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**SCHOOL OF HOME ECONOMICS
MICHIGAN STATE COLLEGE
EAST LANSING, MICHIGAN**

A COMPARISON OF THE SCOPE OF THE SALES PROMOTIONAL
ACTIVITIES OF THE J. W. KNAPP COMPANY WITH
THAT OF THE J. L. HUDSON COMPANY

By

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TABLE OF CONTENTS

	Page
ACKNOWLEDGEMENTS	ii
LIST OF TABLES	iv
Chapter	
I. INTRODUCTION	1
Statement of Problem	1
Limitations of Problem	1
Purpose of Study	2
Justification of Study	3
Definition of Terminology	5
II. PROCEDURE	13
III. HISTORY AND DEVELOPMENT OF SALES PROMOTION	18
Description of Sales Promotion Activities	19
Evolution of Sales Promotion	21
Features of Sales Promotion Today	29
External and Internal Advertising Media	33
IV. DESCRIPTION OF MARKETS AND STORE CHARACTERISTICS. .	40
Description of Markets	40
Lansing Market	41
Detroit Market	42
Comparison between Markets	49
Description of Knapp's and Hudson's	52
V. SCOPE OF SALES PROMOTION ACTIVITIES IN KNAPP'S AND HUDSON'S	90
Characteristics and Extensiveness of Media Used	90
External and Internal Media Used by Knapp's	90
Supplementary Media	96
External and Internal Media Used by Hudson's	102
Supplementary Media	109
VI. SUMMARY, CONCLUSIONS, RECOMMENDATIONS	117
BIBLIOGRAPHY	129
APPENDIX	135

LIST OF TABLES

Table	Page
I. Population Estimates, January 1, 1960. Effective Buying Income, 1959. Income Breakdown of Households	45
II. Population and Rank of 200 Leading Counties in U.S. Estimate--January 1, 1960 for the 200 Counties Leading in Population	46
III. Total Net Effective Buying Income of 200 Leading Counties in U.S.	46
IV. Per Household Effective Buying Income of 200 Leading Counties in U.S. Estimate--1959, for the 200 Counties Leading in Population. .	46
V. Retail Sales--SM Estimates, 1958-1959	47

CHAPTER I

INTRODUCTION

Statement of Problem

The following study concerns the comparison of the scope of the sales promotional activities of the J. W. Knapp Company in Lansing, Michigan with that of The J. L. Hudson Company in Detroit, Michigan. The purpose is to ascertain the differences in the scope of the sales promotional activities that exist between a small and large department store and to evaluate the range of the sales promotional activities on this basis. An investigation will be conducted in the history and development of sales promotion and in the characteristics of the particular stores and their market areas. This study may be regarded as an exploratory investigation; it is hoped that the findings from this study will indicate particular areas for further research.¹

Limitations of Problem

This study has been limited to the scope of the sales promotional activities of the J. W. Knapp Company and The J. L. Hudson Company. It was not possible to determine the effectiveness of the sales promotion activities of these two stores by

¹Claire Selltitz et al., Research Methods in Social Relations (New York: Henry Holt & Company, 1959), pp. 51-55.

use of specific criteria or to ascertain the effectiveness of any one medium as related to specific sales. This would be extremely beneficial; however, it would be quite an ambitious undertaking for an individual not trained in actual market research methods. Because sales records and sales promotion activity costs were not available to this investigator, it was difficult to try to determine the actual effectiveness and creation of good will of any specific promotion.

Purpose of Study

The general purpose of this study is an attempt to compare the scope of the sales promotional activities of the J. W. Knapp Company, a small department store with an \$8 million dollar volume,¹ with that of The J. L. Hudson Company, a large department store with approximately a \$197 million dollar volume.²

Specific goals are: (1) to disclose the significance of sales promotion activity to the retail store, (2) to describe the character and market area of the stores, (3) and to compare the scope of the promotional activities of a small department store with a large department store.

It is hoped that the findings from this study will disclose the differences in the scope of the sales promotional activities

¹Dun and Bradstreet, Million Dollar Directory (New York: Dun and Bradstreet, Inc., Directory No. 2005, 1960), p. 530.

²Ibid., p. 478.

that exist between a small and large department store, as well as indicate particular areas for further investigations.

Justification of Study

It is the belief of this writer that the marked change in the advertising practices in the retail store during the years 1875-1960 in the United States, closely parallels the economic and social revolution taking place at the same time.¹ Over the span of this significant period new forms of transportation have shrunk the distance between cities and states--and even between countries and continents. New trends in the composition and in the movement of the population have led to pronounced modifications in living and buying habits. New types of retail outlets (or modern versions of the old) have brought about marked shifts in the relative importance of the several channels of distribution. New advertising media have given retailers additional means of communicating with present and prospective customers.²

Among many factors speeding adjustments in advertising practices, taking account of current conditions, the writer believes the following factors to be the most important. Retail advertising and sales promotion would not be as successful as

¹Paul H. Nystrom, The Economics of Retailing (New York: Ronald Press Co., 1922), p. 248.

²Charles M. Edwards and Russell A. Brown, Retail Advertising and Sales Promotion (New Jersey: Prentice-Hall, Inc., 3rd ed., 1959), p. iii.

it is in "promoting new wants" were it not compatible with American values.¹ Our cultural values do not encourage rational choice. Americans tend to think more of increasing their earning power than they do of getting the maximum satisfaction out of a limited income. The good life and progress is identified with an abundance of the world's goods. Keeping up with the Joneses is a powerful incentive for spending money where it shows--on cars, clothes, home furnishings, homes, and other material objects. This desire for "conspicuous consumption" leads to an emphasis on style rather than durability. The urbanization of society, with emphasis on secondary relationships, has fostered this attitude, for in fleeting contacts people are judged by appearances, and to be successful in some fields a person must above all look successful.²

The author feels that there are several significant factors that support a study of this type. Retail advertising and sales promotion activities as the topics under consideration are important in American business both socially and economically; they are necessary and vital factors in a competitive economy. Advertising and promotion have long been recognized as useful marketing tools.³

¹Harry W. Hepner, Modern Advertising (New York: McGraw-Hill Book Co., Inc., 1956), p. 45.

²Vance Packard, Hidden Persuaders (New York: Pocket Books, Inc., 1958).

³Delbert J. Duncan and Charles F. Phillips, Marketing: Principles and Methods (Illinois: Richard Irwin, Inc., 4th ed., 1960).

In order to assure permanence and growth for their stores, retailers must attract people to their stores through well-planned advertising programs. They must utilize advertising and sales promotion activities to inform prospective customers about the availability and the desirability of the merchandise and the services they offer.¹

Advertising and sales promotion, to be effective, must be integrated with the company's marketing situation. The marketing situation includes all the factors and influences, both within and without the company, pertinent to its selling operations.²

The author feels that this study is unique. Despite a wealth of related information pertaining to the subject, there are no works treating the scope and comparison of the sales promotional activities of Knapp's and Hudson's.

Since advertising and sales promotion methods generally reflect the customs of a people and the mood of an age, it is felt that this study will serve as a foundation for future research investigations.

Definition of Terminology

A study of any kind requires the utilization of terminology which facilitates the execution of the paper. It has been

¹Edwards and Brown, op. cit., p. 45.

²Hepner, op. cit., p. 45.

established in the statement of purpose that the scope of the sales promotional activities of Knapp's and Hudson's will be investigated. In order to fully understand this study, certain terms require definition.

Sales Promotion

In view of the difference of opinion as to the meaning of sales promotion, any and all further reference to the use of this word will refer to the following definition by Edwards and Brown: "Sales promotion includes every activity that contributes in any way, directly or indirectly, to the promotion of profitable sales." It includes the coordination of publicity, personal salesmanship, and customer services in order to promote profitable sales.¹ Additional definitions of the term by various authors will be defined in the section on the history and development of sales promotion.

Advertising

A report by a Committee of Definitions of the American Marketing Association offered the following definition of advertising: "Advertising--Any paid form of non-personal presentation and promotion of ideas, goods, or services by an identified sponsor."² It involves the use of the following types of media:

¹Edwards and Brown, op. cit., p. 478.

²Charles L. Whittier, Creative Advertising (New York: Henry Holt and Co., 1955), pp. 472-74.

periodical media, such as newspapers, magazines, and shopping publications; direct advertising media, such as direct mail, catalogues, circulars, novelties (calendars, blotters, and so on); mass or sign cards (car, bus, and so on), programs and menus, sky-writing, motion pictures; and broadcast media, such as radio, television, public-address and loudspeaker systems.¹

Publicity

Publicity is any form (paid for or free) of non-personal presentation of facts to a group about goods, services, or ideas. It includes advertising, display and special-purpose publicity, all of which are methods of presentation that do not involve individual, personal contacts with customers.¹

Special-Purpose Publicity

Special-purpose publicity (sometimes termed "special events" or "feature publicity") includes many media and devices, exclusive of advertising and display, that involve non-personal presentations of facts to a group about goods, services or ideas.

Commonly these varied special-purpose media and devices are classified into six groups: merchandise features and attractions, (demonstrations and showings, schools and classes, fashion shows, and so on); institutional features and attractions (parades, circuses, marionette shows, lectures, concerts, visits of celebrities, and so on); sampling, through both inside-the-store and outside-the-store distribution; special sales inducements (premium offers, customer and employee contests, and the like); aisle tables, both on the upper floors and on the main floor of the store; and press publicity, such as news releases for newspapers,

¹Hepner, op. cit., p. 21.

²Edwards and Brown, op. cit., p. 44.

magazines, trade publications, radio and television stations, and so forth.¹

Display

Display is any form (usually paid for) of non-personal presentation of the goods themselves to a group. It includes all forms of window and interior store display, as well as various forms of special displays and exhibits. It makes contact with the customer at the store where its message can stimulate immediate and definite action.²

Window Display

Windows are the "face" of the store. Since they constitute the first impression that the store makes on the customer, they are of great importance. The functions of window displays are (1) to arouse interest in and sell the featured merchandise, (2) to stimulate store traffic in general, and (3) to reflect favorably the character of the store and add to its prestige. They are directly responsible for a considerable percentage of a store's sales volume.³

Interior Display

Interior display embraces all forms of merchandise exhibition and all promotional signs and decorations inside the store.

¹Ibid.

²Ibid.

³Ibid., p. 517.

Included here is everything from small and informal counter displays within a single department to store-wide promotions, which, in large stores, are planned and executed by a central display staff. Interior displays serve as an important adjunct to personal selling effort, since such displays are located at actual points of purchase.¹

Periodical Media

Periodical media derive their name from the fact that they are published at fixed, regular intervals. Despite their diverse character, all periodicals have one thing in common: regularity of publication on specified dates. Consequently, the retailer may choose periodicals that enable him to reach either large groups of people with wide, general interests or small groups with narrow, special interests.²

Direct Media

Direct media, in contrast with other classes of media, permit the retailer to distribute his selling messages directly to the groups of people whom he wishes to address. Advertising pieces may be sent through the mail, delivered by messengers from house to house, or handed to people who enter the store.³

¹Brown and Davidson, op. cit., p. 480.

²Edwards and Brown, op. cit., p. 321.

³Ibid.

Sign Media

Sign media transmit their messages through inscriptions that are printed, hand lettered, or painted on paper, cardboard, metal, plastic, or other material. Sign media are exposed publicly to the view of all who pass them, and they are temporarily or permanently displayed in fixed locations.¹

Broadcast Media

Broadcast media differ from all other media in the fact that they transmit the spoken rather than the printed word. By means of radio or television sets, or of loudspeaker or public-address systems, the retailer may "talk" to prospective customers rather than "write" to them. For this reason, broadcast media afford the retailer an opportunity to add a very human and personal note to his advertising messages.²

Semi-promotion

Today most retail stores are classified as semi-promotional, meaning the store allots the largest share of its advertising appropriation to regular-price-line advertising. It also allots a sizable sum for special-promotion advertising, most of which it sets aside for traditional sale events. Meanwhile it intersperses its regular-price-line and special-promotion advertisements with both service and prestige institutional advertisements featuring its policies, conveniences, new merchandise and assortments.³

¹Ibid.

²Ibid., p. 322.

³Edwards and Brown, op. cit., p. 169.

Department Store

The department store is a retail organization which carries a general line of apparel, such as suits, coats, dresses, and accessories; home furnishings, such as furniture, floor coverings, curtains, draperies, linen, major household appliances, dishes and utensils. These and other merchandise lines are normally arranged in separate sections or departments with the accounting on a departmentalized basis. The departments and functions are integrated under a single management. Establishments included in this classification must normally employ 25 or more persons.¹

Merchandising

Merchandising is the planning involved in marketing the right merchandise, at the right place, at the right time, in the right quantities, and at the right price. Retail merchandising is the planning done by retailers to insure an assortment of merchandise balanced to customer demand which offers a profit potential.²

Marketing

Marketing includes all the activities necessary to place tangible goods in the hands of household consumers and industrial users, excluding only such activities as involve a

¹U.S. Department of Commerce, Census of Business: 1954, Retail Trade--Summary Statistics, Vol. I, Appendix B, 1957.

²John Wingate and Elmer Schaller, Techniques of Retail Merchandising (New Jersey: Prentice-Hall, Inc., 1956), p. 3.

significant change in the form of goods.¹

Market

By the term market is meant a concentration of vendors' sales offices or display rooms in one place, usually a city or an area within a city. Here retailers compare and select merchandise of competing suppliers.²

Market Area

A market area is usually defined as a group of buyers, actual or prospective, for a product or service. Sometimes the term refers to all the people (consumers) in a given area or classification.³

Any further use of these words will be in the frame of reference as discussed above. As the study progresses, other explanations and definitions will be given in the text and in the footnotes.

¹Duncan and Phillips, op. cit., p. 4.

²Paul Brown and William Davidson, Retailing Principles and Practices (New York: Ronald Press Company, 1953), p. 406.

³Hepner, op. cit., p. 49.

CHAPTER II

PROCEDURE

The procedure followed in this paper involves an analysis of recent and historical data in terms of the subject matter. Recent and historical analysis incorporates judgment and understanding of the problem and the information;¹ the arriving at a conscious unity of ideas from the diversity of human responses to spontaneous and carefully prepared questions encountered in research,² and the utilization of an appropriate language,³ one that is capable of describing an accurate outline of the facts.

Two categories of research materials have been utilized, primary and secondary sources.⁴ Primary sources are those which give the first information attainable of the fact or event to be discovered. This would include several kinds of periodicals, business reports, and business journals published concurrently with the area under investigation. This may also include textbooks and literary works authored by those who personally are active in the field of advertising and marketing.

¹Marc Block, The Historian's Craft (New York: Alfred A. Knopf, 1953), p. 138.

²Ibid., p. 144.

³Ibid., p. 154.

⁴C. G. Crump, History and Historical Research (London: George Rutledge & Sons, Ltd., 1928), pp. 67-68.

Secondary sources are those derived from the primary sources which are either known to exist or are discoverable. These would include personal interviews, textbooks, surveys, analyses, and other publications compiled at a later date utilizing the available primary sources. This type of research was employed in the following instances: (a) to derive the setting into which the background and comparison of the scope of the sales promotion activities can be placed, (b) to obtain additional pertinent and factual data, (c) to acquire quotations and opinions of various authors, and (d) to derive various interpretations of the sales promotional activities carried on by Knapp's and Hudson's.¹

In order to collect relevant data concerning the scope of the activities of the two stores, an exploratory study was conducted. It was hoped that a study of the sales promotional activities of the two stores would provide the setting for consideration of many different aspects of sales promotion, which would clarify concepts and lead to the formulation of problems for more precise investigation in a subsequent, more highly structured study.

Methods that were especially fruitful in the search for important information included: (1) a review of related literature to find basic characteristics of the two markets, a

¹C. G. Crump, History and Historical Research (London: George Rutledge & Sons, Ltd., 1928), pp. 67-68.

description of the stores, and the facts on the history and development of sales promotion, (2) the development of interview schedules for interviews with executives of the stores, and (3) the distribution of two questionnaire forms to gather data on the characteristics, scope, and extent of the sales promotional activities of the two stores.

In the organization of this study certain steps were followed. The problem was based on a review of literature from the area of retailing and marketing and on the determination of the scope of the sales promotional activities of the two department stores. The study was identified as an exploratory research problem. The bulk of the factual content was gleaned from printed materials available to the public and from personal interviews with the individual department store executives.

The types of available material that were pertinent to the study included: retail and department store magazines, national magazines, regional and trade newspapers, textbooks, business journals, bulletins and publications, information supplied by the Lansing and Detroit Chambers of Commerce, and the use of an interview schedule.¹ The interview schedule contained structured questions which were asked and filled in by the author in a personal interview with the department store executives, who

¹William J. Goode and Paul K. Hatt, Methods in Social Research (New York: McGraw-Hill Book Co., 1952), p. 133.

possessed knowledge and information about the topic in question. The funnel sequence of ordering questions was used.¹ The term refers to a procedure of asking the most general or unrestricted questions in an area first, and following it with successively more restricted questions. In this way the content is gradually narrowed to the precise objectives. It was felt that these classifications of available material would provide the author with valid data since they encompassed both primary and secondary sources.

Using the previously mentioned methods, data were collected and presented in this report as follows: (1) the history and development of sales promotion which included the description of sales promotion activities, definitions of sales promotion, and the evolution of sales promotional activities; (2) a description of the Lansing and Detroit markets, which included a comparison of these two market areas and characteristics of the two stores; (3) the scope of the sales promotion activities in Knapp's and Hudson's; and (4) a summary of the previous chapters and conclusions about the sales promotional activities of the two stores.

The evidence herewith presented is by no means infallible.

¹Robert L. Kahn and Charles F. Cannell, The Dynamics of Interviewing (New York: John Wiley & Sons, Inc., 1957), pp. 158-159.

"Human neglect in exact adherence to the rules of evidence is possible. This could readily be caused by personal ignorance or superficiality of evidence."¹

¹John Martin Vincent, Historical Research (New York: Henry Holt & Co., 1911), pp. 19-22.

CHAPTER III

HISTORY AND DEVELOPMENT OF SALES PROMOTION

Introduction

Sales promotion activities evolved following the panic of 1873-1874 when the United States saw a rapid development of the department store as a class of retailing establishment.

Following the close of the Civil War in 1865, prices of all commodities handled in retail stores began to fall, competition stiffened, new methods of merchandising were tried out. Many of the older storekeepers did not know how to buy and sell under such conditions. Out of these circumstances grew the tendency among some retailers to buy for cash in the wholesale markets and direct from the producers, to seek out bargains, and to sell quickly by offering the merchandise at prices lower than usual. Profits were smaller per sale, but stocks were turned more often. Advertising was applied to help sell the goods. Special sales were introduced. Public demand for goods increased both in variety and amount.¹

Under these and other changing conditions the retail store developed over a period of time into the institutions that people are familiar with today: the mail order house, department store, chain store, and the discount house. "American

¹Nystrom, op. cit., p. 248.

retailing, over the years, has . . . presented its customers with many different types of stores and many different bundles of services, to be accepted or rejected as consumer taste indicated."¹

The history of retailing was one of shifting institutions in an effort to fit retail establishments to the needs of each particular period. The emergence of sales promotion activities has been the natural and logical outgrowth of a changing promotional emphasis on the part of the retail stores themselves, which in turn has been brought about by changing economic conditions.

Description of Sales Promotion

"Despite the almost universal usage of the term SALES PROMOTION during recent years, there has been, and to some extent continues to be, a divergence of opinion as to exactly what sales promotion is."²

Edwards and Brown have indicated that sales promotion includes every activity that contributes in any way, directly or indirectly, to the promotion of profitable sales. Sales

¹Stanley Hollander, "Competition and Evolution in Retailing," Stores, September, 1960, p. 20.

²Charles M. Edwards Jr. and Russell A. Brown, Retail Advertising and Sales Promotion (New Jersey, Prentice-Hall, Inc., 1959), p. 477.

promotion, therefore, can be defined as the coordination of publicity, personal salesmanship, and customer services in order to promote profitable sales.¹

Brown and Davidson, in an attempt to define sales promotion, stated that sales promotion embraces all activities and devices that, directly or indirectly, are designed to create good will for the store and sell more merchandise.²

Grief defined sales promotion as those sales activities that supplement both personal selling and advertising and co-ordinate them and help to make them effective, such as displays, shows and expositions, demonstrations, and non-recurrent selling efforts not in the ordinary routine.³

Duncan and Phillips defined sales promotion as measures adopted to attract customers into the store and to induce them to make purchases.⁴

Sales promotion has been defined by Gross and Houghton as those sales activities that supplement both personal selling and advertising, coordinate them and help to make them more effective.⁵

¹Ibid., p. 478.

²Paul L. Brown and William R. Davidson, Retailing (New York: Ronald Press Co., 1953), p. 465.

³Edwin Charles Grief, Modern Salesmanship (New Jersey: Prentice-Hall, Inc., 1958), pp. 119-20.

⁴Duncan and Phillips, op. cit., p. 487.

⁵Alfred Gross and Dale Houghton, Sales Promotion (New York: Ronald Press Co., 1953), pp. 472-74.

A difference exists between the meaning of advertising and sales promotion. "Simply defined, advertising is that division of the promotion effort that reaches out beyond the store. It informs, arouses interest, invites, and otherwise attempts favorably to influence customers and potential customers."¹ In a very broad sense, sales promotion concerns only those activities and devices whose primary function is that of inviting, persuading, and otherwise encouraging and stimulating trade."² Effective coordination of these efforts is necessary in order to maximize profits.

Evolution of Sales Promotion

For a complete understanding of the evolution of sales promotion, it might be advantageous to look at the history of advertising, since "the modern manifestations of advertising are to be accounted for only in terms of the patterns of economic and social life of which they are parts. Modern advertising is part and parcel of the whole set of thought movements and mechanical techniques which changed the medieval into the modern world."³

¹Brown and Davidson, op. cit., p. 484.

²Ibid., p. 465.

³"Advertising," Encyclopedia of the Social Sciences, Vol. XIII, 1944, p. 470.

While advertising's origins go back for several centuries, the birth of advertising as we know it today occurred in the United States about the middle of the 19th century. Many present advertising agencies grew out of firms established during the latter half of the 19th century. The common forms of advertising at that time were newspapers, street signs, posters, handbills and the like.

Advertising's growth was steady and rapid throughout the late 19th and early 20th centuries. The Industrial Revolution helped to establish advertising; World War I technology helped to develop it; and product growth between the two world wars helped to accelerate it.

Significantly, advertising's growth throughout the years from the Civil War (1861-1865) to World War II (1941-1945) was aided by the development of some important new channels of communications for reaching the public. First it was the growth and spread of newspapers. Next came the development of national magazines, which made the most remote geographical market accessible to the advertiser. Third was the emergence of radio on a national, regional and local basis. Fourth, the emergence of television combined into one medium the basic characteristics--sight and sound--of all preceding media.

The main change that characterized the growth of advertising since World War I was its transition from an easy

informal business into an intricate, complex and highly refined science. The scientific side of advertising was further advanced by the growth of reliable, standardized methods of measuring audiences of the various advertising media.¹

Along with the growth of advertising and new channels of communication, advertising and sales promotion activities became an integral part of retail store operation.

In the 1920's advertising and sales promotion were generally neglected by the retailer.² Display was the original and only form of advertising. After a brief period, signs were used which told about the merchandise or the store. In the beginning printed advertising consisted of cards which gave the name and address of the store and possibly a statement of policy. After a period of time stores began to use larger advertising space into which they listed specific merchandise and the store's name. This was the start of newspaper advertising.³

The original advertisements which appeared in newspapers lacked imagination and originality.⁴ Advertisements were thrown into the papers in an absurd fashion, with no notion of

¹Kenneth Collins, The Road to Good Advertising (New York: Greenberg, 1932), p. 211.

²Ibid., pp. 1-2.

³Howard P. Abrahams, "Keys to Tomorrow's Sales Promotion," Department Store Economist, January, 1961, p. 142.

⁴Ibid.

timeliness, nor with a decent regard for those that came before or those that followed. Retailers were not interested in planning advertisements in advance. The average merchant was interested in an advertisement the day before it was to appear. Usually his interest took the form of criticizing some of the adjectives and wondering whether the space couldn't be cut down or the white space filled up. This was not a genuine interest in advertising. The average merchant did not think enough about advertising to look ahead to the future. He made no plan in his own mind as to what he intended to accomplish. The merchants did not realize that newspaper advertising, properly planned, could be of value in developing and expanding their business.

The retailers did not fully explore the possibilities of posters, which could have been used to announce something of interest when placed with discretion throughout the store.¹

The average store did little to publicize merchandise to the customers while they were in the store with money in their pockets, presumably ready to spend. The idea existed that posters, electric signs, and advertising devices of all sorts were undignified and that they could be eliminated completely.

Little was done by the retailers during the 1920's to learn new ways of handling the radio as a powerful source of spreading information. They did not realize that the emotional

¹Collins, op. cit., p. 211.

values of the spoken word were exceedingly effective in persuading prospects.¹ A human voice was able to project the character of a store on a personal basis instead of on an impersonal level.²

Few retailers were aware that large stores frequently became lopsided. Besides growing unevenly in sales volume, departments within a store varied greatly in character. Little thought was given to the particular objectives of the various departments. It was not until 1937 that retailers abandoned the full-page advertisement and according to their individual needs made up advertisements for each department or for groups of related departments.

In the past it was felt that store prestige was gained by explaining that a department was very old. Retailers failed to realize that a department could gain prestige by advertising and displaying distinctive merchandise before its competitors. It could gain prestige by having its superior appearance, service or policies brought to public attention in some bright, human-interest way.

It was often the policy of stores in certain cities to print the same advertisement in every publication in town and in a number of magazines. They did not realize that every

¹Ibid., p. 26.

²Abraham, op. cit., p. 142.

publication varied greatly in its appeal and in its types of readers.

There was a definite need for research of media to be used; research as to whether the demand for an item was on the increase or decrease; research as to the amount of money that should be spent in the promotion of a particular item.¹

Measures adopted by retailers today have attracted customers into the store and induced them to make purchases. The extensiveness of current sales promotion activities in the retail store has been the result of changing economic and competitive conditions.

Today alert retailers use all sorts of promotional activities to increase their sales. For example, "a department store in the Southwest began a Safety Club for children of grade school age which not only promoted their boys' department but also cut the child accident rate in half within the year." One store gave free square-dancing lessons to high school students and consequently sold a lot of square-dance clothes.²

Some promotional campaigns benefit an entire industry rather than a single store. A manufacturer of sun glasses, for example, gave a fashion show which emphasized sun glasses as an important

¹Collins, op. cit., p. 5.

²Harry W. Hepner, Modern Marketing, Dynamics and Management (New York: McGraw-Hill Book Co., Inc., 1955), p. 243.

fashion accessory and as a definite aid in protecting vision. The fashion show was just one part of their campaign which also included extensive advertising, the promotion of National Sunglass Week, and the publication of articles in newspapers and magazines featuring eye safety through sun glasses.¹

During recent years, retailers have devoted increased attention to window and interior displays and to their coordination with advertising efforts and personal salesmanship to build a balanced and effective sales promotion program. Display was once thought of as window display only, but with the growth of self-service selling, interior display in the form of open displays and point-of-sale displays becomes fully as important. Accordingly, a new term has been coined to replace display: visual merchandising.

Open displays permit customers to handle merchandise, are readily adjustable to meet variations in customers' demands, are simple and inexpensive to set up, and employ advantageously space that otherwise might not be used.

Point-of-sale displays provided by the manufacturer are used extensively today. These displays remind a shopper of a product at the very moment he is about to buy. They are the advertiser's last word before a purchase is made. Point-of-sale displays can present the merits of the product pictorially, dramatically and effectively.

¹Ibid., p. 243.

Visual merchandising has given birth to self-selection and self-service, today's way of moving merchandise faster.

This sales promotion force has grown as more departments in more stores have become self-selection departments.

Along with visual merchandising there has been an increase in better signing to tell the customer about merchandise at the counters. On the merchandise itself, there has been a growth of labels and fact tags that give detailed information about actual items so that the customer can learn the benefits of an item for herself, without the help of a salesperson. These new developments in visual merchandising will continue. Their goal is not robot selling but quicker selling.¹

Retailers have used the following forms of sales promotion activities to increase sales: merchandise stunts, personal appearances of celebrities, fashion shows, contests of various sorts, special sales, exhibits, lectures, sampling of merchandise, demonstrations, trading stamps, and telephone and mail-order selling.

All of these methods attract crowds and stimulate sales, however, the modern retailer has to be careful as to which ones he uses and as to the frequency of use. When used with discretion, these sales promotion methods have often proved very effective.

¹John Wingate and Arnold Corbin, Changing Patterns in Retailing (Illinois: Richard Irwin, Inc., 1956), pp. 280-83.

Features of Sales Promotion Today

One of the most far-reaching developments in the retailing business during modern times has been the broadening of the scope of sales promotion. As business became more competitive, stores used a wider variety of advertising media, and they placed greater emphasis on attractive window and interior displays. "In addition, they supplemented advertising and display with numerous special features and events, which were forms of special-purpose publicity. By thus extending their efforts, they developed the publicity function. Thereafter, as they endeavored to coordinate the various publicity media with personal selling and customer services, they evolved the concept of 'sales promotion.'"¹

Stores have always employed some form of sales promotion, regardless of the name by which they may have called it or the manner in which they may have administered it. Today many retailers have broadened their ideas about the functions of sales promotion because of the complexities of the market and the intensification of competition. However, the coordination of the various elements of sales promotion under a centralized head or group is a fairly recent development.

In the past large stores divided the responsibility for selling between two or three of their major divisions: publicity, merchandise and management. Nonpersonal selling--advertising,

¹ Edwards and Brown, op. cit., p. 177.

display, special-purpose publicity--was assigned to the publicity division. These activities were often split up among two or more divisions. The salesforce was placed under the direction of either the merchandise division or the store management division, with the salespeople under the immediate supervision of buyers or section managers. The result was that publicity and personal selling, the two indispensable selling agents of every store, were divorced by organizational lines.¹

Increased competition among retail stores and recent pressure for better selling has resulted in the interdependence of publicity and personal selling. Store promotions cannot succeed unless they are enthusiastically supported by an intelligent, well-informed salesforce who must sell the merchandise to the public. In an attempt to coordinate publicity and personal selling, many stores have established sales promotion divisions headed by sales promotion managers. These sales promotion divisions commonly operate under one of three organization plans:

1. "Converted" Publicity Division

This is the most widely adopted plan and eliminates changes in organization or lines of authority, however, the titles of publicity director and publicity division are changed to sales promotion director and sales promotion division, respectively. The responsibilities of the sales promotion manager are to

¹Ibid., pp. 479-80.

coordinate publicity and personal selling for more effective selling results. He indirectly receives authority over the salesforce through the support of the general manager, the store manager, or the service manager.

In stores where the titles sales promotion manager and publicity director are used interchangeably, the executive is expected to serve in the dual capacity of publicity director in controlling the work of the advertising, display, and special-purpose publicity departments, and to act as sales promotion manager in coordinating publicity, personal salesmanship, and customer services.¹

2. Sales Promotion Committee

The Sales Promotion Committee is composed of all the departmental heads of the sales promotion division: the upstairs store advertising manager, the basement store advertising manager, and the branch store's advertising manager, the display director, the public relations director, and the fashion promotion director. The sales promotion manager serves as chairman of the group. The committee assembles regularly to clear all calendars and to insure complete communication among themselves. In addition, the group meets as a committee with divisional merchandise managers, buyers, training supervisors,

¹Ibid., p. 480.

service representatives, mail-order personnel and any others involved in the preparation of major sales promotion plans for big departmental, divisional, and store-wide events. At the specific meetings devoted to planning complete sales promotion support for these events, everyone present has an opportunity to offer suggestions and to contribute to the plan.

The sales promotion planning meetings are actually informal "brainstorming" sessions. The committee decides on a course of action before the termination of each meeting. Sales promotion plans are written and issued on the basis of agreements reached at the meetings, and each individual's responsibility for carrying out the agreed-upon duties is indicated on the plans.

Committee action encourages cooperation because the department heads have a voice in the preparation of the selling plans. Accordingly, the members of the committee are more ready to work with the sales promotion manager, under his general supervision, in disseminating information about planned promotions and to share with him responsibility for the proper execution of the plans.¹

3. Centralized Sales Promotion Division

A centralized division necessitates a major revision in established organization lines. The service department is

¹Ibid., pp. 481-82.

transferred to the sales promotion division. This shift places the salesforce under the direction of a sales (rather than a management) executive, and consequently, gives full authority over the salesforce to the executive who is held jointly responsible with the merchandise managers for sales results. This results in the coordination of all selling activities under one executive, instead of dividing the responsibility; thus, it insures a better informed salesforce and a consequent reduction in selling costs.

In the medium-sized and smaller stores which cannot support an elaborate organizational structure, the sales promotion and merchandising divisions cooperate in the planning of sales promotion. Frequent conferences are arranged in order to obtain the necessary coordination, however, much of the work is done informally. It is not so much a question of "authority" as it is of opportunity and responsibility to get business. Regardless of the size of the store, however, the principles of planning are identical.¹

External and Internal Advertising Media

Most progressive retailers recognize the value of advertising and sales promotion activities as methods to stimulate sales. Under the present competitive system, advertising media are used by the retailer "to create desire for the different

¹Ibid.

kinds of merchandise and services he has for sale, to tell people what goods and services he has available, to keep people interested in his store between visits, to encourage customers to fulfill all their needs in his lines at his store, and to develop good will for his business."¹

If retailers are to take advantage of every opportunity to increase sales and profits, they must use external or outside-the-store media for the purpose of attracting customers and internal media for the purpose of inducing store visitors to buy unadvertised, as well as advertised merchandise.

Each of the four major classes of media--periodical, direct, sign, and broadcast media--contains several media that may be used effectively, with only slight changes in form or content, either outside or inside the store.²

The retailer has numerous external advertising media from which to choose in carrying out his advertising plans. The more important external media are included in the following list.³

A. Periodical advertising media:

1. Newspapers
2. Shopping publications:
 - a. Merchant-owned
 - b. Independent

¹"Advertise . . . To Promote Your Business To Sell Your Goods," Dayton, Ohio, 1958, p. 2.

²Edwards and Brown, op. cit., p. 322.

³Ibid., pp. 320-21.

3. Miscellaneous periodicals:
 - a. Local and community publications
 - b. College and school publications
 - c. Directories
 - d. Theater programs
 - e. National magazines

B. Direct advertising media:

1. Direct mail:
 - a. Letters
 - b. Envelope enclosures:
 - (1) Stuffers
 - (2) Folders
 - c. Circulars
 - d. Post cards and mailing cards
 - e. Self-mailing folders
 - f. Broad sides
 - g. Booklets and catalogues
2. Miscellaneous direct media:
 - a. Dodgers, handbills, circulars
 - b. Reruns of advertisements
 - c. Package inserts
 - d. Wrapping supplies, merchandise labels
 - e. Gift novelties
 - f. Telegrams
 - g. Special delivery letters
 - h. Store publications
3. The telephone

C. Sign (or mass) advertising media:

1. Outdoor signs:
 - a. Posters
 - b. Painted bulletins
 - c. Electric signs
2. Cards:
 - a. Car cards
 - b. Station posters
 - c. Bus cards
3. Miscellaneous signs:
 - a. Taxicab signs
 - b. Truck signs and posters
 - c. Theater curtains, slides

- d. Movie shorts
- e. Street banners
- f. Sky writing
- g. Kites and balloons

D. Broadcast advertising media:

- 1. Radio:
 - a. Direct or "live" broadcasts
 - b. Electrical transcriptions
 - c. Phonograph records
- 2. Television:
 - a. Direct or "live" broadcasts
 - b. Kinescope broadcasts
- 3. Miscellaneous broadcast advertising media:
 - a. Portable loudspeaker systems

Potentially, external window displays are one of the most powerful sales promotion forces at the retailer's disposal. Window displays make contact with the customer at the store where its message can stimulate immediate and definite action. External displays are often used to tie-in with a store's newspaper advertising or a special event.

The retailer must study carefully the merits and limitations of the various media in which his advertising may be inserted. There is no external medium that is correct for all retailers under all conditions. The retailer must determine which combination of media is most productive for his store and for a particular promotion.

Progressive stores take full advantage of customer traffic and employ internal media to encourage the customer to buy both advertised and unadvertised merchandise. Internal

advertising is important since a store can advertise externally only a small portion of its total stock. Internal media make contact with the customer at the store where their message can stimulate immediate and definite action. The more important internal media are included in the following list.¹

A. Periodical advertising media:

1. Periodical advertisements and reproductions:
 - a. Tear sheets, proofs, and blow-ups of store's advertisements
 - b. Tear sheets, proofs, and blow-ups of manufacturers' advertisements

B. Direct advertising media:

1. "Give-aways" and handouts:
 - a. Handbills, circulars
 - b. Store publications
 - c. Manufacturers' literature
 - d. Gift novelties
2. Merchandise attachments:
 - a. Tags
 - b. Labels
 - c. Booklets and folders
3. Packages
4. Miscellaneous direct media:
 - a. Sales checks, etc.
 - b. Catalogues

C. Sign and pictorial advertising media:

1. Sign advertising media:
 - a. Signs: counter, elevator, etc.
 - b. Posters
 - c. Bulletin boards
 - d. Miscellaneous sign media

¹Ibid., pp. 356-57.

2. Pictorial advertising media:

- a. Enlarged photos of:
 - (1) Department's merchandise
 - (2) Other departments' merchandise
 - (3) Other departments
- b. Motion pictures:
 - (1) Store
 - (2) Manufacturer

D. Broadcast advertising media:

- 1. Public-address systems
- 2. Special hook-ups with outside studios
- 3. Intrastore television

Internal display is another type of internal presentation of merchandise used by the retailer. Interior display includes all forms of merchandise exhibition and all promotional signs and decorations inside the store. The principal display areas are: (1) walls, shelves, and ledges, (2) approaches to vertical transportation facilities and corridors, (3) approaches to the major merchandise divisions or sections, and (4) local areas within a department. Displays are generally located at actual points of purchase, therefore, their effectiveness is more direct and measurable.

"A discerning executive in a well-known store expressed the case for inside-the-store advertising media when he remarked some time ago, 'There is no such thing as a customer who is "just looking." What the "just looking" customer means is, "I'm just looking for something to buy." Inside-the-store media take advantage of her desire to buy by suggesting specific

featured items."¹ The retailer must make certain that he neglects no opportunity to increase his store's sales when he makes a final selection of internal media.

Over the past 50 years the tempo of retailing, as that of business and industrial life in general, has quickened remarkably. The retailer can be assured of continued and probably accelerated growth and change. Competition will be keener than it has been in a generation. For during the past decades, there has been a notable blurring of traditional retail boundary lines.²

In order to maintain sales and to cope with the quickened pace of retailing, it has become increasingly evident that retailers must place more and more emphasis on the tools of sales promotion. They can no longer rely solely on personal selling and advertising--additional push is necessary.

In this chapter the author has attempted to explain the development of sales promotion activities in retail stores from the early practices to the present activities. Although emphasis and method may differ among stores, there is widespread agreement that the success of a store certainly comes as the result of thoughtful planning of sales promotion activities.

¹Ibid., p. 356.

²"Retailing: Past, Present and Future," Department Store Economist, January, 1961, pp. 58-60.

CHAPTER IV

DESCRIPTION OF MARKETS AND STORE CHARACTERISTICS

The importance of advertising and sales promotion has long been recognized by the retailer. During comparatively recent years advertising and sales promotion methods have been improved, their accuracy and helpfulness to the buyer increased, and their appeals more firmly based on facts determined through extensive market area research.

Regardless of the purpose for which advertising and sales promotional activities are used, the nature and the scope of the methods employed depend on the objectives to be attained and the characteristics of the individual store.

Description of Markets

An analysis of the current market area of a store is an invaluable aid in the formulation of the store's promotional program. It is hoped that the analysis of pertinent data concerning the Lansing and Detroit markets will give the reader an indication of the similarities and differences in the nature and extent of the areas from which the stores draw trade.

Both stores realize the benefits derived from careful study of group characteristics of the people residing within these trading areas, of the residents' buying habits and service demands, and of the most direct economical means of reaching them.

It was beyond the scope of this report to thoroughly analyze the many factors which determine a complete market survey. It is hoped that the following data, which examine the general characteristics of the trading areas under discussion, will show the reader some of the factors which directly determine the methods employed by the stores to reach present and prospective customers through the various advertising media.

Lansing Market

The Tri-County Metropolitan Area, established as the primary market of Lansing, consists of Ingham, Eaton, and Clinton counties. The Lansing Metropolitan Area ranks 69th in the United States in population. New metropolitan area figures indicate accelerated growth of the capital city. For continued growth and expansion vast areas have been rezoned for industrial use.

In 1959, Lansing ranked third in Michigan and 72nd in the United States in total retail sales, and second in Michigan's list of highly paid industrial markets. High school enrollment increased 54.7% since 1950. Bank deposits increased 78% since 1950 and 9% in 1959. According to the 1950 census, home ownership increased 64.4% which makes the area 17th in the United States.

The total labor force in the Lansing Metropolitan Area is 120,000. Along with the state government organizations located

in Lansing, Oldsmobile, Fisher Body, Motor Wheel, John Bean, and Reo are a few of the well-known manufacturers that provide the market area with consistently high payrolls. The average worker's weekly earnings in manufacturing industries (December, 1958) was \$125.66.¹

Detroit Market

Detroit Standard Metropolitan Area, set up and used by the Bureau of the Census, consists of Macomb, Oakland and Wayne Counties and represents 93% of the Retail Trading Area population. Widely referred to as the Detroit SMA, this is the area most frequently used in defining the Detroit market.

The Detroit SMA is America's fifth market. It is fifth in population, buying income and retail sales. In 1958, it ranked fourth in automotive, gas stations, building supplies and drug store sales. During 1958 population in the suburbs surpassed that within the corporate limits of Detroit city itself. This trend is expected to continue. In 1980, it is estimated, two out of three residents in the Detroit SMA will live in the areas suburban to Detroit.²

Detroit is a young family market--a preponderance of parents ages 25 to 44 years and of children under 10 years of age. Nine

¹"1959 Market Report--Lansing," The State Journal, pp. 6-10.

²"Picture of the Detroit Market--1960," The Detroit News, pp. 4-5.

out of ten Detroiters are native born. German and English are the two largest ethnic groups. Negroes are the third largest group in the market area. The Negro population has almost doubled since the 1950 census. It now constitutes 25% of Detroit City proper. Most of the Negro population is located in the central part of Detroit. There is evidence that this group is moving up the economic ladder.

The Detroit labor force is becoming diversified. For the past five years more wage and salary workers have been employed in non-manufacturing than in manufacturing activities.

Detroit is the automobile capital of the world. But for every auto worker in the Detroit labor market area, there are more than four other workers. More workers are employed in wholesale and retail trade than in automotive manufacturing.

One-quarter of Detroit family heads are in the professional and managerial groups. Another quarter are skilled workers and foremen and a third quarter are semi-skilled operatives. More and more workers are upgrading from semi-skilled operatives to skilled craftsmen. There are very few unskilled workers in the Detroit labor force.

Family income averages over \$10,000 for the professional and managerial groups. For families of unskilled laborers, it averages about \$90 a week.

Detroit has experienced a billion and a half dollar increase

in retail sales over the past nine years. This increase is comparable to adding a city the size of Cleveland. Detroit is a better-than-average market. Total retail sales per family are 12% higher than the United States national average. Per family sales of automotive dealers, drug stores and general merchandise stores are even further above the national average.¹

Table I shows the 1960 population estimates, effective buying income for 1959, and the income breakdown of households in Detroit, East Lansing, and Lansing. Statistical figures concerning East Lansing are included since this Greater Lansing area has such an economic impact on the Lansing market. These data show the comparable relationships that exist between the Lansing Metropolitan Area and the Detroit Standard Metropolitan Area.

Taking into account the greater Detroit SMA population, in many respects the two market areas are similar in amount of effective buying income per person and income per household. Average family incomes in both markets are similar. Two-thirds of all Lansing and Detroit area families have incomes of \$5,000 or more.

Tables II, III, and IV show that Detroit and Lansing are located in counties which are included in the ranking of 200 leading counties in population, total net buying income, and per household effective buying income in the United States.

¹Ibid., pp. 6-13.

TABLE Ia

Michigan Population Estimates, January 1, 1960				
Cities	Total (thousands)	Per cent of U.S.A. (thousands)	Households (thousands)	Consumer spending units (thousands)
Detroit	1,914.9	1.0717	543.1	663.5
East Lansing	31.7	.0177	5.7	18.5
Lansing	126.6	.0708	39.8	45.0

TABLE Ib

Cities	-----Effective Buying Income, 1959-----					
	Net Dollars (000)	Per cent of USA	Per ca- pita	Per house- hold	Income per C.S.U.*	Cash income per hsld.
Detroit	4,321,454	1.2862	2,257	7,857	6,513	7,118
E. Lansing	59,125	.0177	1,865	10,373	3,024	4,990
Lansing	300,422	.0901	2,373	7,548	6,676	6,722

TABLE Ic

Cities	-----Income Breakdown of Households-----									
	\$0-2,499		2500-3999		4000-6999		7000-9999		\$10,000 +	
	% hsld	% inc	% hsld	% inc	% hsld	% inc	% hsld	% inc	% hsld	% inc
Detroit	9.4	2.0	11.5	5.1	11.0	30.6	20.7	23.5	17.4	38.8
E.Lansing	26.0	7.8	23.0	14.7	30.6	32.4	11.5	18.7	8.9	26.4
Lansing	10.0	2.2	12.6	5.9	43.1	34.1	19.5	23.5	14.8	34.3

Source: "Sales Management," Survey of Buying Power, July 10, 1960, p. 194 and p. 204.

*Consumer Spending Unit = CSU. Students, soldiers, residents of hotels, boarding houses and other institutions are regarded as CSU if they earn income. p. 16.

TABLE II. Population and Rank of 200 Leading Counties in U.S.
Estimate--January 1, 1960 for the 200 Counties
Leading in Population

County and State	Leading city	Population estimated in thousands	Rank in group
Ingham, Michigan	Lansing	219.1	142
Wayne, Michigan	Detroit	2,873.8	4

TABLE III. Total Net Effective Buying Income of 200 Leading Counties in U.S.

County and State	Leading city	Net EBI estimated in thousands	Rank in group
Ingham, Michigan	Lansing	481,343	116
Wayne, Michigan	Detroit	6,393,609	4

TABLE IV. Per Household Effective Buying Income of 200 Leading Counties in U.S. Estimate--1959, for the 200 Counties Leading in Population

County and State	Leading city	Net EBI estimated in thousands	Rank in group
Ingham, Michigan	Lansing	7,451	41
Wayne, Michigan	Detroit	7,718	27

Source: Sales Management Survey of Buying Power, May, 1959, pp. 714-17.

TABLE V. Retail Sales--SM Estimates, 1958-1959

Michigan cities	Total Retail Sales (000)		Per Cent of USA		Buying Power Index		Quality Index*	
	1958	1959	1958	1959	1958	1959	1958	1959
East Lansing	20,777	18,139	.0103	.0084	.0175	.0149	107	84
Lansing	213,951	249,524	.1065	.1154	.0913	.0939	126	132
Detroit	2,627,004	2,396,358	1.3082	1.1083	1.2763	1.1949	114	111

*Quality Index is the measure of the purchasing ability of each city and county as compared with the nation. Those cities or counties which have an index figure markedly higher than that of the nation (100), or higher than other cities or counties in the state or geographic area, are likely to be ones where intensive promotional campaigns will bring the greatest returns.

The Quality Index is used in connection with other columns--not independently.

Source: Sales Management Survey of Buying Power, May, 1958 and May, 1959, p. 468.

Table V indicates that East Lansing dropped approximately 2 1/2 million dollars in total retail sales from 1958 to 1959. Lansing's total retail sales increased approximately 36 million dollars in the same year. The drop in the East Lansing figure might explain some of the increase in Lansing's retail sales figure. Another possible explanation for the figure increase is the recession. During 1957 and 1958, when most auto manufacturing communities were hit hard by the curtailment of automotive and transportation equipment, unemployment in Lansing was offset by the stability of employment in state government activities (the university, the capital) as well as selected services (barber shops, education, recreation, etc.) and other industries. The drop of approximately 230 million dollars in Detroit indicates that the recession was severely felt.

Table V also shows that Lansing's purchasing ability has increased. Detroit's index figure dropped during the same period; however, both areas have index figures higher than the nation (100).

Lansing appears to be gaining throughout all statistics as demonstrated by Sales Management Estimates (1958-1959) of retail sales. This is evident in total retail sales, in buying power index and quality index. In comparison Detroit does not appear to be gaining as quickly as a market area. Proportionately this is not bad; however, when comparing the two markets, Lansing appears to be the market with the greatest future potential.

Comparison between Markets

The Lansing and Detroit regions are two of the leading manufacturing industrial areas of the country. Lansing is a relatively isolated market when compared with the Detroit market. The Detroit area is the midwest gateway to world commerce through the Port of Detroit and the St. Lawrence Seaway.

The economy of both market areas is strongly influenced by the auto industry. Increases in unemployment rates are a matter of concern, since there is such a large number of laborers affected. In both markets diversification of industry is now becoming apparent.

The Lansing and Detroit markets are taking on new dimensions. Population is growing and retail facilities are expanding. The prosperity of the markets is based on a high income figure that is reflected in an exceptionally high standard of living.¹

The Lansing market is experiencing growth and expansion. Branch expansion of a local department store and the construction of other retail operations indicate the development of additional retail facilities to serve the expected population increases in the suburban areas.

Since 1950 Michigan State University has spent \$76,200,000 on expansion of university facilities. Proposed expansion during

¹"1959 Market Report--Lansing," op. cit., p. 11.

the next five years is \$125,000,000.

Local construction firms have been active in the university's building program which has provided hundreds of jobs. By 1970 the university expects a 32,000 enrollment. These factors mean expansion and additional income for the area.

The state government, like the university, is an important economic factor in the Lansing area. The state intends to spend over \$31,000,000 during the current decade for new buildings in the Lansing area.¹ University and government employees who receive a payroll each month and student expenditures have a tremendous buying power which adds measurably to the stability of Lansing's economy.

The last nine years have brought far-reaching changes in the retail structure of the Detroit region. Retail operations have varied directly with changes affecting the population as a whole. The two chief changes of this sort in the Detroit region have been the increase in population and income and the continued shift of families from the city of Detroit to the suburbs.

It is difficult to measure the impact of shopping center development upon the retail business of the region, since no detailed figures are available for centers alone. The latest Census of Business covers the year 1954 and the increase of center development in this region has taken place since then.

¹Ibid., p. 8.

In the 1954 census, however, information was provided for the first time on retail sales in the central business districts.

Figures show that retail sales in the downtown business district of Detroit have not held their own in recent years. It is also true, that while the population of the city has increased only slightly, there have been important market changes resulting from shifts of various groups of consumers within the city. These changes have frequently been overshadowed by the spectacular development of the shopping center. The realistic picture is one of change and readjustment in all geographic sections. Branch expansion of department and speciality stores, as well as of banks, insurance companies and many other service industries, is one means which downtown firms are using to reach out into the suburban areas of Detroit. This movement provides a link between the downtown business district of Detroit and the shopping centers of suburban communities.

Since 1953 the Regional Planning Commission has recorded the development of new centers annually. During the intervening seven years a total of 26 major shopping centers have been put into operation in the region.¹ This represents an average of about four centers each year, indicating the rapid

¹Detroit Metropolitan Area Regional Planning Commission, "Trades and Services in the Detroit Economy," Detroit, Mich., 1959, pp. 1-25 (mimeographed).

development of new retail facilities to serve the population increase in the suburban communities.

The Regional Planning Commission, as a result of a recent study,¹ has established eleven areas throughout the metropolitan area that will be in need of additional major shopping facilities in 1970. The need for these facilities is based upon 1970 population estimates as well as the extent to which existing facilities are adequate for the present population. It is expected that the market for the eleven new proposed shopping centers will open progressively, reaching its peak between 1965 and 1970.

The facts which have been presented give a picture of the Lansing and Detroit markets. They have been selected for their pertinence to the advertising and sales promotional activities of the two stores.

Description of Knapp's and Hudsons

A description of Knapp's and Hudson's is essential to this study, since the advertising and sales promotional activities of the stores are directly related to their respective store characteristics. The description of the stores includes store history, description, policies, and organization.

¹Detroit Metropolitan Area Regional Planning Commission, Proposed Planning Districts, February, 1959.

History and Development of
the J. W. Knapp Company

The J. W. Knapp Company in 1895 was originally named Jewitt Knapp's and was located north of Michigan Avenue on South Washington. In 1928 Jewitt Knapp's was sold to Continental Department Stores. During the depression, Jewitt Knapp's bought out another retail store and expanded in size. On December 7, 1937 the store became known as the J. W. Knapp Company and moved into its present building which is located on the old Dowdy Hotel site.

During the war years business was good and between 1941-1948 the store progressed and outgrew its space. In the fall of 1950 an expansion program was put into effect and Knapp's added 65 feet on the west side of the building. A 60% increase in the volume of merchandise carried by Knapp's followed this period of expansion. Since 15% was the normal increase throughout the country, it is evident that Knapp's made the most of the opportunities in the Lansing area.

Construction is presently underway on the new East Lansing branch of the J. W. Knapp department store. The branch store will be three stories high and will have 30,000 square feet of floor space. Present plans are for the store to feature men's, women's and children's fashions and gifts. The million dollar store building will be completed and open for business in April, 1961.

Description of the J. W. Knapp Company

The J. W. Knapp Company is a department store and a retail organization which (1) sells a wide variety of merchandise, including piece goods, home furnishings, and furniture; (2) is organized by departments; (3) has large sales; (4) sells mainly to women; (5) is located in the downtown shopping district of Lansing; and (6) offers a large amount of "free" services.

In the nation-wide retail picture, the J. W. Knapp Company would be classified as a medium-sized operation, since the department store does a business from 1 to 10 million.¹ Knapp's does approximately an \$8 million dollar volume according to Dun and Bradstreet figures.² In the Lansing area, however, Knapp's is the largest retail operation in both size and volume.

At present the Knapp Department Store in Lansing, Michigan is owned by the Charles Stewart Mott Foundation. The Mott Foundation is a non-profit corporation whose purpose is to invest and reinvest money in property. The money the foundation makes from any investment venture goes to charitable purposes.³

Knapp's is located on the corner of South Washington and Washtenaw. The store consists of five floors and a basement operation. All departments are separately merchandised and

¹Russell Doubman and John R. Whitaker, Department Stores (New York: John Wiley & Sons, Inc., 1927), p. 36.

²Dun and Bradstreet, op. cit., p. 538.

³Lansing Chamber of Commerce.

have separate accounting records. There are 75 merchandise departments within the store (65 are store-owned; 10 are leased departments).

The J. W. Knapp Company maintains two warehouses which have a total floor area of 33,000 square feet. The warehouse which is located on East Michigan Avenue contains the store's picture framing, reupholstery, and drapery workrooms. The warehouse on East Street (opposite the railroad depot) is used primarily for storage purposes.

Approximately 575-600 employees work at Knapp's; the number increases to 1,000-1,200 at Christmas. There are five entrances and four passenger elevators; there are 17 large display windows.

Knapp's is affiliated with the New York Independent Retailers' Syndicate (IRS) which is a resident buying office serving 400 stores. The store works closely with their buying office in New York and takes advantage of the many services that are offered.

Store Policies

The policy of the store is one of service to the customer. Through the many years since its beginning, Knapp's has become an important part of the community it serves because it has

always endeavored to have more to offer. Knapp's has always felt a great responsibility to their customers--a sincere desire to build an organization of which Central Michigan could be proud--and an overwhelming ambition to offer the customer more than anyone else. A poster displayed on the wall in the store's credit department clearly explains the store's policy:

Knapp's has so much More to offer you! . . . Knapp's has More of Everything for You . . . Your Family and Your Home. Knapp's has More nationally famous names, More home planning services, More people to serve you, More bridal services, More beautiful gift wrapping, More convenient ways to buy, More efficient delivery, and More skilled workrooms.

The store policy is extremely effective in that it has served to help establish Knapp's as the "family" store; and it has created considerable good will among the surrounding population.

From the standpoint of management, Knapp's is a department store that deals with the masses--not classes, therefore, there are no class distinctions. Knapp's hopes to enlarge the basement operation in order to increase the number of customers and to expand business in the basement store.

The general merchandise policy of the store is to never be without merchandise; therefore, it is necessary to keep stocks up. Knapp's wants to offer complete selections, so that people can find the desired merchandise every day.

Just as the character of the store determines the type of customer attracted, it determines the type of advertising used. The advertising efforts of Knapp's can be classified as semi-promotional.

As a semi-promotional store Knapp's allots 70% of its advertising appropriations to regular-price advertising, which seeks immediate sales of fashion or staple merchandise at established price levels. Regular-price-line advertising is the most profitable of all types, because it insures regular day-to-day business rather than spasmodic business. The store allots 20% of its advertising appropriations for special promotion advertising. It is used to produce immediate volume or increased customer traffic through the appeal of price concessions usually offered for a short time only. Most of the money appropriation is set aside for traditional sale events. The store intersperses its regular-price-line and special promotion advertisements with institutional advertisements that are designed to build a reputation for the store, dramatize its position in the community, emphasize its advantageous features, and build confidence in its merchandise and services. This kind of advertising may be store-wide or departmental in scope. The store allots 5% of its advertising budget for institutional advertising. Since Knapp's carries on a well-founded advertising program throughout the year, it allots only 5% of its advertising budget for clearance advertising. Clearance advertising moves slow-selling merchandise at a reduced price.

The policy of the store's advertising is to play up value, fashion and services and to play down any emphasis on brand name merchandise.

In 1954 management decided to eliminate comparative prices entirely from all its advertising.¹ Reasons were these:

1. A policy of "honest comparatives" is too difficult to enforce and police within the store.
2. If a store's management actually succeeds in having only strictly honest comparatives in its advertising, this policy will work to its disadvantage against the extravagant claims of competitors.
3. A store can do very well without it.

In an article written by the president of the store part of the attitude which prompted the change in advertising policy is explained.²

We had no choice. We were faced in our city with a terrific barrage of phony comparatives. We were being out-
lied. After several times of meeting our competition head-on with the same merchandise--and our advertised savings, or claimed savings, were so much less--we could see comparatives were working against us.

The store does not believe in advertising gimmicks, stamps, or cash receipts. There is the feeling that an organization cannot become a fine store and carry stamps--the cost of stamps is covered only by buying promotional goods. Upon the decision to eliminate phony comparative advertising, the store changed its whole approach to buying and advertised its present goods on the basis of their true worth. Knapp's attempts to advertise the right kinds of merchandise at the right place, at the right time, in the right quantities, and at the right price.

¹"Working with the F.T.C. Guides," Stores, April, 1959, p.21.

²Ibid.

Organizational Structure for Carrying Out Store Policies

For a complete understanding of the sales promotional activities of Knapp's the writer feels it would be well to consider the control, merchandise, and publicity divisions which cooperate to carry out the store's advertising and promotional efforts.

The J. W. Knapp Company, as a medium-sized store, cannot support a large staff and elaborate organizational structure. By virtue of a committee representative of the three organization divisions, advertising and sales promotional activities are planned and coordinated. Responsibility for carrying out advertising and sales promotion assignments is then delegated to the store's specialists who are hired for the job, such as the advertising manager, display manager and the fashion coordinator.

Control Division

The control division's principal duties concern financial planning and budgeting. More specifically, these duties fall into three major groupings as follows: (1) maintaining accounting records and reports, (2) control of merchandise stocks and operating expenses, and (3) credit management.

An extra function of the control department in the Knapp store is the planning of the monthly advertising budget by

departments, inches, and dollars. This includes determining the number of advertising inches to be spent each day. This division makes up the dollar plan for merchandise, plans sales, takes inventory at the end of each month, helps determine mark-downs, mark-ups and cash discounts. The store president checks the fall and spring plan each year.

The Control Division effectively exercises direct and governing influence on the merchandising, publicity and management divisions. In the planning of department advertising a publicity budget is set up by the Control Division to arrive at the sales goal for the particular month. The control system used in the store appears to be flexible and can be adjusted to fit the specific needs and operating conditions of the particular department, merchandise situation, and store.

Merchandise Division

The responsibilities of the Merchandise Division are centered in buying and selling activities. Because these functions are considered the "heart" of the retail business and because other functions performed are designed to supplement them and make them more effective, they usually receive the greatest amount of executive attention.

More specifically, in regards to the advertising and sales promotion activities of the store, the responsibilities of the merchandising division are to assist each department in planning

and carrying out its individual buying plans and to plan sales promotions in cooperation with the Publicity Division.

The Merchandising Division is under the direction of the General Merchandise Manager, who supervises merchandising activities in all locations, including the main store and the basement store. Under him in Knapp's are 24 department managers, whose chief responsibility, regarding advertising and sales promotion activities, is to see that advertised merchandise is in stock in sufficient time to cover the ad, that it is on display with proper signs, and that salespeople have pertinent information.

The unit control system administered by the merchandising department is an important selling tool because of the considerations listed below:¹

1. It shows the age condition of the stock, thereby drawing attention to the items upon which markdowns should be taken or indicating those that require special promotion.
2. It reveals the most popular merchandise or best-selling items which may be further promoted.
3. It minimizes the number of "out-of-stock" situations.
4. It serves as a guide in planning special sales events by providing information on the nature and amount of goods available for promotion.
5. It often saves time for the customer by giving precise information on particular items in stock without the necessity of locating these items in the stock itself.

Records of observation of competitors' advertising are often used by the merchandising division as a reliable method

¹Brown and Davidson, op. cit., pp. 270-71.

to learn the nature and the intensity of customers' demands in competing stores. By noting the experience of competitors with certain advertised items, the store is in a better position to know what to promote and what not to promote.

Publicity Division

All forms of non-personal selling--advertising, display, and special-purpose publicity--are assigned to the Publicity Division. This functional division has as its major responsibility bringing people into the store to purchase the goods that have been brought and offered for sale by the merchandising departments. In order to present the store and its merchandise to the public, the Publicity Division coordinates the many forms of publicity employed by the store, such as all forms of paid advertising, editorial publicity regarding the store, window and interior displays, special forms of sales promotion or store publicity, for example, fashion shows, auditorium shows, major anniversary events, and advertising research.

The Vice-President and Director of Publicity is directly responsible to the President and the Board of Directors for the money that is spent on store publicity. He must make certain that all forms of advertising and publicity conform to general store policy and character. The director coordinates the work of his various assistants, as well as assumes responsibility for planning a sales promotion budget and for controlling

expenses within his sphere. The budget is considered to be the result of the operation rather than the goal. In order to accomplish the above-mentioned responsibilities, the Director of Publicity must work closely with the Merchandising Division.

The Director of Publicity has three key assistants. One of the assistants is the advertising manager whose principal responsibility is newspaper advertising. He directs the store's radio and television advertising and oversees the work of artists, copywriters, and layout specialists. The display manager has the responsibility for window and interior displays, which are planned in cooperation with the managers of merchandise departments. Other activities that may be delegated to the officials already mentioned include the preparation of mail-order advertisements, circulars, and miscellaneous folders.

The fashion coordinator plays a very important role in Knapp's by coordinating the merchandise, service and publicity activities of the store. The fashion coordinator analyzes fashion trends in order to insure that the merchandise offered for sale in various related departments is of comparable style, quality, and appeal. At Knapp's the fashion coordinator works with the display department in planning and coordinating store displays, presents fashion shows, informally works with the Bridal and Home Furnishings Departments as a consultant and coordinator.

Success with sales-building tools depends upon the ability to organize and coordinate them into a unified program, tailored to the specific needs of the store and its merchandising situation.

In the J. W. Knapp Company four people work directly under the director of publicity: the advertising manager, copywriter, layout person, and artist. The director of publicity works with the buyer of the particular department. The individual departments determine what is advertised; the buyer can suggest items to advertise.

The merchandise which will appear in the store's ads is brought to the artist who renders the advertisement. All pertinent information regarding the item to be featured, such as fabric, size range, style, special features, care, price, is given to the artist and is incorporated into the copy of the advertisement. Any information that is required about the merchandise has to be justified depending on the item, time of year, and appeal.

Any form of control over the operation of the advertising plan comes from the director of publicity or the president of the store. Before an ad is completed and sent to the newspaper for printing, the ad is brought to the department buyer for approval. The buyer may criticize the ad and indicate his changes or recommendations, however, all final advertisement decisions are made by the director of publicity or president of the store.

This method establishes a form of control over the type of advertising put out by the store; however, this is not necessarily effective in all instances. This results in ad rigidity rather than flexibility.

The effective sales promotional program that is carried on by Knapp's is well evidenced by a consideration of the principal requisites of successful promotion. These requisites include various matters relating to the general merchandising policy of the store, research and analysis, and careful planning and coordination of promotional activities.

History and Development of The J. L. Hudson Company

The J. L. Hudson Company was established in 1881 by Joseph Lothian Hudson. After his death in 1912 the management and control of Hudson's passed into the hands of his four nephews: Mr. Richard H. Webber, president; Mr. Oscar Webber, vice-president and general manager; Mr. James B. Webber and Mr. Joseph L. Webber, vice-presidents and merchandising directors; and Mr. William A. Petzold, a pioneer employee, secretary and treasurer. At the time of the founder's death, Detroit was rapidly emerging as the nation's automotive capital, and in succeeding years enjoyed a most phenomenal growth in population and wealth. During this time Hudson's expanded to eight times its 1912 area--and to 20 times its 1912 sales volume. This

growth was achieved to an important degree by Hudson's progressive merchandising and service policies.

Since World War II, Detroit experienced a huge exodus to the suburbs as newly-married veterans became new home owners. New shopping habits were developed; consequently, new facilities were needed to meet customer demands. Recognizing the importance of the population movement to the suburbs, Hudson's initiated the construction of regional shopping centers which included stores for competitors, service businesses and a Hudson branch.¹ A description of the Hudson branch stores follows:

Hudson's Northland

Construction of one of the world's largest shopping centers began May 7, 1952. Located in Southfield Township, it is situated between Northwestern Highway and Greenfield, just north of Eight Mile Road and is a \$20,000,000 project. Northland is accessible from three main highways, with nine entrance and exit roads.

Northland's size alone makes it a project of tremendous significance for it is a 409 acre site with Hudson's occupying 161 acres. There are approximately 80 leading stores with parking facilities for more than 7,500 cars and public

¹The J. L. Hudson Company, The J. L. Hudson Company, Detroit, Michigan, p. 9.

transportation to its doors.¹

Opened in 1954, The J. L. Hudson Company branch store contains over 533,000 square feet, the largest store in the largest shopping center in the United States. In 1959 the store did a \$60 million dollar volume.² Over 3,000 Hudsonians work there, serving the thousands of Detroiters and tourists who flock there daily. Every department found in the downtown store is located in the Northland store.³ It has a complete basement store with 48 different departments. The store has a restaurant which seats 300 persons, credit, delivery and accommodation services. In addition, Hudson's branch store provides a new facility which enables the customer to shop in various departments and pick up the Hudson parcels when leaving the store--calling for them in the car at the Hudson pick-up station on the lower level parking lot.⁴

Hudson's Eastland

Located on a 100-acre tract in Gratiot Township at the intersection of Eight Mile and Kelly Roads, Eastland is approximately 12 miles from downtown Detroit.⁵ Opened in 1957, the Eastland

¹The J. L. Hudson Company, The Story of Hudson's and Its Founder--Joseph Lothian Hudson, Detroit, Michigan.

²The J. L. Hudson Company, Hudson's Executive Training Program, Detroit, Michigan.

³Northland Center.

⁴The J. L. Hudson Company, The Story of Hudson's and Its Founder--Joseph Lothian Hudson, op. cit.

⁵Ibid.

branch store is similar in design to the Northland branch and only slightly smaller. There are 2,500 Hudson employees in the store.¹

Along with the three Hudson stores, The J. L. Hudson Company controls two basement store operations and a warehouse store.

The basement store in the downtown Hudson operation is really a store within a store doing the largest basement volume of business in the world. It does the second largest retail business under one roof in the state of Michigan. Its volume is exceeded only by Hudson's upstairs store.

In the Lincoln Park Plaza shopping center which is located southwest of Detroit, Hudson's operates the only upstairs basement store in the United States. This basement store boasts two selling levels which total about four acres of selling space which are easily reached by four entrances from the street, nine stairways from the street floor and two escalators. With its own staff of merchandise managers, buyers, advertising and display people, the Lincoln Park Plaza basement store is an aggressive competitor in the Detroit area.² Its 60 departments feature popular priced merchandise which is bought by the

¹The J. L. Hudson Company, Hudson's Executive Training Program, op. cit.

²The J. L. Hudson Company, The Story of Hudson's and Its Founder--Joseph Lothian Hudson, op. cit.

basement's own groups of buyers from 10,000 different manufacturers in markets throughout America, Europe and the Orient.

More than 100,000 people have shopped in the store in one day. In one year more than 10,000,000 transactions are handled in this store.¹

Lincoln Park Warehouse Store

Hudson's Lincoln Park Warehouse Store is located on Warren Avenue in Dearborn. In this store Hudson's gets rid of merchandise that has not sold in the downtown or branch stores for one reason or another. The prices are marked down and sold as an AI (As Is) price.²

Downtown Store--The J. L. Hudson Company

The J. L. Hudson Company is a consumer retail operation which complies with the definition of a department store by selling all soft goods lines plus the hard lines, including major appliances and home furnishings, and by offering a multitude of "free" services. Hudson's downtown store today is the world's largest department store building. Twenty-five stories high from the street level, with four basements, the Hudson store covers 49 acres. A million square feet (or 23 acres) is carpeted area. The Hudson restaurant serves 8,000 to 10,000

¹The J. L. Hudson Company, The Story of Hudson's and Its Founder, Joseph Lothian Hudson, op. cit.

²Interview with Mr. John Komives, Instructor of Personnel and Production Administration, Michigan State University, East Lansing, Michigan, October 10, 1960.

largest escalator installations takes customers from one level to another. The store has 50 small display windows inside the store's entrances and 51 large display windows. Both the small and large display windows are changed approximately once each week.

The store uses as much electricity as the neighboring city of Ypsilanti, a town of nearly 15,000 people. Hudson's fur storage vaults have a capacity for 83,000 garments. The refrigeration system for maintaining the storage vaults and the air conditioning system are among the largest in the world.

The delivery fleet has over 300 vehicles which annually deliver more than 10,000,000 parcels. During a year the vehicles travel over 3,000,000 miles.

Hudson's upstairs store has 24 merchandise departments for women's millinery, shoes, lingerie, accessories, etc., 14 departments for men's and boys' clothing, shoes and furnishings, and 58 departments for home furnishings and housewares.

The store maintains offices in New York, London, Paris, Florence, Zurich, Munich, Vienna, Brussels, Copenhagen, Yokohama, Hong Kong and Stockholm. They serve Hudson buyers, study markets, and expedite and coordinate the shipment of merchandise.

The J. L. Hudson Company main warehouses and distributing stations are located in the Madison Avenue, Beaubien Street, Brush Street and Adams Avenue area. The buildings occupy three square blocks and have a total floor area of 752,896

square feet. In addition, three other buildings in the downtown area are used to provide another 227,790 square feet of warehouse space.

In the main warehouses, in addition to the regular warehousing activities, all delivery cars and trucks are housed and all packages assembled and routed for delivery. In the Madison Delivery Building, two-way automobile ramps run to the third floor. Packages arriving on the street floor routing platform are classified and distributed to their ultimate station on many moving belts, and finally are written up on a route sheet at the particular bin designated for each delivery truck.

The Hudson warehouses are also used by the following workrooms: cabinet making and refinishing, reupholstery, carpet and drapery, and the Hudson multigraph and printing department. The customer service department is located at 230 E. Grand River Avenue, the corner of East Grand River Avenue and Center Street. The Hudson manufacturing display department is located in a one-story, 50 x 200 foot building at Beaubien and Napoleon Streets.¹

The J. L. Hudson Company is a member of the Associated Merchandising Corporation which is a group of individually

¹The J. L. Hudson Company, The Story of Hudson's and Its Founder--Joseph Lothian Hudson, op. cit.

owned stores. This corporation serves as a means for member stores to exchange information for their mutual improvement in merchandising and other store operations. This corporation also maintains buying offices in New York, Los Angeles, and foreign countries, the staffs of which are available for use by all members of the Hudson organization.¹

Store Policies

It has been said that Hudson's of all stores, comes nearest to being "all things to all people." This is an apt description for people of all walks of life and all economic brackets patronize the store for virtually all their needs. This means that Hudson merchandising and advertising policies must appeal to people of all walks of life and all economic levels.²

The Hudson store very early adopted practices which were quite unheard of in the formative years of retailing. For instance, Hudson's inaugurated for its customers an extremely liberal merchandise-return policy which became the talk of all retailing. High quality standards, liberal customer-relations policies, extraordinary housekeeping practices, alert, prompt and helpful service to customers, close cooperation with

¹The J. L. Hudson Company, "Merchandising Policies," Detroit, Michigan, October 17, 1960.

²The J. L. Hudson Company, Hudson's Upstairs Store Newspaper Advertising Manual, Detroit, Michigan.

resources and suppliers--these were other early adopted practices which helped Hudson's achieve tremendous growth.¹

Along with great material progress, the Hudson store maintained and strengthened its position of leadership in the civic life of the community. It sponsored cultural development; it gave liberally to humanitarian causes; it initiated forward-looking projects for the community. It attained the status of a great public-service institution.

Hudson's pioneered importantly in the establishment of modern buying and inventory controls. Hudson's led in the development of aggressive merchandising operations throughout the years, thereby influencing the buying habits of millions of its customers. Hudson's has rigidly maintained strict quality standards, emphasizing dependability and satisfaction as prerequisites for all merchandise.

Hudson's instituted the now almost universally practiced "month-end-day," a one-day clearing out of all odds-and-ends on the last Friday of every month. With other progressive Detroit retailers, Hudson's helped to found the Shopping News, a newspaper owned wholly by the merchants and distributed free to more than 500,000 Detroit homes.

Hudson's purpose for being in business is to distribute

¹The J. L. Hudson Company, The J. L. Hudson Company, op. cit., pp. 9-12.

merchandise at a profit. The upstairs store, in its downtown and branch operations, caters to customers in the middle, medium high, and upper income brackets, with the best possible assortments of merchandise in budget through higher price ranges in which quality is of prime importance. The store's policy is to be the fashion and style leader for Metropolitan Detroit; therefore, the store endeavors to be first to show new, wanted merchandise.

Merchandising planning and actions are directed toward long term growth, with major emphasis on regular-price merchandise, rather than off-price offerings. The maintenance of a strong staple and re-order business is recognized as of basic importance to the success of the store.¹

The basement store, in its downtown and branch operations, fulfills an important role in offering popular-priced merchandise. In the basement departments, where the staple phase of the store's business is most significant, considerable planning and action is directed toward price appeal offerings. The basement store aims to supply customer demands and wants in style, fashion trends and preferences at the popular-priced budget level. Basement advertising aggressively presents the promotional events and value giving sales secured by the buyers.

¹The J. L. Hudson Company, "Merchandising Policies," op. cit.

It is the store's policy to maintain high standards in all merchandising functions such as merchandise training, stock assortments, display, comparison shopping, competitive prices, merchandise presentation, markdowns, stock condition and advertised merchandise.

The store will organize, locate, expand, or contract selling departments on the basis of customer demand, habits and convenience--they will add or discontinue departments as warranted by customer demand.

Merchandise arrangement is foremost in any planning. The relationship of merchandise within a department, illumination, self-selection, convenience, point-of-sale displays, and signs are stressed as most important elements in the store's merchandise presentations.

It is the company's policy, generally, to own and operate their own merchandise departments. The store will lease departments only when this will provide the customer with better selections and service or when, because of specialized knowledge, a leasee can operate a department to better advantage.¹

It is the conviction of Hudson's management that the concept of advertising is a constructive factor in the steady growth and future profits of their business. Hudson's is big, full of activity, and dominant in the area, therefore, Hudson's

¹Ibid.

advertising must be big, full of activity, and dominant.

Hudson's advertising must be important in what it says and must reflect the store's position of leadership and authority.¹

The store wants people to look for Hudson's advertising because they want to know what Hudson's says, and what's going on at Hudson's. The store's advertising reflects that Hudson's is a friendly, neighborly store. Their advertising avoids affectation or stuffed-shirtedness. A friendly, conversational approach is used at all times. Hudson's advertising is truthful, informative, factual and explanatory.

Broadly speaking Hudson's advertising is created for two purposes: (1) for immediate sales response, and (2) for long range development. It is used to help sell merchandise on a day-to-day basis. For long range development it is used to influence customers to form favorable impressions of the store, the store's departments, merchandise, quality standards, assortments, services, and the many factors that affect the growth and future of the business. To accomplish these two purposes Hudson's advertising is divided into three classifications. This is known as the A-B-C CONCEPT.²

Class A advertising is for immediate sales response. Strong promotional items are advertised for immediate response.

¹The J. L. Hudson Company, Hudson's Upstairs Newspaper Advertising Manual, op. cit.

²Ibid.

This will include:

1. Single items at regular prices with potentially wide appeal.
2. Single items off-price.
3. Groupings of items as described in points 1 and 2 above.

Class B advertising will be used to influence customers to form favorable impressions of the store's leadership and authority, the store's departmental coverage, distinguished merchandise, quality standards, vast assortments, price brackets, and the many factors that affect the present and future of the business. Merchandise selected and advertised to stimulate a growing demand for Hudson's merchandise, departments and the store will include:

1. Presentations of single items at regular prices, especially where the presentation can be coupled with departmental selling and Hudson's selling ideas.
2. Departmental assortments at regular prices.
3. Presentations of coordinated items from a department or a group of departments where such a coordination is indicative of Hudson's leadership and style authority.
4. Style trends and fashion presentations that show off Hudson's alertness and authority in apparel, furniture, accessories, etc.
5. Planned advertising on Hudson's leadership departments

and areas, one idea at a time, to insure continuing growth and future profits, this advertising to be maintained all months of the year.

6. Planned advertising to build weak departments and to strengthen departments with greatest potential, sometimes deliberately promoting out of proportion to sales to gain these ends.
7. Hudson's competitive program.

Class C advertising will talk to customers about Hudson's many aspects not fully covered by Class A and Class B. Advertising for character includes institutional advertising, civic-minded advertising, public relations advertising, presentation of Hudson's services and policies, advertising for prestige and character image. Although all advertising of Hudson's contributes to the store's character image, Class C will do it more specifically. This classification will include:

1. Hudson's policies and services advertised in a planned program.
2. Distinguished and extraordinary merchandise offerings where such presentations make news and show off Hudson's character and leadership. (Departmental presentations that would not be covered normally by Class A and Class B advertising.)
3. Distinctive presentation of certain Hudson departments

where such presentations add to Hudson's character and leadership.

4. Hudson's competitive program where such a program is developed as an institutional program and not covered normally by Class A and Class B advertising.
5. Hudson's place in the community. Public service advertising, greetings to the symphony, downtown progress, United Foundation, etc.
6. Special events coverage, such as fireworks, Thanksgiving Day parade, etc.

Ninety per cent of the total advertising budget of the store is used for advertising for action and advertising to build. Ten per cent of the total budget is used for advertising for character.

The merchandising and advertising policies maintained by Hudson's reflect Hudson's to the people as management desires-- a store of leadership, a store of great size, a store of many parts, a store close to the hearts of the people.

Organizational Structure for Carrying Out Store Policies

The J. L. Hudson Company, as a large store, supports a complex organizational structure to carry out its extensive advertising and sales promotional activities. In Hudson's the publicity division's sole function is to present through advertising, display, and special events, the merchandise news of

the store. The publicity division in Hudson's is placed on a plane with the basement store manager, vice-president and general merchandise manager of the upstairs store, vice-president of finance and treasurer and the executive vice-president.

The advertising, display and special events departments report to the publicity director, whose duty it is to plan and coordinate all publicity activities with the aid of his department managers. The centralization of the advertising, display, and special-events departments under the publicity director is the one best method of guaranteeing that all forms of advertising and display will be utilized most effectively for the best interests of the store as a whole.

The principles of Hudson advertising are that it be interesting, timely, accurate, and in good taste. It must always reflect the character of the store. The following information is intended to give more detailed guidance to the carrying out of this basic policy:¹

1. Each quarter the approved Hudson-paid merchandise newspaper advertising budget for the upstairs store is allocated among the Detroit News, Free Press, and Shopping News by the advertising manager, in keeping with management's then

¹The J. L. Hudson Company, "Publicity Policies," Detroit, Michigan, 1958.

current media-use policy. Transfers of space among the daily newspapers must be approved by the advertising manager. He makes such transfers as necessary to maintain the store's media policy, and gives the buyer concerned adequate advance notice. Major schedule changes are worked out with the merchandise manager concerned.

2. The upstairs store makes strong presentation on the newspaper pages which are reserved for its use.

3. Selection of items to be advertised is the responsibility of the merchandise division. Space devoted to each advertised item is scheduled by merchandise divisions, with the guidance of the divisional advertising manager concerned. It is the advertising department's responsibility to insure that Hudson advertising makes the necessary impression, both in effectively presenting the merchandise and in contributing to the company's current goals of total corporate image. That is, the manner in which advertised merchandise is presented, the appearance of individual ads and each advertising page, are the responsibility of advertising. The divisional merchandise manager can bring to the attention of the advertising department any phase of his advertising program which he feels does not project departments or their merchandise to proper advantage.

4. Exclusivity claims should be used with extreme caution.

5. Unqualified superlatives are not to be used in Hudson advertising.

6. Personality pictures for merchandise advertising are to be used on a restricted basis. Approval from the general merchandise manager is required.

7. Advertising will adjust requests and layouts as necessary to make the most effective use of advantageous positions in newspapers and other media. Hudson advertising will generally be scheduled so as to "hold" a page in the paper. The use of small separate ads is avoided as much as possible. Administration of this policy is the responsibility of the advertising department which will make scheduling changes when necessary to uphold the policy. Major schedule changes are worked out with the merchandise manager concerned.

8. Merchandise must not be advertised unless available in all Hudson stores. Exceptions must be approved by the merchandise manager concerned.

9. Seven columns, except for unusual circumstances, is the maximum size for a Hudson merchandise ad, with the exception of the Shopping News.

10. Sunday News, and Free Press merchandise advertising is restricted to no more than three pages in each paper. (This does not include Roto.) Approval for additional space must be given by the general merchandise manager.

11. Each day the stores are open will be covered by an advertisement for the upstairs store in at least two newspapers.

12. Store hours, telephone numbers, c.o.d. and delivery information, and other basic information of this kind is adequately presented in each day's advertising.

13. "Windfall" is the only merchandise advertising space available as extra space, beyond budgeted space. Windfall requests cover those outstanding sales opportunities which can not be planned for in advance and which will give the store additional volume over the current planned sales.¹ Requests for windfall must be submitted to the general merchandise manager, or, in his absence, to the advertising manager. Requests must be accompanied by the reason for the request, price, quantity, previous experience, sales possibilities, etc.

14. The advertising department will at all times have a specific production schedule which it and the merchandise departments will follow. Advertising requests which meet schedule requirements and are then approved, will appear as scheduled. Advertising is not under obligation to accept requests which do not meet its announced production schedule.

15. Merchandising and publicity plans covering Hudson's branch stores and Hudson's downtown are the final responsibility of the downtown organization. When branch stores agree to cooperate with other stores in the centers in any promotion

¹"Windfall" is an unallocated Class A budget available on an emergency basis where the regularly planned Class A budget doesn't cover the situation. The J. L. Hudson Co., Hudson's Upstairs Store Newspaper Advertising Manual, op. cit.

involving merchandise preparation and/or downtown publicity, the downtown merchandise and publicity organizations are to be notified by the Hudson branch store management concerned.

16. The design and general appearance of any printed material which is to be seen by customers must be approved by the publicity division. The following are included:

- a. Folders, brochures, cards and pamphlets for distribution to customers in any way, including direct mail.
- b. Merchandise labels and insignia.
- c. Merchandise wrappings and boxes.
- d. Any form for customer exposure.
- e. Any other printed item which will be seen by customers and which bears the Hudson name or is directly associated with the company.

17. The manager of Hudson's New York office must clear and approve requests for use of the Hudson name in national advertising by resources.

Display

Hudson's display and sign techniques are intended to add to the attractiveness of customer areas and enhance the presentation of merchandise for maximum customer appeal. The following statements are intended to give more detailed direction to the accomplishment of these goals:

1. The downtown display manager is responsible for upstairs

store display technique and procedure for all company stores. Within this overall creative and operational supervision, the display manager at each store is responsible for display matters of his store.

The downtown display manager will give general supervision to property purchases and creative planning of all upstairs store display departments, coordinating them to insure economy, uniform standards, and similar treatment of major promotions. Within this supervision, branch stores handle display with a degree of individuality in situations as necessary, but the overall emphasis must be on uniformity of technique.

2. In customer areas there will be no display or signing on ledges, escalator landings, stages, elevator walls or in archways except as planned by display. First floor ledges are used for selected seasonal or store-wide themes, since these ledges are primarily to create atmosphere and general interest; cases and counters are intended for direct selling displays. Merchandise idea displays are allowed on ledges in certain departments as approved and planned by display.

3. Manufacturers' display fixtures and signs are not to be ordered or used without prior approval by the interior display manager (or display manager at the branch).

4. In customer areas no display material will be attached to walls, columns, mirrors, or other backgrounds except by display.

5. The primary purpose of window display is to convey an impression of the store's personality. The display department plans window displays to make the most effective total impression for the store, varying the use of windows as necessary to accomplish the plan.

6. The downtown store display manager must either approve or design interior signs for all customer areas in upstairs stores and service buildings, and for use outside company buildings. Divisional merchandise managers are responsible for the appearance of day-to-day merchandise signing in their departments, in keeping with standards outlined by display.

Special Events

The purpose of Hudson's special events program, including press relations, is to bring additional customer traffic to its stores and to focus favorable, continuing attention on the company through a wide variety of public relations activities. The following statements are intended to give direction to the accomplishment of these goals.

1. Company-wide responsibility for the coordination and manner of presentation of customer shows, exhibits, personal appearance and similar events rests with the special events manager. He is also responsible for allocating and controlling budgets for such activities.

Because of the scope of Hudson's special events activities,

many projects are organized and carried out by the departments concerned, with varying degrees of guidance and supervision from special events. However, the special events manager is responsible for approving these activities and for assuring that they meet with company standards of showmanship and customer interest, as part of the total store image.

2. The use of the auditorium or other special events space in the Hudson store, or in hotels or convention halls must be approved by the special events manager.

3. Schedule and plans for merchandise-area events which have a strong special-events or public-relations flavor (Sewing Clinic, Food and Candy Fair, and others) must be cleared sufficiently in advance by the special-events manager.

4. Special events is responsible for representing the company with press, radio and TV on news and editorial matters. All inquiries from reporters, photographers and other representatives of these media will be referred to the special events office. No Hudsonian is under any obligation nor (other than the general management) has any authority to speak to the press without clearing with the special events office.

5. All requests from resources and other organizations who want to use Hudson's name in advertisements or sales promotion material must be referred to the special events manager, except those requests to list the company name in a national

ad by one of their merchandising resources, which should be referred to the manager of Hudson's New York office.

6. Miscellaneous requests, suggestions, and offers come to the store every day. The special events office handles all matters of public relations. Requests for contributions must be referred to the general manager's office.

As The J. L. Hudson Company has grown with Detroit, from a small single store to a great downtown institution with sizable branch operations, its publicity division has been necessarily augmented to keep pace with today's merchandising opportunities.

Both Knapp's and Hudson's realize that advertising and sales promotion are powerful forces. It is important, therefore, that the stores understand what they expect from their investment in these forces and how each individual in the organization can do his part to make the most of advertising and sales promotion for the benefit of the respective stores in relation to their individual worth.

CHAPTER V

SCOPE OF SALES PROMOTIONAL ACTIVITIES

IN KNAPP'S AND HUDSON'S

Characteristics and Extensiveness
of Media Used

In order that the reader may get a complete picture of the scope of the advertising and sales promotional activities of the J. W. Knapp Company and The J. L. Hudson Company, the author has taken each store separately and used the list of external and internal media previously presented as a guide in delineating the data concerning the characteristics and extensiveness of the media employed. Information has been gathered from personal observation, personal interviews with the respective store executives, and from a review of newspaper advertisements.

External and Internal Media Used by Knapp's

The following external and internal media are used by the J. W. Knapp Company:

A. Periodical Advertising Media

1. Newspapers. The newspaper is the principal medium through which Knapp's advertises. No other medium affords the Knapp Company an opportunity to reach such a large and diversified group of readers in a desired, limited area, regularly and frequently, at the most opportune time, and at such a reasonable cost per reader.

As its most powerful selling force, Knapp's delivers its messages to prospective customers almost exclusively through the State Journal, a daily and Sunday newspaper. The Michigan State News, a daily university publication, is occasionally used for advertising seasonal merchandise.

Approximately 70% of this store's advertising appropriations is spent in advertising regular-price-line goods and approximately 20% is spent on special promotion. Knapp's is consistently one of the largest advertisers in the Lansing area.

2. Miscellaneous periodicals. The Knapp Company advertises in a number of local and community publications. Fraternal, university, religious, and civic organizations of all kinds call on the store constantly to buy space in their periodicals. Often the purchase of space in these publications is justified for reminder and good will advertising.

Knapp's advertises in the city, telephone and hotel directories, because directories are suitable media for advertisers who can depend on subject interest, since customers will refer to directories for information about certain subjects when the need arises.

Knapp's often finds Lansing's Civic Center programs useful as a means of conveying both good will and selling messages. For example, advertisements have been run in sports event programs, home and decorators' show program, hairdressers' program, and bridal fashion show.

B. Direct Advertising Media

1. Direct mail. Due to the high cost per mailing unit in comparison with newspaper advertising, Knapp's does only a small amount of direct mail advertising, mostly in the form of statement inserts and envelope enclosures. Occasionally, the store compiles lists of various groups of people whom they wish to address. At present the direct mail advertising practice is being expanded. A list of 5,000 men is being compiled for the Men's Department.

Knapp's used statement inserts and envelope enclosures which are the least expensive forms of direct mail advertising for the store because they ride free in letters, bills, or other business correspondence. These inserts and enclosures often produce immediate sales and are a means of delivering brief sales and good will messages.

2. Miscellaneous direct mail. Knapp's also uses package inserts or small leaflets in outgoing packages as a method of encouraging repeat purchases of the same articles or of inviting new business for other merchandise. Knapp's occasionally uses package inserts in conjunction with the manufacturer of a product.

Distinctive wrapping supplies identify the name of the store through effective use of color and design. Management realizes the importance of the selection of appropriate wrapping

supplies and labels, since wrapping supplies serve to remind the customer and other people of the store.

Knapp's publishes a store newspaper which is distributed to every employee. This paper is successfully used to maintain regular and personal contact with the store's employees. Usually an attempt is made to provide a suitable combination of information and entertainment. Informative and inspirational articles on business subjects are interspersed with human interest stories of interesting happenings in the store and with accounts of the experiences of members of the store's staff. Announcements are made about the store's personnel, merchandise, and services. This newspaper is enthusiastically received and it exerts considerable influence in boosting the spirit of the store's employees and in stimulating sales.

3. Telephone and mail-order. Knapp's regards telephone and mail-order business as customer services to be extended upon request, rather than as a volume-building tool that merits aggressive promotion. As a result of the recent increase in the promotion of the store's Personal Shopping Bureau there will be more telephone and mail-order selling done in the store. Occasionally, coupons are employed in newspaper advertisements and order forms included in bill statements to encourage mail-order responses.

C. Sign (or Mass) Advertising Media

To take full advantage of its customer traffic, Knapp's extensively employs sign advertising to encourage people to buy both advertised and unadvertised merchandise. Knapp's uses the following sign media as effective selling and good will agents: counter, elevator, window cards and posters. When placed near store entrances, elevators, escalators, and at favorable points throughout the store, the sign media effectively deliver institutional messages or call attention to important selling events in the store. Knapp's does not use outside sign media.

D. Broadcast Advertising Media

Occasionally, Knapp's uses spot announcements on the radio to back up their newspaper advertising. Due to the high cost of radio advertising, the store has experienced little success in advertising a specific item on the radio. Spot announcements are an important medium for creating listener impressions. Such broadcasts permit Knapp's to go on the air at lower cost, with greater frequency, and with less advance planning than do fully sponsored broadcasts. Knapp's sponsors a half-hour musical program on a local FM station.

Due to the high cost of television advertising, Knapp's resorts to spot announcements of seven to sixty seconds duration, sponsoring programs, participation programs, and

other lower cost methods. Knapp's uses television advertising to reach the readers as well as the non-readers of the local newspaper. Included in the non-reader group are the young children who influence the buying of many clothing, toy and household items. Occasionally, Knapp's sponsors local athletic events on television.

E. Display

In general Knapp's uses window display to produce immediate sales through the timeliness and the usefulness of the merchandise and the reasonableness of price, as well as to create a favorable impression of the store through the newness, the fashion-rightness, the wide assortments, and the timeliness of the merchandise. Knapp's seems to effect a compromise between window display and newspaper advertising. Important newspaper-advertised promotions are given adequate window representation, while several windows are always left free to feature unadvertised merchandise.

Knapp's realizes that interior display is one of the most important components of their sales promotion program. Interior display, which has as its major purpose the sale of additional goods, is a valuable adjunct to advertising and is an important means of making that advertising profitable.

Knapp's uses interior display to make the store attractive, to show merchandise, to change the "face" of the store with the

changing seasons, and to individualize departments. The store primarily uses open displays from which the customer herself can select merchandise.

As indicated in the preceding paragraphs, Knapp's uses various forms of periodical, direct, sign, and broadcast media along with external and interior display to make contact with prospective customers.

Supplementary Media

Knapp's uses diversified means of attracting prospective customers by supplementing the store's advertising with many forms of special-purpose publicity, such as those mentioned in the accompanying list.

A. Merchandise Features and Attractions

1. Special displays and exhibits. Knapp's takes every opportunity to sponsor special displays and exhibits of for-sale and not-for-sale merchandise as an effective means of attracting crowds of people, many of whom may buy some of the merchandise that they see in the regular selling departments.

Special displays and exhibitions are valuable promotional devices for Knapp's since they often help the store attain:

(1) a large sales volume of the exhibited merchandise, (2) a reputation as an authority in a selected line of merchandise, and (3) good will as a benefactor of worthy groups and causes.

Two annual events put on by Knapp's are the National Farm and Garden Club Exhibit and the Flower Arranging Exhibit.

2. Demonstrations and showings. In Knapp's demonstrations and showings are highly effective promotional instruments. Demonstrations are used in the store primarily in cases where the customer must be shown how merchandise works, and how it may be used to best advantage. Washing machines, vacuum cleaners, kitchen tools and appliances, and other household articles are demonstrated inside and outside the store. Similarly, Knapp's frequently features demonstrators who explain by example how to apply, and how to derive full benefit from cosmetics and other toilet articles. On occasion yard goods are shown with highly satisfactory results by having garments already made up in certain fabrics.

3. Schools and classes. Knapp's conducts classes in child care for expectant mothers and charm school for interested teenage girls in order to create good will and sales. The charm school has been a tremendous success. The Girl Scouts send 300 girls each year to take the course. Flower arranging classes for women and various sporting-goods demonstrations and classes for men are usually carried on within the store in the auditorium. Knapp's takes every opportunity to offer interesting and informative classes to their customers. This fact carries through their policy of service to the community.

4. Fashion shows. Knapp's puts on about six or seven fashion shows a year. The shows are a means of exhibiting to customers the season's new fashions and of imparting to them wanted fashion information. They generally prove to be effective in stimulating sales. On occasion Knapp's has presented fashion shows in local theaters, women's clubs, school auditoriums, and the Lansing Civic Center as well as inside their own store. Many of the fashion shows held by the store are for the benefit of charity; for example, the recent bridal show sponsored by the Daughters of the Eastern Star for their philanthropical endeavors.

B. Institutional Features and Attractions

At Knapp's institutional features often have no connection with the immediate sale of specific merchandise, but are intended solely to win good will, to attract people to the store, to make the store known as a community center, and to get the store talked about and written about. Knapp's maintains bowling and golf teams which play in city leagues. They also provide expert lecturers for women's clubs and study groups on such topics as gardening, home decoration, and fashions. Some of the celebrities that Knapp's has brought to the store are: Linda Crystal, Lin Dollar of the \$64,000 Dollar Question, Vaughan Monroe, Muggs the Monkey, Lullabelle the Clown and the Cordettes.

Frequently the store presents in its auditorium lectures

on subjects of interest to special groups or to the general public and celebrities from various fields. Occasionally the store presents the attractions in cooperation with schools, parent-teacher associations, women's clubs, and other local organizations. Among the traditional institutional features and attractions employed by Knapp's are the Mother of Lansing Party which the store promotes in cooperation with the Lansing Chamber of Commerce, the Little Lady Easter Party, the Easter Bunny, the Girl Scout Party, and Santa Claus.

C. Special Sales Inducements

In order to overcome people's natural tendency to procrastinate, the store occasionally employs special sale inducements in the form of premiums, contests and awards. Through the use of these devices, the store endeavors to encourage people to visit the store promptly or to stimulate their interest in special merchandise.

1. Premiums. On occasion the store gives free goods of various sorts to induce customers to buy specified merchandise during designated periods. Knapp's realizes that people are always eager to get something free, even if they have to spend money to take advantage of the free offer.

2. Contests. Knapp's realizes that prizes hold an attraction for most people. Accordingly, the store has employed contests of various sorts with satisfactory results.

Knapp's conducted a large city-wide essay contest which was open to high school students, college students and adults. The participants were asked to describe what is meant by a value. Large sums of money were given away in prizes; this was done to back up the store's policy of giving to the community good values on all their merchandise.

Customer and employee contests are held during the year in the store. In July, 1960 Knapp's held their annual Employees' Hosiery Sale featuring Knapp's "Wonder Value" nylon hosiery. The store's newspaper advertisement for that day tied in directly with the contest. It stated that, "Now is the time to help your favorite Knapp salesperson win a wonderful prize and for yourself to get big savings on sheer quality nylon hosiery."

D. Press Publicity

Knapp's receives considerable free publicity in the newspaper. Almost invariably the store seeks to obtain free publicity for special displays and exhibits, fashion shows, lectures, concerts, merchandise and other such institutional features and attractions. The State Journal looks to the store to supply them with news-worthy events.

During the summer and fall of 1960 Knapp's received free publicity with the arrival of new fashions and new home furnishings, the presentation of fashion shows for specific groups and charity, and the participation of the store in community events,

such as the Shibui furniture display at Knapp's at Lansing's first home show, and Lansing's salute to Oldsmobile (an idea originated by the Director of Publicity at Knapp's).

1. Aisle tables. In Knapp's aisle tables are placed in busy traffic lanes, either on the main floor or on the upper floors, where they prove to be highly efficient sales agents in securing extra business from store customers. Management at Knapp's feels that aisle tables often hinder the easy flow of traffic through a store, therefore, aisle tables are not extensively used throughout the store.

From the many media at their disposal, Knapp's has selected the media that seem most suitable for their purposes. Although the numerous devices differ widely in character, they all are employed to draw large numbers of people to the store where they will be exposed to the merchandise the store has to sell. They are undertaken to implant in the minds of prospective customers the impression that the store is a community center in which many educational and entertaining events are constantly taking place. They are also undertaken with the idea of fostering a habit of visiting the store regularly and often. Whether used inside or outside the store the media are intended, with one exception (institutional features and attractions) to promote directly the sale of specific merchandise. Often, certain of the events are staged for the express purpose of

obtaining press publicity in newspapers and other media.

External and Internal Media
Used by Hudson's

Hudson's uses diversified forms of advertising media, such as those mentioned in the following list:

A. Periodical Advertising Media

1. Newspapers. Newspapers are traditionally the main medium for Hudson's advertising because of their regular and wide coverage of the market. It is the most effective medium for the store, since readers look for "store news" in the newspapers. Immediate and measurable response is evidence of the effectiveness of the medium.

With the exception of Saturday, Hudson's advertises daily in the Detroit News and Free Press. Hudson's leads all Detroit retailers in newspaper advertising lineage. In 1959, despite newsprint shortages and curtailed space allotments, Hudson's newspaper advertising totalled 389,862 column inches, the equivalent of 2,270 full newspaper pages.

The basement store, as well as the upstairs store, uses newspaper advertising to inform the public of the store's merchandise and to induce sales. In addition, the basement operation uses approximately 5% more advertising for promotion of phone order service, store hours, charge accounts, and competitive price policy.

Complete records are kept by the basement operation to show the first day's selling results; from this management determines what presentations and what types of merchandise came within range of 15% advertising cost which is considered to be very good.

2. Shopping publications. In addition to newspaper space, Hudson's upstairs and basement stores use six pages weekly in the merchant-owned Shopping News, which is published twice a week on Monday and Thursday. This publication has strong coverage and high readership with a regular circulation of 500,000 readers. Its cost per reader is relatively less than newspapers. Direct and measurable responses determine effectiveness of the publication.

3. Miscellaneous periodicals. Hudson's buys advertising space in a great number and variety of local and civic publications, such as fraternal, religious, club and civic periodicals, college and school publications, telephone and other directories (hotel, motel), theater programs, and national magazines. Since these periodicals are influential among the inhabitants of the store's market area, the purchase of space is justified for reminder and good will advertising.

The upstairs store regularly advertises in Where, a magazine distributed locally to hotels and motels, in order to interest Detroit visitors in Hudson's. The Skyliner, a

downtown magazine for working men and women, is also regularly used by Hudson's to draw business to the downtown store,

Occasionally Hudson's upstairs store advertises in the following national magazines: Vogue, Harper's Bazaar, the New Yorker, Seventeen, and Mademoiselle. The store uses these magazines for fashion advertising in order to maintain good relationships with the publications who provide the store with advice and editorial credit, and to help keep the store's name before "top" resources. The store has success in both of the above goals.

B. Direct Advertising Media

1. Direct mail. Hudson's uses the following forms of direct mail: letters, invitations for fashion shows and special events, statement inserts, and six catalog-type booklets a year which include three or four on beauty, a stationery and notions gift book at Christmas, and a 10th floor gadget gift book. Direct mail has the advantage of exclusivity with no competitive advertising to divert attention. It also enables the store to select small groups of prospects from larger miscellaneous lists and to pinpoint messages.

In general, responses to Hudson's direct mail advertising are always good. Direct results are the store's evidence of effectiveness. Records of results are kept. In some instances the basement store's direct mail advertising results are greater than newspaper results.

2. Miscellaneous direct media. Hudson's occasionally uses "flyers" or "circulars" which are either in "take-one" racks or are passed out to customers as they enter the store. Flyers were used during the newspaper strike to acquaint customers with the store's merchandise news. Circulars are "over-runs" of regular newspaper distribution and are used to give added support to a merchandise event. Direct results are the store's evidence of effectiveness.

Distinctive wrapping supplies are used to advantage for "name" advertising. Labels and stickers, boxes, wrapping paper, shopping bags and other wrapping supplies serve as reminder advertising to the purchaser and often to many of the people who come in contact with the customer.

Hudson's makes a practice of presenting to employees copies of the store's newspaper. This publication contains information about the store and the personnel within the company. In a store the size of Hudson's the publication helps to create the feeling of "belonging" on the part of the employees. In such cases it exerts influence in boosting the morale of the store's employees, in winning employee good will, and in stimulating sales.

3. Telephone and mail-order. The telephone is not used as an advertising medium by the store; however, some sales-people call customers on their personal lists regarding certain

merchandise which may have come into the store. The telephone is highly selective and is a form of direct selling. Evidence of effectiveness is the salesperson's record.

Actually, mail-order is a result of all of the store's advertising rather than a form of advertising. In the basement store there is no direct solicitation of mail except in the Sunday Free Press Roto section where coupons are available in the store's advertisements. In general, this form of advertising is used to obtain more business from outside the store's normal shopping area. It is effective largely for merchandise that is probably not available in rural or outstate areas.

C. Sign (or Mass) Advertising Media

1. Outdoor signs. Hudson's uses outdoor signs because they offer the store large circulation at low cost per reader, dominating and impressive size, and wide choice of conspicuous position. Effective color is used to strengthen the store's message.

Outdoor signs are used on all main arteries leading into Detroit. They are used primarily to take full advantage of the store's national publicity and to let travellers, vacationers, and conventioners know that Hudson's is in Detroit. The store uses color, brief messages, and pictures to convey its messages. This medium ordinarily has less value in

stimulating immediate sales than in delivering institutional messages. As a result, these signs are effective for reminder advertising, which serves to recall and to reinforce messages conveyed through other media. Evidence of effectiveness is unknown and intangible, therefore, Hudson's just trusts the medium and its impact.

2. Posters. Hudson's uses two types of posters in the store for merchandising signing and for special events, major merchandise events and services. The posters are used as an aid to customers in identifying and explaining the benefits of the merchandise and to inform customers of sales and special events.

Posters are the most flexible of media for they may be changed frequently. Thus, they enable the store to keep its messages timely and seasonable. Posters are often placed near the store entrances and escalators as well as on the first floor board listing. The display department supplies copy for the posters. Sales and traffic are measurable results which can be used to determine media effectiveness.

3. Miscellaneous signs. Hudson's uses a relatively simple store signature on the sides of their delivery trucks for institutional advertising. On occasion, the store gives away novel items during a special event. For example, a self-sealing balloon on a short baton imprinted with the name of

the event and the store, was given to small children who attended the store's Easter event in 1960 of "The Wonderful Land of Oz." It is difficult to measure the results of these forms of advertising.

D. Broadcast Advertising Media

1. Radio. Radio offers Hudson's several advantages, such as human appeal, timeliness, and flexibility, that makes it a valuable adjunct to other media for occasional use by the store when it desires coverage of larger markets or of areas not reached by other media.

Spot announcements are used to promote special events and/or major merchandise events. They are used primarily for broad coverage and as a supporting medium to other forms of advertising and special events. Hudson's has four radio programs, one of which has been heard daily for 13 years. Direct results in terms of customer traffic and actual sales help determine the effectiveness of this medium.

2. Television. Television is used as a supplementary medium for the upstairs store, especially in conveying short spot announcements which are interspersed among full-period programs. Due to the high cost of television advertising, Hudson's does not sponsor complete programs.

Supplementary Media

Hudson's realizes that special events play an important role in the store's publicity program. Hudson stores have broad class appeal, therefore, the organization attempts in their special events to mean many things to many people. The downtown store is the focal point of special events activity for the following reasons: (1) Hudson's downtown store represents a tremendous capital investment--which must be protected, (2) the downtown store is the pace setter and showcase of the company, and (3) Detroit is still the core of Detroit metropolitan area--and what happens downtown is bigger news than what happens in the suburbs.

In order to achieve balance in their special events program the store presents activities for specific age groups, activities for men and women, activities geared to special interests, and participation in civic and cultural programs.

As a supplement to advertising and display, Hudson's uses various forms of special-purpose publicity (special events), such as the following:

A. Merchandise Features and Attractions

1. Special displays and exhibits. Hudson's takes every opportunity to sponsor special displays and exhibits as an effective means of stimulating traffic, sales, and substantial editorial publicity. The following are just a few of the special

displays and exhibits which have been put on by the store in the past: the Good Taste Exposition, Imported Auto Show, Exhibition of Fine Cats, Tulip Exhibition, Speaking of Tomorrow (dramatizing telephones), Miss America Fabric Fashions, Import Fair, and the Idea Home (Hudson's decorated the "prestige" model home).

2. Demonstrations and showings. In Hudson's demonstrations and showings are used as promotional instruments to increase customer interest, traffic and sales. In most instances, demonstrations are used when the customer must be shown how merchandise works or how a product may be used or applied. In addition, Hudson's Home Advisory Bureau presents cooking and other household demonstrations to interested audiences. Department traffic and sales are used to determine the effectiveness of demonstrations and showings.

3. Schools and classes. Hudson's conducts classes and panels as a method of increasing sales and creating good will. For sub-teens and teens, "Fashionette" panels have been set up in Hudson's three stores. This group, which includes over 100 girls, participates in two major teen shows in March and August, a table setting competition and Saturday departmental shows. Charm clinics are conducted for interested teens at all three stores--with over 2,000 girls graduated since inception. The boys' department has worked unofficially with an advisory

board of male teens--and found their candid advice of real help in spotting fads and trends prior to placing orders. The sewing center offers dressmaking instructions and the needlecraft shop gives continuous instruction in needlecrafts.

In general, most of the department store's promotional effort is concentrated on the female; however, the store conducts a Gun Clinic and other comparable events for interested men.

4. Fashion shows. Hudson's conducts an extensive number of fashion shows in selling departments, the store's auditorium, or other suitable locations within the store. The store regularly presents fashion shows in local theaters, women's clubs, hotels, school auditoriums, civic centers and other appropriate places. The shows are designed to appeal to several groups of users or to one group alone, such as housewives, business women, high school or college girls, or prospective vacationers. Hudson's has its own store models; however, the store often hires professional models. Traceable direct sales, traffic or editorial publicity are all evidences of this medium's effectiveness.

B. Institutional Features and Attractions

Institutional features and attractions of almost limitless variety are employed by Hudson's. In most cases the events have no connection with the immediate sale of specific merchandise

but are intended solely to win good will, to attract people to the store, to make the store known as a community center, and to get the store free editorial publicity.

In addition to those events directly related to producing increased sales, the store regularly participates in the civic and cultural life of the city to demonstrate Hudson's interest in community affairs and to foster good store "image."

The store's role in this area includes the unfurling of the world's largest flag, participation in a city-wide cultural program called "Detroit Adventure," staging their annual Thanksgiving Day Parade, and staging the spectacular fireworks for the International Freedom Festival. The store recently presented a major auditorium show entitled "The Golden Trail of Scouting" to commemorate the fiftieth anniversary of the Boy Scouts of America. In 1960 the store also sponsored the annual Spring Selling Exhibition of The Detroit Artists' Market in a merchandise area where the store usually sells millinery.

The store has engaged celebrated musicians or orchestras to give recitals and to play various instruments in the music department, leading athletes to appear in the sporting goods department to demonstrate and to autograph equipment, and celebrities to visit the store for sponsoring merchandise or events.

Hudson's also provides expert lecturers for women's clubs and study groups, as well as garden consultants, soil analysts, stylists, wedding consultants, demonstrators, and many others who have special skills. Occasionally, the store presents the attractions in cooperation with schools, parent-teacher associations, women's clubs, and other local organizations.

Hudson's sponsorship of the "Michigan on Canvas" art project, announced in 1946, was a major undertaking of cultural importance. Ten of America's leading artists were commissioned to interpret contemporary life in the state of Michigan in a series of 90 to 100 paintings. The completed paintings recorded on canvas the significant activities, institutions and assets of the people of the state. These paintings were exhibited throughout Michigan.

Hudson's sponsorship of musical projects included in recent years the development of the Civic Light Opera Association of Detroit, a project now jointly sponsored by other local institutions and widely endorsed by the whole community. Each winter a ten week season of light opera is presented with well-known stars in leading roles and specially trained local singers and dancers in supporting roles. Hudson's also currently underwrites the presentation of concerts by the Detroit Symphony Orchestra for the school children of the area.

C. Special Sales Inducements

Hudson's has a firm policy precluding contests or giveaways of any type.

D. Press Publicity

Hudson's fully understands the value of news stories as supplements to their advertisements; therefore, the store is unwilling to leave to chance the assembling and writing of this material. The special events department is responsible for representing the company with the press, radio and television on news and editorial matters. Press releases are prepared by this department and made available to all press and publicity people.

Press publicity is used to help promote the sale of specific products or lines, to keep the newspaper readers informed of Hudson's, to generate increased attendance of special events, to help sell Hudson's "image," to tell about the opening of new departments, or the redecoration or relocation of old ones, to announce the inauguration of new customer services, and to inform the public of store policies.

In order to warrant publicity stories the store often sets out deliberately to make news by scheduling special displays and exhibits, fashion shows, schools and classes, visits of celebrities, lectures, concerts, parades, circuses, marionette shows, and other events of the type discussed in the preceding

paragraphs. Press clippings are the best yardsticks that the store can use to determine effectiveness--the store does quite well.

E. Aisle Tables

Aisle tables are used primarily for special displays and table settings. Occasionally, departments on the upper floors use aisle tables which prove to be highly efficient sales agents in securing extra business. Main floor aisle tables are not used in the store.

Hudson's conducts an extensive special events program which is highly successful in bringing additional customer traffic to its stores and in continuing attention on the company through a wide variety of public relations activities.

It is hoped that the context of this chapter provides the reader with some insight into Knapp's and Hudson's approach to advertising and special events--and the important role that advertising and forms of sales promotion play in determining store growth and development in their respective communities.

The retailer will do well to study carefully the merits and limitations of the various media in which his advertising may be inserted. But each medium, in turn, must be evaluated in terms of (1) the store's present and prospective customers--their location, buying habits, reading habits, and income; (2) its cost in relationship to the money the retailer can afford

to spend; (3) the advertising media used by competitors; (4) the trading area of the store; (5) the size of the store; and (6) the kind of message to be sent--whether it shall be of limited or general interest, or whether it shall be institutional¹ or promotional.² There is no medium that is "correct" for all retailers under all conditions. The retailer's skill is well tested in selecting that combination of media which best meets his needs.

In choosing appropriate methods of sales promotion, the retailer should avoid the pitfalls of getting into a rut and staying there. He must be sufficiently alert to subject existing media to careful and systematic scrutiny and to adopt new ones when such action seems advisable.

¹Institutional advertising is that form of advertising which is designed to build a reputation for a store, dramatize its position in a community, emphasize its advantageous features, and build confidence in its merchandise and services. Edwards and Brown, op. cit., p. 161.

²Promotional advertising is the "bread-and-butter" advertising of the store. The store relies upon this type of advertising for its next day's business. Its primary object is the immediate sale of merchandise. Ibid., p. 163.

SUMMARY, CONCLUSIONS, RECOMMENDATIONS

Summary

In fulfilling the purpose of this study, an investigation of the sales promotional activities of the J. W. Knapp Company in Lansing, Michigan and of The J. L. Hudson Company in Detroit, Michigan, was made to ascertain the comprehensiveness of the scope of the sales promotional activities that exist in a small and a large department store. Information for this study was gathered from personal observation, interviews with retail executives, and from a review of the stores' advertisements.

Much of the information that would be helpful in a study of this type is considered by most retail store executives to be confidential. A more complete study could have been done if the author had access to the stores' actual cost figures in relation to the effectiveness of the media used for a single promotion or event, store-wide events, or any aspect of the stores' promotional activities.

As a result of this investigation it appears that there are many similarities as well as differences between the stores, their market areas, and their sales promotional activities.

Similarities

Some of the similarities between the two stores are presented in the following paragraphs. Knapp's and Hudson's both hold

dominant positions of leadership and authority in their respective communities.

In both cases, store advertising makes the proper impression, both in effectively presenting merchandise and in maintaining the company's goals of total corporate image. The two stores want to be known as friendly, neighborly stores that provide extensive service to the customer and community. They endeavor to be the fashion and style leaders for their market areas and attempt to be the first to show new fashion merchandise, presented in such a manner as to attract loyal patronage through leadership.

Knapp's and Hudson's advertising reflects a friendly, neighborly store and avoids affectation or over-sophistication. A friendly, conversational approach is used at all times. Advertising copy explores the important selling points and benefits inherent in the merchandise. The approach is always from the customer's point of view--the advantages to the customer. Advertising copy is direct, simple, clear, informative, believable, friendly, enthusiastic, and projects the character of the store. Store hours, telephone numbers, delivery services, and other basic information are available in the stores' newspaper advertising.

The stores' display and sign techniques are similar in that they are intended to add to the attractiveness of shopping

sections and to enhance the presentation of merchandise for maximum customer appeal. The purpose of their respective special events programs, including press relations, is to bring additional customer traffic to the stores and to focus favorable, continuing attention on the stores through a wide variety of public relations activities.

Advertising by both stores is used for immediate sales response and for long range development. Immediate sales response attempts to sell merchandise on a day-to-day basis. Long range development attempts to influence customers to form favorable impressions of the store, the store's departments, merchandise, quality standards, assortments, services, and the many factors that affect the growth and future of the business.

The scope of the sales promotional activities is very similar in that both Knapp's and Hudson's employ the use of periodical advertising, direct advertising, sign advertising, broadcast, display and special-purpose publicity to carry their messages to the consumer.

Many similarities exist in the Lansing and Detroit market areas. Both markets are manufacturing areas whose economy, like that of many other Michigan areas, is still dependent to a large degree upon the automotive industry; however, in recent years the growth of local industries outside the automotive field has helped reduce this dependence. These two

market areas are comparable in amount of effective buying income per person and income per household. The average incomes in both markets are similar.

Lansing and Detroit are located in counties which are included in the ranking of 200 leading counties in the United States in population, total net buying income, and effective buying income per household. These factors are significant in that advertisers use these rankings to determine the location of profitable markets and to determine the amount to spend on advertising in the selected market area in order to realize an adequate return on their advertising investment.

The sales promotion activities of Knapp's and Hudson's appear to be productive in that the stores draw patronage from points far outside the areas that might ordinarily be termed their normal market areas. Both markets are experiencing growth and expansion in population and in the number of retail institutions. In both markets shopping center developments have offered competition to the downtown business district.

Differences

Although the stores are very much alike in overall policies, they are considerably different with regard to store size, market characteristics, number of employees, selection and depth of merchandise, organizational structure, location, and extensive use of advertising media.

When comparing the size of the two stores, Knapp's is a small department store (under ten million volume), whereas Hudson's is a large department store. In the national retail picture, Hudson's is regarded as one of the world's largest retail department store operations in total volume of sales. Both stores have basement operations which fulfill important roles in offering popular-priced merchandise. The basement stores aim to supply customer demands and wants in style, fashion trends and preferences at the popular-priced budget level. However, the basement store at Hudson's is the world's largest basement operation. The J. L. Hudson Company does a national and international business and attracts customers and mail-orders from nearly every state in this country and from many foreign countries.

There is considerable variation in the methods of planning and carrying out store advertising policies. Knapp's has a committee composed of top management executives who cooperate with the fashion coordinator, merchandise managers, and buyers to determine store advertising policies. Hudson's has a committee composed of all the department heads of the Publicity Division who cooperate with divisional merchandise managers, department buyers, and any others involved in the planning and preparation of major advertising and sales promotion activities. The organizational structure of Hudson's is such that

special departments handle the various forms of sales promotion activities, which include external, internal, and supplementary media.

The main difference between the scope of the sales promotion activities lies in the extensiveness of the media used. Due to its larger physical size and its greater market area, Hudson's supports a more extensive sales promotion program than Knapp's.

The present sales promotion activities of the J. W. Knapp Company and The J. L. Hudson Company appear to be in proportion to their respective store size, extent and nature of market areas, living and buying habits of the population, physical location of the stores, means of communication and their appropriateness, the cost of available media, advertising and publicity budgets and competition.

The Lansing and Detroit markets are dissimilar in the following respects: in geographic location, actual physical size, total population, transportation and communication facilities, and availability of the number of advertising media.

Lansing is a relatively isolated market when compared with the Detroit market which is the midwest gateway to world commerce through the Port of Detroit and the St. Lawrence Seaway. The Detroit market is considerably larger than Lansing in

physical size and in population, consequently, it has more extensive transportation and communication facilities and a greater number of available advertising media.

The Detroit market has experienced a marked increase in population and income and a continued shift of families from the city of Detroit to the suburbs. Numerous large shopping center developments in suburban communities have emerged throughout the market area to handle the population shift.

Conclusions

It is the purpose of this section to point out the major conclusions that can be drawn from this study. In relation to the facts discovered in this study it can be concluded that:

1. there are similarities as well as differences between the overall characteristics of the stores, their market areas, and the scope of their sales promotion activities;
2. Knapp's and Hudson's hold dominant positions of leadership and authority in their communities and endeavor to be the first to present new fashion trends, new merchandise, and new styles;
3. in relation to their size and position in their communities, Knapp's and Hudson's enthusiastically and publicly cooperate and support community activities in order to demonstrate their interest in the community;

4. through their selection of advertising and sales promotion media these two stores project to the public their store image as well as their policies and procedures;
5. both stores carry on extensive sales promotion activities in proportion to respective store size, market area, and availability of advertising media;
6. the most important differences between the stores are in actual store size and volume, depth and breadth of stock carried, market size and characteristics, services and customer conveniences, and in the extensiveness of their respective sales promotion activities.

Recommendations

To relate the promotional efforts of these stores to certain market factors would enhance the dimensions and significance of this study. For a more complete comparison of the two stores, it would have been helpful to have budgetary figures related to the following percentages: (1) the amount allotted to advertising in each medium, (2) the traffic and sales figure results related to each medium and sales promotion effort, (3) the "percent-of-sales" budgeted for research and development, and (4) the percentage of total retail sales in the trade area held by each store. An analysis and comparison of the above mentioned budgetary figures would indicate which

store was receiving the greatest financial return per advertising dollar.

Analysis of these data with other facts would have enabled the author to determine to some degree which store was carrying on the most effective promotional program in relation to respective store size and market characteristics. Hudson's is the larger store with more extensive services, advertising, and sales promotional activities; however, this does not mean that the advertising and sales promotion efforts of Hudson's offers the store the greatest financial return on advertising investment.

As a topic for investigation, sales promotion encompasses many facets of retail operations. In the process of conducting the research for this study, many topics for further investigation came to mind. Some suggestions for specific studies include the following:

A study might be conducted to determine whether to cultivate present trading areas more intensely or to reach out into other sections to obtain additional business. This study would include an investigation of the various costs involved in advertising and promotional activities in relation to the respective market areas.

Owing to the influence of many predictable and unpredictable factors the boundaries of the market area of a store are

constantly shifting. For this reason, periodic studies should be made of the changing boundaries of a store's market.

Due to the rapid expansion of the suburbs, far-reaching changes have occurred in the established patterns of retail distribution. Continuous analytical studies could be conducted of a store's market area and of a store's promotional techniques to ascertain the ever-changing economic and social conditions.

An analysis could be made of the store's present trading area to determine the relative importance of the different districts by determining the number of transactions during a given period; or the number of customers who reside in each district compared to the number of transactions received from that area. If these analyses are made at regular intervals, the store will be constantly aware of the different sections from which the store draws trade and, consequently, can modify their advertising and publicity activities accordingly.

A comparative study might be made of newspaper circulation by districts within the market area of the store to determine the relative suitability of this medium to deliver the store's selling messages to its current and potential customers. It will reveal circulation that is unproductive for the store and will disclose the need for other media in order to obtain complete coverage of sections from which the store should logically draw a greater volume of sales.

An investigation might be made to determine the effectiveness of newspaper advertisements, radio and television spots, package inserts, and store posters in calling attention to public transportation facilities and to downtown parking areas in order to attract more customers to the downtown district.

A survey might be made of the new areas throughout a metropolitan area that will be in need of additional major retail facilities in the near future.

An analytical study might be made to determine the effect in retail sales of established shopping districts brought about by the development of new shopping centers.

An investigation of the use of direct mail advertising and of mail-order coupons in newspaper advertising would make a store aware of the possible effectiveness of these media in encouraging customers to order by telephone and by mail, and consequently, could extend the limits of the store's trading area. This information could be related to a study of the types of merchandise, price lines, and the copy-appeals which could produce the greatest number of telephone and mail orders.

The possibilities of the topics related to sales promotion for further research are so broad that it would be almost impossible to be at a loss for ideas.

It is with the intent of stimulating further research that the scope of the retail advertising and sales promotion activities of the J. W. Knapp Company and The J. L. Hudson Company has been presented.

The author feels that this study has been valuable. It has increased her understanding of advertising and sales promotion activities in a small and large department store and has shown how the two stores advertise and promote their services and merchandise to the public. The study has also been valuable in that it has given the author an opportunity to investigate the various characteristics of a small and a large department store, their market areas, and their respective advertising media.

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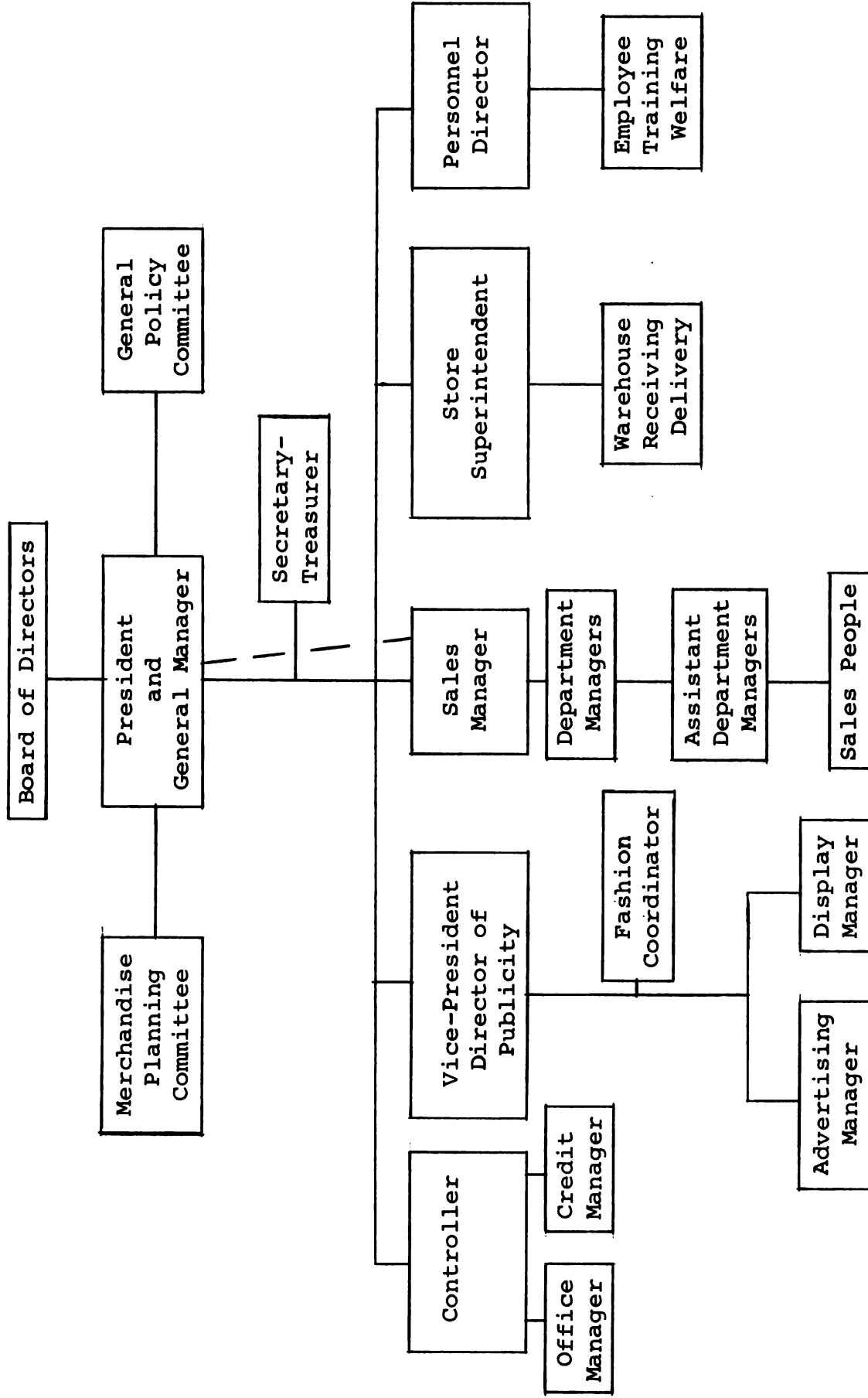
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Organization Chart
The J. W. Knapp Co.

SALES PROMOTION - QUESTIONNAIRE

Your participation is requested in a study on Sales Promotion. The objective of this study is to make a comparison of the scope of the sales promotion activities that exist between a small department store and a large department store.

On the following pages are questions which you are requested to answer as fully as you can. Your replies will be confidential and will not be identified.

Although this questionnaire is lengthy it will be necessary to have all the answers in order to appreciate the full scope of the Sales Promotion activities of your store.

Your cooperation in contributing to this study is deeply appreciated.

Marie Harth
Graduate Student
Michigan State University

SALES PROMOTION - OBJECTIVES

Your primary objective is negotiating with the Sales Promotion Committee. The objective of this study is to make a comparison of the scope of the sales promotion activities that exist between a small discount store and a large department store.

On the following pages are questions which you are requested to answer as fully as you can. Your answers will be confidential and will not be identified.

Although this study is lengthy it will be necessary to give all the answers in order to provide the full scope of the Sales Promotion activities that exist.

Your cooperation in contributing to this study is deeply appreciated.

Thank you
Grateful Student
Michigan State University

1. DESCRIBE THE ADVERTISING MEDIA USED BY THE STORE IN THE FOLLOWING RESPECTS:

A. PERIODICAL ADVERTISING MEDIA:

1. Newspapers

How Used?

Why Used?

Evidence of Effectiveness:

4.

19.11.2017 12:00:00

1000

Phyllis

Good yr.

[illegible]

. A. PERIODICAL ADVERTISING MEDIA CONT'D

2. Shopping publications

How Used?

Why Used?

Evidence of Effectiveness:

SECRET - SECURITY INFORMATION

CONFIDENTIAL - SECURITY INFORMATION

SECRET

SECRET

CONFIDENTIAL - SECURITY INFORMATION

1

4

A. PERIODICAL ADVERTISING MEDIA CONT'D

3. Magazine advertising

How Used?

Why Used?

Evidence of Effectiveness:

THE UNIVERSITY OF CHICAGO
LIBRARY
Stack 100

Stack 100

University of Chicago

B. DIRECT ADVERTISING MEDIA:

1. Direct mail

How Used?

Why Used?

Evidence of Effectiveness:

B . DIRECT ADVERTISING MEDIA CONT'D

2. Telephone

How Used?

Why Used?

Evidence of Effectiveness:

[illegible]

1. *Journal of the American Medical Association*, 1997; 277: 1039-1043.

B. DIRECT ADVERTISING MEDIA CONT'D

3. Mail Order

How Used?

Why Used?

Evidence of Effectiveness:

1. The first part of the document is a list of the names of the persons who have been appointed to the various offices of the city government. The names are listed in alphabetical order, and each name is followed by the office to which the person has been appointed.

2. The second part of the document is a list of the names of the persons who have been appointed to the various offices of the city government. The names are listed in alphabetical order, and each name is followed by the office to which the person has been appointed.

3. The third part of the document is a list of the names of the persons who have been appointed to the various offices of the city government. The names are listed in alphabetical order, and each name is followed by the office to which the person has been appointed.

C. SIGN ADVERTISING MEDIA:

1. Outdoor signs

How Used?

Why Used?

Evidence of Effectiveness:

C. SIGN ADVERTISING MEDIA CONT'D

2. Cards or Posters in store:

How Used?

Why Used?

Evidence of Effectiveness:

C. SIGN ADVERTISING MEDIA CONT'D

3. Miscellaneous signs:

Identify types used:

1.

2.

3.

4.

D. BROADCAST ADVERTISING MEDIA:

1. Radio

How Used?

Why Used?

Evidence of Effectiveness:

UNITED STATES DEPARTMENT OF AGRICULTURE

REPORT OF THE

FOREIGN INVESTIGATION

•

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.S

.d

UNITED STATES DEPARTMENT OF AGRICULTURE

Office

Washington

Special Agent

Investigation of the

11.
D. BROADCAST ADVERTISING MEDIA CONT'D

2. Television

How Used?

Why Used?

Evidence of Effectiveness:

1870-1871

1872-1873

1874-1875

1876-1877

1878-1879

D. BROADCAST ADVERTISING MEDIA CONT'D

3. Miscellaneous broadcast advertising media:

Identify types used:

A.

How Used?

Why Used?

Evidence of Effectiveness:

MISCELLANEOUS BROADCAST ADVERTISING MEDIA CONT'D

Identify types used:

B.

How Used?

Why Used?

Evidence of Effectiveness:

1. The first part of the document is a list of the names of the persons who have been appointed to the various offices of the city.

2. The second part of the document is a list of the names of the persons who have been appointed to the various offices of the city.

3. The third part of the document is a list of the names of the persons who have been appointed to the various offices of the city.

4. The fourth part of the document is a list of the names of the persons who have been appointed to the various offices of the city.

5. The fifth part of the document is a list of the names of the persons who have been appointed to the various offices of the city.

6. The sixth part of the document is a list of the names of the persons who have been appointed to the various offices of the city.

2. INDICATE THE SPECIAL-PURPOSE PUBLICITY DEVICES UTILIZED BY THE STORE:

A. EXTERNAL SPECIAL-PURPOSE PUBLICITY (Outside store):

How Used?

Why Used?

Evidence of Effectiveness:

17

A. EXTERNAL SPECIAL-PURPOSE PUBLICITY (Outside store) CONT'D

2. Institutional features and attractions (Outside store):

How Used?

Why Used?

Evidence of Effectiveness:

John F. Kennedy
President of the United States
1961-1963

1961

1962

A. EXTERNAL SPECIAL-PURPOSE PUBLICITY (Outside store) CONT'D

3. Sampling (Outside store):

How Used?

Why Used?

Evidence of Effectiveness:

1. The first part of the paper is devoted to the study of the properties of the function $f(x)$ defined by the equation $f(x) = \int_0^x f(t) dt$. It is shown that $f(x)$ is a constant function, and its value is determined by the initial condition $f(0) = 1$.

2. The second part of the paper is devoted to the study of the properties of the function $f(x)$ defined by the equation $f(x) = \int_0^x f(t) dt$. It is shown that $f(x)$ is a constant function, and its value is determined by the initial condition $f(0) = 1$.

3. The third part of the paper is devoted to the study of the properties of the function $f(x)$ defined by the equation $f(x) = \int_0^x f(t) dt$. It is shown that $f(x)$ is a constant function, and its value is determined by the initial condition $f(0) = 1$.

18

A. EXTERNAL SPECIAL-PURPOSE PUBLICITY (Outside store) CONT'D

4. Special sales inducements (Outside store):

How Used?

Why Used?

Evidence of Effectiveness:

THE UNIVERSITY OF CHICAGO

DEPARTMENT OF THE HISTORY OF ARTS

1964

1964

1964

A. EXTERNAL SPECIAL-PURPOSE PUBLICITY (Outside store) CONT'D

5. Press publicity (Outside store):

How Used?

Why Used?

Evidende of Effectiveness:

B. POINT-OF-SALE SPECIAL-PURPOSE PUBLICITY (Inside store):

1. Merchandise features and attractions:

How Used?

Why Used?

Evidence of Effectiveness:

(Continued on next page) UNITED STATES DEPARTMENT OF AGRICULTURE 81

OFFICE OF THE SECRETARY OF AGRICULTURE

WASHINGTON, D. C.

UNITED STATES

DEPARTMENT OF AGRICULTURE

B. POINT-OF-SALE SPECIAL-PURPOSE PUBLICITY (Inside store) CONT'D

2. Institutional features and attractions (Inside store):

How Used?

Why Used?

Evidence of Effectiveness:

1. The first step in the process of identifying a problem is to recognize that a problem exists. This involves gathering information about the situation and identifying the specific issue that needs to be addressed.

... ..

1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 26

B. POINT-OF-SALE SPECIAL-PURPOSE PUBLICITY (Inside store) CONT'D

3. Sampling (Inside store):

How Used?

Why Used?

Evidence Of Effectiveness:

1. The first part of the document is a list of the names of the persons who have been appointed to the various offices of the city of New York.

2. The second part of the document is a list of the names of the persons who have been appointed to the various offices of the city of New York.

3. The third part of the document is a list of the names of the persons who have been appointed to the various offices of the city of New York.

4. The fourth part of the document is a list of the names of the persons who have been appointed to the various offices of the city of New York.

5. The fifth part of the document is a list of the names of the persons who have been appointed to the various offices of the city of New York.

6. The sixth part of the document is a list of the names of the persons who have been appointed to the various offices of the city of New York.

7. The seventh part of the document is a list of the names of the persons who have been appointed to the various offices of the city of New York.

8. The eighth part of the document is a list of the names of the persons who have been appointed to the various offices of the city of New York.

B. POINT-OF-SALE SPECIAL-PURPOSE PUBLICITY (Inside store) CONT'D

3. Aisle tables (Inside store):

How Used?

Why Used?

Evidence of Effectiveness:

THE UNIVERSITY OF CHICAGO

DEPARTMENT OF CHEMISTRY

1954

1954

1954

SALES PROMOTION - QUESTIONNAIRE

1. On the basis of its sales promotion efforts how would you classify your store?
Promotional _____, Semi-promotional _____, Non-promotional _____.
2. On the basis of your store's sales promotion efforts, how would you describe sales promotion?
3. How would you describe special-purpose (events) publicity?
4. In which of the following categories would you place the sales promotion efforts of your store:
Slightly aggressive _____, Moderately aggressive _____, Very aggressive _____

10-11-1964

At the time of the first visit, the following information was obtained:

1. The first visit was made on 10-11-1964.

2. The second visit was made on 10-11-1964.

3. The third visit was made on 10-11-1964.

4. The fourth visit was made on 10-11-1964.

5. The fifth visit was made on 10-11-1964.

6. The sixth visit was made on 10-11-1964.

5. What image does management attempt to create through its sales promotional activities?

A. Is it different for?

1. For branch stores?

2. For basement stores?

isolation of the virus from the cells of the human embryo.

1957-1958

1957-1958

1957-1958

1957-1958

6. What is the store's policy regarding its participation in civic and cultural programs?

7. In which of the following does the store's advertisements appear? Indicate edition(s) by checking (x)

A. State Journal

Morning _____, Evening _____, Sunday _____.

B. Michigan State News

Morning _____, Evening _____, Sunday _____.

C. Detroit Free Press

Morning _____, Evening _____, Sunday _____.

D. Detroit Times

Morning _____, Evening _____, Sunday _____.

E. Detroit News

Morning _____, Evening _____, Sunday _____.

F. Detroit Inquiry

Morning _____, Evening _____, Sunday _____.

G. Shopping news (Specify)

1. _____

2. _____

1. The first part of the document is a list of the names of the persons who have been appointed to the various offices of the city.

2. The second part of the document is a list of the names of the persons who have been appointed to the various offices of the city.

3. The third part of the document is a list of the names of the persons who have been appointed to the various offices of the city.

4. The fourth part of the document is a list of the names of the persons who have been appointed to the various offices of the city.

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9. The ninth part of the document is a list of the names of the persons who have been appointed to the various offices of the city.

10. The tenth part of the document is a list of the names of the persons who have been appointed to the various offices of the city.

11. The eleventh part of the document is a list of the names of the persons who have been appointed to the various offices of the city.

12. The twelfth part of the document is a list of the names of the persons who have been appointed to the various offices of the city.

13. The thirteenth part of the document is a list of the names of the persons who have been appointed to the various offices of the city.

14. The fourteenth part of the document is a list of the names of the persons who have been appointed to the various offices of the city.

15. The fifteenth part of the document is a list of the names of the persons who have been appointed to the various offices of the city.

16. The sixteenth part of the document is a list of the names of the persons who have been appointed to the various offices of the city.

17. The seventeenth part of the document is a list of the names of the persons who have been appointed to the various offices of the city.

18. The eighteenth part of the document is a list of the names of the persons who have been appointed to the various offices of the city.

19. The nineteenth part of the document is a list of the names of the persons who have been appointed to the various offices of the city.

20. The twentieth part of the document is a list of the names of the persons who have been appointed to the various offices of the city.

8. In which of the following supplementary newspaper sections does the store advertise? Check (X) 4.

- A. The Detroit Free Press Roto _____
- B. The Detroit Free Press Weekly TV Magazine _____
- C. The Detroit Times Pictorial Living _____
- D. The Detroit Sunday Times TV Time _____
- E. The Detroit News Sunday Pictorial Magazine _____
- F. The Detroit News TV Magazine _____

9. Does your store advertise in magazines?

Yes ____, No ____. If yes, indicate the names of magazines:

- 1. _____
- 2. _____
- 3. _____
- 4. _____

10. In what ways does the store use direct mail for advertising purposes?

11. What place do special events have in the store's publicity program?

12. In regards to the store's special-purpose publicity (events) program?

A. Toward what income groups are the store's promotional activities directed? Rank in the order of importance to the store.

1. _____, 2 _____, 3 _____, 4 _____

B. Toward what age groups are the store's promotional activities directed?

Rank in order of importance to the store.

1. _____ 2 _____ 3 _____ 4 _____

C. If this pattern differs with branch stores, toward which income and age groups are the branch store's special events directed?

D. If in a multi-store company, where are the store's promotional activities most concentrated? Check (X)

Downstairs _____

Branch (or Shopping Centers) _____

the 1990s, the number of people in the world who are under 15 years of age is expected to increase by 1.5 billion (United Nations, 1994). The United Nations also predicts that the number of people aged 65 and older will increase by 1 billion in the next 20 years (United Nations, 1994). The United Nations predicts that the number of people aged 65 and older will increase by 1 billion in the next 20 years (United Nations, 1994).

13. How does the store evaluate the success of a specific special event?

6.

14. What per cent of the store's total advertising budget is spent on the following:

A. Institutional advertising

B. Promotional advertising

1. Regular-price-line advertising

2. Special promotion advertising

3. Clearance advertising

2. What is the main purpose of this document?

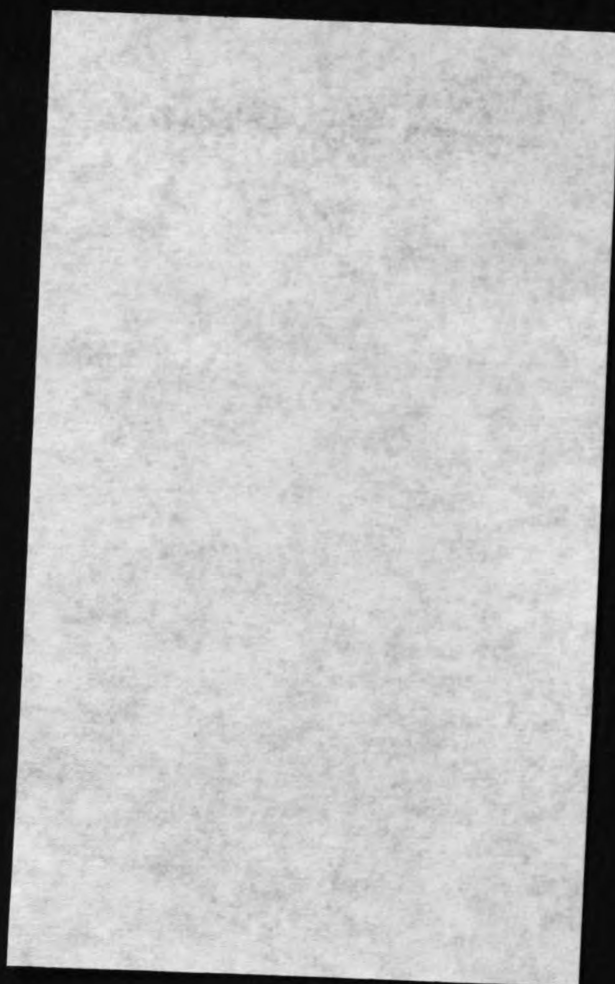
3. What are the main points discussed in the document?

4. What are the main conclusions drawn from the document?

5. What are the main recommendations made in the document?

6. What are the main findings of the document?

7. What are the main implications of the document?



M.A. 1961

Harth, Marie J.

A Comparison of the Scope of the Sales
Promotional Activities of the J. S.
Knapp Company with that of the J. I.
H

Harth, Marie J.

A Comparison of the Scope of
M.A. 1961 HED

DATE	ISSUED TO

Harth, Marie J.

A Comparison of the Scope of the S
M.A. 1961 HED

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MICHIGAN STATE COLLEGE
EAST LANSING, MICHIGAN

MICHIGAN STATE UNIVERSITY LIBRARIES



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