

“Who Pays for Advertising?”

QUESTION — Who Pays for the Advertising?

ANSWER — The Merchants and Manufacturers Who Do Not Advertise.

Let's examine this, seemingly contradictory, statement and see wherein lies its real truth.

The Merchants who do not advertise make it that much more profitable for those who do advertise. By making it more profitable for their competitors, they, naturally, suffer a loss themselves that is the direct result of advertising. This loss is their competitors gain. Records show that the gain of advertising merchants is many times the actual expense of advertising. It follows, therefore, that the persons who make this gain possible **AT THEIR OWN EXPENSE** are the ones actually footing the bill.

For an example, take A and B, two merchants in Southport handling a competing line of merchandise. A advertises—B does not. A's policy of constantly calling to the attention of prospective customers the advantage of trading at his store, is bound to bring increased business. Some of this is new business, resulting from the power of suggestion in advertising. Much of it, however, is business that would go to B if it were not for the fact that he is failing to advertise. By thus failing to attract new customers and, at the same time, losing old ones, all of which is helping to make A's business more profitable, is it not entirely right to say that B is paying for the advertising done by A?

The situation may, quite appropriately, be likened to a game of baseball. It frequently happens that a player on one team makes an error permitting the other team to win the game. In this case, the victorious team, by taking advantage of its opponent's mistake wins the game . . . The Merchant who does not advertise is making a costly error, by allowing those who do advertise to win the customers and the profit.

I do not think that it can accurately be said that the Customer who fails to make use of advertising helps to pay for it. It is true that he suffers a considerable loss but it is a loss that is, apparently, no gain for anyone else. At first thought, it might appear to be a gain for the merchant who does not advertise. In the long run, however, it is not their gain but their loss for it is the business of these few customers who do not take advantage of advertising, that keeps these merchants from realizing great profit through the medium of advertising.

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