And, therefore, the cost of his product to the public is greater.

Manufacturer Number Two, on the other hand, has developed his MARKET and has given too little consideration to his PRODUCT. His selling costs are increasing rather than diminishing. He finds it expensive to keep his market

SOLD on an inferior product. Eventually his ever-rising selling costs may wipe out his profits.

Co-ordinating productive and selling effort

Whereas in former years a manufacturer concerned himself with marketing his product AFTER he had settled all matters of production, today it is not unusual for a manufacturer to give first consideration to his market.

He makes a market research through his Advertising Agency. He studies conditions that may affect his market. He learns the needs of his market. And he considers means of filling these needs. His knowledge of market conditions later influences his decisions on important production matters.

Thus he is enabled at the very start to co-ordinate his selling and productive efforts so as to build for his product that all-important element that is so essential to real business success—GOOD WILL.

The tremendous value of GOOD WILL

Many illustrations of the value of GOOD WILL could be given. Here is one:

Some years ago a sales company decided to merchandise a certain product. It had no factory and wanted no factory. It gave primary consideration to a NAME. Once selected, legal experts were instructed to protect that name. The NAME was the first step toward developing the market. And later, hundreds of thousands of dollars were spent to induce the public to repeat that name.

The sales company made arrangements with a Philadelphia manufacturer to handle production. As the demand for the product increased the factory orders increased. Business boomed for everybody. The manufacturer saw the sales company spending its money in selling and advertising, while he got the big manufacturing orders. He was happy.

One day another manufacturer made the sales company a proposition. The Philadelphia manufacturer lost the business—business that had grown to represent his entire production. He was POWERLESS. The market had been bought and paid for by the sales company.

The manufacturer had a plant—a modern, complete, well-organized plant. The sales company had a slip of paper locked in a safe deposit vault. That paper proved its right to a name. A great plant against a name—and the NAME won. The name owned the market. The manufacturer was helpless against the MIGHT of that name.

A few years later the sales company sold the name—a single word—for a sum representing nearly three times the value of the manufacturer's plant.

Why? Because it represented a tremendous GOOD WILL value.

Now is the time to start

GOOD WILL is the SOUL of any business. Your capital may be lost, your factory destroyed, your organization disintegrated—yet, if you possess that intangible thing called GOOD WILL your name has a very tangible value, expressed in dollars and cents.

The manufacturer who determines NOW to build GOOD WILL and capture the market can do so with less effort than will be required later on. He will now find his strongest competitors vulnerable to a surprising degree—their hitherto impenetrable trade connections grown weak during the flush, easy-business period. He will necessarily employ aggressive selling methods dovetailed with well-directed advertising. He will see the advisability of starting NOW—while his competitor is "waiting for conditions to right themselves."

What an Advertising Agency Does

Your Advertising Agency's first step will be a thorough investigation of your situation. Its men will ask you the true inside story of your own and your competitors' goods. They will examine general selling conditions in your line. Jobbing houses which distribute your line may be visited. Dealers in various cities may be interviewed.

Your Agency will find why you are weak here, why you are strong there, and what local difficulties need be overcome.

It may suggest an improvement in quality or methods of manufacture. Many a product has been made better through the necessity of living up to its advertising.

It may advise the development of some feature of your line not now emphasized.

If your package is impossible

to display effectively on the dealers' shelves, your Agency must get you a new one.

Your relations with jobbers and dealers, or your own sales organization, may seem to your Agency to demand revision.

Actual conditions discovered, needless changes made, the general line of argument determined, your Agency will get down to your advertising.

It will suggest the mediums you should use, and tell you what the cost will be.

It will write your magazine and newspaper copy, your "follow-up" booklets, circulars to dealers and form letters.

It will prepare the illustrations and arrange for printing.

It will design street car cards and billboard posters, get up window displays; hire, train and send forth demonstrators.

Its members will help your salesmen to make the most of the advertising.

If you want a house organ, your Agency will found it, prize contests, your Agency will invent them.

How far your Agency will go depends solely upon the thoroughness with which you wish to advertise.

The things that you would have to do before advertising, and which your Agency is trained to help you do, are for the most part things which any business must undergo before it becomes a national success, irrespective of whether it is advertised or not. These steps are taken not for the sake of advertising, but for the sake of better merchandising. In order to be sold right, a product must be conceived right, made right, priced right and distributed right.

This advertisement was prepared and paid for by the undersigned Advertising Agencies of Philadelphia, active members of the American Association of Advertising Agencies which cares for more than ninety per cent. of all national advertising, and whose Philadelphia members are ready and able to render the most complete Advertising Agency service obtainable to present and future advertisers in the World's Greatest Workshop.

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