

GROSS *becomes* NET

A ONE-ACT PLAY

By

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Reprinted from the March
RED BARREL, Magazine of
The Coca-Cola Company,

1 9 4 7



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Sharon, Pennsylvania

Characters: Wholesale Drug Salesman, Bob Brownyard, Jr., Drug Store Proprietor, Edward Gaisford.

Scene: The Gaisford Drug Store. Seated on the stool before the soda fountain is Bob Brownyard, Jr., wholesale drug salesman. Behind the counter superintending the fountain operations is Edward Gaisford. The time is just before dinner. Both men have played a round of golf and returned to the store for a hasty check-up before dinner.

Ed: I hate to say this, Bob, but your golf is getting worse and worse instead of better. Is something wrong here at the store?

Bob: Yes, there is, but I didn't know it was affecting my golf. We're in a mess—sub-standard merchandise, poor deliveries and disaffected demand is driving the boys at the "house" nuts. We all thought that a few weeks after V-J Day we would get in the old groove again. It was hoped that when the uncertainties of OPA were clarified the flow of merchandise would improve. In spite of your complaints we are sending you more goods than we did a year ago, yet you complain. Truthfully now, aren't you doing more volume?

Ed: Yes, Bob, we are doing more volume, handling more money, but where is it getting me? My capital status hasn't improved very much—increased cost of doing business has diluted or washed out the gains.

Bob: There's the rub—how to increase the volume of business without increasing the overhead. Ed, may I point out a weakness in your store operation? If

you are convinced I'm right your sales volume will increase while your overhead remains the same; this makes *net profit* out of *gross profit*. Let us stop here and digest this last statement. Suppose your store's volume of business monthly is \$3000.00 and your overhead is pretty close to standard—rent 4%, salaries 10%, your own additional salary as manager 6%, miscellaneous 5%, total 25%. Your average mark-up is 33%, so your net profit is 8%. Now suppose you increase your monthly sales by \$750.00, same overhead, no additional clerks—you would make not only 8% on this \$750.00 but 8% plus 25% or the entire 33% or \$250.00 profit in addition. That is more profit than on the original \$3000.00 volume.

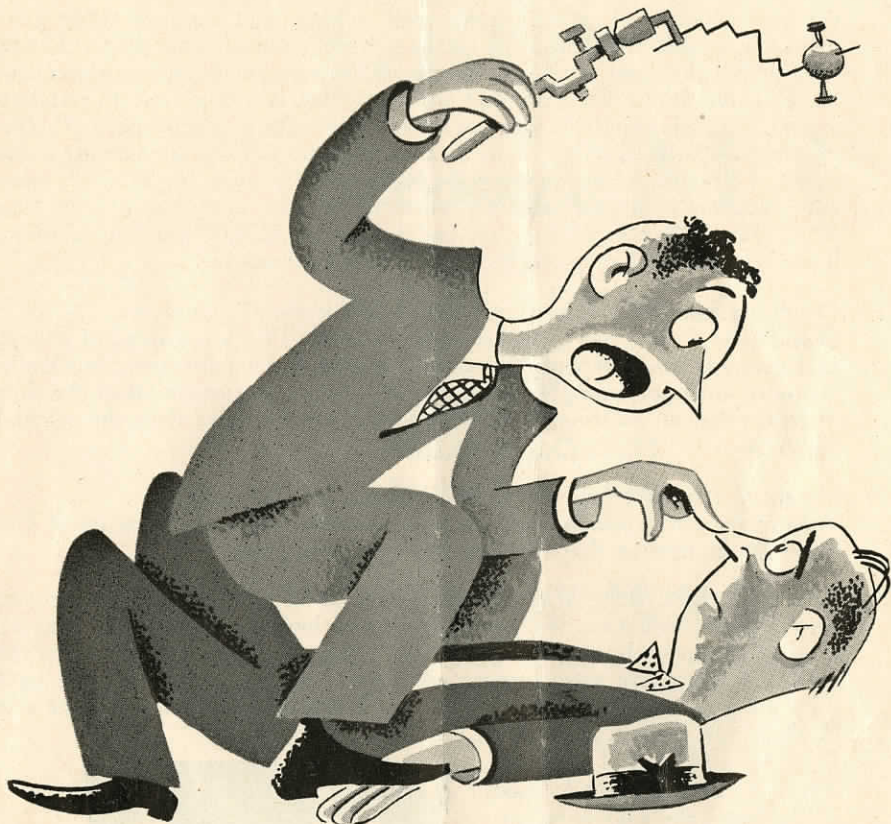
Ed: (Lighting another cigarette and intensely interested, answers)
O.K., Bob—I like that gross becomes net idea. That's not new, of course. If I do more business with the same overhead the profits zoom, but confidentially until you brought this to my attention I had never taken the time to figure that an increase of \$750.00 would net me more than the original \$3000.00.

Bob: (Worried lest his friend thinks he considers him juvenile)
What I have just told you sounds so elementary you will excuse me if I've given the impression that the idea was new or original.

Ed: That's all right, Bob—glad you did—some of us pill rollers, with help so scarce, get in such a rut waiting on trade and looking after details, that we overlook the over-all picture. You know, "can't see the forest because of the trees." I appreciate your interest and what you have told me—the next thing for you to point out to me is that if I would increase my average sale by about 12¢ I would reach that \$750.00 additional volume. There is the rub—how? Start selling items the aggressive cutters sell, you know, side lines, foreign to the drug stores—items that detract from the professional tone—or annoy my customers by being over-zealous in forcing merchandise on them? No, thank you, I have been in business at this location many years—I know my customers intimately and have earned their confidence—no high pressure selling—no shoddy merchandise—no "something just as good"; only sincere day to day clean selling and adding to that a little personal friendly service.



"We can't see the forest because of the trees".



"No high pressure selling".

Bob: (With admirational understanding of his friend's sincerity)

Ed, if all drugstore proprietors were as conscientious as you, the profession of pharmacy would enjoy greater prestige with the public. You are absolutely right not to consider for an instant the questionable sales-practices of those who attempt too-aggressive selling. Now, let us consider for a moment how to achieve that \$750.00 increase monthly. Store sales volume can be increased by personalized intensive selling efforts or by advertising. The former can be distasteful and the latter would dilute the advantage because of the increase in the cost of doing business.

Ed: Advertising costs money and the results are not always noticeable. If I would run sufficient copy to bring me \$750.00 additional volume, I would be forced to spend a good share of that amount to achieve that end; so where is the advantage?

Bob: Right you are—advertising has become a specialized field. No offense intended, but if you or I were to attempt to write “copy” that would “bring home the bacon” we would find ourselves at a loss. No, Ed—you need not spend *your money* for advertising the products you sell—it is done for you by the *manufacturers* of toilet goods, patent medicines and other drug sundry products. Lots of money, in fact \$6.00 a day for every drugstore in the United States—yes, sir, \$180.00 is spent every month for your store and it does not cost you a penny. And it is that national advertising that can bring you the \$750.00 we’re talking about. One hundred million dollars a year is spent to send people into drugstores to buy the items advertised in magazines, newspapers and radio. Through these mediums, folks are sold, or made interested in the hundreds of items you sell—they are urged, very strongly urged, to go into your store and purchase the items in question. In fact, more money is spent to send people into drugstores to buy than to any other mercantile business. Choose any popular national magazine and turn the pages, note the number of items advertised that are on your shelves in comparison with those of your neighboring merchants. The shoe store, the milliner, the hardware store, the haberdasher, the jeweler, the furniture store or the ladies’ ready-to-wear store might have a very few nationally advertised items, the grocer a few more, while the drugstore has—*hundreds*. It is good to be in a business that has so very much money spent in its behalf—it makes it a live, vibrant business. While all business is governed by the country’s high or low economy, ours has experienced a consistent increase during the past twenty-five years; due in the main by this “shot in the arm” via national advertising in increased consistent dosage. The public has been made vitamin conscious, personal hygiene conscious and generally enthused towards more pleasant living. This is created business, not switching from one item to another. Now frankly, Ed—what have you done to tell your customers or remind your customers when they enter your store that you are selling the items they read or hear advertised?

Ed: Wait a minute, Bob. Are you trying to tell me that the advertisements in magazines such as *Life*, *Saturday Evening Post* and the monthly issues are do-



Through national advertising folks are made interested in the hundreds of items you sell.

ing me any good? They are national medias—what would help me would be advertisements in my local paper over my name.

Bob: (Excitedly forgetting his reserve)

That is a fallacy many druggists have. Would the advertisers of products enjoying national distribution consider their copy effective unless it sent people into stores all over the country requesting their products? Of course not. Let us follow the process through, to its ultimate conclusion. Suppose you and I wanted to popularize a new tooth paste. We would hire the best advertising counsellors we could find, run the ads in the magazines having the best coverage. Our advertising department would realize that merely switching a customer from a competitive product would be too slow, so he slants his copy toward creating an impulse to buy. We might appeal to the smoker:—"removes nicotine stains, sweetens the breath, self rinsing, use after every meal." John Q. Public, reading this sales message, might not be interested the first time, but the constant repetition of the message intrigues the consumer and he or she makes mental note to buy a tube of "XNIC TOOTH PASTE." This prospective consumer has other problems to think about and forgets the resolve to purchase a tube of XNIC, even when in a drugstore.

Let us suppose there is a display of this product on the counter and in the window, then the customer is reminded to purchase and you, instead of your competitor (and what is worse, no other dealer) makes the sale, completes a transaction started in the copy room of an advertising agency, minimizing resistance and completing the selling cycle. There are thousands of advertising messages directed to your customers and if you are operating an average drugstore, then at least 2500 or more people should make all their drugstore purchases from you. Are you getting all this business? You can—if you will do the following things:

1. Inform yourself of the merchandise that is advertised consistently.
2. Display that merchandise in your windows and counters with price tickets.
3. Consider "planned selling events" for seasonable items.



The constant repetition of the message intrigues the consumer.

4. Display the advertisement with the merchandise in order to "tie in" the message, inferring "if it's advertised, we have it."

The successful merchandisers have been doing the things enumerated above. Like them you ride with the tide in order to help yourself to additional sales.

Make the advertisements in national medias your advertisement by associating yourself ever so closely with those items. That is as modern as tomorrow's newspaper.

Just one more thought, Ed. If you were to advise your children when they leave your home for college you might say to them as follows, "If a problem arises and you don't know what to do, then follow the examples of your more successful schoolmates." Might we not consider that same advice. Years ago the large department stores would not feature, and in many instances refused to stock, nationally advertised merchandise, but today such policies would be unthinkable. Again I repeat, follow the leader, study his successful sales practices and adjust them to your needs.

If you ran an advertisement in the local paper, would you hide the merchandise advertised or would you paste copies of the ad on the windows and near the registers and stack the merchandise on the counters and display them in the windows and say to every customer you wait upon "these are the items we are featuring, please look them over, we're proud of them, let me tell you more about those in which you are interested, etc.?"

Wait a second, Ed. I can just see that question in your mind, and I'll answer it before you ask it. You were about to say or rather ask—"Why feature nationally advertised merchandise when I can make more profit on my own exclusive products?"

Ed: You're wrong, Bob, I'm not that dumb. I know that displaying and featuring popular merchandise instead of unknown brands not only lessens sales resistance but the increased sales volume takes care of the profit. You are right, Bob, I'm going after this additional volume and make GROSS become NET by taking advantage of all this national advertising.

Well, there's Ann with the car, which means dinner is waiting. Let's go.



Gross becomes Net by taking advantage of all this national advertising.

