

371.42
 Or 3/crr
 no. 6
 c. 3

TEN LESSONS IN MARKETING—Lesson VI

Advertising and Selling

By DR. HECTOR MACPHERSON

Revised by DR. MILTON N. NELSON

DOCUMENT
 COLLECTION
 OREGON
 COLLECTION

1. **Meaning and purpose of advertising.** In previous lessons we have learned something about the increasing number of commodities that are being offered to satisfy human wants. We also saw that the producers of these commodities are often separated by long distances from the consumers. One of the great difficulties, therefore, that has to be overcome in the marketing of many kinds of goods is to make people sufficiently acquainted with them so that they will want to buy them and use them.

This is the great task of the seller of commodities. He must find people who are willing and able to buy them, and if he is able to do this in his nearest town or village. At other times he must reach out to the farthest corners of his own country, and even go into foreign lands in search of markets. In any case, the first task is to make his goods known to possible consumers in such a way that they will want to buy them. This is advertising. It is based on a study of human wants, how they are formed and how they may be changed.

2. **Some facts about human wants.** Without attempting to go very deeply into the nature of human wants, let us consider a few facts about which we can all agree and which make successful advertising possible. The first is that a great many of our wants for things are changing all the time. Most of the things which seemed very important to us last year are replaced by other things this year. In the same way people's wants will likely be different next year from what they are this year. This changing character of human wants gives the advertiser a chance. Another thing we no

Oregon State System of Higher Education
 Federal Cooperative Extension Service
 Oregon State College
 Corvallis

Club Series R-6

4-H Club Marketing Project

doubt can agree upon is that as long as we live we never get through wanting things. No sooner is one set of wants satisfied than another set arises to take its place and plague us with its demands to be satisfied. The advertiser's business is to have a share in expanding our wants so as to include the things he has to sell. A third characteristic of human wants about which there is little doubt is that wants can be made to order. That is, we can train ourselves to want new things, and other people can influence us so as to make us want things for which we did not formerly care.

Without this expanding and changing nature of human wants our society would cease to make progress, and soon become as backward as China. We must conclude, therefore, that in keeping people informed about new things and their advantages, the advertiser is performing a real service for society. He helps keep us alive and growing, brings us new experiences and greater satisfactions.

3. The abuses of advertising. We grow by the awakening of our wants for better health, greater wealth, the fellowship of congenial friends, wider knowledge, the establishment of more just relations between men, etc. Such wants are highly desirable and the appeal to them by honest advertisers deserves only approval and support. But unfortunately, even the highest and holiest of human wants is subject to exploitation by unscrupulous advertisers. An attempt is made to control this exploitation by forbidding fraudulent advertisers to use the United States mails. But it is evident that only the most glaring cases of fraud are prevented in this way. There is probably no effective means of preventing the injury and waste due to false advertising except by a broad and thorough education of the buying public.

4. The services of advertising. But in spite of its abuses, advertising is one of the greatest marketing forces in the world today. For producers, it enables them to make contacts with distant consumers. It is salesmanship sown broadcast. It saves the time of thousands of salesmen. It makes it possible to introduce new products to satisfy old wants and to stimulate new wants. It enables producers to build reputations which can only be maintained on the basis of integrity. Consequently, honest manufacturers and dealers should be the first to urge the type of education which will make fraudulent advertising unprofitable and impossible. In the long run the results of advertising for the producer should be the triumph of real merit over the inferior product.

For the consumer, as we have seen, advertising is a great educational force. No one can read over the advertising section of one of our best monthly magazines without feeling its educational influence. Through advertising, the consumer is enabled to exercise the privi-

lege of trial and choice among all the commodities offered for his use in a way that would be impossible without it. In fact, when we consider the complexity of modern civilization with its universal communication and means of transportation and the fact that increasing numbers of commodities are available from all over the world, we can see that it would be impossible to dispense with the services rendered by honest and enterprising advertisers.

5. The means and volume of advertising. Advertising has been classified as periodical advertising, found in all newspapers and magazines; outdoor advertising, of which the bill-board is the outstanding example; street car advertising, which utilizes attractive cards of uniform size in the street cars or busses of all cities; and mail order advertising, ranging all the way from a printed post-card to the largest mail order house catalog. In addition to these, and in a class by itself, might be placed the advertising carried on through the distribution of samples.

The amount annually spent in advertising is enormous. In 1927 in the leading publications in the United States \$305,383,936 was spent by advertisers. This amount has grown from an expenditure in 1915 of \$38,737,336. For all forms of advertising in this country, the total expenditures were estimated for 1927 at \$1,030,221,019, or approximately \$9 each for every man, woman and child in the United States.

This enormous expenditure has to a very large extent passed the experimental stage. It is done in accordance with carefully tested principles which insure a reasonable expectation of profit from every dollar expended. For large concerns spending hundreds of thousands of dollars annually in advertising, calculation of results has approached the dignity of an exact science.

6. The advertising of agricultural products. For the purpose of this lesson we may divide agricultural products into two main classes. In the first group we may place all of those which find a market through manufacturing industries which depend upon agriculture for their raw materials. In this class we have wheat, which finds its market through the flouring mills; beef cattle and hogs, which are marketed through slaughtering and packing plants; cotton and wool, which undergo several transformations before reaching the consumer. Then, we have the other great division of products which are sold directly to consumers in the condition in which they come from the farm. In this class we have eggs and poultry, fresh milk, and most fruits and vegetables. Many products, to be sure, are found sometimes in one of these classes and sometimes in the other, but the general distinction is clear enough for our purpose.

Most of the advertising for the first of these classes of agricultural products is done after they have been through the factory and changed into the form in which they are offered to the consumer. Little would be gained by advertising wheat, hogs, cotton or wool in the form in which they come from the farm; while good returns are made by manufacturers in advertising special brands of flour, bread, bacon, and clothing. The practice of advertising the second class of products has grown enormously in recent years. Reputations have been built up for a great variety of attractive and strictly dependable products. We think immediately of Nulaid eggs, Sunkist oranges, Hood River apples, etc.

In addition to the advertising of such special brands on a large scale, we have an enormous amount of special advertising of purebred livestock, special varieties of seeds, and a great deal of miscellaneous advertising which simply informs the public of articles which are for sale. Progressive farmers frequently have their own bulletin boards, and make use of their local papers, as well as other agricultural periodicals of state and national circulation for purposes of advertising. They are finding out, just as the merchant and manufacturer have done, that carefully planned advertising pays.

QUESTIONS AND EXERCISES

1. Go through a leading woman's magazine and pick out the advertisements of products which originated on the farm.
2. Classify the above products to show which have been through a factory and which are offered in the form in which they come from the farm.
3. Make a careful study of about thirty of these advertisements pointing out the human wants to which they appeal.
4. Among the advertisements studied which of them, if any, appear to make exaggerated or false claims for the products advertised?

Reprinted, January 1940.