

PLACE IN RETURN BOX to remove this checkout from your record.
TO AVOID FINES return on or before date due.

DATE DUE	DATE DUE	DATE DUE
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
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**A STUDY OF THE CONSTRUCTION OF NEWSPAPER
ADVERTISEMENTS WITHIN RETAIL FOOD CHAINS**

By

Thomas Fenos, Jr.

A THESIS

**Submitted to the School of Graduate Studies of Michigan
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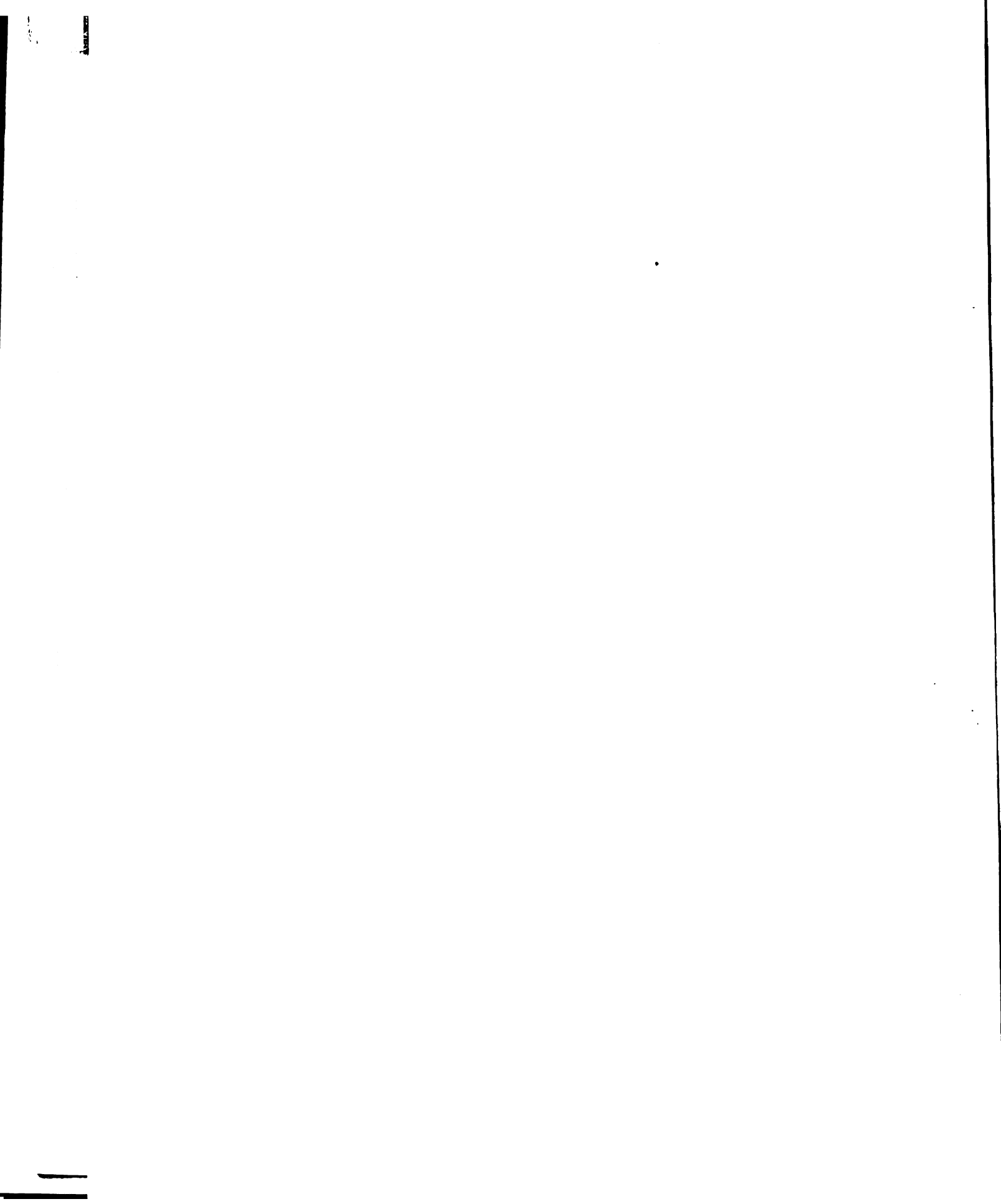
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1. The first part of the report is a general
introduction to the subject of the study.
2. The second part is a description of the
methodology used in the study.
3. The third part is a description of the
results of the study.
4. The fourth part is a discussion of the
results of the study.
5. The fifth part is a conclusion of the
study.
6. The sixth part is a list of references.
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CHAPTER I

INTRODUCTION

Purpose and Value of this Report

This is a study of the construction of food chain newspaper advertisements, from inception to actual publication.

Few subjects could be of greater value to the food store operator at the present time. Competition is very keen now, for many businesses have stepped up the tempo of competing for the consumer's dollar. Developments in the field of retail food advertising have lagged behind progress made in food merchandising techniques. Self-serve meat counters and Food-O-Mats¹ are two examples of the many innovations found in the ultra-modern super markets of today. Very little has been developed in retail food advertising that even remotely parallels the development of these modern merchandising techniques. Many chain store operators have not devised modern advertising procedures and, as a result, advertisements are not constructed intelligently or efficiently in many cases.

Many articles and pamphlets which explain briefly the steps in building general advertisements are available. Also, books written by competent authors are available which explain

¹ The Food-O-Mat is a rear loaded, gravity fed patented display fixture for dry groceries. It was invented by Lansing P. Shields, President of the Grand Union Company, East Paterson, New Jersey.

in great detail all the phases of desirable advertising procedures. What is lacking, however, is information pertaining directly to food chain advertising. The food chain business is not new, but very little information concerning advertising in this field has been published in the past. One reason was the old idea of each chain keeping its own procedures secret. The folly of this idea has been generally realized and today most food chains are very eager to exchange facts and figures for their mutual benefit, and the benefit of the public at large.

Food chain sales reached a new high in 1950 of ten billion, two hundred million dollars.² Sales and advertising are two functions in the grocery business that go hand in hand. One cannot be considered a separate entity from the other. Progressive advertising should be given considerable credit for pushing grocery chain sales to the aforementioned all time high, and will be instrumental in maintaining and increasing grocery chain sales in the future.

This report, then, will attempt to supply some greatly needed information regarding the construction of newspaper advertisements in the food chain industry.

² Facts in Food and Grocery Distribution as of January, 1951. A special report by the Progressive Grocer, New York City, New York, 1951, 23 pp.

Restrictions

This study will be restricted to newspaper advertising since more money is invested in this medium than in any of the other channels. Table I shows the dollars allocated by some chains for advertising purposes in 1948 and 1950. Note the extent to which these chains rely on newspapers to carry the bulk of their advertising load. Note also that the amount allocated in 1950 was increased in every case except one over the figures for 1948. The portion of each chain's total advertising budget spent in the various channels is shown in percentages. If these large sums spent yearly are to be administered wisely and without waste, it would be profitable to spend time and thought on the principles underlying the preparation of chain store advertisements.

This report will not try to answer the question - what is good or poor advertising procedure or arrangement? Generally speaking, each of the hundreds of chain organizations in this country has its own policies regarding advertising procedures and arrangements. This phenomenon is explained by the fact that each chain operates under a different set of conditions, in different sections of the country.

Finally, this report will be restricted to studying the methods employed by the following chains in constructing

TABLE I

CHAIN STORE ADVERTISING EXPENDITURES

Name of Chain	Advertising Expenditure	Poster and Display	Direct News-Mail paper	Circular Television zine	Radio and Maga-Other
Alpha Beta Food Markets, Inc., Los Angeles, California	1948 ³ \$159,629 1950 ⁴ 200,891		83.0% 57.5%		17.0% 8.8% 34.2%
Lucky Stores, Inc., Oakland, California	1948 195,118 1950 236,265		62.7% 82.5%	17.5% 8.7%	19.8% 8.8%
Jewel Food Stores, Chicago, Illinois	1948 250,317 1950 573,000		86.0% 71.0%		1.0% 15.2% 9.1%
National Tea Company, Chicago, Illinois	1948 1,462,576 1950 2,760,000		73.5% 67.5%	15.1% 11.0%	11.4% 7.5% 14.0%
The Fisher Brothers Company, Cleveland, Ohio	1948 465,234 1950 337,887	15.0%	51.7% 25.0%	14.0%	18.7% 2.0% 14.0%

TABLE 1, continued

Name of Chain	Advertis- ing Expen- diture	Poster and Display	Direct News- paper Circular	Radio and Television	Other
Albers Super Markets, Inc., Cincinnati, Ohio	1948 3316,868 1950 504,534		80.9% 59.4%	.9% 3.7%	18.2% 19.3% 17.6%
The Kroger Company, Cincinnati, Ohio	1948 5,376,912 1950 7,258,493	16.0%	59.0% 59.0%	4.0% 4.0%	21.0% 16.0% 21.0%
Colonial Stores, Inc., Atlanta, Georgia	1948 854,371 1950 1,034,365		70.3% 68.9%	26.2% 28.2%	3.5% 2.9%
American Stores Company, Philadelphia, Pennsylvania	1948 2,219,759 1950 3,714,374		77.5% 62.4%	20.4% 13.2%	2.1% 4.3% 20.1%
Food Fair Stores, Inc., Philadelphia, Pennsylvania	1948 950,000 1950 1,025,000		80.0% 77.0%	15.0% 18.0%	5.0% 3.5% 1.5%

TABLE I, continued

Name of Chain	Advertis- ing Expen- diture	Poster and Display	Direct News- paper and Mall	Circular	Radio and Television	Other
The Grand Union Company, East Paterson, New Jersey	1948 \$584,774 1950 769,406		71.6% 69.9%	4.1% 5.4%	8.1% 3.2%	16.2% 21.5%
First National Stores, Inc., Somerville, Massachusetts	1948 1,300,000 1950 2,049,243		77.0% 66.0%	9.0% 6.0%	14.0% 8.0%	20.0%
Stop & Shop, Inc., Boston, Massachusetts	1948 218,000 1950 381,300		99.0% 2.2%	1.0% 75.3%	5.4% 6.5%	10.8%

3 Source: Highlights of This Week Magazine's 1949 Report on Grocery Distribution.
This Week Magazine, New York, 1949, pages 65 through 93.

4 Source: Highlights of This Week Magazine's 1951 Report on Grocery Distribution.
This Week Magazine, New York, 1951, pages 53 through 95.

their advertisements:

The Market Basket, Incorporated, Lansing, Michigan.

The Kroger Company, Cincinnati, Ohio.

The Jewel Food Stores, Chicago, Illinois.

Methods Used to Obtain Information

Some of the information contained in this report is based upon textbooks, special studies and handbooks concerning the subject of advertising. Other information has been gathered through personal interviews and discussions with executives of the Market Basket, Incorporated, and the Kroger Company. Correspondence with the advertising manager of the Jewel Food Stores was used to secure information from that department of the Jewel Tea Company, Incorporated.

A case study of the methods employed by each of these grocery chains in constructing their weekly newspaper advertisements will be presented in this report. These companies have been selected for a purpose. One is a chain of six super markets and is classified by the author as representative of small-sized chains. Another is a chain of 155 stores and is classified as representative of medium-sized chains. The third is a chain of approximately two thousand stores and is classified as representative of large-sized chains.

Representing the small-sized chains is the Market Basket, Incorporated, of Lansing, Michigan. This chain consists of six stores which have total sales of approximately six million dollars a year. Five of the stores are located within the city limits of Lansing. The sixth is located in East Lansing, which is four miles from Lansing. The twenty-four thousand people in East Lansing consist of approximately fifteen thousand college students, and nine thousand local citizens. All the stores are supplied by a central warehouse. The company manufactures a complete line of baked goods and the bakery occupies a section of the warehouse building. The offices of the company are situated in a building next to the warehouse.

The middle-sized chains are represented by the Jewel Food Stores, of Chicago, Illinois. This chain consists of 155 stores which have total sales of approximately one hundred and fifty million dollars a year.⁵ The stores are located in 38 cities found in four counties surrounding the Chicago area. This chain's share of the total food store sales in this area is 8.5 percent.⁶

The giant-sized chains are represented by the Kroger Company of Cincinnati, Ohio. This chain has total sales of

⁵ Sales for the Jewel Tea Company, Incorporated, for 1951 were in excess of two hundred million dollars. This figure includes the combined sales of the Jewel Food Stores and the Jewel Home Routes. For a complete description of the company, see Chapter V.

⁶ This Week Magazine, Op. cit., page 71.

approximately a billion dollars a year. Twenty-five branch offices direct the operation of 1,985 individual stores. Twenty-one manufacturing units, including 15 bakeries, five dairies, two factories, a peanut plant, a shrimp packing plant and 29 warehouses manufacture and distribute products sold in the stores. The company has stores in 1,392 cities located in 482 counties. The territory of this chain consists mainly of the heavily industrialized states in the Great Lakes and mid-western regions. Ohio, Illinois, Michigan and Missouri account for a major portion of the total retail outlets of the company. Some stores are also located in Indiana, Arkansas, Georgia, Kansas, Virginia and other neighboring states. The company's share of the total food store sales in this area is 8.8 percent.⁷

By studying the advertising procedures of these different sized chains, a better understanding of the methods used by each can be gained.

It is important to remember that the use of favored advertising practices alone cannot bring success to any business. It is one of several links in a chain, the breaking of any one of which may bring failure. Good merchandising, good executive and administrative management, good employees and real service to the consumer are all necessary. If used

⁷ This Week Magazine, Op. cit., page 79.

wisely, advertising will contribute its share to the success of the organization.

CHAPTER II

FORMS AND PURPOSES OF FOOD CHAIN ADVERTISING

This chapter outlines some of the many media available to an advertiser. The purposes of food chain advertising are also discussed. In addition, some of the reasons why food retailers advertise are pointed out. This information is presented in order to give the reader a better understanding of the forms and purposes of food chain advertising.

Forms of Food Chain Advertising

Some of the more popular advertising media and material are presented in Table II. The United States Department of Commerce¹ defines an advertising medium as, "a channel, or way, by which a message may be given to the public". Advertising material is defined as, "forms which the retailer uses although they may not be prepared by him".

The grocery advertiser has a large selection of advertising media in which to place his message. This list may cover more items than are logically used by most chains. Also, by using radio, newspaper and other media, it is possible for the advertiser to tie in his efforts with national advertising appearing in magazines, on out-door posters and over the air.

¹ Miller, Nelson A., and Harvey W. Huegy. Establishing and Operating a Grocery Store. United States Department of Commerce, Washington, D. C., 1946, page 183.

TABLE II
CHECK LIST OF ADVERTISING AIDS*

Advertising Media:

Newspapers
Magazines
Radio
Outdoor Posters
Road Signs
Shopping News
Car Cards
Direct Mail
Handbills

Selling Helps:

Floor-demonstration Materials
Samples and Free Goods
Manufacturers' Folders and Inserts
Catalogs
Selling and Service Literature
Bonuses or Prizes for Outstanding Sales Achievement
Price Lists and Internal Publications

Display Material:

Window Displays
Floor Displays
Inside Advertising Displays
Inside Good Displays
Special-price Sale
Electric Signs - Indoor and Outdoor

Miscellaneous:

Exhibits
Church Programs
Special Occasions
Baseball Uniforms

* Source: Miller, Nelson A., and Harvey W. Huegy. Establishing and Operating a Grocery Store. United States Department of Commerce, Washington, D. C., 1946, page 183.

Purposes of Food Chain Advertising

There are many purposes of food chain advertising. No two sources will provide the same list of purposes as it depends to a large extent upon local management's advertising policies.

Mr. William J. Sanning,² Director of Advertising for the Kroger Company, said the main purposes are:

1. "to achieve dominance for your advertisements in your area,
2. to increase your store traffic, and
3. to build the confidence of your customers in your store".

Mrs. Beatrice Oldfield,³ Advertising Manager of Tom Thumb Stores, said the main purposes of her company's advertisements are:

1. "to attract attention,
2. to identify us and our institutional personality, and
3. to leave the reader with a good taste in her mouth, an impression of reasonable prices, congeniality and good will".

² Sanning, William J., Director of Advertising, the Kroger Company, An address before the class of food merchandising students, Michigan State College, 1952.

³ Oldfield, Beatrice. What Do We Want Our Advertising to Do? A Handbook of Super Market Advertising and Promotion, Super Market Institute, Inc., Chicago, 1949, page 13.

Another list of the purposes of grocery-store advertising is given by the United States Department of Commerce.⁴ It may have as its purpose:

1. to identify the store with certain kinds of food merchandise of a certain grade.
2. to build confidence, good will, and reputation for the store.
3. to attract new customers and to hold old customers.
4. to increase sales and speed turnover, and to do this at a profit.
5. to reduce expenses by spreading it over an increased volume of business.
6. to stabilize merchandise, methods, and price.
7. to increase the customer traffic and thus sell other items than those which are advertised.

Food chain advertising does not sell merchandise directly. It serves mainly to attract attention and pull the traffic into the store. At this point the direct selling function is performed through displays, printed cards and the store personnel.

Other Reasons for Advertising

Closely related to the purposes of chain store advertising is the question of what are some of the influences prompting

⁴ United States Department of Commerce, Op. cit., page 184.



the retailer to spend large amounts of money for advertising?

Advertising is more and more being relied upon as a major weapon to attract trade. With the growth of self-service came the familiar super market. In many respects, super markets have features that make them all appear similar. For example, many of them have large parking lots; their construction and layout is similar; a wide variety of items are carried in most of them; items are sold at prices bearing relatively low markups; and carry-out service is provided in many of them.

These similarities have definitely increased the importance of advertising, because it gives the operator a chance to be different by permitting him to publicize his giant baby food department, speedier check-out system, or other items characteristic of only his operation.

Food manufacturers, particularly among the national advertisers, contribute a large share in influencing chains to advertise. To a great extent, it is the manufacturers' products which attract the housewife's attention when the advertisements are scanned. Likewise some chains rely on advertising to popularize private brands, which are brands owned by the chain selling them.

The ease with which chains obtain advertising allowances from manufacturers acts as another factor to induce the retailers

to buy space in local newspapers. These payments to retailers for advertising the manufacturer's merchandise results in the common sight of seeing weekly chain store sales which feature national brands; for example, "Libby Week" or "Del Monte Carnival". The habit of using these advertising campaigns is growing and many chains feel it is advantageous to associate their company with national brands. By so doing the chains can derive some of the benefit of the manufacturer's national promotional activities.

Newspaper solicitors are very eager to have an advertiser increase his advertising budget. Through reports and interviews, space sellers frequently demonstrate to a client that competitors have larger advertising budgets. The result, in many cases, is the client increases his appropriation to meet competition.

Another reason why chains advertise is to apportion more evenly store traffic throughout the entire week. This means that in addition to the regular weekly Thursday or Friday advertisement, some chains publish an advertisement on Monday, featuring early-in-the-week specials. The success of this activity is difficult to measure. Factories, and many other places of employment, pay workers on Friday or Saturday and the feasibility of attempting to attract a large trade in the early part of the week is questionable.

Many forms of advertising are available to the retailer. There are many purposes of advertising and many reasons why merchants advertise. The above material serves to provide some understanding of the numerous forms and purposes of advertising available to an advertiser.

CHAPTER III

DESCRIPTION OF THE MARKET BASKET, INCORPORATED

A brief description of the Market Basket, Incorporated, will be presented at this time. This material will give the reader some insight into the organization of this chain and will, therefore, serve as background information relative to the construction of the advertisement.

This company sells in excess of six million dollars worth of merchandise a year through six retail stores, five of which are located within the city limits of Lansing, Michigan. The sixth store is located in East Lansing, a town approximately four miles from Lansing. The main office is located very near the center of Lansing, and a combined warehouse and bakery building is situated about fifty yards behind the office building. The company manufactures a complete line of bakery products, which include white, cinnamon, rye, wheat and french breads, cakes, doughnuts and sweet rolls.

Seven trucks are owned by this organization. Four are used for the delivery of dry grocery items carried in the warehouse. These items include canned goods, flour, cereals and other packaged products. Two are used for the delivery of bakery items. The remaining truck is used for daily produce hauls from Detroit to the stores. Some produce and grocery

items are delivered direct to each store by wholesalers. Meat packers deliver meat requirements directly to the stores.

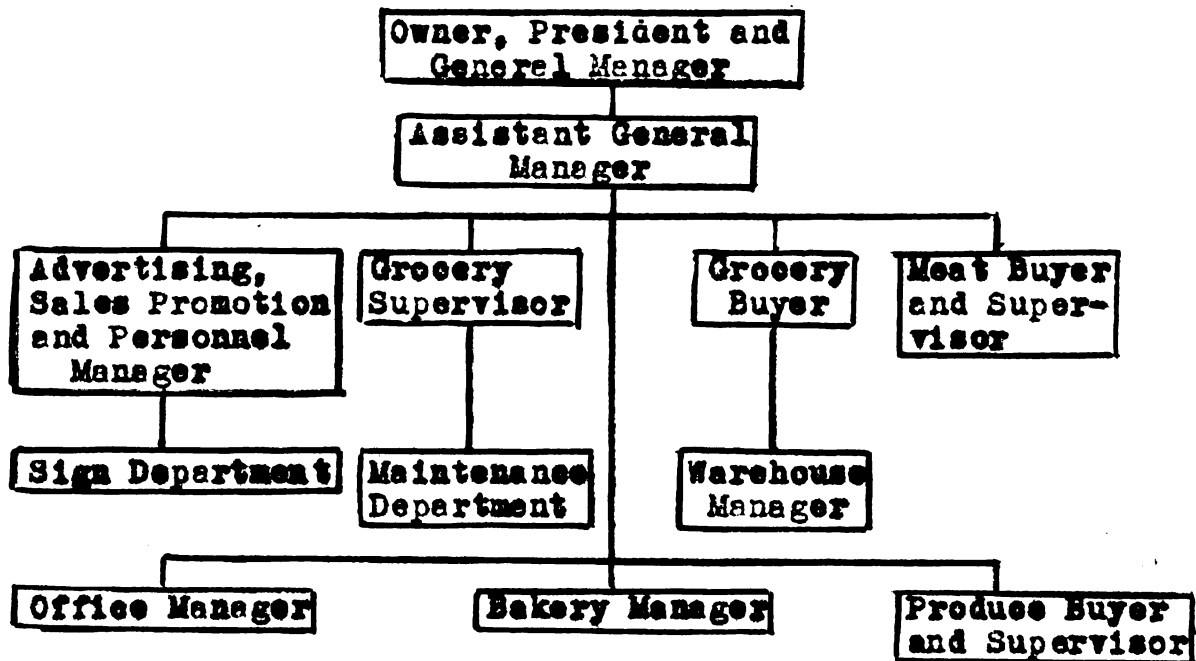
Organizational Chart

The organization of this chain's management is presented in Chart I.

The chart shows that the owner of the company is also the president and general manager. The advertising manager, in addition to his advertising responsibilities, is also responsible for sales promotion and personnel matters. Some of his sales promotion activities consist of writing store merchandising bulletins, and arranging with manufacturer's representatives for the building of displays in the retail stores. Some of his personnel duties are hiring, maintaining employee records and scheduling various company meetings. In the remainder of this report he will be referred to as the advertising manager.

The produce and meat buyers are responsible for purchasing produce and meat products, respectively. In addition, they are charged with supervising their respective departments in the retail stores, which includes devising ingenious methods of displaying and selling the items purchased. Produce sales account for 11 percent and meat sales 24 percent of the total business. The grocery department accounts for

CHART I

ORGANIZATION OF THE MARKET BASKET, INCORPORATED¹

¹ This information was gathered from an interview with Mr. Russell Veldman, Advertising, Sales Promotion and Personnel Manager of the Market Basket, Incorporated Lansing, Michigan, 1952.

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63 percent and, therefore, warrants a separate supervisor and buyer.

The grocery supervisor has the added responsibility of scheduling the work in the maintenance department. The warehouse department manager reports to the grocery buyer. These departments are assigned to the grocery supervisor and buyer respectively because of their wide experience and general knowledge of the operation of the company.

From the foregoing, certain conclusions can be drawn. First, responsibility for the management of the company is concentrated in a few hands, with one man performing two or more functions in some cases. Second, because of this concentration of responsibility, inherent flexibility of operations is possible. For example, the produce buyer knows exactly what to order each day as knowledge of what the inventory situation is in the stores can be gained through the performance of his supervisory function.

This local, flexible nature gives this company an operational advantage over competition not having these same characteristics.

Management Flexibility

The proximity of the stores to the company office and warehouse offers many advantages. It is a relatively simple

matter for top management to meet regularly with the store managers to discuss future plans and past results. In a chain this size, the store managers are counted on very heavily for information regarding customer wants, merchandising schemes and news of the activities of competition. These meetings include the following:

Produce manager's meeting	Every Monday afternoon.
Store manager's meeting	Every Tuesday afternoon.
Merchandisers and advertising manager meeting	Every Monday morning.
Top management meeting	Once a month.

Store-Warehouse Flexibility

The warehouse carries sufficient dry grocery stock at all times to fill a store manager's entire need. Each store receives two regular delivery of groceries each week. Orders received by the warehouse are filled and delivered within one day. The store-warehouse operation is extremely flexible. A store manager can call in at any time for a special delivery of items he may need. After a call is received from a store manager, the merchandise ordered is billed, loaded on a truck and delivered within a few hours.

Sales Promotion Flexibility

This inherent flexibility is carried over to the relationship between the advertising manager, the buyers and the store

managers. For example, when the buyers come in contact with a product that can be offered at an appealing savings, immediate action is taken to keep one step ahead of competition. The store managers are notified immediately by phone. Orders are taken and the merchandise is delivered the same day, if possible.

The advertising manager is notified of the promotion immediately so that he can make plans to advertise the product. If necessary a special advertisement is printed, but the usual practice is to include the item in the regular weekly advertisement on Thursday. Flexibility is the keynote of this organization, and its importance can not be overemphasized. Consider the fact that this chain is competing with much larger chains, such as the Kroger Company and the Great Atlantic and Pacific Tea Company, as well as numerous independents. This company's very existence depends upon its ability to respond to current changes in the immediate area. Price reductions are generally made the day they are received and notice is given consumers through a newspaper advertisement as soon as possible. A large chain organization, which decides upon the items it will advertise weeks and even months ahead of time, has less opportunity to take advantage of price reduction publicity. This company often ties in its promotions with local

civic activities, thereby drawing much attention from the populace. The larger chain, with a branch office in a distant city, can not easily take advantage of this type of tie-in advertising.

S. & H. Green Stamps

Included in this company's over-all advertising program is the S. & H. Green Stamp Plan.² The S. & H. green stamps are used by this chain to attract customers and are considered a very important part of this company's advertising program. The plan costs about 2 percent of net sales, which means that this company pays in excess of one hundred thousand dollars a year for the exclusive rights for super markets to the plan in the Lansing area. Retailers on non-competing merchandise are permitted to adopt the plan, but competing food companies can not use it.

This company's officials are satisfied with the results of the plan up to this time. The plan was adopted in October, 1951, and in March, 1952, sales had increased approximately 23 percent, when compared to this same period last year. This percentage appears to be favorable when cognizance is made of the percentages in Table III. Compare the percentage change of

² Sperry and Hutchinson Company, 114 Fifth Avenue, New York City 11, New York.

sales of the listed chains with the change in the Market Basket's, Incorporated, percentage. Note that the latter has increased its sales over last year by approximately 15 percent over what these larger chains have increased their business. The advertising manager feels that a large portion of this extra increase is due to the use of the S. & H. Green Stamp Plan.

In making this comparison, caution should be exercised in comparing a chain with six million dollars a year business with chains doing in excess of one hundred and fifty million dollars a year business. Nevertheless, the figures do shed some light on the effectiveness of this plan.

How does the stamp plan work? This food chain obtains the stamps from the S. & H. promoters and then passes them on to their customers, one for each expenditure of ten cents. A small booklet is given to each customer in which the green stamps are pasted. Each completed book requires twelve hundred stamps. After the books are filled, the holder may redeem them for his choice from among 1,200 nationally advertised gifts. A display store is maintained by the S. & H. promoters in Lansing where the customers take their filled books for redemption. Gift catalogs are available in all retail stores subscribing to the plan.

TABLE III

GROCERY CHAIN SALES OF THE MONTH*
(in thousands of dollars)

	January, 1952	January, 1951	Percent- age Change
Safeway Stores	\$106,851	\$92,274	/ 15.8
Kroger Company	78,348	72,991	/ 7.3
American Stores	50,400	46,624	/ 8.1
National Tea Company	25,763	27,278	- 5.5
Jewel Tea Company	16,778	15,993	/ 4.9
Colonial Stores	15,466	14,513	/ 6.6
Winn & Lovett			
Grocery Company	14,843	13,887	/ 6.9
Grand Union Company	13,458	12,347	/ 9.0

* Source: Grocery Chain Sales of the Month, Chain Store
Age, March, 1952, page 4.

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Musical Jack Pot Radio Program

Another important part of the advertising program of this chain is the fifteen minute, Monday through Friday, radio program called Musical Jack Pot. Sale items and helpful shopping tips are announced on this radio program. Listeners are eligible to win both a cash and a green stamp jack pot if they can correctly answer a question asked over the telephone by the announcer. Three calls are made each day. The question and answer sheets are given to the customers and are available in the retail stores. The person called must be able to answer the question exactly as it is printed on the question and answer sheet to win the jack pot. If unable to answer the question correctly, the person called is sent two tickets to a local theater, plus 100 green stamps. Quite frequently, the questions concern news about food products and their preparation. For example, the following questions were asked during the Christmas season:⁵

1. Question: What was the original name for mince pie?
Answer: Mince pie was first called mutton pie.
2. Question: When does Christmas begin and end in Scandinavian countries?
Answer: It begins on December 13th, Santa Lucia's Day, and ends January 11th.

⁵ Musical Jack Pot Questionnaire, the Market Basket, Incorporated, Lansing, Michigan, December 24 through 28, 1951.

3. Question: How are Market Basket shoppers saving more than ever before?

Answer: S. & H. Green Stamps make it possible to save two ways: Every day low prices plus valuable nationally advertised gifts.

A question and answer sheet is operative for a period of one week, after which time another sheet is applicable. These sheets are placed in the stores on Thursday, where they are available to the customers. Over twelve thousand sheets are distributed each week. The advertising manager feels that these sheets are a potent force in pulling customers into the stores.

CHAPTER IV

CONSTRUCTION OF A MARKET BASKET ADVERTISEMENT

This company usually publishes a double truck¹ advertisement every Thursday in Lansing's only newspaper, the State Journal. Occasionally, however, smaller advertisements are used.

Theme

The theme is usually selected weeks or even a month ahead of time to permit ample opportunity for the company buyers to order enough merchandise to support the advertisement. Also, time must be provided so that contact may be made with manufacturer's representatives to enlist their aid in building displays in the stores. Finally, the store manager is notified of the sale two weeks in advance, permitting him to prepare for the event.

Some of the meat, produce and grocery items, that are to be included in the advertisement, are determined at a sales meeting attended by the advertising manager, the buyers and the supervisors. The meeting is held on Monday morning of the week in which the advertisement will be published. Many of the items and tentative prices are decided upon at this time. Often, because of market conditions,

¹ A double truck advertisement is one which covers two facing pages in a newspaper.

produce and meat prices are not determined until the morning that the advertisement is to appear.

The theme, or keynote idea, of the advertisement is drawn from two general sources of information:

1. Within the organization. This would include any ideas by the advertising manager or other representatives of management. Also included would be the use of unusual news items concerning the company or the community. For example, a new checkstand system which permits faster service in ringing up the groceries, collecting the money and bagging the groceries is news to the customer. Many would be anxious to see the checkstand after reading the advertisement. The advertising manager will use any theme that he feels is timely, interesting and flexible to permit relating attractively priced merchandise with the theme.

2. From outside sources. There are many organizations throughout the country that specialize in helping small food retailers prepare their advertisements. The services offered by the National Research Bureau, Incorporated, 415 North Dearborn Street, Chicago 10, Illinois, are used by this chain. This organization studies advertisements published in newspapers in all sections of the country. Results of the effec-

tiveness of advertisements and copies of those studied are sent to operators who are members of the bureau. By studying the material supplied by the bureau, the advertising manager is able to keep informed on nationwide advertising trends. Occasionally, he sees something in the reports that he can adapt to his organization, which often results in a very profitable promotion.

The services offered by McCall's Magazine² are used quite extensively by the Market Basket, Incorporated. There is no charge for this service as it is free to all members of Super Market Institute, a non-profit organization of super market operators, with headquarters at 500 North Dearborn Street, Chicago 10, Illinois.

This is how the service works. The staff of McCall's prepares in detail a complete food store promotional campaign. Manufacturers who advertise in McCall's Magazine work in conjunction with the magazine staff. Together they prepare an "Advertising Promotion Service Book". Suggestions are included which contain information on the following subjects:

1. items to be advertised
2. headline to be used
3. advertising layout
4. borders for use in advertisements
5. in-store displays

² Editorial and Publication Office, McCall's Magazine, 439 Madison Avenue, New York 22, New York.

The book is then mailed to the food store operator. After receiving the book, the advertising manager may use the material contained therein as he wishes.

To illustrate, for a particular month a series of advertisements promoting a "Pageant of National Brands" may be planned. The service book is sent to the food company well ahead of the date scheduled for the promotion. While the food company is preparing for the event, McCall's publicizes the promotion by printing some special advertisements in the appropriate issue of their magazine. These advertisements are designed to help promote the current event. For example, they may say, "Shop at the food store having the 'Pageant of National Brands' sale". This message, directed at the thousands of women who read McCall's, probably does a lot to convince the readers that they should shop at a store having the aforementioned promotion.

Full color, 48 inch posters and giant display material are furnished by McCall's for in-store selling. In addition, shelf arrows, which can be used to point out the individual shelf specials, are furnished, as well as blow-ups of magazine advertisements, which can be displayed in the store windows. Also, over-wire hangers, which are posters that hang from wire stretched from one wall of the store to another, are

supplied. Finally, scripts and spot recordings to be used for radio tie-ins are furnished.

Matrices or "mats" are baked cardboard molds of paper pulp, from which a stereotype, or duplicate plate, can be made. The mats are included in this service and are furnished by the manufacturer through McCall's. For every picture, headline or border included and suggested in the "Advertising Promotion Service Book," a mat is furnished free of charge. When the advertisement is ready for publication, the advertising manager merely sends these mats to the newspaper, thereby eliminating the cost of having the designs prepared elsewhere. Some mat samples are found in Figure I.

Photo-engraving

It is appropriate at this time to explain how mats are made. The question is asked, "How is copy, a picture or a photograph prepared for publication in an advertisement?"

First of all, the subject or copy to be reproduced is photographed,³ and a negative is developed and printed. But it is not printed on paper as in the case of a snapshot; it

³ The advertising manager of the Market Basket, Incorporated, has this photograph taken by a photographer or by the State Journal.

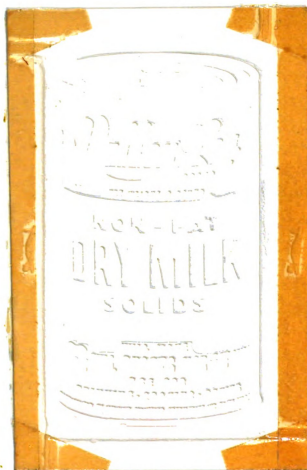


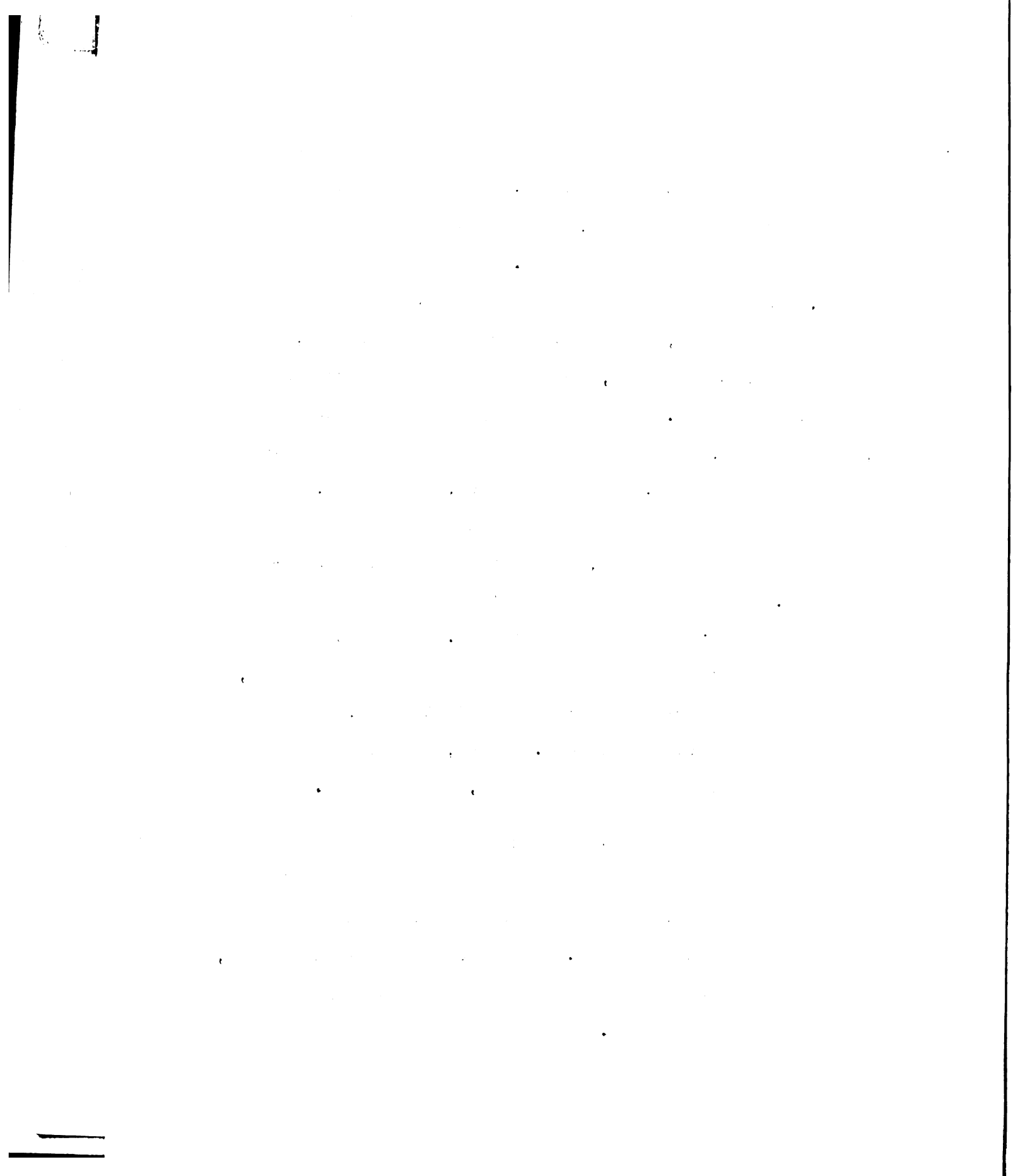
Figure 1. Matrices or "mats"

is transferred or "printed" on metal. If it were not possible to use photography in this way, the design would have to be drawn or traced on the metal by hand.

Next, the photographed area is made to stand above the unphotographed portion, like a mountain against a valley, so that when the plate is inked, the part with the photograph will be covered by ink. This is done by chemically etching away, or engraving, the areas on the plate which do not have the photographed subject. The areas which, when inked, will reproduce the desired subject are protected from the action of the acid by an acid-resist, or a "ground" as it is sometimes called. The result is that a metal plate is made which bears the reproduction of the illustration. The photographed area is higher than the surface of the remainder of the plate, so that, when it is inked and pressed against paper, a reproduction of the subject is obtained. Hence, a photo-engraving plate, or what is commonly called a "cut," is produced.

Duplicate Plates

This plate which has so far been considered is an original plate in the sense that it is the initial conversion of an illustration into metallic form. Once such an original is made, however, many duplicate copies can be produced at a fraction of the cost of that original.



Duplicates may be needed in order to run an advertisement in several different newspapers at the same time, to economize on the printing cost by running a number of imprints off simultaneously, or to spare the originals for future use. Also, grocery manufacturers need duplicate copies to send to the thousands of retailers handling and advertising their product. The retailers in turn use the copies for the purpose of printing their advertisements.

There are many kinds of duplicate plates but the ones we are most interested in are called matrices or mats. They are made from the original plate and from these mats stereotypes can be made. The mat is the mold and the stereotype is the plate used for printing.

To make the mat, the operator presses the original plate into a damp piece of "papier-mache" pulp. When the latter is dried, it looks like a piece of baked cardboard with the illustration or type stamped in it. This is the mat. Metal is poured over it. The metal cools, hardens, and forms a plate known as a stereotype. The stereotype is then used for printing. If the mat is needed for another stereotype, it is saved and more can be made from the mat in the future.

The mat can be curved and a corresponding stereotype made to fit on the cylinders of a rotary press. As many news-

papers, especially those in large cities, print on such presses, their shops are generally equipped to make stereotypes from mats. A grocery advertiser using a large number of newspapers may consequently save money in making plates by forwarding merely a mat of the advertisement to each newspaper in which he is buying space.

How the Advertisement Is Printed

The advertising manager sends the original illustrations and copy of the advertisement to the newspaper printer or typesetter, who makes the photo-engraving plates, or cuts. The type for the advertisement is set up and the cuts are inserted in their proper place, according to a layout plan. The advertisement is now ready to be printed. When a proof is desired, the printer may place the entire form on the press and "run it off".

Heading

The advertising manager of the Market Basket, Incorporated, usually creates the heading used in the advertisement. Sometimes, a heading suggested by McCall's Magazine or a member of this chain's management is used.

The heading of the advertisement should be original and should give some indication of the theme of the advertisement.

The heading is created from one to three weeks before the time the advertisement is published. As mentioned earlier, the local nature of this company permits it to be flexible in its operation. The advertising manager may wait two or three days before the deadline to decide on a headline if necessary. The examples of this company's advertisements found in this chapter were based on the material supplied by the McCall's advertising service.

Illustrations

Pictures tell a story at a glance. They can display merchandise enticingly and make people want it. The illustrations of the products used in the advertisements in this chapter were developed from mats furnished by the manufacturers through the McCall's service. The advertising manager merely sends the mats to the newspaper printer who includes them in the printed advertisement. On the other hand, note the picture of "Uncle George" in Figure 2. This picture was drawn by hand by the advertising manager. It was subsequently photographed and printed by the staff of the State Journal.

A case study will be presented at this time, explaining the steps that this company goes through in preparing a typical, weekly advertisement. The steps can be broken down into three broad classifications. Examples of one advertisement are

included in this chapter showing the three steps necessary in its preparation.

STEP I - Preparation of Rough Layout

The rough layout is a drawing showing how the various elements of the proposed advertisement are to look. The theme, or keynote idea, of the advertisement may have been selected weeks ahead of time, but work on the layout is usually started the Thursday afternoon or Friday of the week prior to the one in which the advertisement is to be published. At this point, the advertising manager knows the theme, the headline, and some of the items which will be included in the advertisement. He then decides what size advertisement to use and usually plans on a single or double page spread. A photograph of an actual rough layout is shown in Figure 2.

Then, with a drawing pencil, the headline is lettered as it is to appear in the finished advertisement. Next, the decision regarding allocation of space to the produce, meat and grocery departments is made. This decision depends upon many factors. For example, a promotion may be held on some produce items when they are in season. Therefore, the greatest space in the advertisement may be allocated to these special items. Consideration must also be given to the cost of space, what competition is doing and the importance of the particular sale or feature.

Next, the items to be included in the advertisement are listed on the layout. When the advertising manager wishes to say a few words about a product, he types the words on a separate sheet of paper, called a copy sheet. He marks the copy sheet and the rough layout with a letter or figure so the printer will understand where the copy is to go in the advertisement. Examples of copy sheets are included in this chapter in Figures 3, 4 and 5. Note how the number on the copy sheets correspond with the numbers on the layout.

Illustrations are then inserted in the layout, including the ones drawn by the advertising manager and those furnished by manufacturers. Illustrations are quite frequently furnished by the manufacturers through the McCall's service. For example, note the picture of the can of Chase & Sanborn coffee in the rough layout. This picture was taken from the "Advertising and Service Book" supplied by McCall's. It was cut out of the book and pasted on the rough layout. This saves the advertising manager the job of having to draw this picture. Mats were sent along with the "Advertising and Service Book" to support every picture contained therein. Therefore, when this layout is sent to the newspaper, the advertising manager will send along the mat of the Chase & Sanborn coffee can. If no mat is furnished, the newspaper will have to take a photograph and

RIGHT SIDE

/ Uncle George recommends that you stock up on all these featured national brands. Names you know on brands you like at prices you want. Yes, you're bound to save.

2 Libby's Fresh Frozen Peas
2 8 oz. pkgs 39¢

3 Honor Brand Fresh Frozen
Strawberries
All the family enjoys
shortcakes. New low price.
pkg. 39¢

Pasco Fresh Frozen Orange Juice
Drink O' Health.
2 6 oz. cans 29¢

Booth's Fresh Frozen Asparagus
Cuts and tips.
12 oz. pkg. New Low price. 38¢

4 Hear! Market Basket Jack Pot Program. WJIM - 12:15 P.M.
Monday through Friday. Get your questionnaire at one of our
giant markets and be ready to Win the daily Prize - that
grows and grows.

No limits. No coupons. Open Thursday & Friday until 9:00 P.M.

521 East Grand River, East Lansing. 1017 West Saginaw
2002 North Larch

Special offer worth 25¢ Send in label from any can of Swanson
Chicken or Turkey. Offer expires March 31, 1958. Get back 15¢
See coupon with all details in store.

Swenson's Whole Chicken 3½ lbs. \$1.62
 Real Gold Orange Juice
 6 oz. can 15¢
 Puss 'N Boots Cat Food
 8 oz. can 9¢
 Mario's Ice Box Stuffed Olives 55¢
 What a Pickle!
 Aunt Jane's Candied Dill Strips
 16 oz. jar 39¢

Figure 4. Copy Sheet

LEFT SIDE

6
Scotties Facial Tissues
400 count 28¢

Miller's Dog Food
5 lbs. meat 69¢

Palmolive Soap
3 reg. bars 25¢
2 bath size 25¢

Blue Suds
2 packages 17¢

Peter Pan P-NUT Butter
12 oz. jar 37¢

Gillette Thin Blades
10 count 25¢

Figure 5. Copy sheet

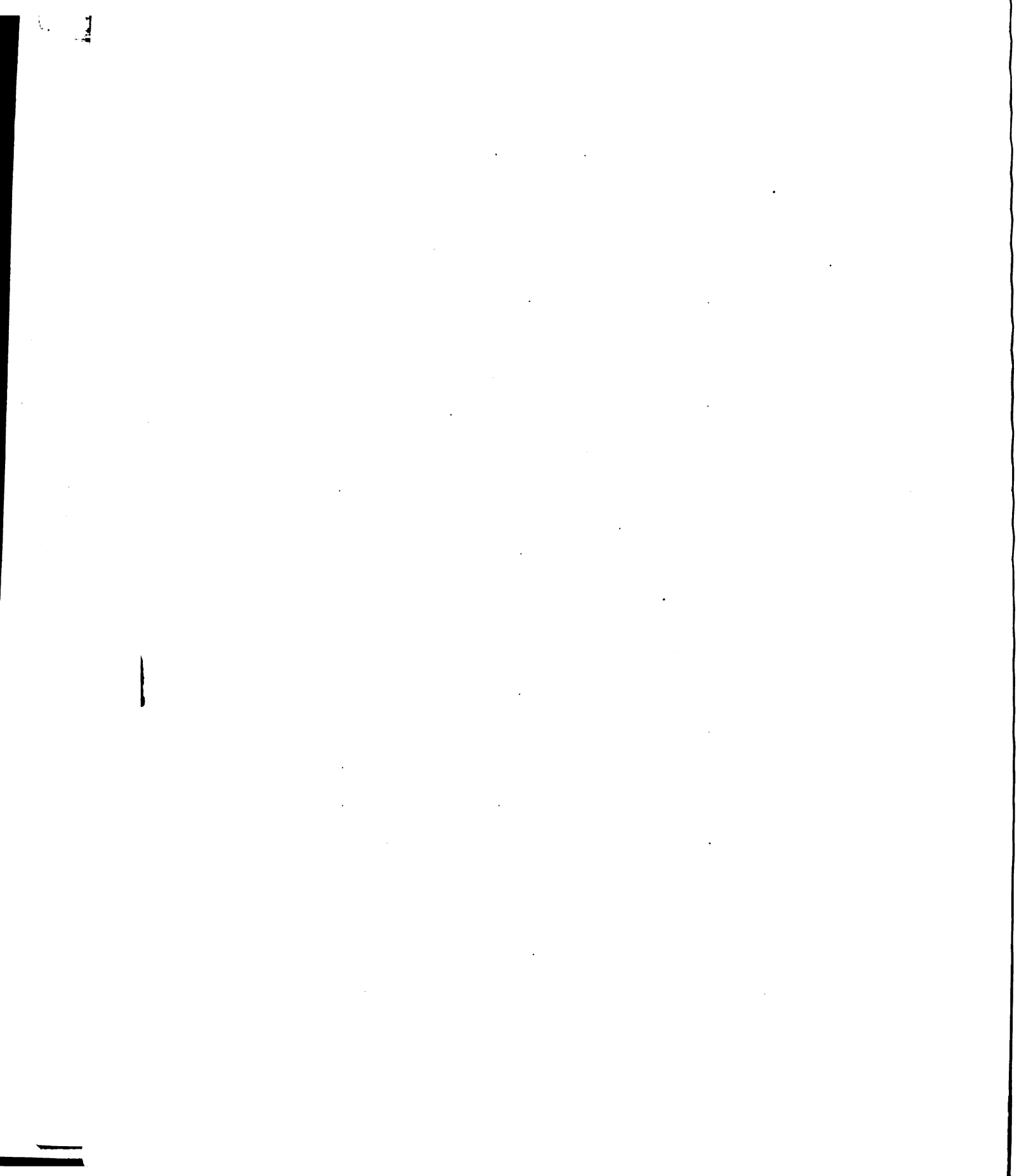
make the photo-engraving plate, or cut. This would involve added expense.

The advertising manager keeps a mat file on thousands of products. These mats are supplied directly by the manufacturer, or through McCell's, free of charge. The manufacturers feel that if the retailer has the mats to use in his advertising, they stand a better chance of having pictures of their products appear in the store's weekly advertisement.

The rough layout is then completed by filling in all the details regarding location of stores and store hours. It is then scrutinized for errors. It is sent to the newspaper with the copy sheet no later than 12:00 o'clock noon on Tuesday of the week of publication.

STEP II - Correcting the Proof

From the layout and copy sheets, the printer at the newspaper makes a proof, which is a printed impression of the proposed advertisement taken for purposes of inspection. This proof is received by the Market Basket, Incorporated, on Wednesday afternoon. The purpose of the proof is to give the advertising manager an opportunity to make necessary revisions regarding last-minute changes in price, typographical errors and any other necessary alterations. The changes are directions to the printer, and are usually made in red pencil. The advertising manager shows the proof to the buyers who also may



suggest a necessary alteration. The proof of the advertisement is shown in Figure 6. This proof is returned to the newspaper on Thursday morning.

STEP III - The Published Advertisement

After the newspaper receives the corrected proof, they make preparations to publish it as a complete advertisement, taking into consideration the indicated alterations. No additional proofs are furnished. The importance of indicating corrections in a clear manner is readily understood. The printer for the newspaper will do a good job if the advertising manager indicates clearly what is wanted.

The completed advertisement is presented in Figure 7.

The approximate schedule used by the advertising manager of this company in the construction of the advertisement is as follows:

Theme:	Selected a week or even a month ahead of time.
Rough Layout:	Preparation started Thursday or Friday of the week prior to week of publication. Sent to newspaper no later than 12:00 o'clock noon on Tuesday of the week of publication.
Proof:	Received on Wednesday afternoon. Corrections are made and it is sent back to the newspaper Thursday morning.
Completed Advertisement:	Printed Thursday afternoon.

Names you know

Brands you trust

Prices you want

Big News!

McCall's Pageant of National Brands

COFFEE

79¢

CREAM

MARG

2

STRAWBERRY PRESERVES 2.59

CRACKERS 2.59

HYDROX COOKIES 38¢

STARLAC 38¢

EXTRA! PORK ROAST

33

SLAB BACON 35¢

GROUND BEEF 59¢

LIVER BEEF 59¢

CHEESE 37¢

SHRIMP 69¢

The Year's Top Food Event

Brought to you by Market Basket

National Brands

AMONARINE 35¢

MINI WHIP 59¢

NOTABLE 42¢

FRESHTRAP 29¢

STRAWBERRIES 39¢

ORANGE JUICE 2.29

ASPARAGUS 35¢

BANANAS 2.29

HEAD LETTUCE 13¢

KRAFT DINNER 2.25

SPONGE CAKE 17¢

TOMATOES 19¢

CARROT'S FINGER 19¢

HEART JACK POT PROGRAM

BAKERY 8.59

BAKERY 15¢

Figure 6. The proof

Big News!

The Year's Top Food Event
BROUGHT TO YOU BY MARKET BASKET

YOU'RE BOUND TO SAVE!

Save money, save time, and get the best quality food at Market Basket. That's why we're the year's top food event. Save money, save time, and get the best quality food at Market Basket.

Pageant of National Brands

COFFEE
79¢
12oz. Can
McCullin's
McCullin's
McCullin's

CREAMO MARGARINE
2 35¢
1lb. Box
Kraft
Kraft
Kraft

PEAS
2 39¢
1lb. Can
Hercules
Hercules
Hercules

STRAWBERRIES
39¢
1lb. Box
Hercules
Hercules
Hercules

STRAWBERRY PRESERVES
2 59¢
12oz. Can
Kraft
Kraft
Kraft

KRAFT DINNER
2 59¢
1lb. Box
Kraft
Kraft
Kraft

BANANAS
2 29¢
1lb. Box
Kraft
Kraft
Kraft

HEAD LETTUCE
13¢
1lb. Box
Kraft
Kraft
Kraft

EXTRA! PORK ROAST
33¢
1lb. Box
Kraft
Kraft
Kraft

SLAB BACON
35¢
1lb. Box
Kraft
Kraft
Kraft

McINTOSH APPLES
19¢
1lb. Box
Kraft
Kraft
Kraft

BAKERY
17¢
1lb. Box
Kraft
Kraft
Kraft

SHRIMP
69¢
1lb. Box
Kraft
Kraft
Kraft

CHICKEN
79¢
1lb. Box
Kraft
Kraft
Kraft

EGGS
19¢
1lb. Box
Kraft
Kraft
Kraft

TOMATOES
19¢
1lb. Box
Kraft
Kraft
Kraft

Figure 7. The completed advertisement

Advertising Agreements

In many cases a manufacturer will pay a fixed amount to a retailer when the latter includes the manufacturer's product in one of his weekly advertisements. As a source of income, advertising agreements are very profitable for the retailer. If enough agreement items are included in the advertisement, it will be paid for largely by the money received from the manufacturers.

An important point not to be overlooked is that the manufacturer is usually billed the national rate, while the retailer is billed the local rate. This is how it works. Local newspapers usually have a rate structure consisting of local and national rates. Local rates are given to advertisers who operate in the immediate area. National rates are charged to national manufacturers of nationally distributed products who desire to advertise in this local newspaper. When the Market Basket, Incorporated, advertises in the State Journal, they are charged the local rate for the entire advertisement. But, many manufacturers who entered into agreements with this chain are billed at the national rate. The difference of the two rates is retained by the Market Basket, Incorporated, and helps defray the cost of the advertisement.

Some system is needed to record the agreement between the manufacturer and the retailer. Examples of the forms used by this chain for their records are included in this

chapter. The first card in Figure 8 is used to record the manufacturer's name, the salesman's name, his address and his business phone. In addition, information regarding the contract is recorded, including the frequency of insertion, the rate due the chain and the date invoices are to be mailed to the manufacturer.

A second card, in Figure 9, contains information regarding the invoice. After the manufacturer's product has been advertised, he is invoiced the amount agreed upon. The amount billed is recorded on the second card and when payment is received, a note is made to that effect in the "amount paid" column. The other columns contain related information.

These cards are kept in a file in the advertising manager's office. They are referred to quite frequently when the weekly advertisement is being constructed. This is done to make sure that items covered by an advertising agreement are advertised on schedule.

CHAPTER V

DESCRIPTION OF THE JEWEL TEA COMPANY, INCORPORATED

The Jewel Tea Company, Incorporated, which has offices in Chicago, Illinois, consists of three departments. They are the Home Service Routes, the Food Stores Department and the Finance Department.

The Home Service Routes

The headquarters for the home routes are in Barrington, Illinois, which is approximately thirty-five miles northwest of Chicago. The home route service is nation-wide, operating principally in the larger cities. Seventy-six branch offices of the home routes operate in forty-two states and the District of Columbia. Branch locations can be found in Grand Rapids, Michigan, Long Beach, San Jose and Los Angeles, California, Salt Lake City, Utah and many other cities throughout the nation.

This is how the route service operates. Salesmen driving a small company truck call at customers' homes every two weeks. They sell coffee, soap, jelly, tea, cookies, packaged cake mixes and other assorted items. The salesmen are paid a salary plus a commission. When a salesman makes a call he:

1. delivers goods ordered two weeks previously,
2. sells impulse items and
3. takes orders for delivery two weeks hence.

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Merchandise sold by the route salesman is purchased and warehoused centrally, in Barrington. The salesman order their needs from their local branch office. The branch in turn orders the merchandise it needs from Barrington. The orders received in Barrington are filled and delivered by truck direct to the branch location.

A manufacturing plant is located at Barrington and operates as a part of the Home Service Routes Department. Here, many of the food products and household supplies are manufactured or prepared for distribution to customers. It is in this plant that thousands of pounds of coffee sold annually to customers are processed and packaged.

The routes department does not advertise in newspapers or magazines. A unique feature of this department is the use of premiums. Instead of using money for advertising, it is used in the form of premiums for the customers. With each purchase of groceries, the customer receives bonus credits which may be applied toward the price of a premium she selected. She may also pay part cash for the item, with the balance being paid through her bonus credits. In addition, the customer may have the use of the premium while she is paying for it.

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The Finance Department

This department also has headquarters in Barrington. The functions of this department include the handling of investments, all company cash, payroll records, insurance, tax and legal matters, and the general books of the company.

The Food Stores Department

The offices of the food stores department are located at 3617 South Ashland Avenue, Chicago, Illinois. This department consists of 158 stores, of which approximately 101 are within the Chicago city limits. The remaining 57 are located in smaller cities and suburbs surrounding the Chicago area. All of the stores are within a forty-mile radius of downtown Chicago. The offices are situated on the second floor of one of the three warehouses maintained by the company. This warehouse, owned by the Jewel Food Stores, handles produce, dry grocery items, frozen foods, eggs and weekly sale items. A warehouse at 5000 South Kedzie, which houses dry groceries, is also owned by this company. A smaller warehouse across the street from this South Kedzie location is rented and is also used for dry groceries.

Sales for the entire company are about two hundred million dollars annually. The food stores share is about 75 percent of the total, the remainder accountable to the home routes.

Management organization

The president of the Jewel Tea Company, Incorporated, heads all three departments. His office is located at 135 South La Salle Street in downtown Chicago. The organization of the management of the Jewel Tea Company, Incorporated, is presented in Chart II.

The head of the food stores has the title of Vice-President and General Manager of the Jewel Food Stores Department. Note that under the merchandise manager there is a grocery, meat and produce merchandiser. These men, in addition to being responsible for merchandising, are also charged with purchasing the commodities that come under their jurisdiction.

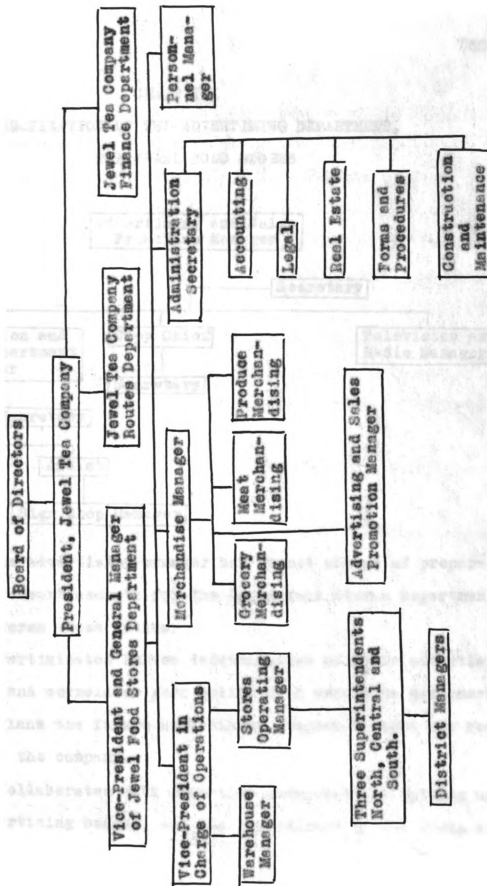
Advertising Department

In order to permit a clearer understanding of the background of the construction of the advertisement, the organization of the advertising department is presented in Chart III.

The advertising department is headed by the advertising and sales promotion manager who reports to the merchandise manager. The advertising manager has the over-all direction of the food stores advertising under his jurisdiction.

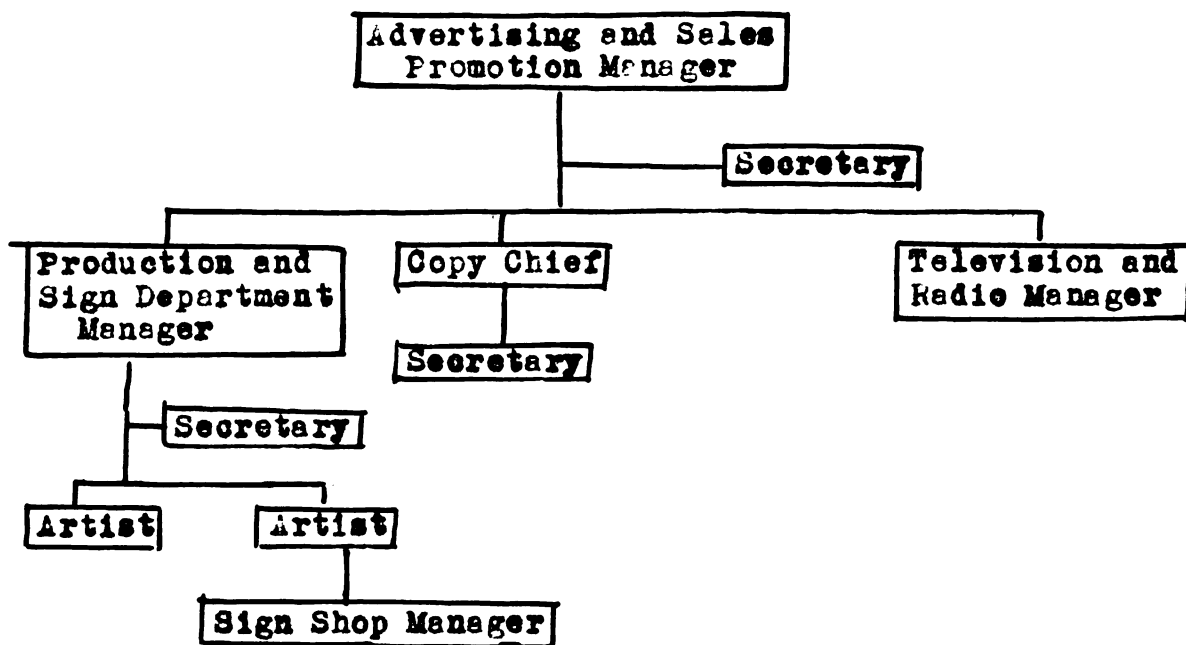
CHART II

MANAGEMENT OF THE JEWEL TEA COMPANY, INCORPORATED*



* Source: The Crusader. Jewel Food Stores, Chicago, Illinois, Volume 6, June 7, 1950.

CHART III
 ORGANIZATION OF THE ADVERTISING DEPARTMENT,
 THE JEWEL FOOD STORES



The advertising manager has direct charge of preparing the advertisements for the Jewel Food Stores Department and performs these duties:

1. Participates in the determination of basic advertising policy, and correlates such policy with executive management.
2. Plans the future advertising program to meet the requirements of the company.
3. Collaborates with executive management in setting up the advertising budget, and the expenditure of the funds allocated.

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4. Originates advertising ideas, and supervises the writing of copy² and the creation of the specific elements of the advertisement.

5. Organizes, schedules and supervises the physical production of the advertisement.

6. Integrates the advertising program with such other phases of the business as purchasing, merchandising and personnel.

7. Supervises advertising department routine having to do with the direction and motivation of personnel, the handling of correspondence, distribution of bulletins, maintenance of records and files, and the maintenance of office equipment and supplies.

8. Provides a plan of organization for the operation of the department.

In addition to the above, he has the following responsibilities:

1. Purchases ideas, plans and space in media.
2. Develops special promotions.
3. Prepares advertising themes.
4. Supervises co-operative advertising.
5. Notifies all suppliers of store openings and store closings.

² Copy refers to the text, or words, of the advertisement.

Some of the bulletins that he is in charge of preparing are:

1. General merchandise and sales bulletins. These bulletins are prepared each week for the stores and they supply information for future meat, produce and advertising programs.

2. Price change reports which are announcements to the stores of a change in price of some items.

3. Discontinued merchandise list which is a bulletin containing items that management no longer desires to carry in the stores.

4. Special forms such as merchandise credit forms, distribution invoices and bottle and case deposit slips.

Although the advertising manager is responsible for all these duties, he delegates a large share of them to the members of his staff.

Production and Sign Department Manager

Under the advertising manager there are three assistants. The first one is in charge of preparing layouts and art work for approved advertisements. Art work is a term applied to drawings and illustrations that are to appear in the advertisement. He also writes some copy and sees that the finished material is delivered to the media on time. Special promotional circulars are prepared by the assistant, as are promotional schemes for store openings.

He is responsible for preparing the advertising program bulletin, which is a sheet sent to the stores every Tuesday. It lists the items that will be advertised two weeks in the future. A sign shop is maintained where all signs needed by the company are prepared. This assistant is charged with responsibility of indicating to the sign production man exactly what is needed.

Some of the signs and cards produced are:

1. Window Bills - sales signs displayed in store windows.

2. Point of Purchase Signs

A. Shelf Tickets - used to indicate shelf merchandise that is on sale.

B. Scale Tickets - sales messages displayed by meat scales.

C. Basket Cards - sales messages hung on shopping baskets.

D. Talking Cards - used on displays in the stores.

E. Market Signs - used to hang on the wall behind the meat department.

F. Wire Signs - banners that are hung over wire.

H. Permanent Signs - for the stores and the warehouse.

Finally, this man has the job of contacting these other departments within the organization:

A. Construction Department - prepares decorations for the opening of new stores.

B. Merchandise Department - consults with buyers in establishing the design of labels and packages distributed under the "Jewel" label.

C. Division Heads - cooperation is needed on the preparation of special bulletins and convention material. Once a year all the store managers are invited to a sales and operational meeting, which is called the convention. The advertising department prepares a great deal of material which is used by management to discuss past results and future sales plans at this meeting.

Copy Chief

This second assistant has the following duties:

He cooperates with the merchandisers in deciding upon themes around which the advertisements will be built. This assistant writes the copy for special publications, window bills and point of purchase material. In working with the merchandisers, he helps select items that will appear in the advertisements.

He helps create special schemes to aid in the promotion of new store openings, or other related events. Contacting the media in which the special promotional material is to be carried, and making sure that the promotion occurs on schedule are also

his duties. He originates and prepares additional "gimmicks" that will help make the promotion a success.

Finally, this assistant aids in the preparation of grocery program bulletins, meat program bulletins, produce program bulletins and special promotional bulletins.

Television and Radio Manager

This man works with cooperating suppliers and the Jewel Tea Company's advertising agency in preparing advertising themes and copy for the production of radio and television programs. In addition, he works in conjunction with manufacturers' representatives in the preparation of special promotions. He prepares some of the copy for special advertisements, in-store material and circulars promoting this special program. For example, he may work with a representative for the Borden Company in preparing a special deal promoting Borden's products in the stores.

Finally, he is in charge of preparing the "Book of the Month," a sales booklet explaining how to merchandise various commodities that will come into season in future months. He writes the copy, obtains photographs and schedules the production of the book. It is designed primarily for reading by store personnel.

Artists

The artists are the men who draw pictures and provide photographs that are to be used in the advertisements.

In addition, they maintain files on the following:

A. Layouts. These tissue drawings are filed for reference purposes.

B. Artwork. A file is maintained of drawings and photographs in case they can be used again.

C. Cut File. A cut is a commonly used term meaning engraving, which is a metal plate used in the printing of an advertisement. The cut file is maintained in case additional mats are needed in the future.

D. Mat File. A mat file is maintained and can be referred to whenever pictures of manufacturers' products are needed. Mats of many products used in the past are filed.

The artists are responsible for preparing artwork for layouts of circulars and bulletins. Following is their schedule for preparing this artwork:

Monday - special requests only.

Tuesday - the produce program.

Wednesday - the meat and fish program.

Thursday - special requests only.

Friday - the advertising program.

Finally, they work closely with these departments:

A. Personnel - prepare photographs and pictures for use in house organs and booklets.

B. Merchandising Department - prepare photographs and pictures for use on labels and package designs.

C. Division Managers - prepare slides and forms for their use at meetings.

Sign Shop Manager

The man who is in charge of the sign shop was for many years connected with a Chicago newspaper. For this reason, the advertising manager feels that a large part of the effectiveness of the advertising program stems from the fact that he has excellent relations with local newspapers.

The sign shop manager does the physical production work of preparing the advertisements. He produces the tissue layout draft, sees that it is delivered to the printers and makes the necessary corrections after the proofs have been received. He also produces tissue layout drafts for the circulars and bulletins.

He is responsible for producing many signs needed throughout the organization, such as window bills, point-of-purchase signs, permanent signs and special signs for the annual convention, meetings and the warehouse.

All window and store display material is prepared in the sign shop. Stores are notified by bulletin when to expect this material after it is prepared.

Table IV explains the sign shop schedule, indicating the day the information should be delivered to the sign shop in order for it to be prepared on time.

Advertising Budget

The approximate advertising appropriation for the different media is as follows:

Newspaper	85 percent
Television and Radio	12 percent
Display material	3 percent

The advertising budget is not based upon a percent of sales, a percent of profit or some other rule of thumb. It is based upon a top management evaluation of the competitive needs in the area, the preceding year's cost of advertising and management's evaluation of the efficiency of the advertising department. In short, it is determined by a personal review rather than by a yardstick. The use of the budget is flexible and it is set up as a rough guide rather than within exact limits. Each week an estimated advertising expense statement is prepared which is actually their only and most effective tool.

TABLE IV

SIGN SHOP COPY SCHEDULE

Week-End Sale Schedule

Date Needed	Description	Delivery Date
Tuesday A. M.	Meat Window Bill	Wednesday P. M.
Tuesday A. M.	Meat Back O' Market	Wednesday P. M.
Tuesday A. M.	Meat Scale Ticket	Tuesday 2 P. M.
Tuesday A. M.	Produce Window Bill	Wednesday P. M.
Tuesday A. M.	Produce Talking Card	Wednesday P. M.
Tuesday P. M.	Cheese and Special of the Week Cards	Wednesday A. M.
Tuesday P. M.	7560 Special Window Bill ³	Friday P. M.
Tuesday P. M.	Grocery Window Bill	Friday P. M.
Wednesday A. M.	Little Giant ⁴	Friday P. M.

(Special signs and charts at least 24 hours prior to shipping date)

First of the Week Sign Copy Schedule

Wednesday P. M.	Fish Window Bill	Friday P. M.
Wednesday P. M.	Fish Talking Card	Friday P. M.
Thursday A. M.	Meat Window Bill	Friday P. M.
Thursday P. M.	Produce Window Bill	Friday P. M.
Thursday P. M.	Produce Talking Card	Friday P. M.

³ 7560 is the number of a store to which a special window sign is sent each week.

⁴ "Little Giant" refers to a group of large stores for which special signs and cards are made.

Source of Ideas

The advertising manager does not use outside advertising services like those offered by McCall's and the Ladies Home Journal. It is felt that this company's advertising must reflect their personality and it is not possible to achieve this by using "boiler plate"⁵ services.

An organization called Social Research, Incorporated, was asked in November, 1951, for opinions on the Jewel Food Store advertisements. The following is a paragraph from that report.⁶

There is opinion not taken from the housewife that lately Jewel advertisements have an increasingly consistent character of their own that should be useful in quicker identification. The use of themes to unify aspects of the advertisements, relating the recipe to a leading item, not having too many items - all seem to contribute to a better looking page, one easier to read and to find things. These aspects should help more and more as the customer gets used to them, makes a habit of noticing and cutting out the recipe and household hint, and increasingly gets the character of the Jewel Stores as the advertisement seeks to express it.

A research organization of this type can be useful to advertisers desiring information regarding the effectiveness of their advertisements.

⁵ This is the term used by the advertising manager of the Jewel Food Stores to describe outside advertising service material.

⁶ Excerpt from a letter from Mr. D. R. Booz, Advertising and Promotion Manager, the Jewel Food Stores, Chicago 9, Illinois, dated April 1, 1952.



CHAPTER VI

THE CONSTRUCTION OF THE JEWEL FOOD STORES ADVERTISEMENT

An explanation of the company and of the advertising department has been presented. The steps necessary in the construction of the advertisements will now be traced.

Theme

The theme for a particular advertisement usually arises out of a meeting between the merchandise and advertising managers, although it could be originated by anyone on the management level. No outside advertising services are used because this chain's management feels the material prepared outside the organization will not contain the Jewel Food Stores' personality.

The selection of the theme can be done at any time, but not later than four weeks in advance. The advertising manager has this to say about planning the work four weeks in advance:¹

The constant struggle is to plan our work in advance while remaining flexible enough to meet last minute changes. Our four-week schedule of advertisement planning has worked out reasonably well, and we feel that this is the longest period of time that is required to work ahead on advertisements. It is the shortest period of time which will permit us to cover all divisions involved and to secure the necessary art work and engravings from outside sources.

¹ Excerpt from a letter from Mr. D. R. Booz, Advertising and Sales Promotion Manager, Jewel Food Stores, Chicago 9, Illinois, dated February 5, 1952.

An attempt is made to have the theme several days in advance of the merchandising meeting, so that a rough layout can be prepared and presented to the buyers and merchandisers at the meeting at which the items are selected. For example, if the theme is: "Food from the Far Corners of the Earth" - items would probably be selected that are imported from many lands.

Merchandising Meeting

The merchandising meeting is held every Monday at 3:00 P. M. The men at the meeting for the current week discuss the advertisement to be used four weeks hence. The meeting is attended by the assistant advertising manager in charge of themes and copy, the buyers and the merchandise manager. The major items that are to go into the advertisement are discussed and selected. Some prices of staple merchandise may be released at this time, but produce and meat prices are only vaguely determined.

Illustrations

The illustrations used in the advertisements are usually prepared by the artist. Occasionally, the artist for one of the newspapers will prepare art work without cost if it is used in his medium exclusively. But, generally speaking, the newspapers in the Chicago area charge for making cuts, so this chain has engraving houses make up the cuts because of better quality workmanship at the same prices.



Whenever photographs are to be used in an advertisement, the advertising manager or the artist arranges with one of three studios used by this chain to take the photograph.

There are six broad steps that this company goes through in preparing the weekly advertisement, which is published on Thursday and costs approximately two thousand dollars a page for each Chicago paper used. The newspapers are notified weekly of the coming weeks' space requirements. Notice of variation in weekly requirements are given a week in advance. The papers furnish the original proof and two revised proofs without charge. If any more are requested, there is a charge. All of the metropolitan papers have contract provisions allowing special rates for advertisements published in a series, that is, full page advertisements published once a week for a series of weeks. Special rates are also allowed for advertisements that cover more than one page.

The four Chicago papers in which advertisements are inserted are:

Chicago Tribune

Chicago Daily News

Chicago Herald-American

Chicago Sun-Times

This company always has in process four weekly Thursday advertisements. One is based upon the merchandising program for four weeks in advance, one for three weeks in advance, another for two weeks in advance and the last one for the current week. These advertisements appear in two principal Chicago papers and thirty suburban papers. There are at least five different basic layouts involved for the various newspapers each week. In other words, each week at least five new basic layouts are begun.

The same items and prices are included in all the advertisements that apply in any one week. The advertisements for the Chicago papers would naturally be larger than the advertisements inserted in some of the smaller suburban papers.

In addition to these basic layouts, others may be started covering a special promotion, like the Twentieth Birthday Promotion which this chain is undergoing at the present time. In addition to their regular advertisements, they are constructing five full-page advertisements a week for seven weeks. Recently, thirty of these advertisements have been in process at the same time!

Advertisements that go to suburban newspapers are either set by one of the Chicago newspapers, or by the Pioneer Company, a printing house in Chicago used by this chain, that coordinates

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the printing of suburban advertisements. Mats of the advertisement are made and sent to the suburban papers by the Pioneer Company. The suburban papers in turn print the advertisement in their respective papers by using the mats.

The Tissue Layout

The theme of the advertisement is originated several days in advance of the merchandise meeting so that a rough layout can be prepared and presented to the buyers. This is the tissue layout, and it is prepared no less than four weeks prior to the publication of the advertisement. An example is presented in Figure 10. Note the incompleteness of the tissue layout. The layout is designed to picture in rough form an idea of the appearance of the finished advertisement. It gives the advertising manager a basis for estimating the amount of copy required; it tells the artist the proportion to which drawings must be made; and finally, it provides the printer with the instructions necessary for putting the copy into type. The headline has been selected and is included in this layout.

Note that boxes are drawn on the tissue layout showing the areas in which type is to be set; the areas set aside for the meat department, produce department and other assorted sections.



Figure 10. The tissue layout

The day after the merchandising meeting is held, a second discussion is held between the grocery merchandiser and the production and sign department manager. These men decide upon a tentative program, suggest media to be used, decide upon the advisability of publishing other than regular Thursday advertisements, decide upon the dates of these advertisements and investigate the possibilities of special offers and deals to be made. This tentative program is approved by the advertising manager, and after being processed, copies of the information are made and the work scheduled. These activities usually take place by Thursday of the first week. Starting with Thursday through Wednesday of the following week, the tissue layout is completed in rough form. All the rough tissue layout contains is the headline, a few items, a few prices and some drawings. It is sent to the art department of the Chicago Daily News before Wednesday of the second week.

Photostatic Proof

The Chicago Daily News makes two photostatic copies of the tissue layout which are received by the chain on Wednesday of the second week. One is put on file and the other one is processed. An example of a photostatic proof is included in Figure 11. Some produce items, some meat items, additional prices and menus are all added to the photostatic proof at this time.

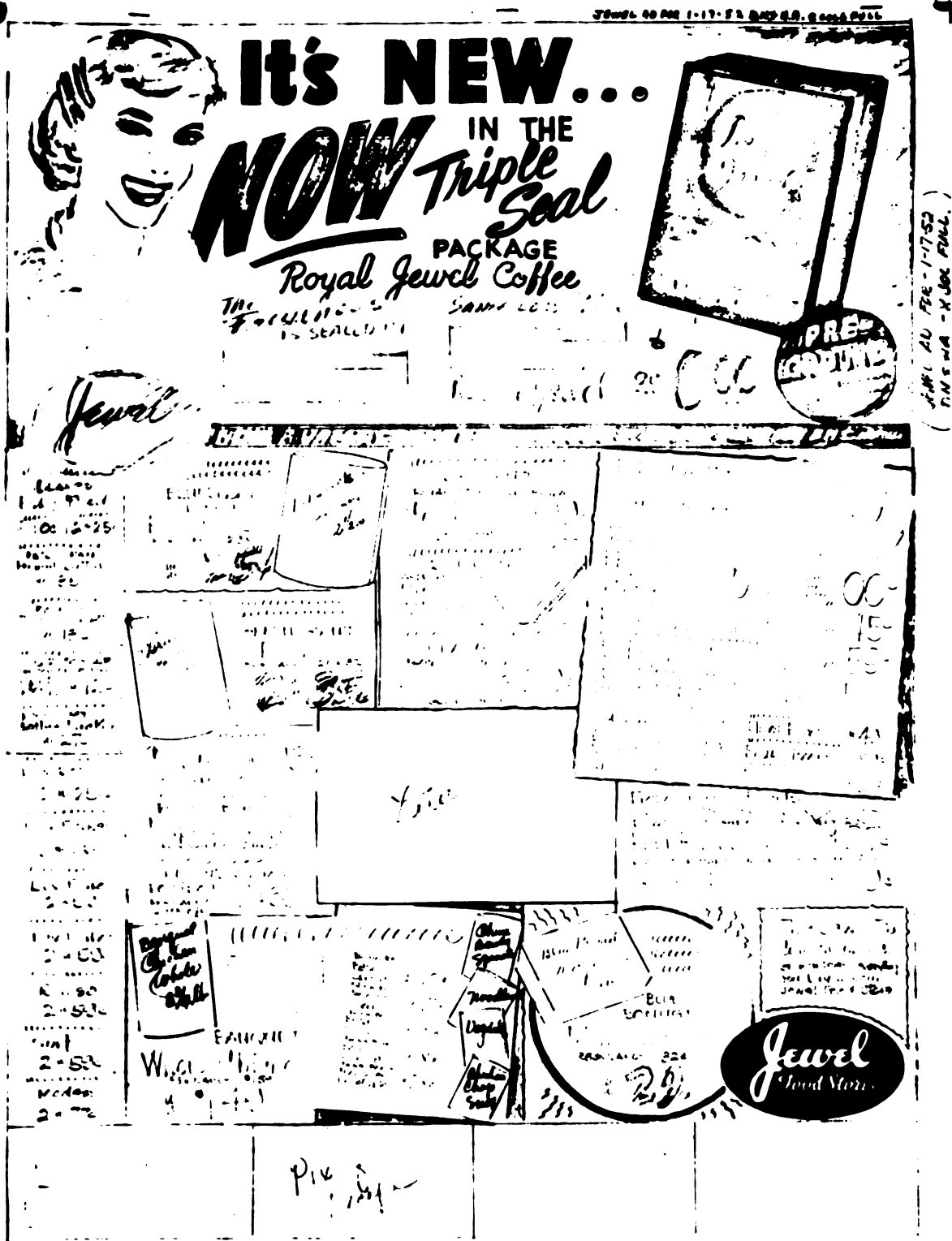


Figure 11. The photostatic proof

The secretary to the advertising manager prepares a sheet which shows all by-lines and editorial copy that is to be included in the photostatic proof. On Monday of the second week she obtains approval from the buyers to use this material. Then, the production manager adds this material to the photostatic proof. On Wednesday of the third week the completed proof is sent back to the newspaper.

During the third week, layouts are being prepared for the suburban papers and sent in for processing. In the meantime, the artists have been preparing photographs and pictures needed for the advertisement. These have been checked and approved by the advertising manager. They are sent to an engraving house where cuts are made. These cuts are sent along with the photostatic proof, to enable the printer to print an original proof.

Original Proof

The original proof is received from the newspaper on Thursday of the third week. These proofs are checked, corrected and most copy is inserted. It is held until Friday and then sent back to the papers. No example of this proof is provided in this chapter.

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First Revision

On Monday of the fourth and final week, a number of first revised proofs are received, and a copy is sent to each buyer. He makes his corrections, suggests changes, initials the proof and returns it to the production manager. Copies are also sent to the merchandise manager and to the advertising manager for their approval. An example of the first revised proof is included in Figure 12. Note by comparing Figure 11 with Figure 12 that someone suggested a change in the description of the Jewel coffee.

The first revised proof is held until Tuesday, at which time the produce prices are added. Then it is sent back to the newspaper.

On Tuesday about 10:00 A. M., the production manager receives the suburban proofs from the Pioneer Company and he corrects them before 12:00 o'clock noon. The mats are rolled and sent out from the Pioneer Company Tuesday afternoon, to all the suburban papers. The final mast and produce prices for the suburban advertisements must be on the production man's desk by Tuesday noon.



Second and Final Revision

The finished proof is received Wednesday morning. All final price changes are made. The proof is read very carefully by the secretary and the production man. It is rechecked by the promotion assistant in charge of layouts and production and final approval is made by the advertising manager. An example of this final revision is presented in Figure 13. This proof is sent back to the newspaper Wednesday afternoon.

Completed Advertisement

The completed advertisement is published on Thursday. The papers are checked for position and tear sheets, which are copies of the finished advertisement, are received for cooperative billing.

Cooperative billing is the agreement between a manufacturer and the advertiser that allows the latter a specific allowance for including the former's product in the advertisements. The allowance is usually a discount of so much per case of merchandise ordered. The estimates of allowances receivable are tallied on Friday. An example of the completed advertisement is presented in Figure 14.

[illegible]

It's NEW...

PRE-GROUND IN THE NEW BLUE & YELLOW 2 LB. PACKAGE

Royal Jewel Coffee

The Freshness Is Sealed In
HERE IS ANOTHER FIRST
FOR JEWEL CUSTOMERS...

GROUND COFFEE AT
BAG COFFEE PRICE!

Royal Jewel 2-LB. \$1.55 COFFEE PKG.

DRIP OR REGULAR GRIND

RY JEWEL CO. ALWAYS GET A DOLLAR'S WORTH OF GOOD EATING FOR YOUR FOOD DOLLAR!

Jewel Food Stores

NEW! NEW! NEW!
Pulse Dips
12¢

NEW! NEW! NEW!
Pulse Pan
Peanut Butter
12¢

NEW! NEW! NEW!
Thin Spaghetti
12¢

NEW! NEW! NEW!
Green Split Peas
12¢

NEW! NEW! NEW!
Cotton Cakes
12¢

NEW! NEW! NEW!
Pine Grout Mils
12¢

BLUEBROOK Sliced Peaches
Regularly 25¢
25¢

SALERNO ROYAL STREBERRY HALLOV'S Cookies
12¢
Bx. **29¢**

TOP QUALITY Jewel Meats

FRESH HAMS 53¢
Pork Loins 45¢
Frying Chickens 55¢
Smoked Beef Tongues 59¢

BEAUTY BASKET Napkins
12¢
10¢

ORLANS ALL MEAT Dog Food
12¢
35¢

GREEN GIANT Peas
Regularly 35¢
35¢

BORDEN'S BRAGGS Cheese Spread
12¢
Pkg. **59¢**

SHRIMP 39¢
Sliced Bacon 49¢
Bologna 59¢
Bratwurst 59¢
Pine Fritters 69¢

Crisco
12¢
89¢

GRapefruit
Large Size
Each **5¢**

FROZEN FRESH FOODS
Red Raspberries 12¢
Green Peas 19¢

Las Soup
12¢
25¢

Las Soup
12¢
25¢

Florida Oranges
12¢
29¢

Florida Oranges
12¢
29¢

BLUE BONNET Margarine
12¢
29¢

Las Fishes
12¢
57¢

Bacon
12¢
57¢

BANQUET Whole Chicken
Regularly \$1.50
3 1/2 - 4 Lb. **\$1.49**

Helpful Household Hints

Whole Chicken
Regularly \$1.50
3 1/2 - 4 Lb. **\$1.49**

Helpful Household Hints

Helpful Household Hints

Helpful Household Hints

Figure 14. The completed advertisement

Quickies

Due to sudden changes in market conditions or other important events, the regular advertisement can be changed, or a completely new one can be constructed in as short a time as 12 hours before publishing time. This is not satisfactory, however, as no proofs are available for checking. The term "quickie" then, refers to a special advertisement that is prepared with little advance notice and is usually used to publicize an exceptional promotion.



CHAPTER VII

DESCRIPTION OF THE KROGER COMPANY

In discussing the Kroger Company, an attempt will be made to separate the material into two parts, namely, the general office operation and a branch office operation. This chapter will describe the general office, which is located in Cincinnati, Ohio. The next chapter will deal with a branch operation. This is done so that the advertising policies and practices, which are originated in Cincinnati, can be studied both at the point of inception and at the point where actual use is made of these policies and practices.

General Office

The Kroger Company sells approximately one billion dollars worth of merchandise each year through 1,985 stores. Twenty-five branch offices direct the operation of these stores. Each branch is autonomous; that is, the branch management has almost complete charge of all their various functions. The management in the general office acts as a suggestive body, recommending policies to each branch, but not actually giving direct orders. The object here is to encourage independent thinking on the part of branch management with general office suggestions projected so that their experience will stimulate branch management in creative thinking.

Twenty-one manufacturing units, including 15 bakeries, five dairies, two factories, a peanut plant, a shrimp packing plant and 29 warehouses manufacture and distribute products sold in the stores. The company has stores in 1,392 cities located in 682 counties. The territory of this chain consists mainly of the heavily industrialized states in the Great Lakes and mid-western regions. Ohio, Illinois, Michigan and Missouri account for a major portion of the total retail outlets. Some stores are also located in Indiana, Arkansas, Georgia, Kansas, Virginia and other neighboring states.

Organizational Chart

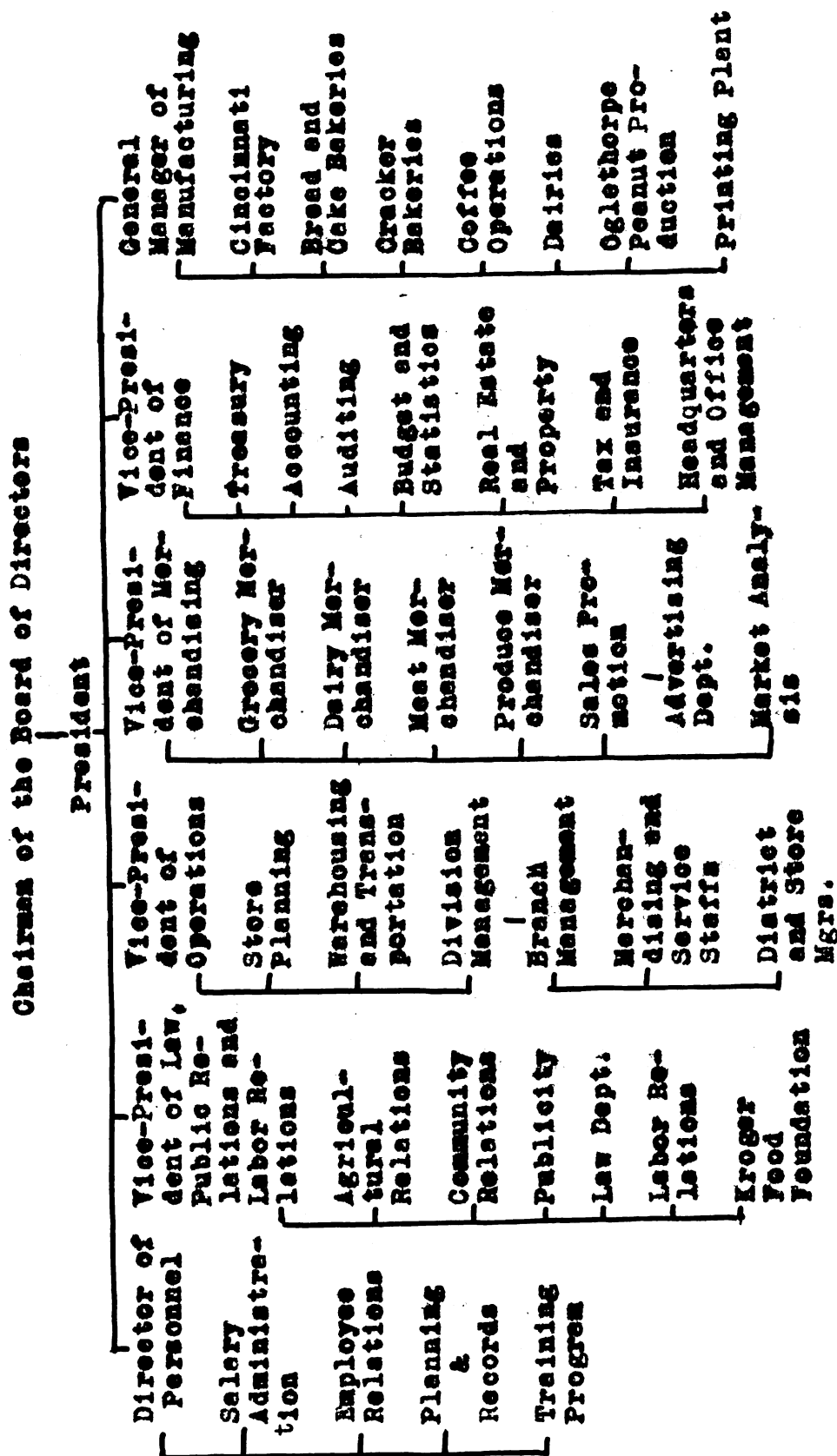
The organization of this company's general office management is presented in Chart IV. The president of the company is also a member of the board of directors. Including the president, other important executives consist of four vice-presidents, a director and a general manager.

Some understanding of the responsibilities of these men can be gained by regarding Chart IV and observing the various departments under each official. Note that the sales promotion department is under the vice-president in charge of merchandising. The advertising department is part of the sales promotion department, which occupies most of the fifth floor of the general offices. There are three additional departments in the four-



CHART IV

MANAGEMENT ORGANIZATION OF THE GENERAL OFFICE OF THE KROGER COMPANY*



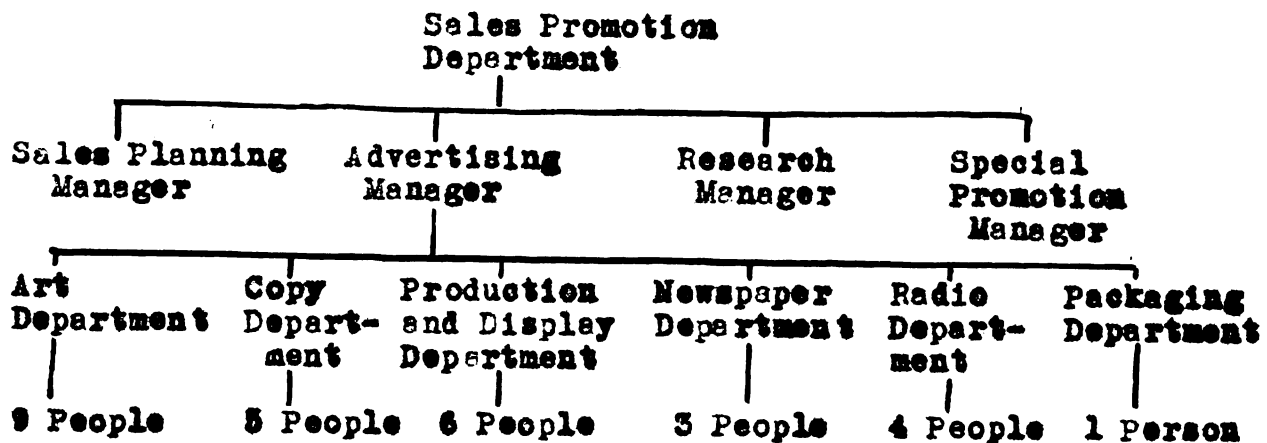
86

* Source: A Career for College Men, a Personnel Folder, the Kroger Company, January, 1951.

part sales promotion group, including sales planning, research and special promotions. This, and the organization of the advertising department, is all shown in Chart V.

CHART V

ORGANIZATION OF THE KROGER COMPANY ADVERTISING DEPARTMENT*



* Source: Excerpt from a letter from Mr. William J. Sanning, Advertising Manager, the Kroger Company, Cincinnati, Ohio, dated March 7, 1952.

The Advertising Department

The best way to get a clear picture of the function of the general office advertising department would be to visualize the department as an organization quite similar to a regular advertising agency with the 25 branches of the company as its



regular clients. Although there are many variations, the standard duties of this department are to suggest, prepare and produce the bulk of all the advertising material used by the Kroger Company.

At this time, the advertising department will be broken down into its component parts. The department is headed by the advertising manager, who is to supervise and approve all the varied advertising material produced by his staff.¹ The advertising manager has under him six departments comprising the entire advertising section. The first two departments include two of the main channels for company communication with the consumer. These are the newspaper and radio departments. Store display, which is also a main channel of communication with the consumer, is part of the production department. Here is what Mr. William J. Sanning, Advertising Manager of the Kroger Company, had to say about this store display-production relationship:²

¹ Many of the duties and responsibilities reported for the advertising manager of the Jewel Food Stores in Chapter V, also apply to the advertising manager of the Kroger Company.

² Excerpt from a letter from Mr. William J. Sanning, Advertising Manager, the Kroger Company, Cincinnati, Ohio, dated March 7, 1952.

In our advertising department, the production manager also handles the management of our display program, since he is completely familiar with the display needs of our branches through long experience in the company. He is also familiar with planning methods and sources, so that he is competent to manage both mechanical production and the display program.

The foregoing answers any questions that might arise as to why the display department is part of the production department.

A smaller division is the packaging department which designs and produces the labels used on Kroger Company products. Working with the above divisions of the general office advertising department are three more departments, which handle the technical ends of producing the promotions of newspaper, radio and store display. These are the copy, art and production departments, the latter having been already mentioned as part of the production-display section. Their services are directed toward reaching the common goal; that is, the finished piece of advertising.

The newspaper department covers all the newspaper advertising for the twenty-five branches. This includes contacting branches for advertisement requests and requirements, ascertaining their needs relative to other branches, local factors and competitors' advertising and producing the requests of the branches. The radio department serves as the newspaper



counterpart in its particular field of consumer communication. The radio division plans and produces all promotions, spots³ and programs that fall under its classification. In this respect, radio shows are planned and developed by advertising agencies which earn 15 percent of all time and talent costs in exchange for copy and production services.

The store display division, handled by the production department, is in charge of all the displays, window banners, and interior decorations of almost two thousand stores in the company. In a smaller classification, is the records section, which keeps the advertising department's accounts and budgets.

The copy, art and production departments are the technical workhorses of the advertising department. The men in these divisions are the ones who must produce the finished advertising product.

Copy Department

Taking them in their order of operation, the first is the copy department. Headed by the copy chief, the copy division

³ A spot is a program issued directly from a station in behalf of a national or wide-area advertiser, in contrast to a network broadcast, which is broadcasted over a series of connected stations, or a local broadcast, which is a program sent out by a local advertiser over a station in his city.



produces the written word, and the thought behind that word, in the advertising that comes out of general office. The copy department and the art department are two creative departments of advertising. It is in these two departments that specialists with the word and the paint brush search for new approaches to attract the customer to the store. It is in these two departments that these men experiment endlessly with their imagination seeking the elusive "new" approach for presenting the Kroger Company to its potential customers.

Art Department

After the copy department has produced its specialty, it turns its copy over to the art department, which adds its artistic contribution. The result is the finished piece of art ready for reproduction. In the process of producing this finished art, it is apparent that there must be close cooperation between the two departments. The copywriter and the artist assigned to the particular job consult frequently on matters of layout, spacing, choice of words and drawings.

Production Department

Finishing out the process started by the copy and art departments, the production department completes the technical teamwork that results in the finished piece of advertising. The production department serves its main purpose in trans-

forming the finished piece of art into whatever manner of consumer communication is deemed advisable; like, newspaper advertisements, store displays and radio commercials. This is only a portion of the duties of the production staff.

Headed by the production manager, this department handles the many detailed procedures in the transformation of the finished created product to its use in different media. This includes sitting in conference with the art and copy departments when a job is being planned, constant contact with both groups when the job is in work and completing the procedure by arranging for the printing and shipping of the final piece. The production department follows the job from its inception to its absolute completion when the branch office receives its advertising material. It serves as a go-between and double check between the art and copy divisions. To aid in this work, the production department keeps a daily record of all jobs in work and at what stage each is in at any given time.

Beside the regular artist-copywriter conferences on a job, there is the production man who also works with the two men from the other departments. He keeps in constant contact with the artist and copywriter. In any problems that may arise pertaining to the reproduction of the job, he gives the production division point of view, just as the other men give

the point of view from their respective divisions. It is a case of three trained specialists uniting to produce the finished piece. This makes it evident that a great deal of cooperation and compatibility must exist. Each man must be aware of the problems of the other two and work toward the goal in a manner that would best meet all the problems from all three points of view.

Assisting the production manager are four assistants and his secretary, the latter's duties being so broad that she must also be classified as an assistant. The production manager's secretary serves as an intermediary between the advertising department, the branches, and the many companies who print the advertising material. These duties are in addition to the regular functions of a secretary.

The other production assistants are assigned to various tasks pertaining to their specialties. There is a newspaper assistant who specializes in the production of the newspaper advertisements, the advertisement book⁴ and special requests from the branches. He works closely with the art and copy departments in seeing that the newspaper advertisement material comes out of the art department on time, is approved by the copy department, sent to the engravers for plating, to the

⁴ The advertisement book contains suggested reproductions of actual size advertisements that branches can use if they desire.

type company for mats and then shipped on to the branches. In the case of the advertisement book, it is his duty to see that the art is sent to the printer and shipped to the branches on time. Another one of his duties is ordering all the type used by the artists in creating their finished work. Working with this newspaper man is a mat order clerk whose duties are to take branch requests for mats and relay them to the mat company, which in turn ships them to the branches.

The other assistant handling the other large division of production is the display assistant. His duties are to work with art and copy on all interior store displays, including the display catalog,⁵ and arranging for its printing and shipping to the branches. He must keep track of all the display pieces in work, from origin to receipt by the branches. He also prepares a "Jobs Due" sheet each day listing each job in work and at what time each job is to reach the copy, layout or finished art divisions, that day. Copies of the "Job Due" sheet are then distributed to the production manager, the art directors, and the copy chief so that each may know what jobs must be in that day.

⁵ The display catalog contains suggested small scale display cards which the branches order from the general office when needed. The size of the card ordered depends upon the need of the individual branch.



The other production assistant concerns himself with the department files, as well as helping the newspaper and display assistants in the performance of their duties. The production department has on file art in all sizes, shapes and types for use by the artists in their work. This art can be used over and over again and the files assistant aids the artists when they need a particular piece of art for a job.

Also kept on record are proofs of all the advertisements produced by the advertising department for the past four or five years, as well as records of these advertisements for possible re-use in a similar job arising at a later date. These, as well as display samples, are available in the production department to anyone at the general office.

This sums up the organization of the general office advertising department.

Advertising Policy

The advertising policy of the Kroger Company is determined by the top level executives of the company at regular meetings. This policy, formulated by the president and vice-presidents, is decided upon after consultation with branch management, merchandising divisions, the advertising manager, the sales promotion manager, the specialists in these departments, the research staffs and the public relations department.

The advertising manager confers with the vice-presidents concerning the policy for advertising and then directs his staff accordingly. These policy meetings are held regularly each month at general office and results of recent programs are reviewed and plans for coming periods are discussed.

Following these conferences, the advertising manager assembles the heads of the production, copy and art departments and they plan the detail work behind the program. As a promotion begins to crystallize into a concrete program, the production manager confers with his staff, explains the promotion and then the production department begins its work of overseeing the entire venture. With a representative of the art and copy departments present, the production manager charts the schedule of the promotion, how it will be presented, to whom and other pertinent data. Job sheets are prepared and distributed and the job officially becomes "in work". The degree of cooperation necessary for the attainment of the objective is again evident here. From the kick-off conference down through the intra-department meetings, there must be a unity of thoughts on the common problem. While there may be many disagreements of one kind or another from the early stages, the differences of opinion must be cleared satisfactorily if the job is to reach

a successful conclusion. The art, copy and production division must work together like a well oiled machine or a promotion could never be completed.

Time Element

The time element in preparing promotions and advertisements varies with the type of job. Generally speaking, promotions are planned three periods⁶ prior to use. The technical work is scheduled so that it is completed and projected to the branches six weeks in advance. There are exceptions to this rule in both directions but this is the program that is generally followed. An example of this is the program of the fourth period (March 23 through April 19, 1952). The preliminary meetings were held January 15th and the final material was shipped to branches on February 15th.

Notifying Branches of Promotions

The branches are notified of future advertising policies and promotions by two general methods. The first is the advertising layout book of newspaper advertisement suggestions. The second is the layout of potential store displays in the display catalog. These are regular services presented every period. Over and above these, special branch-wide letters and memos are sent occasionally to announce special policy changes or special promotions.

⁶ This chain operates on a four-week period. In a years operation, there are 13 periods.

The advertisement book contains suggested layout for the coming period. These layout suggestions range from double truck advertisements down to two column inserts on all the features of that particular period. For instance, the advertisement book for the 12th period would hit heavily the Thanksgiving theme in its advertisements. Plates of these advertisements are held in Cincinnati and the branches teletype their requests to the mat order clerk in the production department. These are sent to the mat company which ships immediately to the branches.

The procedure is slightly different for the display catalog. Because of the large size of the majority of store banners and cards, it is impossible to make an exact size duplication to ship to the branches. Therefore, a catalog is printed of much smaller scale but fairly near proportion. The catalog is broken up each period into four weeks with a special sale for each week. For example, one week the feature may be canned foods, the next Lenten specials, the next household specials and so on. The catalog shows all the banners, cards and shelf markers placed to scale as they would appear on windows, cases or wires. Order forms are sent to the branches with these catalogs and after the branches have selected the display pieces they want, as well as the items they want imprinted on the

material, they return the order forms to the production manager's secretary-assistant. She then relays the orders to the printer handling the job who imprints the particular requests and ships them to the branches. Special campaigns, such as the Coffiesta coffee campaign, that run concurrently with a regular period promotion are included as a special page in the catalog and by inserts in the advertisements in the advertisement book. These store banners and cards are supplied to each branch at cost.

Headlines

Strictly speaking, there is no weekly advertisement headline prepared in the general office advertising department. There is a weekly suggestion to the branches but they have practically a free hand in choosing their headings. The general office advertising department gets its ideas for its suggestions from the merchandisers in both the general office and in the branches. For branchwide promotions, the advertising manager confers with the chief grocery merchandiser and his assistants and gets an outline on what items are to be accentuated during a coming period. For individual branch promotions, the local merchandiser confers with his branch advertising manager who contacts the general office advertising department with the request for production.

Sources for Ideas

The idea for the advertising material comes from experience, a well stocked file and the individual's own creative imagination. The art director stated that the best artist is the one with a good memory and a large file. This, of course, is a humorous exaggeration but it hints as to the origin of creative imagination. In creating an advertisement on a particular item the copywriter and the artist check their files on what they have on the item and then their imagination takes over. For example, in doing a piece on shrimp, the copywriter checks his sources. His file may include clippings on shrimps and books or manuals on accepted standard grocery copy. It should be emphasized that he does not check these sources with the intent of pilfering someone else's idea or copying it word for word, but rather for a basis on which to start his imagination clicking. From these samples he may develop a new approach unrecognizable from what the samples had to say.

Taking the writer's copy, the artist follows the same plan. Glancing through previous layouts on shrimp, a bell may ring, a light may flash, and the artist has his inspiration. The idea may come immediately to the copywriter or artist

or it may come slowly. It is an unpredictable thing. For common promotions such as store openings or holiday sales, standard, tried and true layouts are used but still the copywriter and artist have the opportunity and challenge to apply new innovations for added interest. It should be emphasized that an advertisement idea can come from any of the departments mentioned above showing the prudence of inter-department cooperation.

The advertising department takes advantage of many reference services in planning its advertising. The art department, for example, subscribes to a photographic service from which it can obtain any type of picture that might be needed. Catalogs are sent to the art director periodically showing the art available. The copy department receives help from the "Book of Grocery Advertising and Selling". Produced by the Grocery Manufacturers of America, Incorporated,⁷ the manual contains tested sales copy for all purposes for nationally advertised brands. This manual is necessary because of the many, varied products in the Kroger Company stores. The creative divisions also make use of "Food Ad-Views,"⁸ a publication pertaining to food

⁷ Vincent, Zola. Book of Grocery Advertising and Selling. 1948 ed, New York: Grocery Manufacturers of America, Inc., 178 pp.

⁸ Food Ad-Views. Vincent Edwards & Co., 342 Madison Avenue, New York City, New York, December, 1951, 35 pp.

advertising. Food Ad-Views analyzes food advertisements each month from all large food companies, commenting on their good and bad points. The advertising department also subscribes to such trade organs as "Printers' Ink," "Tide" and "Advertising Age". These periodicals are helpful in keeping the department abreast with the advertising world in general. Clipping services are also used regularly. For further help in preparing advertisements, photostats are kept of all advertisements in all the branches, as well as competitor's advertisements, for research and analysis purposes.

Autonomous Branches

The branches have almost a free hand when it comes to setting up their plans. The advertisement book service is just that - a service. What is offered are suggestions which the individual branch may or may not use. On the whole, the branches pattern their advertisements after the general office suggestions, but in most cases only the skeleton is used with many local innovations. Some branches do not use general office suggestions and create their own advertisements. The policy is to encourage independent thinking on the part of the branch merchandisers with headquarter's suggestions projected so that the general office experience and know-how will benefit and stimulate the branches in creative thinking.

In summation, it can be said that no good piece of advertising is ever produced by one individual or one department. It is many departments working together closely toward a common objective. The divisions of the general office advertising department work as a coordinated unit for its expressed end - good advertising. It is teamwork, as necessary in the advertising department as on a baseball diamond, that makes the advertising department click.

CHAPTER VIII

THE CONSTRUCTION OF A KROGER COMPANY ADVERTISEMENT

The Detroit Branch of the Kroger Company

After the general office advertising department has prepared the advertisement book, the display catalog and the other material necessary for company promotions, this material is sent to the various branches. Each branch orders its needs, depending principally upon their individual requirements and the number of stores in the branch.

In order to present a clear picture of the construction of a Kroger Company advertisement, the methods used by the Detroit branch will be outlined in this chapter. Although individual procedures will vary from branch to branch, the general methods used in each branch are similar. The Detroit branch is the largest in the company, containing about one hundred and fifty stores. Weekly sales for this branch average about one million dollars.

Most of the stores in this branch are found within the city limits of Detroit, but there are around thirty stores in communities surrounding the Detroit area; namely, Pontiac, Royal Oak, Mt. Clemens, Wyandotte, Port Huron and others.

Moving this merchandise to the stores efficiently requires excellent management from store manager on up to branch manager. It also requires a host of experts experienced in real estate, accounting, transportation, personnel, merchandising and advertising. Even though these men are trained experts in their field, their success depends upon their ability to work together, for the importance of cooperation cannot be overstressed. The Kroger Company believes that every department or store in the branch should work cooperatively - as a functional whole. Each employee should contribute to his department or store, and each unit should contribute to the general plans for the branch. Mr. Joseph B. Hall, President of the Kroger Company, explained:¹

Through discussions we arrive at certain policies or programs. By means of meetings we develop an understanding of this program. We then expect the men in the various fields of responsibility to carry out the program.

Many meetings are held between the advertising manager, buyers and merchandisers. These meetings help to develop an understanding of the problems involved and the solutions suggested.

¹ Hall, Joseph B. Leadership in an Evolving Organization. Development of Executive Leadership, Harvard University Press, 1949, 8 pp.

Management Organization

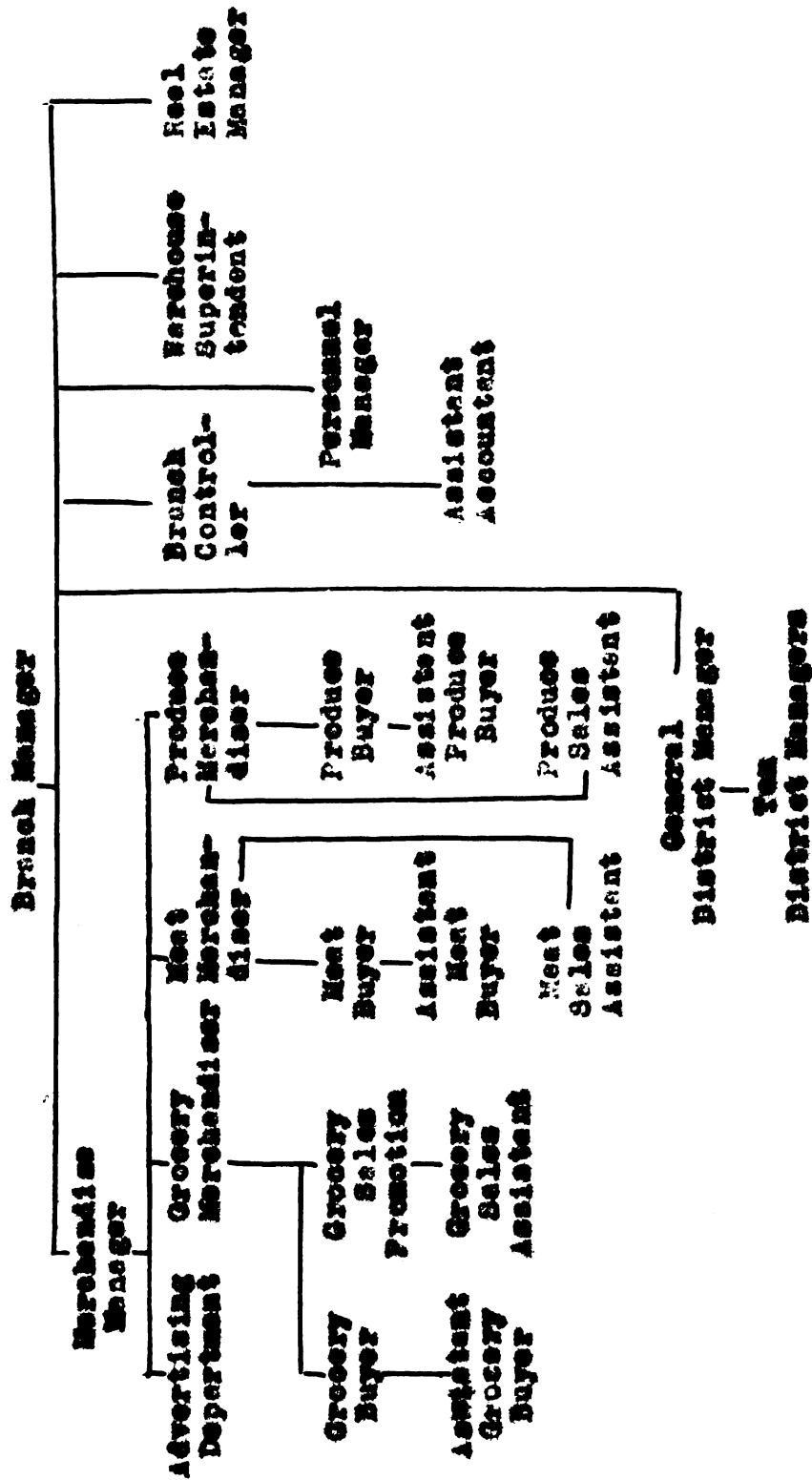
Chart VI shows the management organization of the Detroit Branch of the Kroger Company. This chart shows the advertising department is under the merchandise manager and consists of two men, the advertising manager and his assistant. The grocery, meat and produce merchandisers can, and do, make changes in the advertisements whenever they feel it is necessary. These men are in the grocery business primarily, and their profit depends upon selling items at current prices. If the wholesale prices happen to change at the last minute, they must be flexible enough to be able to change the advertisement before it is published. So, regardless of cost, the buyers and merchandisers must be able to make changes as their good judgment dictates.

Weekly Meeting

A meeting is held each Monday afternoon between the merchandise manager, the grocery, produce and meat merchandisers and buyers, and the advertising manager. At this meeting, the advertisements are discussed and formulated. Each man makes suggestions regarding the advertising theme, headline, items to be advertised and prices. Each suggestion is discussed and of this group session comes a definite plan for a promotion. This branch works on a four-week schedule of advertisement planning.

CHART VI

ORGANIZATION OF THE DETROIT BRANCH OF THE KROGER COMPANY*



* Source: Excerpt from a letter from Mr. C. Olaf Telle, Branch Manager, Kroger Company, Detroit, Michigan, dated October 29, 1951.

The advertisement that will be published in four weeks is tentatively determined at this meeting. The advertisement that will be published in three weeks is reconsidered, and proposed changes are made. The advertisement that is to be published in two weeks is also reconsidered at this meeting. Finally, the advertisement planned four weeks ago, which will be published during the current week, is submitted by the advertising manager for approval and is published on Thursday, four days later.

Theme

At this meeting, a selling idea or theme is determined for the promotion scheduled in four weeks. The advertisement is then built around this theme. One of the merchandise managers or buyers might originate the theme, or it might come from the advance advertising material from the home office. Some themes that the branch has used in the past are "99¢ sale," "10¢ sale" and "dollar days". The theme can actually be built around almost anything, like a canned goods sale, a national sales event or a tie-in promotion.

A four-week schedule seems to work out favorably for this branch. The sale price of many canned goods can easily be determined, especially since the Kroger Company manufactures many

of the products sold in the stores. The cost is known and relatively stable, and it is, therefore, possible for the grocery merchandiser to decide on advertising a number of these items.

Trends in the supply and demand of meat products are studied by the meat buyers and merchandisers, and from these reports they derive a tentative plan as to what items they wish to promote.

The same situation applies to the produce and dairy fields. The produce and dairy buyers have facts which help them determine the items to advertise.

Constructing the Advertisement

In order to make this report as clear as possible the day by day activity of the branch's advertising department will be reported. The advance advertising material from the general office is received by this branch six weeks in advance of use. This means that the branch merchandisers, buyers and advertising manager have two weeks to regard the material. Two weeks later, the branch weekly meeting is held. At this meeting, the branch plans are projected to tie in with the general office program. This meeting, as mentioned earlier, is held four weeks prior to the week of publication of the advertisement.

The advertising manager takes notes on the general office advertisement book, and later on, when he prepares the tissue layout, he uses the notes and the advertisement book as a guide. In this manner, he arrives at a completed advertisement that will meet the approval of the merchandisers and buyers.

The Tissue Layout

The advertising manager in the Detroit branch actually prepares the tissue layout, with his assistant aiding him by maintaining mat files, following through on cooperative agreements and making sure that advertising material is sent to the newspapers on time.

The tissue layout is approximately the same size as a newspaper page, enabling the manager to organize the layout in the same proportionate size as the finished advertisement. The organized arrangement usually precedes the copy writing because an attempt is made to visualize the advertisement as a related unit before starting to write copy. The manager, by referring to the approved advance material, can see what the headline is and has a good idea of how much space each department will need. He actually begins by inserting the headline on the tissue layout. Next, space is allocated to accommodate a given number of items, for current slogans, for copy and for illustrations.

Work on the tissue layout is started anywhere from two to four weeks prior to the week of publication. On Thursday, exactly one week prior to publication, the manager starts to complete the tissue layout. He has used as a guide the advance advertising outline. Notice the tissue layout in Figure 15 publicizing the Christmas sale. The value of the advertisement book received from general office is evident, since the pictures of the Christmas wreaths, the turkey, the can of cranberry sauce and the produce items all were cut out of the advertisement book and pasted on the tissue layout. This saves the manager a great deal of time and effort since he would have had to draw this material by hand if it was not furnished. Of course, for each picture and border shown in the layout, mats are available from general office. These mats accompany the layout to the newspaper and are used in the printing of the advertisement.

At this time the advertisement is in an elementary stage. The theme has been selected and many of the items to be advertised have been decided upon. Generally speaking, the produce, dairy and meat prices are not released until a few days before the advertisement is published.

Do Smart! Shop now for your Christmas dinner!

Turkey 65
 12-18 & 14 lbs.
 Why a Roast? Cream Sauce
 Turkey is the Best! Best!
 12-18 & 14 lbs. 65

HAMS
 12-18 & 14 lbs. 00

CRANBERRY SAUCE - 19
 Ocean Spray, better on the table

CIGARETTES - 193
 10's 193
 20's 193
 40's 193
 80's 193

Other items:
 Pumpkin 2 = 37
 Sugar 5 = 47
 Raisins 1 = 00
 Apples 1 = 00
 Oranges 1 = 00
 Breads 1 = 00
 Cakes 1 = 00
 Jams 1 = 00
 Marmalades 1 = 00
 Pickles 1 = 00
 Relishes 1 = 00
 Sauces 1 = 00
 Spices 1 = 00
 Vinegars 1 = 00
 Dressings 1 = 00
 Condiments 1 = 00
 Snacks 1 = 00
 Beverages 1 = 00
 Canned Fruits 1 = 00
 Canned Vegetables 1 = 00
 Canned Meats 1 = 00
 Canned Fish 1 = 00
 Canned Soups 1 = 00
 Canned Stews 1 = 00
 Canned Potatoes 1 = 00
 Canned Beans 1 = 00
 Canned Corn 1 = 00
 Canned Peas 1 = 00
 Canned Lentils 1 = 00
 Canned Tomatoes 1 = 00
 Canned Mushrooms 1 = 00
 Canned Onions 1 = 00
 Canned Garlic 1 = 00
 Canned Herbs 1 = 00
 Canned Spices 1 = 00
 Canned Vinegars 1 = 00
 Canned Dressings 1 = 00
 Canned Condiments 1 = 00
 Canned Snacks 1 = 00
 Canned Beverages 1 = 00
 Canned Canned Fruits 1 = 00
 Canned Canned Vegetables 1 = 00
 Canned Canned Meats 1 = 00
 Canned Canned Fish 1 = 00
 Canned Canned Soups 1 = 00
 Canned Canned Stews 1 = 00
 Canned Canned Potatoes 1 = 00
 Canned Canned Beans 1 = 00
 Canned Canned Corn 1 = 00
 Canned Canned Peas 1 = 00
 Canned Canned Lentils 1 = 00
 Canned Canned Tomatoes 1 = 00
 Canned Canned Mushrooms 1 = 00
 Canned Canned Onions 1 = 00
 Canned Canned Garlic 1 = 00
 Canned Canned Herbs 1 = 00
 Canned Canned Spices 1 = 00
 Canned Canned Vinegars 1 = 00
 Canned Canned Dressings 1 = 00
 Canned Canned Condiments 1 = 00

Kroger food values to help you Live Better for Less!

Oranges 69
 10's 69
 20's 69
 40's 69
 80's 69

CELERY - 00
 12-18 & 14 lbs. 00

KROGER BREAD - 15
 10's 15
 20's 15
 40's 15
 80's 15

FRUIT CAKE - 29
 10's 29
 20's 29
 40's 29
 80's 29

Other items:
 Apples 1 = 00
 Oranges 1 = 00
 Breads 1 = 00
 Cakes 1 = 00
 Jams 1 = 00
 Marmalades 1 = 00
 Pickles 1 = 00
 Relishes 1 = 00
 Sauces 1 = 00
 Spices 1 = 00
 Vinegars 1 = 00
 Dressings 1 = 00
 Condiments 1 = 00
 Snacks 1 = 00
 Beverages 1 = 00
 Canned Fruits 1 = 00
 Canned Vegetables 1 = 00
 Canned Meats 1 = 00
 Canned Fish 1 = 00
 Canned Soups 1 = 00
 Canned Stews 1 = 00
 Canned Potatoes 1 = 00
 Canned Beans 1 = 00
 Canned Corn 1 = 00
 Canned Peas 1 = 00
 Canned Lentils 1 = 00
 Canned Tomatoes 1 = 00
 Canned Mushrooms 1 = 00
 Canned Onions 1 = 00
 Canned Garlic 1 = 00
 Canned Herbs 1 = 00
 Canned Spices 1 = 00
 Canned Vinegars 1 = 00
 Canned Dressings 1 = 00
 Canned Condiments 1 = 00

Figure 15. The tissue layout

The price of these perishables may be tentatively planned weeks in advance, and if the merchandise is obtainable, the item may be advertised without change. On the other hand, some sale prices may be phoned in to the newspaper a few hours before press time. A lot depends upon the buyer's ability to obtain merchandise at a favorable price, on schedule. The advertising manager becomes familiar with some sale prices by referring to the weekly sales bulletin, which is sent to the stores every week.

His next step is to write the copy that will go into the advertisement. He types the copy on a separate sheet, and keys the tissue layout and the copy with a number so that the printer will know where the copy is to be inserted. An example of some copy that was inserted in this advertisement is presented in Figure 16. Note the numbers along side of each piece of copy. By referring to the tissue layout, it is possible to see the proper space for each piece of copy.

The tissue layout is then completed by Thursday night. This layout, the copy and the mats are sent to Michigan Rotary Company, a commercial printing house in Detroit, where a proof is made of the tissue layout.

When preparing the tissue layout, the advertising manager makes certain that all cooperative agreement requirements are met on schedule. This means constant checking of the advertising agreement file.

* set copy twice from left page of 2-page ad for copy in wreaths
of left side of this full page ad..... Sugar, Dinnerware, Pumpkin

102 17^{F.L.}

- For Better Salads

Masola 011 Pt. 354

Chlor - 18 (11)
Large cage - 10 (11)
- 318

J o y - 16774-111
Liquid Soap - 1213-111
Bot. 314

Sample & Span - 1874 11)
 Large Package - 107112 41)
 254

Corn Starch - 1577 1/2
 Staley's 1-lb. Pkgs. - 1577 1/2
 144

Prices Effective through Monday, Dec. 24, 1951 - 8421 (210)

CALIF. SUNKIST NAVAL ~~SUNSHINE~~ SEEDLESS - 18 mg a (34) F L

Doc. 694

Matmor Cranberries 1-lb.
Cello bag 29¢

Fresh Mushrooms . . . Full Quart Box 49¢

Pascal Celery Large 24 Size
Stalks. Ea. 19¢

NY 100-111111 Tangerine: The Zipper-skinned Christmas treat.
Large 176 Size

Brussel
8 p r o u t s Quart Box 29¢

U.S. No. 1 Mich.
Potatoes 17 lb. Bag 89¢

Button Red
Radishes 3 Bunchs. 17¢

Peanut, Walnuts, Almonds, Mixed
Nuts 1b. 49¢

**All Kroger stores will close at
6:00 p.m. Mon, Dec. 24. Will be
Closed all Day, Christmas**

BEER &
WINE AT
MOST KROGER STORES

Figure 16. Copy sheet

The Detroit News, a local newspaper, will not accept double truck advertisements, so the advertising manager constructs two separate advertisements that are to be placed on pages in the newspaper. The probable reason why this newspaper does not accept double truck advertisements is that there is an immense amount of advertising contained in this newspaper every Thursday. The Detroit Times, a second major Detroit newspaper, will accept double truck advertisements, but rather than construct separate advertisements for each paper, the manager develops identical layouts for each.

Proof

The proofs of the tissue layout are received Monday morning, during the week of publication. These proofs are given to the merchandisers and buyers. These men scrutinize the proofs and make all necessary corrections. Note the proof in Figure 17. Many prices were changed and other corrections were indicated. The corrected proofs are sent to the newspaper printer on Monday afternoon or Tuesday morning.

Second Corrected Proof

After the newspaper printer receives the first proof, he will make a second proof, taking into consideration the

indicated corrections. The second corrected proof is sent back to the advertising department Tuesday night or Wednesday morning. Immediately, the manager shows copies of this proof to the merchandisers and buyers, who may indicate further corrections. Furthermore, all last minute produce, dairy and meat price changes are made at this time. This second proof is returned, in corrected form, to the newspaper printer Wednesday night. No sample of this proof is provided in this chapter.

Finished Advertisement

Thursday morning the advertisement is printed. The newspapers in Detroit print four or five editions during the day, and the first edition is usually a newsstand edition. The advertising manager makes certain that he gets a copy of the newsstand edition so that he can scan the advertisement for errors. If any are found, he calls the newspaper printer who will make necessary revisions so that succeeding editions of the newspaper will contain correct copies of the advertisements. The finished advertisement is found in Figure 18.

Small-sized Newspaper Advertisements

In addition to the two local advertisements, which are published in the Detroit News and the Detroit Times, four

[illegible]

Figure 18. The finished advertisement

additional layouts are constructed. These layouts are for advertisements that will appear in smaller community newspapers surrounding the Detroit area. The number of newspapers that each layout is inserted in is shown below:

- 1 layout for the Detroit News
- 1 layout for the Detroit Times
- 1 layout for 8 small community newspapers
- 1 layout for 18 small community newspapers
- 1 layout for 23 small community newspapers
- 1 layout for 4 small community newspapers

Since most of the stores are in the Detroit area, and since the Detroit papers are the largest in circulation, the main advertisements are placed in these papers. The other advertisements are small in size and contain fewer items. These layouts are sent to the printer Thursday night, one week before publication. The proofs are received Monday morning, corrected, and sent back to the printer on Tuesday. Tuesday night, the printer mails the mat of the completed advertisement to the newspapers in the communities surrounding the Detroit area. These newspapers in turn print the advertisement on Thursday, the same as the Detroit papers. Two examples of these advertisements are presented in Figure 19, to give the reader an idea of the composition of these advertisements.

As mentioned earlier, one of the important duties of the assistant advertising manager is to follow through on all cooperative agreements. He makes certain that each item is



you Live Better For Less!

PUMPKIN
2-37¢

Great Cuts 49¢
Choice Sugar 5.00

ORANGES
69¢

Nuts 49¢

Kroger food values to help
you Live Better For Less!

**KROGER
OVER-READY
TURKEY**
65¢

Small 10-12 lb. Avg. 65¢
Broiled Ham 65¢
Hickory Smoked 65¢
OYSTERS 65¢

OUR STORE WILL
CLOSE AT 6:00 P.M.
ON FRIDAY
DEC. 24th

Kroger

CLOSED ALL
DAY CHRISTMAS
DEC. 25

ORANGES
69¢

Cranberry Sauce 19¢
Pillsbury Pie Crust Mix 2.29

Figure 19. Small-sized newspaper advertisements



advertised on schedule, and that all other terms of the agreement are met. Whenever an item is advertised, some procedure must be used to inform the manufacturer or distributor to this effect. The Kroger Company in Detroit fills out the form in Figure 20, and sends it by mail to the manufacturer. The name of the product advertised is included, along with an indication of the areas in which the advertisement appeared.



THE KROGER COMPANY
Detroit 19, Michigan

PRODUCT _____

Appeared in the following cities _____ 19____

Detroit
Flint
Bay City
Saginaw
Ypsilanti
Pontiac
Plymouth
Ann Arbor
Wyandotte
River Rouge
Pt. Huron
Howell
Lincoln Park
Allen Park
Royal Oak
Owosso
Birmingham
Lapeer
Mt. Clemens
South Macomb
Midland
Sandusky
Caro
Belleville
Clio

THE KROGER COMPANY
Jay Cawley, Adv. Mgr.
Advertising Department

Figure 20. Cooperative agreement report

CHAPTER IX

SUMMARY AND CONCLUSIONS

This study of the construction of food chain newspaper advertisements can prove to be of considerable value to the food store operator and to students of advertising. Competition is very keen now, for many businesses have increased their advertising budgets in recent years. For example, the Kroger Company spent \$5,376,912 for advertising in 1948, compared with \$7,258,493 in 1950; the Jewel Food Stores spent \$350,317 in 1948, compared with \$573,000 in 1950. The primary goal of most food chains is to increase sales. Since advertising and sales promotion are two functions in merchandising that go hand in hand, advertising will be instrumental in maintaining and increasing grocery chain sales in the future. To furnish a better understanding of chain advertising techniques is a purpose of this report. In addition, articles and books pertaining directly to food chain advertising are generally lacking in circulation. This report, then, can aid a student of food merchandising who is seeking information on food chain advertising.

This study was restricted to newspaper advertising, since more money is invested in this channel than in any of the others. This report was also restricted to studying the methods employed by the following chains in constructing

their advertisements:

The Market Basket, Incorporated, Lansing, Michigan

The Jewel Food Stores, Chicago, Illinois

The Kroger Company, Cincinnati, Ohio

There are many purposes of food chain advertising. It serves mainly to attract attention and pull the traffic into the store. There are other reasons why retailers advertise. In many respects, super markets have features that make them all appear similar. Advertising gives the operator a chance to be different. For example, advertising can be used to publicize a giant baby food section, a speedier check-out system or any other feature characteristic of one operation. Food manufacturers contribute a large share in influencing chains to advertise. Newspaper solicitors are very eager to have an advertiser increase his advertising budget. Another reason for advertising is to apportion more evenly store traffic throughout the entire week.

There is a series of steps that each chain goes through in the preparation of a newspaper advertisement. The three chains studied in this report differ to a large degree in the techniques used.

The Market Basket, Incorporated, of Lansing, Michigan, contains six stores and is classified by the author as a small-sized chain. In a company this size, inherent flexibility of

operation is acquired through the close relationship of the buyers, the advertising manager and the store managers. Only one man works in the advertising department - the advertising manager, who also has some personnel responsibilities.

The theme for a promotion or a newspaper advertisement is usually selected a few weeks ahead of time. Some of the items that are to be included in the advertisement are determined at a sales meeting attended by the advertising manager, the buyers and the supervisors. This meeting is held on Monday morning of the week in which the advertisement will be published. Many of the items and tentative prices are decided upon at this time. This chain relies a great deal on outside organizations for help in the preparation of their advertisements. For example, a complete food store promotional campaign prepared by McCall's Magazine has been used in the past.

With the information received from the buyers and supervisors, the advertising manager creates a rough layout, which is a tissue copy of what the proposed advertisement will look like. This is usually started on Friday of the week prior to the deadline, or Monday of the final week. With a drawing pencil, the advertising manager letters the headline as it is to appear in the finished advertisement. Next, the decision regarding allocation of space to the produce, meat and grocery departments is made. Items, prices and illustrations are then



inserted in the layout. Finally, a copy sheet is produced which contains words that the advertising manager wishes to say about a product. The layout and copy sheets are sent to the newspaper printer no later than 12:00 o'clock noon on Tuesday of the week of publication.

From the layout and copy sheets, the printer makes a proof, which is a printed impression of the proposed advertisement taken for purposes of inspection. This proof is received by the Market Basket, Incorporated, on Wednesday afternoon. The purpose of the proof is to give the advertising manager an opportunity to make necessary revisions regarding last-minute changes in price, typographical errors and any other necessary alterations. This proof, with corrections indicated in red pencil, is returned to the newspaper on Thursday morning. After the newspaper receives the corrected proof, they make preparations to publish it as a complete advertisement, taking into consideration the indicated alterations. The completed advertisement is printed in the Thursday afternoon edition of the State Journal.

The Jewel Tea Company, Incorporated, which has offices in Chicago, Illinois, consists of three departments. They are the Home Service Routes, the Finance Department and the Food Stores Department.

The Food Stores Department consists of 158 stores and is classified by the author as a medium-sized chain. The advertising and sales promotion manager, who reports to the merchandise manager, has the over-all direction of the food stores advertising under his jurisdiction. Nine members of his staff aid in the performance of the advertising function for this company. The staff consists of a production manager, copy chief, television and radio manager, two artists, a sign shop manager and three secretaries.

The advertising manager does not use outside advertising services like those offered by McCall's. It is felt that this company's advertising must reflect its own personality and it is not possible to achieve this by using outside services.

The theme for a promotion or an advertisement is usually selected not later than four weeks in advance. An attempt is made to have the theme several days in advance of the merchandising meeting, so that a rough layout can be prepared and presented to the buyers and merchandisers at the meeting at which the items are selected. The merchandising meeting is held every Monday at 3:00 P. M. The men at the meeting for the current week discuss the advertisement to be printed four weeks hence. The major items that are to go into the advertisement are discussed and selected. Some prices of staple merchandise may be released at this time, but produce and meat prices are only tentatively determined.

There are six broad steps that this company goes through in preparing the weekly advertisement. The tissue layout is prepared no less than four weeks prior to the publication of the advertisement. The day after the merchandising meeting is held, a second discussion is held between the grocery merchandiser and the production and sign department manager. These men decide upon a tentative program, suggest media to be used and investigate the possibilities of special offers and deals to be made. Starting with Thursday of the first week through Wednesday of the second week, the tissue layout is completed in rough form. It is sent to the art department of the Chicago Daily News before Wednesday of the second week.

The Chicago Daily News makes two photostatic copies of the tissue layout which are received by this chain on Wednesday of the second week. One is put on file and the other one is processed. Some produce and meat items, additional prices and menus are all added to the photostatic proof at this time. On Wednesday of the third week the completed proof is sent back to the newspaper. From the photostatic proof, original proofs are made and are received from the newspaper on Thursday of the third week. These proofs are checked, corrected and meat copy is inserted. They are held until Friday and then one copy is sent back to the papers.

On Monday of the fourth and final week, a number of first revised proofs are received, and a copy is sent to each buyer. He makes his corrections, suggests changes, initials the proof and returns it to the production manager. The first revised proof is held until Tuesday, at which time the produce prices are added. Then it is sent back to the newspaper. The second and final revision is received Wednesday morning. All final price changes are made. This proof is sent back to the newspaper Wednesday afternoon. The completed advertisement is published Thursday afternoon.

The Kroger Company can be described more adequately by separating the information into two parts, namely, the general office operation and a branch office operation. The general office of the Kroger Company, located in Cincinnati, Ohio, consists of 1,985 stores, and is classified by the author as a large-sized chain. Twenty-five branch offices direct the operation of these stores. Each branch is autonomous; that is, the branch management has almost complete charge of all their various functions, with the management in the general office acting as a suggestive body.

The advertising manager, who reports to the sales promotion manager, supervises and approves all the varied advertising material produced by his staff. Twenty-eight people work

in the art, copy, production, newspaper, radio and packaging departments of the Kroger Company advertising section.

The advertising policy is determined by the top level executives of the company at regular meetings held each month. Following these conferences, the advertising manager assembles the heads of the production, copy and art departments and they plan the detail work behind the program. Generally speaking, promotions are planned three four-week periods prior to use. The technical work is scheduled so that it is completed and projected to the branches six weeks in advance.

The branches are notified of future advertising policies and promotions by two general methods. The first is the advertising layout book of newspaper advertisement suggestions. The second is the layout of potential store displays in the display catalog. These are regular services presented every period. Over and above these, special branch-wide memos and letters are sent occasionally to announce special policy changes or special promotions. Strictly speaking, there is no weekly advertisement headline prepared in the general office. There is a weekly suggestion to the branches but they have practically a free hand in choosing their headings. The ideas for the advertising material prepared in the general office come from the experience of the staff, the staff's own creative imagination and a



well stocked file. The advertising department takes advantage of many reference services in planning its advertising. The art department, for example, subscribes to a photographic service. Catalogs are sent to the art director showing the art available. The copy department receives help from the "Book of Grocery Advertising and Selling". The creative divisions also make use of "Food Ad-Views," a publication which contains analyzed food advertisements. The advertising department also subscribes to such trade organs as "Printers' Ink," "Tide" and "Advertising Age." Clipping services are also used regularly. For further help, photostats are kept of all branch advertisements, as well as competitor's advertisements, for research and analysis purposes.

The branches have almost a free hand when it comes to setting up their plans. The advertisement book service is just that - a service. What is offered are suggestions which the individual branch may or may not use.

After the general office advertising department has prepared the advertisement book, the display catalog and the other material necessary for a company promotion, this material is sent to the various branches. The methods of preparing finished advertisements used by the Detroit Branch of the Kroger Company were outlined in this report.

The Detroit branch is the largest, containing about one hundred and fifty stores. A meeting is held each Monday afternoon between the merchandise manager, the grocery, produce and meat merchandisers and buyers, and the advertising manager. At this meeting, the advertisement that will be published in four weeks is tentatively determined.

The advance advertising material from the general office is received by this branch six weeks in advance of use. This means that the branch merchandisers, buyers and advertising manager have two weeks to regard the material. Two weeks later, the branch weekly meeting is held. At this meeting, the branch plans are projected to tie in with the general office program.

The advertising manager takes notes at this branch meeting, from which he prepares the tissue layout. Work on the tissue layout is started from two to four weeks prior to the week of publication. On Thursday, exactly one week prior to publication, the manager starts to complete the tissue layout, and it is sent to the printer Thursday evening. The proofs of the tissue layout are received Monday morning, during the week of publication. The merchandisers and buyers scrutinize the proofs and make all necessary corrections. The corrected proofs are sent back to the printer on Monday afternoon or Tuesday morning. After the newspaper printer receives the first proof, he will

make a second proof, taking into consideration the indicated corrections. The second corrected proof is sent back to the advertising department Tuesday night or Wednesday morning. Immediately, the advertising manager shows copies of this proof to the merchandisers and buyers, who may indicate further corrections. Furthermore, all last minute produce, dairy and meat price changes are made at this time. This second proof is returned to the printer Wednesday night, and the completed advertisement is printed Thursday afternoon. Some of the important functions that are required in the preparation of an advertising program are:

1. Production
2. Copy writing
3. Preparation of television and radio shows
4. Artwork

Very few food chain advertising departments have the same organization. In smaller chains the above functions may all be performed by one man with the technical work being done by outside paid specialists. In larger chains, a staff of 25 to 30 experts may be on hand to perform these jobs.

No good piece of advertising is ever produced by one individual or one department in a chain organization. It takes the combined efforts of many men working together on a common

objective. The different departments in a chain's advertising department must work together as a coordinated unit for one express purpose - good advertising.

Coordination is also needed between the advertising department and the other essential departments in a company; such as, buying and merchandising. Many meetings must be held between the buyers, merchandisers and advertising manager for planning and projecting future promotions and advertising. It takes the combined cooperation of these departments to secure the aforementioned objective - good advertising.

In addition, cooperation between newspapers, printing houses, manufacturers and other helpful agencies is essential in the preparation of a good advertising program. The quality of the relationship that a chain has with the newspapers is very important. It may mean the difference between a preferred position or an undesirable location for an advertisement in a newspaper. Printing houses generally publish excellent material if instructions are clear and samples are neat. Manufacturers are in a position to supply an advertiser with mats and advertising allowances if a chain will cooperate in promotions. Excellent relations with the above group is essential for the presentation of a good advertising program. Teamwork in

an advertising department, with merchandisers and buyers, and with outside agencies is absolutely necessary if the advertising is to click.

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