

A Story of Public Service

Some people believe that advertising merely takes business away from one man and hands it to his competitor. They think that if everybody stopped advertising, business would go on just the same, and things would be cheaper. It sounds plausible. But it is not true.

ADVERTISING is, of course, much used as a competitive weapon, and a very powerful one. Any method of selling—advertising, show windows, clerks, traveling men—gets business that without the selling effort would have gone to some other firm. Most of us believe that competition is a good thing. It keeps down prices. It keeps up quality. It makes business men more eager to give the public good service. Any economical method of competition ought therefore to be regarded as a benefit to the public. And the economy of advertising purely as a competitive method has been so clearly demonstrated in many great industries over a period of years that it need not be discussed here.

The main question, however, is: What does advertising do besides stimulate competition?

As a matter of fact, its chief use lies entirely beyond. It creates new markets, new demands, new desires. It makes possible new products, new ways of doing things, a better national life.

The Story

In one of our large cities, a few years ago, fifty-one per cent. of the stock of the local gas and electric company was acquired by a national public-service organization. The way the new management went about its job sent thrills of apprehension through the minority stockholders, who were local citizens. The dividends paid the year before amounted to \$14,000. Immediately the new board cut the price of both gas and electricity. Figures showed that, with the same consumption as the year before, the total dividends at the new rates would be only \$4000.

No Competition

But there lay the difference. The consumption was not going to be the same. The company began a strong campaign of advertising. To the local stockholders this seemed ruinous folly. They reasoned, "Have we not a complete monopoly? We control exclusive franchises on both gas and electricity. Why in the world should we spend money to advertise when we have 'em both coming and going?"

If ever a case existed where advertising

solely for competitive purposes would have been absolutely futile, this was it. The company certainly had the city both coming and going. But the answer was, "We are not going to *spend* money in advertising. We are going to *invest* money in advertising."

Half pages began to appear in the newspapers. In the course of a year the gas and electric company used more space than any of the department stores, which, of course, had been up to that time the heaviest advertisers in the city.

Cooking schools to show women the merits of the gas range were installed—and advertised. Men who had never thought of the saving of labor and expense possible by using small electric motors in their shops found out—through advertising. Local merchants were shown the increased trade that they could get by having their stores better lighted. Electric signs were popularized.

What Happened?

The first year the advertising sold seven carloads of gas stoves. It sold coke at a fair price, instead of at a loss as before. It sold gas heaters, irons, fixtures and novelties. It put in 124 new electric motors for small power users. It put up electric signs and ornamental lighting effects.

In these ways, as well as through the stimulation of ordinary consumption, it very greatly increased the use of gas and electric current.

At the end of the year the total dividends, which estimates had said were going down to \$4000, were \$44,000. At the end of the second year of the same policy the aggregate dividends were \$76,000. And this with all bills for advertising paid. And with the public buying its gas and electricity far cheaper than it ever had before.

But, apart from better dividends and lower price to the consumer, what did the advertising do for that city?

What Was the Effect?

It gave the city better-lighted stores and streets. It put labor-saving devices into hundreds of homes. It cut the cost of operation for scores of small, struggling manufacturers. It showed people how to get and use things that made their lives

cleaner and easier. It made, in short, a more comfortable, more alert and prosperous community.

What local advertising did in that city, national advertising is doing all the time for the nation. We pick up a number of *The Saturday Evening Post* and, seeing the advertising of 17 makers of men's clothing, we think, "Here are all the manufacturers just advertising against one another." We forget that advertising of ready-made clothing has made this a better-dressed nation, that it has showed hundreds of thousands of men the way to cheaper and better fitting clothes, that it is always effectively preaching the gospel of the importance of looking well.

Creating Human Activity

Advertising is like the railroad, the trolley, the telephone, the newspaper, the school—a creator of human activity. Like all of these, it is a force for the wider and quicker dissemination of information. It brings within our ken things that we never knew existed, or never thought we wanted. It teaches us to want things a little beyond our grasp and to work a little harder in order to get them. It is like the rifle that the modern Tom Sawyer saw in the window. He had intended to loaf all summer, but he wanted that rifle. In order to get it he had to have money. To get money he went out and painted fences and ran errands and mowed lawns. The knowledge that there was a rifle that he could have if he worked for it made him a producer instead of a dependent.

True Public Service

It we believe in a constantly advancing civilization, if we believe that people ought to keep on trying to live a little better and have a little more comfort, a little more convenience and a little more ambition—it our philosophy includes these tenets, then we must believe that whatever shows people the way and rouses their ambition to possess—and to produce in order to possess—is a public service. It is upon that basis that we declare advertising to be, not primarily a weapon of competition, but primarily a means of constructive public service.