

*“The whole basis of national progress, of an increased standard of living, of better human relations, indeed of the advancement of civilization, depends on the continuous improvement in productivity.”*

Herbert Hoover

Address to American Engineering Council,  
Syracuse, N. Y., February 14, 1921

AND Mr. Hoover goes on to say: “The absorption of increased productivity lies in the conversion of luxuries of today into necessities of tomorrow, and to spread those through the whole population by stimulation of habit and education. Wheat bread, railways, good roads, electricity, telephones, telegraphs, automobiles and movies were once luxuries. They are still luxuries to some parts of the population.”

The business of advertising is education and the stimulation of habits which produce increased demand.

In the course of this process, advertising reduces the cost of distribution and effects economies which make it possible to transform the luxuries of yesterday into the necessities of today.

### *Advertising reduces distribution cost*

One of the strongest illustrations of the economy of advertising in reducing the cost of distribution and sales by stimulating increased consumption is found in the co-operative campaign of the California Fruit Growers. Their advertising manager describes as follows the results of their advertising, for which more than \$1,000,000 was spent last year.

“In the twelve years since the first campaign was launched in Iowa the consumption of California oranges has doubled. The American consumer has been taught by co-operative advertising to eat nearly twice as many oranges as before. The expenditure of 2½ cents a box, or about one-fifth of a cent per dozen, to advertise oranges did not increase the price. Had the orange industry remained on the old basis there would have been no profit in growing oranges. New acreage would not have been planted. Old orchards would most surely have been uprooted and other crops planted. Co-operative advertising widened the grower’s market. The cost of selling oranges and lemons through the California

Fruit Growers’ Exchange is lower today than it was ten years ago.”

### *Advertising increases productivity*

Perhaps no city in the world has greater undeveloped possibilities for the use of advertising to increase its productivity than Philadelphia; the city that is already producing annually 25,000 miles of carpet,

5,000,000 hats, 9,000,000 saws, 100,000,000 bed sheets, 250,000,000 pairs of hosiery, 400,000,000 cigars; the city that has 16,000 manufacturing plants with an annual output of \$2,000,000,000.

Perhaps no city in America has so high an average distributing cost added to its products as Philadelphia. This is due to the prevalence of systems of selling through selling agents located in other markets, and to the failure of Philadelphia manufacturers to make use of modern and more direct distribution methods, including advertising.

Those Philadelphia manufacturers who are employing modern methods of distribution and advertising are offering an object lesson to their fellow manufacturers which cannot be lightly disregarded.

Among these Philadelphia advertisers can be found illustrations of every advantage which correct advertising can bring to a business. These advantages include:

- 1—Increased sales, either immediate or gradual.
- 2—Decreased production cost through increased volume.
- 3—Decreased distribution cost.
- 4—Lower price to the consumer.
- 5—Insurance of more stable and permanent markets.
- 6—Tangible increase in the good will assets of the business.
- 7—Stronger financial position.
- 8—Greater efficiency and pride of workmanship in all departments—executive, purchasing, production, shipping, credits and sales.
- 9—Stronger position in raw material markets.
- 10—Public recognition of the industry as a notable contributor to the commercial and industrial prestige of the City, the State and the Nation.

### **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, needful changes made, the general line of argument determined, your Agency will get down to your advertising.

It will suggest the mediums to use and will 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 require a house organ, your Agency will found it; a prize contest, your Agency will invent it.

How far your Agency will go depends 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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