

Now let us see how this desire on the part of the public for confidence in the product and the name behind it changed the situation when General Electric entered the field. The G. E. management instinctively recognized a universal desire to be assured of freedom from mechanical imperfections or troubles. So, after fifteen years of research, they offered as an inducement a new type of electric refrigerator, plus the General Electric name and all that it stands for, with the strong implication that service problems and expense would be virtually eliminated. You have all seen their recent campaign on the three-year guarantee. It is interesting to note that by catering to the same human want that Frigidaire had capitalized, but in a new and powerful manner, the General Electric Company won first place in the household refrigerator field in two years.

One company which antedated the G. E. refrigerator by several years was almost bankrupt by failure to see the importance of this element of confidence. They introduced a then revolutionary design, but cut the price under Frigidaire about 15 per cent on the smallest size. While the public was interested in price, that meant nothing when dependability was an unknown quantity. The drive which was put behind this machine actually did more harm than good; it merely advertised a weakness.

The situation in the radio industry reminds us of these amateur boxing bouts at the Garden, where one champion after another is knocked out in quick succession.

The success of the Majestic Radio is very interesting. They saw that the public wanted an expensive set that would give a richer, fuller rendering of popular broadcasts. Their inducement was lower price and a wider "band" covering more tones, noticeable enrichment, particularly in the lower ranges. Thus, by actively propagating their inducement, they won leadership and held it until a similar inducement by a competitor caused them to lose first place in the field.

This competitor, the Philco organization, recognized the same universal want—a richer and more complete rendering that would approximate more closely the original broadcasts. Their inducement, "better balance," meant a still wider "band" of tones and overtones, with greater fidelity and less distortion; their prices, of course, were in line.

Thus, in three years, Philco has captured first place, which it now holds.

The shoe industry provides two interesting cases.

The Regal organization saw that the public wanted cheap shoes that looked expensive and which would give a reasonable amount of wear. As a buying inducement, they offered shoes at \$6.60 which are advertised as such faithful copies of British and American custom-made models that nine out of ten cannot tell one from the other. In other words, you can, if you please, wear a \$6.60 shoe and make as good an impression as though you wore a \$40 shoe from Bond Street. As you know, the plan has been highly successful.

Another success which is quite different in substance, though the same in the principle of relating inducement to want, is the rapid growth of the Enna Jettick business. This organization realized that a certain percentage of the consumers, possibly 20 to 25 per cent, wanted a reasonably priced arch-supporting shoe and that the consumers taken as a whole would welcome a complete range of sizes to fit each foot.

Their inducement, the first \$5.00 and \$6.00 arch-supporting shoes in America, in a full range of sizes which insured fit, met the public's want so well that an increase in production of more than 100 per cent was necessary in spite of the depressed conditions during 1930. Incidentally, this is a striking example of the successful use of radio as the dominant medium in propagating an idea. Broadly speaking, only companies which offer a most compelling inducement have succeeded in using radio as the primary medium. What the radio campaign did for this company is, of course, a demonstration of the wide publicity which broadcasting provides, but it is a more powerful demonstration of the appeal of the inducement which was offered.

The mail-order business in wearing apparel draws attention to an interesting contrast between what many of us have thought women want in this line and what they really want.

As a matter of fact, the only large advertiser of women's apparel today is a mail-order house, Bellas Hess. This organization knows that its public is almost as vitally interested in self-adornment as the women here in New York, that what 90 per cent of their consumers want in buying by mail is a range of styles, fabrics, colors, prices, as well as good value.

Their primary inducement is an opportunity for selection which is wider and more interesting than the selection offered by the average store where the mail-order customer would shop—plus good value. An analysis of the mail-order business would probably show that adequate selection has represented, over a period of many years, a surprisingly large percentage of the total business, and that price, while important, has accounted for a much smaller percentage of the total of mail-order volume than is commonly supposed.

A dramatic example of this desire for selection is a mail-order campaign on women's clothing, where the inquiry cost was reduced from eighty-two cents for half-page space, to a range of sixteen to twenty-six cents on full-color pages and color doubles. Although it is harder to make big space pull at low cost, the ratio in favor of pages and doubles was an average of four to one as against half-page space, simply because a wider variety of styles, colors and prices was presented. Incidentally, this suggests that on any product big space, to be productive, must contain more substance, more interest, for the reader.

Just as selection has represented a want which supported a tremendous total volume of mail-order selling, so the factor of selection has made it difficult to develop certain lines sold through retail stores. Where there is a wide variety of styles, colors, finishes or prices in a line, it is a mistake to view the problem as one would in developing a specialty, such as a cigarette or a drug-store or food specialty. The Eaton, Crane & Pike business will illustrate this principle. Here was a line with several thousand different items. The largest selling unit in the line represented about 10 per cent of the total volume. Thus a large part of the buyers went into a store with the idea of making a choice. They wanted to see what was in stock, and pick out what they wanted. To promote any one unit in the line would result in a very high percentage of waste. In one campaign the inducement, represented by the merchandise itself, was supplemented by a single inducement which would interest a large majority of all potential buyers—a complimentary book entitled, "The Etiquette of Letter-Writing," which was given to the consumer with a dollar purchase. This plan made it possible to open six thousand accounts, and brought 250,000 women into the retail stores.

A somewhat similar case was the use of a special supplementary inducement in the sale of ABA Travel Cheques. The public's basic want, of course, is the safety of its funds, currency which is acceptable everywhere. Hence the growth of travel cheques. The public has assumed that any one of several cheques recommended by the local bank was satisfactory. The ABA organization felt that the public wanted something more than the cheque itself, that a large proportion of travelers going abroad wanted information of practical value. It was decided, therefore, to present a complimentary copy of Harry Franck's book "All About Going Abroad," to each person who purchased cheques for use overseas. As a result of this inducement, 75,000 consumers were reached in a period of two months, at comparatively small expense. The majority of the larger banks expressed definite satisfaction with the plan.

There is one example of this principle of want in relation to inducement which is so simple, so human, and so dramatic as to leave an impression which may be stimulating to those concerned with more complex situations where the application of the principle is not entirely clear. This is the unique plan which enabled the Winchester Company to sell in six months as many .22 rifles as had ever been sold in three years. The women operators brought into the Winchester Works to turn out army rifles for the Allies were broken in on the production of .22's. Before long, a staggering inventory had been accumulated. The question was, how to move it?

Many schemes of every conceivable type were devised and discussed and discarded. Finally, a simple conception was evolved. It started with the recognition of a primitive want in almost every boy between the ages of ten and sixteen, the love of adornment and recognition by his friends. As an inducement, the boys were offered gold-plated, silver-plated and bronze medals for marksmanship, and later, membership in the Winchester Junior Rifle Corps. Practically all boys wanted to shoot, but this inducement made them want to buy a gun right away.

Not only was the inventory liquidated, and a large volume of new-gun business created, but the extra profit on the increase in the sale of .22 ammunition amounted to \$500,000 in the first year.

The various cases mentioned have, for the most