distinctly more toward intensive than extensive selling. Many a sick business would be better if it concentrated its marketing in that part of the national field in which it had some natural advantages and did a more intensive marketing job.

One of the mistakes that we in the consulting field find is that of attempting to get distribution through what a recent writer has called the "bell-wether stores," before either products, merchandising or marketing are right for an attack upon metropolitan areas. The inexperienced are prone to look with longing eyes upon the big stores, and literally attempt to buy their way into these stores, urged on by the common belief that such leading stores cast a hypnotic influence over all the other merchants. Yet there are many shining examples of success through reversing the marketing attack and going to the smaller stores first. Which is the better method is, in many instances, a problem.

Managers must decide also whether or not to strive for the utmost volume as a source of more profits. This is a problem, because we are usually quite unable to foretell the real cost of what may be called marginal sales—the extra volume which we can get if we are willing to stand the expense of securing it. We know that it does not always work out that the marginal volume means more profit. When we have some real cost accounting in marketing we may be able to forecast the point of most profitable volume and to work out the best marketing method to obtain it.

A very great problem many times is that of determining what is the profitable point of simplification of lines of product. It is easy to make a fetish of a new idea like simplification. There are businesses where a continuous flow of new and novel items is a great sales stimulus. In such cases much thought must be given to the principles of simplification or the advantages of large scale production will disappear. On the other hand, some companies could well diversify their line to fill up valleys in production and stabilize labor. Sometimes diversification becomes a measure of market strategy. Carter's Ink added fountain pens to offset the inroads of the fountain pen makers into the ink business. Cheney Brothers offer a certain proportion of novelties all the time, both to maintain sales and style leadership. However, I sincerely believe that most companies have not scratched the surface of the simplification that would bring them profits. The reason is that they lack the research staffs and the courage to tackle a problem which apparently will antagonize both their sales staffs and many of their customers. Some companies have met this situation by an oblique rather than a direct method; they have simply established a price differential between the articles they desired to retain and those they desired to eliminate, and have seen the differential, backed by skillful sales direction, bring about the desired simplification without too vocal antagonism.

I shall state only, without attempting to discuss, a problem which afflicts many managers. That is the problem of being able to carry a brand through to the final consumer. Sometimes this is due to the fact that the product reaches the consumer in a changed form, the brand having disappeared in the process; sometimes it is due to purely technical difficulties. It is one which, in some instances, has been overcome only after a long struggle. In cases like textiles better co-operation between the makers and the converters of the product may bring about the desired result. It is almost always worth a lot of effort to devise a way to get the product identified in the consumer's mind.

Another brand problem which is causing some thought in industry is that of making private or secondary brand goods in a plant which has a thoroughly established factory brand and much established good-will. With the growth of department stores and other chains, and their great influence, the desire for private brands must often make the business manager reflect before he turns down business offered at low sales cost. From another angle, a business may have thorough distribution of its own branded goods in the trading centers of the country and yet be worried as it sees the spread of the Penney, Montgomery Ward, or other large chains. The inducement to consider a secondary brand is large. Personally, I believe that where the plant has much idle capacity, or peak seasonal production, it is usually advisable to go after this chain business, if for no other reason than to keep the manufacturer on his toes in regard to the character of his own product and merchandising. There is much to be learned from the specifications of these great merchandising groups.

Another problem, to which few are paying any serious attention where full lines of products are being made, is the possible simplification of price levels as well as products. Someone said to me a little while ago, "One of the things which must be brought about before long is the elimination of mediocre buyers and mediocre salesmen." It is the persistent and plausible stories of these mediocre groups which cause many a business to carry far more items than it should, just because no one has made a real study of what price levels properly constitute a full line.

Then there is the problem of retail price maintenance. This is a controversial subject. I do not think that any of us yet has the answer. I do know that you have to use education and force, as far as you legally can, to make many retailers and jobbers retain enough margin of profit so that they will continue to be interested in your products. I believe that this kind of education is one of the current requirements of a good marketing organization in many fields of industry. The condition is one of the forces driving us to further research into the value of selective distribution and closer relations with our outlets. I have also had several occasions to struggle with the problem of the effect of price cutting on a branded line and its tendency to undermine a manufacturer's distribution. This is a subject on which there are two schools of thought. One feels that it is in effect good advertising; the other that it makes other outlets lose interest and look for another brand to sell. The questions of unit value of the products and the claims for quality and brand leadership enter into the matter. I know of no generalization that will fit all these cases. It remains to most managers a continuing or recurring problem with no set solution.

Another common problem is that of secondary lines. One of two motives usually brings up this problem; either a desire to put out a line at a different price level, or a desire to have more outlets in a trading center. I know of a shoe manufacturer who made his brand reputation on a line of shoes retailing at $10 to $12. The rising costs of production have forced this line up to the $13 to $15 level and thus into a more restricted market. He is considering a secondary line at a lower price level, largely through the insistence of his distributors, but is doubtful about the advisability of putting out a cheaper quality under his regular brand. He realizes, too, the merchandising and the advertising problems which will arise if he adds another brand. It is quite a problem. On the other hand a manufacturer of a quality article with a class distribution may discover a great mass market which can be reached at a lower price level. There was recently published an article, by the maker of the Clark and Firefly lighters, of a successful attack upon this problem.

There are many manufacturers who are facing this problem of adding installment selling to their other troubles. I shall not venture into this subject except to say that I see no reason why you should particularly fear it, if your unit price is large enough and if your product will outlast the period of partial payments.

We are in a period of great prosperity, but nevertheless there are a surprising number of manufacturing enterprises which are not prosperous. Usually they have failed to keep in step with modern marketing, merchandising and advertising. Now they have a lot of lost ground to recover. There is no time for slow convalescence. The problem becomes one of financing extraordinary expense. The needed expenditure could not possibly be thrown into current costs without pricing the product out of the market. The cost must be amortized over a series of years. Some companies which need this treatment are financially sound and, by foregoing dividends and cutting into surplus, could finance the operation. Others, however, must borrow. The old-fashioned banker would hold up his hands in holy horror at lending money upon anything so intangible as a marketing scheme, but we are beginning to have a new type of banker who can see the wisdom of such an operation. Usually such a banker has a staff who can give able counsel and follow through the effort to the benefit of all concerned. If your community does not have this type of banker, it is high time that you took some active interest in the type of men who go on to your banking boards and into your executive positions in banks. Within the next ten years marketing is going to demand the same banking support that production has long had.

Lately I have been wondering if some of our problems do not remain unsolved because we become so enamored of our new technique in marketing that we overlook some of the good old-fashioned methods which have gone largely into the discard. We have our troubles with the jobbers and sometimes dissipate our profits by spend-