Marketing as a Business Proposition

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Marketing as a Business Proposition

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A homemaker with the permanent idea in view of "making a home happy" needs to be versed along several lines to make this vocation successful. A housewife who tries to feed her family on a highly nutritious diet and yet on an economic basis will necessarily need a knowledge of marketing. We take it for granted that most housewives can passably prepare a meal, but can they "essentially purchase part needed? Marketing is extensive enough as a vocation in itself. Market problems are studied by marketing experts as their vocations. The person who buys the food for the Foods and Nutrition Department at Iowa State College must have a knowledge of marketing.

But marketing for the housewife. Just what does the homemaker need to know about the problems of marketing? Mrs. Ruetta Day Blinks, assistant professor in the F. W. Marketing at Iowa State College, has written this article as a guide to the homemaker.

Food marketing is a much bigger subject than I can cover in the space allotted to me. Marketing changes the subject of buying into a broader field of study bringing in the economic forces back of the local grocery store, the sources of foods, the agencies responsible for bringing such a wide variety within our reach, the way it is performed for us and the housewife's place in the great whole scheme.

Food buying is more food selection after these many products have been pro-duced, manufactured, advertised, graded, transported, stored in cold storage or otherwise, conforming to the standard set by the federal or state legislative departments and at last placed on the shelf or in the show case of our corner grocery in millions of different small packages or containers.

It has been said somewhere "Give the women the marketing facts and they will do the rest." "We don't want you men to preach to us. We must work it out ourselves. Tell us where to get the information that we need and how to use it. We shall fly the purchase part needed." What does this marketing confusion mean?

The changes in the home during the last few years have made our problems much different. Even when I went to college we were studying how to make or produce as we say, the bread, the ice cream, the canning, or even the baking powder, but today we stress these things so much less because these industries are going out of the home with the factory, so our business is marketing. We need to be able to select more wisely what is ready to eat from the grocery, the bakery, and the dairy. For this duty we need to acquire facts about every food material on the market, facts of where to buy, when to buy, how much and in what form, what grade, what has need of nutritional value and last but the most important problem, that the woman with the market basket encounters, is one of price.

Here is the interest of buying in the grocery store and the meat market and for the greatest economics need to know relative prices. Then she must know how much she can afford to spend. And how is she to know this? In spending for food we do have some figures and if in general way. We know that we can not expect to buy food for any individual for less than forty-one cents per day and that is the poor man's guide line, plus, rent, utility, food, pro- fit, rental time or fuel are included in providing it. We can not safely say we should use a percent of our income, in case incomes vary so. Those with big incomes could not possibly eat the percent say, 30 percent; it might be expended in elaborate service, very elaborate food, but I mean the kind of food we need to nourish our bodies and keep us in health. Also the very meager small income families might have. This figure of 30 percent to really provide the neces-sary food. However, with the knowledge of prices of foods on the market we can more safely give the low figures of fortyone cents per person with careful selec-tion. We could buy enough food to feed one family per day. There is an average figure taken from a study of family expenditures from different parts of the country.

Then how do we use this money to pur-chase foods considering the nutritional needs? Georgia we have again a general guide which Dr. Sherman has given us. For the housewife in everyday life we have, it is practical to use this grouping: (1) Fruits and vegetables. (2) Milk, (3) Meat, fish, poultry, cheese, eggs. (4) Cereals, grains, breads. (5) Sugars, fats, un-classified foods. For each of these five groups allow about 1.5 or 20 percent of your food money. One may use the simplest suggestions for dividing the food money such has: (1) Buy milk first, a quart for every child and a pint for every adult. (2) Buy fruits and vegetables spending as much for these as you do for meat or fish. (3) Buy meat, fish, but spend no more for them than for vegetables and fruits. (4) If you do not spend as much for these foods than you do for milk until you have bought the above milk allowance. (4) Buy fats, butter, in ararigan, oils and fats allowing between 1.5 and 7.5 pounds a week for every mem-ber of the family over three years of age. (5) Buy bread, breakfast cereals, maca-roni, rice, spending for them from 1.4 to 1.2 of your money. (6) Other unclassified foods are cocoa, tea, coffee, baking pow-der, vinegar, etc. If the milk bill equals the meat bill and you are paying as much for fruits and vegetables as you are meat — then your other food costs really fall quite naturally into the respective amounts. We found by studying farm family accounts which were from homes in this county and adjoining counties that the meat bill almost trouble in some cas-es where in most cases it is more than 20 percent. When we spend so much for meat we lessen somewhere else so we draw toward our fruits and vegetables. Why do we spend so much for meat? Because we like the flavor — it satisfies us better — but we need a knowledge of marketing. We must take the question squarely and realize it is an expensive item in the diet. Its food value is excellent as far as it goes but we must have milk and fruits and vegetables to supplement what meat lacks. So you see we do have a food budget which any housewife may enjoy, not get burdened with detailed accounts unless. So armed with our general knowledge of how much we should spend for our family and budget. It should be best in a mixture of foods, eliminating guess work we shall now attack that question of how much things should cost or price.

How does one know her dealer is not over-charging her? In some places prices and market data are printed in local newspapers. Sometimes wholesale pric-es are published with no comparison with prevailing retail prices. However, the housewife may by simple arithmetic determine the cost of any piece of goods that come to the grocer in 150 pound sacks at wholesale prices. The retail price is the result of many forces. It is primarily the cost of raw food materials but added to this are influences, such as advertising and competition coupled with these, labor costs, freight rates, land costs and our various food costs.

One of the most interesting facts about marketing is that retail prices change less rapidly than wholesale prices. One explanation of this slow change is that consumers, as a class, prefer an unchang-ing price. Retailers say that they do not make the big price changes that come with wholesale prices because housewives do not understand and do not desire such fluctuations. Do not lose faith in a retailer who wholesale prices fluctuate with wholesale prices, he is giving you the benefit of lower wholesale prices. A consider-able number of retailers fix their prices sufficiently high so that they do not have to vary them with the usual wholesale fluctuations.

The advent of the chain store with its policy of flexible prices, especially on na­tionally advertised goods, has made con-sumers acquainted to some extent with the phenomenon of the rise and fall of prices. It is a common belief that chain stores not only give consumers the benefit of wholesale price changes but that their prices are lower than those of independent stores. The latter, however, as-sert that chain stores carry certain leaders at cut prices, but that they more than reimburse themselves on other goods which are not so prominently displayed but which most purchasers buy together with the cut-price goods. Owing to the variety of chain stores, their line of goods, and their services it is not pos-sible to make a general statement that would cover conditions in different places. For this reason, the housewife must ob-serve and compare prices for herself. Probably butter and eggs are the best examples of real fluctuations, the two goods at six cents a pound seems to come in this class today.

Prices are usually regulated by the supply of demand of commoditites. If a cer-tain food is sold at a reduced price there is some reason, and unless we know the reason, we are apt to receive an in-ferior product.

Often we are influenced by the appar-ent cost rather than the real cost. For example we often go great distances to

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save a few cents on the same article, without considering that we pay for gas or water or care for and use time, which must be accounted for in the real cost and often means more than the amount we have actually saved.

The price should be reasonable for the quality we demand. The fancy quality is not always needed, or the best for every use, but if you demand it, then be willing to pay for it. Often a cheaper food for the same food value can be substituted for the more expensive.

Within recent years most large business organizations have added purchasing agents to their staffs for economy and efficiency in buying. An immense saving has resulted. Just as the close application to detail has proven profitable in business so the housewife can adopt certain improvements in methods which would facilitate her buying and unquestionably would reduce retailing costs. The suggestions following will add greatly to lessen the retail problem.

Avoid rush hours. There are generally two rush hours in retail food stores. There is one from 11 to 1 o'clock and another from 4 to 6 o'clock. By buying at hours other than these when clerks are less rushed better service can be had.

Await your turn: A good manager or clerk usually knows in what order his customers entered the store. He tries to wait on them in that order. The rule "first come, first served," is reasonable in it minimizes disputes and facilitates the work of the manager and his clerks. Purchasers should await their turn and should be alert to protest its violation by others.

Have a market list: The preparation of a market list at home will save a good deal of the purchaser's and clerk's time at the store. Items on such a list can be read to the clerk or the list may be handed over to him for filling.

Have your orders ready: Many women have the grocer's or the butcher's boy call for their orders while others have the tradesman call them on the telephone at a regular time. When orders are not ready at the specified time, it delays the boy or the tradesman and hampers them in serving others.

Minimize delivery service: The costs of delivering are high because purchasers demand many kinds of services. In brief, more services, higher costs, higher prices. The delivery of small orders is often abused. It increases costs as do too frequent deliveries. It is unfair to ask a grocer to deliver goods bought at another store.

Minimize credit: Many retail stores fail because they extend credit too liberally. It is business-like to pay bills promptly.

Minimize the handling of goods: A great deal of the spoilage of highly perishable products in retail stores is due to the excessive handling to goods by custom. More such spoilage means higher costs and consequently higher prices. With the increasing standardization of goods the necessity for examination will be considerably reduced.

Return empty milk bottles: The high price of bottled milk is partly due to the cost of replacing bottles. The average number of trips of a bottle is about 15. This is much too small. Vacant lots, back alleys and garbage dumps are evi-
dence of the truth of this statement. Dealers would like to have their empty bottles washed and returned regularly. Observe weights and measures: It is more economical by weight or count than by the box or measure. Observe the scale when making purchases. Buy in quantity whenever expedient. Check order or receipt, so that mistakes may be immediately rectified.

Whether it be thru cooperative association or by the individual, it is evident that the housewife must give closer attention to her markets if any adequate solution of the marketing tangle is to be found. To improve her buying habits, she must study her commodities, she must be able to judge of the relative advantages of stores, and roadside markets.

Whether she trades at a chain store, an independent, or a cooperative store or whether she purchase thru a baxter club and should depend upon what she knows rather than upon personal inclination or whim.

In order to buy economically the purchaser should know what grade of the commodity is best suited to her need. Shall it be eggs, fish, fruit, canned goods, milk, cheese? True, when buying in the home is placed on the same basis of efficiency that is now used by the buyers of goods for the market there will be less shopping and much saving of food costs. If the housewife would learn grades, she would order without inspection, make a seriously, in advance and save money thru buying the exact quality needed. She could specify Jonathans, Grade A, 2 1/2 inches in diameter. She would know the variety that Grade A means, sound fruit, good color and she would know the exact size. The same true of ranges—176, 188 or 324, meaning there are that number to a crate, hence always the same size. The average housewife is not conscious that grades of eggs—grades of butter and other commodities is best suited to her need. The housewife should demand that the knowledge be passed on to her.

Always order a definite quantity, buying more care rather than 15 or 25 cents worth of an article. Then check the weight as the clerk places them in the scale. Note the weight and see if the weight recorded is the weight as the clerk places them on the scale before putting them away. If a certain number of cans or packages have been purchased count them before putting them on the pantry shelf.

When buying fruits and vegetables out of season we usually pay a high price for an inferior flavored product. It pays to buy vegetables such as celery, lettuce, etc., by the pound rather than by the head or bunch.

Fresh foods in good condition are not wilted, shriveled, green, over-ripe, frosted or irregular in size and shape. They will have a good color and not show any blemish.

It is a good policy to make out plans and an order list carefully before ordering or purchasing, however, do not be so tied down by such plans that they cannot be changed if the conditions or contents of the market make it desirable or necessary.

Consider which marketing methods are best suited to your needs and follow them until convinced that others are better. Your best learn by repeated visits to the market and practice in selection. You will learn to build upon your own failures and successes, but let the knowledge of others help you do so.

We must learn by constant use of every rule we know, and carefully weighing the new information we gather.

It is certainly true that our household marketing problem is becoming more complex and it is only by careful study that we can become efficient. Buying is such a fascinating subject these days when our markets and stores are filled with such a great variety of foods, from a world-wide world. However, it is this variety that we are demanding and enjoying that makes our marketing problem a very complex one.

The housewife's marketing no longer consists of going to the garden or cellar and selecting foods for her table, which she herself has grown or preserved. Each market and retail store is just a small part of our present complex economic system.

The discrimination of the buying public to some extent determines what will be put on the market. It is necessary to study the markets in our particular community, learn where we can obtain the products which best suit our needs. It is our privilege to choose where we buy.

It is only as the housewife has information in regard to the conditions which determine the quantity and quality of the foods she finds on the market that she can set up an order or attempt to control the situation in her own interest.

If a housewife could buy by grade she would not need the brand. My plea is for more grading and making it more uniform grading. Brands have come as a result of advertising. Each firm selects some name, descriptive or attractive to label its goods so the housewife can procure such goods. The advantage of a brand is the expense of advertising it, salesmanship involved and then too necessity of a dealer carrying so many different labels when perhaps the real nutritive value, sanitation, and cost factors have been neglected in buying some certain advertising brand.

Salesmanship is another factor housewives must consider, for, today, it has been developed to such a fine art that buyers need to learn when not to buy to counteract this force and base her buying on her family needs, using aids given by advertising and salesmanship, but making her own decisions to meet the needs of her budget for which she has more concern than anyone else.

A family's standard of living can be measured by the percent of the income that goes for food. If a family spends 75 percent for food, their standard of living is low. If only 30 percent is spent for food it means a relatively higher standard of living for that family must be true and it is likely that history tells people may be well fed and still spend a little—leaving more or our income to come up to a well rounded life.

Florece Pease, H. Ec. '24, is taking Claire Yungcsas Reck's place as Instructor of Home Economics in the high school at Victor, Col. Miss Pease has been in Victor since Jan. 23. Since graduation she has been dietitian in San Jose Hospital, San Jose, Calif.

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