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THE ECONOMICS OF FREE DEALS

# THE ECONOMICS OF FREE DEALS 

With Suggestions for Code-Making under the NRA

BY<br>LEVERETT S. LYON<br>assisted by<br>HELEN MAY WHEELER

## WASHINGTON, D.C. <br> THE BROOKINGS INSTITUTION <br> 1933

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## DIRECTOR'S PREFACE

After the Institute of Economics published his Advertising Allowances, Mr. Lyon continued his exploration of pricing policies and the self-regulation of business through the trade practice conference. His next study concerned itself with "free deals." When this investigation was considerably advanced, the function of the trade practice conference was taken over by the code-making work of the National Recovery Administration. At about the same time the Institute of Economics undertook a comprehensive study of the NRA under the immediate direction of Mr. Lyon. The shift of function from the trade practice conference to the Recovery Administration and this new development of the Institute's program caused the free deals investigation to be merged into the NRA study. This volume is therefore presented as the first of the Institute's series of NRA publications.

The close co-operation given by trade associations and individual business concerns during the preparation of Advertising Allowances was continued as The Economics of Free Deals progressed and has resulted, as in the former case, in making available for analysis a considerable quantity of material otherwise unavailable. The author has undertaken to interpret the data in terms significant to the economist, the business man, and the government official alike.

Staff members serving with the Director on the committee which co-operated with the author in the preparation of this volume were C.O.Hardy and Paul T.Homan.

Edwin G. Nourse Director
Institute of Economics
December 1933

## AUTHOR'S ACKNOWLEDGMENTS

The relationship of this study to my Advertising Allowances, published approximately a year ago, is so close that an acknowledgment of those whose assistance has made it possible must necessarily, in considerable part, duplicate the acknowledgment given in the earlier volume. Both of the books are parts of a general study of pricing practices and policies and of business self-government undertaken with the co-operation of a number of trade associations. In this case, as in the earlier one, the acknowledgment of many individuals must be withheld because its expression would violate a confidence.

Without the full co-operation of the Executive Committee of the Grocery Trade Practice Conference the data utilized for the grocery sample would have been impossible to secure, and many points upon which the problems of deals turn might have escaped attention. The associations of this group which contributed are Associated Grocery Manufacturers of America, National Wholesale Grocers' Association of the United States, National Chain Store Association, National Food Brokers Association, and National Association of Retail Grocers.

Particular acknowledgment is due to H. R. Drackett and George D. Olds, Jr., of Associated Grocery Manufacturers, and Charles Wesley Dunn, general counsel for the association; M. L. Toulme, secretary, and Dana T. Ackerly, of counsel, for National Wholesale Grocers' Association; R. W. Lyons, executive vice-president of National Chain Store Association; and C. H. Janssen, secretary-manager of National Association of Retail Grocers. H. R. Drackett, as chairman of the Executive

Committee of the Grocery Trade Practice Conference, was a frequent and helpful adviser during most of the study.

Among many individuals who may be mentioned because their help has come through their capacity as officers of their companies or of associations, as at one time or another members of the Executive Committee of the Grocery Trade Practice Conference, or as members of committees discussing the problem and aiding in the preparation of data, are Clarence Francis, executive vicepresident of General Foods Corporation and former president of Associated Grocery Manufacturers; Paul S. Willis, vice-president of Comet Rice Company and president of Associated Grocery Manufacturers; W. T. Nardin, vice-president of Pet Milk Company; C. A. Lumb, Eastern sales director of California Packing Corporation; Carl H. Schlapp, president of National Wholesale Grocers' Association; Roy L. Davidson of M. O'Connor and Company; Arjay Davies of Davies-Strauss-Stauffer Company; Sylvan L. Stix of Seeman Brothers and vicepresident of National Wholesale Grocers' Association; W. B. Mackey of H. Kellogg and Sons Company; John Coode, former president of National Association of Retail Grocers; Paul Fishback, secretary of National Food Brokers Association; Harry C. Faulkner of the same association; W. J. Donald, formerly managing director of the. American Management Association; and G. A. Renard of the National Association of Purchasing Agents.

While he who studies trade practice at first hand will necessarily receive a wide variety of counsel, suggestions, and advice, no responsibility for the interpretations, viewpoints, or conclusions in this study should be laid on anyone except myself.

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## INTRODUCTION

The analysis of price phenomena has always occupied a central place in the work of economic students. While previously this was confined almost solely to considerations of competitive price and monopoly price, more recently there has been some exploration into that shadowy field which lies between the more complete forms of either and which in this study is called the area of semi-monopoly. To add something to the comprehension of that area is the first purpose of the study. It is hoped that this book will make some contribution to an understanding of the institutional arrangements of private enterprise and government which make semimonopoly possible, but more particularly that it will throw light on some of the ways in which and the extent to which the rigidity of semi-monopoly prices is made more flexible than it is commonly assumed to be.

The second purpose of the study is to present and analyze data on what has long been an irritating competitive trade practice. The widely used free deal has been a method which has stirred resentment and objection, even in those industries where it is most extensively employed, and has become the subject of much trade discussion and trade regulation.

The third purpose is in some degree a combination of the other two. It is to indicate the economic and the business effects of free deals and to suggest criteria which business men, economists, and government officials may find useful in formulating trade practice agreements under governmental or other auspices or in constructing codes of fair competition under the National Recovery Administration.

## APPENDIXES

Appendix A-Some-

| Giver | Recipient | Basis for the Offerb | Revenue Good or Service | Gift |
| :---: | :---: | :---: | :---: | :---: |
| Manufacturer | Wholesaler | Direct purchase | Insecticide Handsprayer Assortment of both | Insecticide <br> Hand-sprayer <br> Insecticide |
| Manufacturer | Wholesale buyer | Direct purchase Sale | Table syrup | Table syrup <br> Discount Credit memorandum |
| Manufacturer | Wholesale buyer | Sale | Baking powder | Cash rebate |
| Manufacturer | Wholesaler | Direct purchase | Soap powder Toilet soap | Soap powder Discount Toilet soap Discount |
|  | Retailer | Indirect purchase | Shortening | Store clock |
|  | Consumer | Indirect purchase | Shortening | Cooking utensils |
| Manufacturer | Wholesaler | Direct purchase | Mustand | Mustard |
| Manufacturer | Cash customer | Direct purchase | Feed | remiumgoods |
| Manufacturer | Consumer | Indirect purchase | Mash product | Feed-hopper |
| Manufacturer | Retailer | Indirect purchase | Noodles | Display rack |
| Manufacturer | Retailer and consumer | Indirect purchase | Canned milk | Premium |
| Manufacturer | Consumer | Purchase | Phonograph or radiophonograph | Records |

## Other Features

Three optional deals offered simultaneously for a limited time, each a proximately equivalent to an 8 per cent discount.

Temporary, local, I case free with 10 cases.
Discount as 2 reduction in invoice price.
Temporary, local, equivalent to a discount of almost 6 per cent, administered by count and re-count.
Deal period Oct 19-Nov. 14. Administered through count and re-count. Five per cent rebate.
One case free with 10 cases, $\frac{1}{1}$ case with $5 \frac{1}{2}$, case with 2 2 , or discount on 1 or 2 cases.
Same as soap powder deals except in ratios of approximately 1 case free with 5 .
Offered only on 20-case orders, usual order being for to cases.
Glass measuring cups, bowls, pie plates, and other premiums with purchase of 1 or 2 cans of shortening. Value varies, being equivalent to a discount of about 13-14 per cent.
One-month deal timed to anticipate seasonal sale of product. One case free with 25 cases or 5 with 100 .
A succession of different premiums offered over 2 period of years as an alternative to cash discount. Discontinued because customers lost interest; may be resumed.
One feed-hopper far chicks with each 1o-lb. purchase, to introduce the mash product.
One rack with a purchase from a wholesaler of enough packages of noodles to fill it. (This offer could also be classed as an advertising allowance.)
Administered through coupons in cases and on labels of revenue goods, redeemable at premium stores or directly by manufacturer.

Gift of 12 records with each phonograph. Delivery direct from the factory spread over a year by giving a late record each month.

Something for

| Giver | Recipient | Basis for the Offerb | Revenue Good or Service | Gift |
| :---: | :---: | :---: | :---: | :---: |
| Manufacturer | Consumer | Purchase | School shoes | Automatic pencil |
| Manufacturer | Consumer | Purchase | Gasoline, grease, greasing job, oil change, | Kitchen equipment |
| Manufacturer | Children | Indirect purchase | Coffee | Discount on purchase of amusement |
| Manufacturer | Consumer | Direct purchase | Hair dye | Discount |
| Manufacturer | Consumer | Indirect purchase | Coffee | Coffe |
| Manufacturer | Consumer | Indirect purchase | Toilet soap | Toilet water |
| Manufacturer | Consumer | Indirect purchase | Dried fruit | Satisfaction |
| Manufacturer | Wholesale buyer | Direct purchase or sale | Washing compound or household cleanser Either product Either -product | Compound or cleanser |
|  | Retailer <br> Consumer | Indirect purchase Indirect purchase |  | Either product Either product Discount |
| Manufacturer | Wholesale buyer | Direct purchase | Spices | Spices |
|  | Retailer | Purchase | Spices | Spices Other groods made by giver |

## Other Features

One pencil with each pair of shoes purchased at manufacturer's retail stares.
A late summer offer. A choice of any one of several pieces of kitchen equipment with each purchase of 7 gallons of gasoline, 5 pounds of grease, 1 greasing job, I oil change, or I car wash from manufacturer's chain of gas stations.

One-week's vacation special. Certificates having a cash value at neighborhood amusement part delivered with purchases carried home.

Temporary. A coupon which entitled holder to $2 \$ 2$ discount on a $\$ 5$ package was printed in a recent periodical.
Sample with every pound purchased within a stated period.
Unit package containing revenue and premium goods manufactured by same company offered over retailers' coonters for 42 per cent less than the standand price for both.
Manufacturer matches consumer purchases by gifts of dried fruit so Salvation Army for distribation to the anemployed. Consumer sends top of package to manufacturer.
Either as gift with purchase of other. Sales checked by count and re-count.

Either as gift with purchase of other.
Local, of about 2-week duration. Coupons distributed from house to house redeemable by retail grocers who receive cash reimbursement from manufacturer. One coupon entides holder to 10 -cent package of eicher product with the parchase of one package of same product, to io-cent package of either with the purchase of one of the other, or to 2 ro-cent discount on the purchase of 225 -cent package of one with the purchase of pactage of octher.
National. Company has given deals to bort wholesalers and retrilers on spices continuously for years, intends that they shall be passed on as received.
National. Company's specialty salesmen secure orders but whelesalers deliver both revenue and deal goods. Other goods made by company indude mustand, peanut butter, cream of tartar, and specialties.

Something for

| Giver | Recipient | Basis for the Offert | Revenue Good or Service | Gift |
| :---: | :---: | :---: | :---: | :---: |
| Manufactarer | Retriler | Indirect purchase | Drag product | Same drug product |
| Manufacturr | Retriler | Indirect purchase | Wash cloths | Reduced price |
| Manufactarcr | Retriler | Indirect purchase | Drug product | Same drug product |
| Manufacturer | Retrila | Indirect purchase | Moch repellent | Moth repellent and display stand Electric pencil |
| Manufacturer | Retriller | Indirect purchase | Laxative | Larative and mailing list blanks |
| Manufacturer | Retriler | Indirect purchase | Animal remedies | Animal remeries |
| Manufacturer | Retriler | Indirect parchase | Rapors and blades | Rrrors and blades |
| Manufacturer | Retrinter | Indirect purchase | Assorted meficincs | "Calendars and book maiting" |
| Manufacturer | Retailar | Indirect purchase | Cough drops | Cough drops and horohound drops |
| Manufacturer | Retriler | Indirect purchase | 24 drug products | (Soclist colvema) |

## Nothing (Contimued)

## Other Features

Duration of 3 or more months. Gift of $\frac{1}{2}$ doz. tins with 1 doz. tins. Deal goods delivered by wholesaler.
Special price on I carton of 14 packages of assorted colors, offered as a deal for the month of October.
For 7 months or more. Company sends $1 / 12$ doz. small-size units and I doz trial-size units direct to retailer who purchases idoz small-size units from wholesaler.
In the second deal, overlapping in time the first deal, retailers were given an electric pencil if they bought 4 times the amount of goods required under first offer. Change from distribution of gift through wholesaler to distribution by manufacturer.
Wholesalers permitted to sell only iz deal orders to any 1 retailer. Deal offered for 1 month in fall. A specified assortment of 10 -, 25 -, and socent sizes carried gift including 25 -cent and sample sizes and mailing list blanks.
Distribution of free goods through wholesalers. Deal offered from November through spring on assortments or single items. Amount of gift varied from 13 to 20 per cent, increasing as amount of purchase increased.
Continuous. Administered through wholesale distributors. Deal goods in special boxes for consumers.
Gift sent direct to retailer by manufacturer. More or less continuous deal (This could also be classed as an advertising allowance.)

With orders for equal quantities of 2 varieties of 1 brand of revenue goods were given additional quantities of same goods and also horehound drops, altogether equivalent to a 29 per cent discount. Offered for $2-$ week period in October. Free goods delivered by wholesalers.
Elaborate set of deals, based on 13 of the products sold separately and all 24 in various combinations. Great variation in gifts. Identical goods, same goods with superficial difference in color or in size of package, combinations of both, and goods made by another company are examples of the many gifts used in connection with deals on products sold separately. Goods unlike those purchased, manufactured by either the giver or some other company, and goods the same as part of the revenue goods have been offered in great variety with combination purchases. Some deals for short periods, others extended over 7 or more months; some administered simply, others by complicated plans.

Something for

| Giver | Recipient | Basis for the Offerb | Revenue Good or Service | Gift |
| :---: | :---: | :---: | :---: | :---: |
| Manufacturer and retailer | Consumer | Indirect purchase | Kitchen cabinet | Household goods |
| Mining company | Consumer | Purchase | Coal | Planc ride |
| Publisher | Subscriber | Direct purchase. | Periodical | Dictionary <br> Encyclopaedia |
| Publisher | Subscriber | Direct purchase | Periodical | Opportunity |
| Publisher | Subscriber | Direct purchase | Periodical | Bread knife |
| Mail-order house | Consumer | Direct purchase | General merchandise | General merchandise |
| Wholesaler | Consumer | Purchase | Coffee | Premiom |
| Whoiespler | Retriler | Direct purchase | Groceries | Typesriter |
| Wholesaler | Consumer | Indirect purchase | Tea | Jig san purade |
| Wholesaler | Consumer | Indirect purchase | Strawberies, | Toy airplane |
| Voluntary chain | Consumer | Direct purchase | Broom | Rubber apron |
|  |  |  | Sprices | Salt and pepper shakers |
|  |  |  | Tomato juice | Drinking glass |
| Voluntary chain | Consumer | Direct purchase | Groceries of omp brand | Discount as silvermare Toy aimplase |

Nothing (Contimued)

## Other Features

Throughout its experience company has offered local deals of 8-10 days' duration. Deal period announced in offering advertisements. Retailer purchases at a low price from manufacturer and delivers free to consumer such products as electric clocks, kitchen cutlery, aluminum ware, silverware, table linen, and dishes.
One ride in autogiro with each purchase of 5 tons of branded anthracite coal.
Dictionary offered with 17 -week trial subscription or encyclopaedia with longer subscription, for limited period only.
Subscribers who renewed for I year were given opportunity to give I nonsubscriber a 3 -month subscription. Renewals for more than 1 year carried more than I introductory subscription.
Only on prepaid 1 -year subscriptions.
Constant use of premiums since $\mathbf{1 8 8 5}$. Publication of catalogue in back of which available premiums are described. Price for revenue goods listed in catalogue quoted "with premium." Premium goods listed as available "With \$- purchase or coupons." Customer permitted to substitute cash for coupons at rate of $\$ 1 . \infty$ in cash for each $\$ 2.00$ in coupons.
"Premium parlor" coupon enclosed with small tin for household consumers (indirect purchasers) and several such coupons in large tin for restaurants, hotels, and institutions (direct purchasers). Applied only to wholesaler's brand.
To new customers only.
Applied only to wholesaler's brand.
With purchase of 3 cans of wholesaler's brand.
Revenue goods made by 3 different manufacturers and related to gifts through use. Deals on brooms and spices offered simultaneously, on tomato juice I month later.

Thirty tokens which accompanied revenue goods and 75 cents required to obtain silverware. Toy airplane given to children only, in exchange for 5 labels from revenue products.

Something for

| Giver | Recipient | Basis for the Offerb | Revenue Good or Service | Gift |
| :---: | :---: | :---: | :---: | :---: |
| Corporate | Consumer | Direct | Any product | Gold fish |
| chain unit |  | purchase |  | and bowl |
| Corporate chain unit | Consumer | Direct purchas | Man's shirt | Laundry service |
| Corporate chain | Consumer | Direct purchase | Any product | Premium |
| Corporate | Consumer | Direct | Toothpaste | Play ball |
| chain |  | purchase. | Mouth wash | Football |
|  |  |  | Olive oil | Salad silver |
|  |  |  | Toothpaste | Puzzle |
|  |  |  | Assortment | Toy |
| Corporáte chain | Consumer | Direct purchase | Razor <br> blades | Cigarettes |
| Retailer | Consumer | Direct | Groceries | Premiums |
| Retailer | Consumer | Direct purchase | Teapot Brush | Tea Soap |
| Retailer | Consumer | Direct purchase | Clothing | Discount |
| Retailer | Consumer | Direct purchase | Shoes | Handbag |
| Retailer | Consumer | Direct purchase | Furniture | Furniture |
| Retailer | Consumer | Direct purchase | Jewelry | Gasoline |
| Retailer | Consumer | Direct purchase | Automobile | Case for keys |
| Retailer | Consumer | Direct purchase | Confections | Confections |
| Retailer | Consumer | Direct purchase | Electric refrigerator | Electricity |

## Other Feature

Offer from a drus-chain unit on purchases totaling \$1.00 or more an cither of 2 consecative days.
Coupon entiting bearer to have shirt lamodered once at locil lmandry given with parchase at limited price variety store.
Combination tobacco, candy, and novelty chain changed fromase of conpons redeemable by giver to po deals and then to coupons of independent premiom company.
Gift of play ball in summer changed to foothall in fall and to variety of articles in winter. Change of revenue good from one product having giver's beand to another. Use by some units of chain of premium coopons redeemable in merchandise purchased from the sales promotion department of the chain.

Local drug-chain offer. Choice of any 1 of 10 brands of cigarettes Gift equivalent to about 20 per cent price reduction. Reservation of privilege to restrict quantity of any perchase.
"Premium parior" trating stamps given with ench 10 -cent cash perchase, or 20 cent credit purchase if paid for within so days
Weetly change of revenue and deal goods. Said to be a retaliation by members of an alliance of hardware retailers against those tho give hand ware with the purchase of groceries.
"Dividend check", acceptable in payment for subsequent parchases given to customers with paid-up charge accounts.
Offer of \$1.00 gift with every pair of shoes selling for \$2.95 or more to attract costomers to new store.
Any 1 of 6 swites of fornitmre offered free with perchase of any other 1 .
Special offer of 20 gallens of grsoline in th enty Christmas sales campaign, beginning Oct. 15, to any customer tho woold oper an instalseent acconnt Fith a purch sse amounting to \$9.95 or more.
Case bearing dealer's name given with keys for car pourchesed.
Year-end merchandise dividend equivalent to minimman moaths" purcheses in year to steady costomers who pay accoments before tenth of month following porchase.
Coopen for 100 tilowatt hours of dectricity free vith erery electric refigerator.

Something for

| Giver | Recipient | Basis for the Offer | Revenue Good or Service | Gift |
| :---: | :---: | :---: | :---: | :---: |
| Retailer | Consumer | Direct purchase | Vacuum cleaner | Silverware |
| Retailer | Consumer | Direct purchase | Dairy products | Glassware |
| Department store | Children | Direct purchase | Hair cuts | Jig saw puzzles |
| Contractor | Consumer | Direct purchase. | Plumbing | Plumbing |
| Electric company | Consumer | Direct purchase | Vacuam cleaner | Table lamp |
| Filling station | Consumer | Direct purchase | Gasoline or oil change | Ebonyware |
| Service station | Consumer | Direct purchase | Car service or tire | Glassware |
| Filling station | Consumer | Direct purchase | Grease jobs | Water heater |
| Service agency | Consumer | Direct purchasé | Laundry | Bath set |
| Service agency | Consumer | Direct purchase | Painting or decorating | Tilt-top table |
| Service agency | Consumer | Direct purchase | Dry cleaning | Electric mixer |
| Service agency | Consumer | Direct purchase | Laundry | Storage bag |
| Insurance company Violinist | The insured Audience | Direct purchase Direct | Fire <br> insurance <br> Program | Fire extinguisher Encore |
| Violinist | Audience | purchase | Program | Encore |

[^0]
## Nothing (Contimued)

## Other Features

Trade-in allowance on purchase price of new cleaner replaced by set of silverware having retail price equal to about twice the average tradein allowance.
Coupons, acquired gradually with small purchases, exchanged for gift.

Cards left at houses entitled holder to introductory offer of half-hour's service free with the purchase of 1 or more hours; for limited period.
Gift applied to several well-known brands of vacuum cleaners.
Offer for limited time to celebrate first anniversary of introduction of own brand of gasoline. Original time-limit extended.
Ten deals, all effective for 1 month, offered in single advertisement. Choice of to different assortments of glassware with purchase of a tire or any I of 9 assortments of car service.
Heater of standard make given to every customer who orders 5 grease jobs.
Old customer required to secure a new customer for giver as well as to purchase $\$ 25$ worth of service at regular prices within about 10 months Each new customer was offered in turn a small gift if he bought service in the amount of $\$ 3.00$ within 4 consecutive weeks. Repetition of plan tried preceding year, with table linen as the free goods.
Deal offered by an association of master painters and decorators to customers placing a $\$ 50$ order between Mar. 20 and May 12 with any 1 of their members.

Seasonal offer for limited period. Gift of moth-proof bag to accomany every blanket laundered.
One with each $\$ 1,00$ of insurance written.
curate report of deals described in actual deal offers, trade papers, and

## APPENDIX B

## SOME PRODUCTS KNOWN TO HAVE CARRIED DEALS*

absorbent cotton
adhesives
alarm clocks
albolene nose sprays
alemite service
aluminum cleansers
ammónia
andirons
animal medicine
antiseptics
aspirin chewing gum

- automobile equipment
automobile oil change service automobile wax
automobiles
babies' rattles
babies' supplies
baby carriages
baby yards
bakery products
baking powder
baking soda
balm
balsam
bandages
bath salts
bath scales
bath towels
bathing suits
bathroom cabinets
bathroom seats
batteries
bed springs
bedroom suites
bedspreads
belt dressing
belts
bicycles
bill folds
bird cages
biscuit flour
blankets
bleaching products
bluing
bluing soap
books
borax
boys' shirts
boys' suits
-bran
bran flakes
bread
bricks
brief cases
brooms
brushes
buckwheat flour
* This list was compifed chiefly from questionnaires answered by manufacturers and wholesalers and from descriptions of deals in variou trade papers.
building materials
bunion pads
butter
cake flour
camera films
cameras
camphorated mustard cream
candy
canned baked beans
canned beef stew
canned corned beef hash
canned crab meat
canned fruit
canned grapefruit juice cocktail
canned heat
canned lamb stew
canned milk
canned salmon
canned soup
canned spaghetti
canned strained vegetables
canned tomato juice
canned vegetables
car grease
car lubrication service
car washing service
carbonated beverages
casseroles
catarrh remedies
catsup
cedar chests
cement
chairs
chamois
cheese
chemical preparations
chewing gum
children's beauty parlor service
children's clothes
children's wagons
chinaware
chocolate
chromium finish sugar bowls
cider
cigarettes
cigars
citrus products
clay
cleansing fluid
clocks
coal
coats
cocoa
cocoa malted milk
cocoanut
coffee
coffee pots
coffee substitutes
cold remedies
combs
concentrated beef bouillon
condensed milk
contraceptives
cooked cereals
cookies
cooking oil
cooking utensils
corks
corn pads
corn starch
corn syrup
corsets
cosmetics
cough drops
cough syrup
crack filler
crackers
cream or paste insecticide


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ECONOMICS OF FREE DEALS
croup remedies
curling irons
curtains
dates
decorating service
dental poultices
deodorants
depilatories
desks
dessert preparations
dog powder
dog soap
dresser sets
dry cells
dry cleaning service
dry goods
dye powder
dye soap
electric fans
electric grills
electric heaters
electric heating pads
electric ironers
electric irons
electric light and power service
electric percolators
electric ranges
electric refrigerators
electric signs
electric table stoves
electric toasters
electric vacuum cleaners
electric vaporizers
electric waffle irons
electric washing machines
enameled ware
enamels
evaporated milk
extracts
eyewash
face powders
facial creams
facial lotions
facial tissues
false tooth powder
feeds
files
first aid supplies
fishing tackle
flash lights
flavoring extracts
floor polish
floor wax appliers
flour
flower seeds
food choppers
food coloring
forts
foundry supplies
fountain beverages
fountain pens
fresh milk
fruit cake mixture
fruit pectin
furniture:
furniture polish
furniture wax
games
garment bags
garters
gas heaters
gasoline
gelatine
gelatine dessert
ginger ale
glass bottles
glass cooking utensils
glue
glycerine
grapefruit juice
gum
hardware
hair dressing
hair dye
hair lotion
hair nets
hair oil
hair tonic
hairbrushes
hairpins
hams
hand brushes
hand creams
hand lotions
hand mirrors
handkerchiefs
harmonicas
headache powders
heating pads
hosiery
hot chocolate powder
hot cocoa powder hot water bottles
house furnishings
household cleansers
household sundries
household tissues
ice boxes
ice cream
ice cream freezers
incense
incense burners individual drinking cups
ink
insecticide powder
ironing boards
janitors' supplies
jewelry
key containers
kitchen cabinets
kitchen utensils
knives
lamps
lard
laundry preparations
laundry service
laundry starch
lawn mowers
laxative chewing gum.
laxative pain relief
laxatives
leather
leather belts
liniment
liquid dentifrice
liquid floor wax
liquid insecticide
liquid petrolatum
lubricating oil
lye
macaroni
malt syrup
malted milk
manicure equipment
manicure preparations
manufactured houses
margarine
marshmallow cream
marshmallows
mash products
matches
mattresses
mayonnaise
meals
meat dressing
medicated plasters
medicine
men's shirts
men's suits
men's ties
milk of magnesia
mincemeat
miscellaneous cigar store products
miscellaneous drug store products
miscellaneous garage service
miscellaneous grocery store products
miscellaneous jewelry store products
molasses
mops
moth exterminators
motor oil
mucilage
muffin flour
musical artists' performances
musical instruments
mustard
nail files
napkins
near beer
newspaper want ad service
noodles
nose sprays
notions
oil burners
oil capsules
ointment
oleomargarine
olive oil
opera glasses
orange juice
outing equipment
pain relief
paint
paint cleaner
painting service
pajamas
pancake flour
paper handkerchiefs
paper products
paste floor wax
peanut butter
peanuts
paper
pencils
pens
perfume
periodical publications
phonographs
phospho-lecithin
pie filling
pile treatment
pillowcases
pills
pipes
playing cards
plumbing service
plumbing supplies
pocketbooks
porcelain frogs
porch furniture
powder puffs
prescription ware
preserves
pretzels
pudding preparations
quick-drying floor wax
radio-phonographs
radio sets
radio tubes
raincoats
ranges
razor blades
razor strops
razors
rice
roof coatings
rubber gloves
rubbers
rubbing alcohol
rugs
sachets
salt
sand
sanitary napkins
satchels
savings bank service
school kits
scissors
scouring powder
scouring soap
scrubbing brushes
shampoo
shaving brushes
shaving creams
shaving lotions
sheets
shoe dressing
shoe polish
shoes
silver polish
silverware
skin lotion
smoked herring
smoking equipment
soap
soap beads
soap chips
soap flakes
soap powder
soda fountain dispensers
spaghetti
spices
sponges
spot lanterns
spray chemicals
stationery
steam pressure cookers
steel
stepladders
stove polish
stoves
suitcases
supports and suspensories
suspenders
sweaters
syringes
syrup
table covers
table glassware
table linens
tables
talcum powder
tapioca
tartar remover
tea
teapots
tennis racquets
textile products
theatrical performances
thermometers
thermos lunch kits
throat remedies
tincture of iodine
tinting powders
tires
tobacco
toilet tissues
toilet water
tonics
tools
tooth brushes
tooth filler
tooth paste
towels
toy gliders
trunks
tweezers
twine
typewriter supplies
typewriters
umbrellas
uncooked cereals
underwear
vacuum bottles
vacuum tubes
vacuum valves
vanity cases
varnish
vases
vegetable shortening
vitamin pearls
wall mirrors
wash cloths
wastebaskets
watches
water glass
water softener
waxed paper
welding wire
white shoe cleaner
white wheat flour
wire
women's bathrobes
women's dresses
women's negligees
women's scarfs
worm powders
yeast

## APPENDIX C QUESTIONNAIRE ON DEALS

(This questionnaire was sent to members of the trade by the Associated Grocery Manufacturers of America on behalf of The Brookinga Institution. The purpose was to gather complete and detailed information regarding deals and to present it, together with conclusions drawn from a study of it, to the trade. A similar questionnaire covering the experience of wholesalers, both as recipiente and as givers of deals, was sent to members of the National Wholesale Grocers' Association of the United States. Inquiries to other branches of the grocery industry and to other industries were much less extensive.)

Kindly reply to Dr. Leverett S. Lyon The Brookings Institution 722 Jackson Place Washington, D.C.

It is not desired to cover any questions in regard to deals which are used to introduce new products or old producta in new territories.

1. Name of company?
2. Location of general office?
3. Distribution $\left\{\begin{array}{l}\text { National? } \\ \text { or } \\ \text { Name area covered }\end{array}\right.$
4. What proportion of your volume of business to the grocery industry is in factory advertised brands? Factory unadvertised brands? Distributors ${ }^{\circ}$ brands?
5. List the products which you sell to the grocery trade.

Check those in the merchandising of which you use deals (As this question is intended to refer only to the use of deals upon eatabliched
products in established territories, do not check if deals are used only for introductory purposes.)
6. Approximately what proportion of your sales to the grocery trade are to

Wholesale grocers?
Retailer-owned wholesalers?
Chains (corporate) ?
Voluntary chains?
Retailersi (Excluding all corporate chains and the wholesale unit of voluntary chains, but including such retail units of a voluntary chain as may act each for itself.)

Signed by. $\qquad$
TITLE
Fill out one questionnaire for each product.

## QUESTIONS TO BE ANSWERED FOR ONE PRODUCT

(These questions apply only to deals on established products in established territories.)

Name of product and of brand (for example, Beachnut Peanut Butter)

## TYPES OF DEALS

Deals Given to the Wholesale Trade:

1. Deals based on purchases from you
2. Do you use deals of so many cases of this product with purchase of 80 many
To wholesale grocers? Yes $\qquad$ No To retailer-owned wholesalers? Yea
$\qquad$ - No No To chains (corporate) ? Yea .................... To voluntary chains? Yea. No
b. Do you use deals in which you give with this product other saleable grocery merchandise of your own manufacture

c. Do you use deals in which you give articles which you do not manufacture, such as cups and saucers, buckets, plates, silverware, etc., with this product To wholesale grocers? Yes. $\qquad$
To retailer-owned wholesalers? Yes. No

To chains (corporate)? Yes. $\qquad$ To voluntary chains? Yes. No.
d. Do you use as deals discounts from your usual wholesale price on this product? Yes, $\qquad$ o. If so, check the method of payment used for each type of distributor.

$$
\text { Cash Rebate } \begin{array}{cc}
\text { Credis } & \begin{array}{c}
\text { Reductions } \\
\text { in Invoice } \\
\text { Memoranduim }
\end{array} \\
\begin{array}{l}
\text { Price }
\end{array}
\end{array}
$$

To wholesale grocers
To retailer-owned wholesalers
To chains (corporate)
To voluntary chains $\qquad$
$\qquad$
2. Deals to the wholesale trade based on their sales to their customers.
a. Do you use deals of so many cases of this product to your wholesale customers for sales of so many to their customers

To wholesale grocers? Yes $\qquad$ No $\qquad$
To retailer-owned wholesalers? Yes No.
To chains (corporate)? Yes....................................
$\qquad$
To voluntary chains? Yes. No $\qquad$ . Do you use deals in which you give to your wholesale customers, for sales of this product to their customers, other saleable grocery merchandise of your own manufacture

To wholesale grocers? Yes.
No. $\qquad$
To retailer-owned wholesalers? Yes
No No.
To chains (corporate) ? Yes
To voluntary chains? Yes.
No. $\qquad$
c. Do you use deals in which you give to your wholesale customers, for sales of this product to their customers, articles which you do not manufacture, such as cups and saucers, buckets, plates, silverware, etc.

d. Do you use as deals to your wholesale customers, for sales to their customers, discounts from your usual wholesale price? Yea No $\qquad$ If so, check the method of payment used for each type of distributor.

$$
\text { Cash Rebate } \begin{array}{cc}
\text { Credit } & \begin{array}{c}
\text { Reduction } \\
\text { Menorandumen } \\
\text { ins Invoice } \\
\text { Price }
\end{array}
\end{array}
$$

To wholesale grocers $\qquad$
To retailer-owned wholesalers
To chains (corporate)
To voluntary chains
e. If you give deals of any of the four types described just above how do you determine the sales made; for example by

Count and re-count? Yes
No
Affidavit of sales made? Yes........................... $\qquad$
Copies of invoices? Yes No $\qquad$
Or other methods? Please describe.
If you usually use some of these methods rather than others with certain classes of trade or types of deals, please indicate.
f. Do you use deals on this product to the wholesale trade for certain specific performances, such as the sale of orders of a minimum quantity, or to certain retailers, or to members only of a voluntary chain, or when sold cash and carry? Yea $\qquad$ No If so, please describe, giving the specific performance desired, the classes of trade to which sold, the method of determining performance, methods of payment, and the like.
3. Please describe any type of deal on this product given to the wholesale trade which does not fall into the classifications given above.

Deals Given to the Retail Trade in Merchandising This Product (excluding all corporate chains and the wholesale unit of voluntary chains, but including such retail units of a voluntary chain as may act each for itself).

1. Deals to retailers based on their purchases from wholesale distributors.
a. Do you ose deals to retailers of so many units of this product with purchase of so many from wholesale distributors? Yes. No.
b. Do you use deals in which you give the retail trade other saleable merchandise of your own manufacture with purchases of this product from wholesale distributors? Yes. $\qquad$ No
c. Do you use deals in which you give to retailers articles which you do not manufacture, such as cups and sancers, buckets, plates, silverware, etc., with purchases of this product from wholesale distributors? Yes No
d. If you make a deal of any of three types described just above, how do you make delivery in each case?
e. Do you give as deals to retailers, for purchases of this product from wholesale distributors, discounts in which the retailer is paid
By check from you' Yes. $\qquad$ No $\qquad$
By the wholesaler's check or credit memorandum? Yes. $\qquad$ No. $\qquad$
By the wholesaler's charging the same back to you? Yes. $\qquad$ No. $\qquad$
By any other method?
f. If you use for this product other types of deals to the retail trade, for purchases of this product from wholesale distributors please describe, bringing out all important details of the deal, including method of payment, method of determining purchases, and the like.

## 2. Deals to retailers based on purchases direct from you.

2. Do you use deals to retailers of so many units of this product with purchases of so many direct from you? Yes. No.
b. Do you use deals to retailers in which you give, with their purchases of this product direct from you, other saleable grocery merchandise of your own manufacture? Yes. $\qquad$ No $\qquad$
c. Do you use deals to retailers in which you give articles which you do not manufacture, such as cups, saucers, buckets, plates, silverware, etc., with their purchases of this product direct from you? Yes. No.
d. Do you use as deals to retailers, on their direct purchases from you, discounts from your usual price to retailers

As a cash rebate? Yes $\qquad$ No
As a credit memorandum? Yes No.
As a reduction in invoice price? Yes.
No.
3. Do you ever use deals to retailers for their sales of this product to consumers? Yes. No $\qquad$ If so, describe methods showing how amount of sales is determined, what is given, whether this applies to retailers who buy direct or through wholesalers, etc.
4. Please describe any type of deal on this product given to the retail trade which does not fall into the classifications given above.

Deals Given to Consumers in Merchandising this Product.

1. Do you sometimes arrange that so many units of this product will be given to consumers with the purchase of so many? Yes No $\qquad$ If so, describe methods.
2. Do you sometimes arrange that, with the purchase of this product, other saleable merchandise of your own manufacture will be given to consumers?
Yes No
If so, describe arrangements, including method of checking purchases made, method of distributing and redeeming coupons or labels if they are used, whether merchandise is secured by the consumer through retailers or your own company or a separate agency or in package, and other details.
3. Do you sometimes arrange to give consumers articles which you do not manufacture, such as cups and saucers, buckets, plates, silverware, with purchases of this product?
Yes. $\qquad$ No.
If so, describe arrangements, including method of checking purchases made, method of distributing and redeeming coupons or labels if they are used, whether merchandise is secured by consumer through retailers or your own company or a separate agency or in package and other details.
4. Do you sometimes arrange to give to consumers, on certain purchases of this product, a discount from the retailer's regular price to consumers? Yes. $\qquad$ No $\qquad$ If so, describe arrangements, including method of checking purchases made, whether and how coupons or labels are
used, whether they are used as part of the purchase price, how these are distributed, whether consumer receives discount as rebate from your company or a separate agency, or as lower price for his purchases from the retailer; if retailer handles discount how he is reimbursed, and other details.

## ADMINISTRATIVE PROBLEMS OF DEALS

1. When and how the wholesale trade is notified of the beginning of deals. (If your method followed differs for different types of deals on this product or for different classes of trade, note these facts in your answers.)

## Whes

2. The day the deal becomes effective?
Yes


No $\qquad$

How
a. By letter or card? Yes___ No o.n......-_-
b. By telephone?

Yes___ No $\qquad$
c. By own enlesmen?

Yes____-_.......... $\qquad$
d. Other methods?
2. When and how the retailer is notified of the beginning of deals. (If the method followed differs for different types of deals on this product or for different classes of trade, note these facts in your answers.)

## Whas

2. The day the deal becomes effective? Yea. $\qquad$ No
b. Several dayt before deal becomes effective? Yes
 No $\qquad$
c. Two or three weeks before deal becomes effective? Yes $\qquad$ Na $\qquad$
d. Other times?

How
a. By letter or card?

Yes____No.
b. By telephone?

Yes _ No $\qquad$
c. By own saleamen?

$\qquad$
d. By jobben' mlemmen? Yea___ No. $\qquad$
e. Other methoda?
3. When and how the wholesale trade is notified of the termination of deds. (If the practice followed differs for different types of deak on this product or different classes of trade, so indicate in your answers.)

## Whes

2. The day the deal is terminated? Yes $\qquad$ No $\qquad$
b. Several days in mdance of termination?
Yed $\qquad$ No $\qquad$

## How

2. By letter or card? $\qquad$
b. By telephone? $\mathrm{Ye} \quad$ No
$\qquad$
c. By own micemen? Yea No. No
d. Other methods?
3. When and how the reteler is notified of the cormination of deaks. (If the practice followed differs for different types of deals on this prodact or for different dasses of trade, so indicate in your answers.)

Whes
2. The day the dal is terminated? Ye: $\qquad$ No. $\qquad$
b. Several days in advance of sermination?
Yes $\qquad$ No $\qquad$
c. Two ar three weeks in adrance of termination? Yea
 No $\qquad$
d Oher times?
Yea. $\qquad$

## How

2. By letter or card? Yea_No. No. $\qquad$
b. By telephooe?

Yex No.
c By own salenan? Ya_no. No
d By jobbers alicment Yer No
c. Odier methode?
5. When you give a deal on this product do you protect foor stocts of your customers? Yes No $\qquad$ (If the practice followed differs for different types of deals on this product or for different dasses of trade, 90 indicase.)
a. If yoe do protect foor trocks, what mechods do you me?
(If methods differ for differest types of deals at tis prodect er


Additional free merchandise? Yes No $\qquad$
Cash? Yes No
 Other methods,
b. If you protect, by what methods do you determine the amount of floor stocks involved?
(If methods differ for different types of deals or for different classes of trade, so indicate in your answers.)

Count by your own representative? Yes_______________
Customer's signed statement? Yes___ No_____
Customer's verbal statement? Yes
Other methods.
6. In connection with deals on this product do you receive claims for stock protection which you believe to be out of line or irregular? Yes $\qquad$ No $\qquad$
a. If so, what remedial steps do you take?
b. Approximately what proportion of claims for floor stock protection do you believe to be "irregular"?
c. Of the total quantity of floor stocks for which protection is claimed, what proportion do yon believe to be represented by "irregular" claims?
7. Do you invoice each type of deal on this product

With extra merchandise billed free? Yes $\qquad$ No No
By lowered net price on entire order? Yes No By discount stated on the invoice? Yes__ No At regular price, with separate credit memorandom? Yes_ No $\qquad$ Other ways?
(If methods differ for different types of deals on this product or for different classes of trade, so indicate.)
8. Are there deals on this product which are "on" continuously? Yes No $\qquad$
If so, what forms do they take and to which trade groups are they offered?
9. Are there special periods of the year when temporary deals on this producty are put into effect?
Yes. $\qquad$ No $\qquad$
a. If so, what periods?
(If periods for deals on this product differ for different types of deals or for different classes of trade, so indicate.)
b. Why these periods?
10. Do you put on deals for this product whenever you believe a price concession might be desirable? Yes $\qquad$ No $\qquad$
11. How many times during the last twelve months have you run a deal on this product? How many days was each deal on?
(Indicate type of deal and to which class of trade it was offered.)
Number of Days Type of Deal Class of Trade
12. Do you place any limitation upon the quantity of this product that may be ordered during a deal period?
Yes $\qquad$ No
(If your practice on this point varies among different classes of trade, so indicate.)
a. If $\mathbf{m}$, how is the limitation expressed?
b. Are these limitations eet by definite policy or are they left to the judgment and decision of your field representative?
13. Do you grant extended credit datings on deals on this product? Yes No. $\qquad$
2. If m, what is the normal time of extended datings?
b. Give reasons for extended datings.
14. Do you give customers booking privileges for future shipments beyond the termination date of deals on this product? Yes. $\qquad$ No. $\qquad$
2. If $\mathbf{\infty}$, for what period of time?
b. Give reamona
15. On which types of deals on this product is the regular price usually promptly restored?
(If practice varies for different classes of trade, so indicate in answer.)
16. Do you put on local or territorial deals on this product as distinguished from national deals on this product?
Yes $\qquad$ No
If so, in what respects do the methods, amounts, time of year when put on, length of deal, etc., differ for local and territorial deals as distinguished from national deals?
17. In case of local or territorial deals on this product, what difficulties do you encounter in having the deals passed on to territory in which you did not intend to have the deal apply?
18. What methods do you prescribe in your deal offers on this product to keep the deal within desired territory?
19. Do you sometimes make a differential in quantities in deals on this product to different types of distributors?
Yes. $\qquad$ No $\qquad$
If so, to which classes of trade do you give larger quantities?
Wholesale grocers
Retailer-owned wholesalers
Chains (corporate) $\qquad$
Voluntary chains
Retailers
20. What classes of trade, if any, decline deals on this product?

Wholesale grocers
Retailer-owned wholesalers
Chains (corporate)
Voluntary chains
Retailers
Which class of trade takes up deals on this product most readily?
21. Which purchasers of this product have received from you during the past year the largest percentage of their pur-
chases of this product as free goods of the same kind on deals?
(Give the number " 1 " to the type of purchaser which has received the largest percentage; " 2 " to the type which received the second largest percentage; etc.)

```
Wholesale grocers
```

$\qquad$

```
Retailer-owned wholesalers
Chains (corporate)
                            -
Voluntary chains
Retailers
```

$\qquad$

``` (Excluding all corporate chains and the wholesale unit of voluntary chains, but including such retail units of a voluntary chain as may act each for itself.)
Consumers
``` \(\qquad\)
22. Which purchasers of this product have received from you during the past year the largest amount of other saleable goods of your own manufacture, considered as a proportion of their total purchases of this product? (Give the number " 1 " to the type of purchaser which has received the largest percentage; " 2 " to the type which received the second largest percentage; etc.)
```

Wholesale grocers
Retailer-owned wholesalers
Chains (corporate)
M-
Volontary chains
Retailers

```
\(\qquad\)
``` (Excluding all corporate chains and the
wholesale unit of voluntary chains, but including such retail units
of a voluntary chain as may act each for itself.)
Consumers
```

$\qquad$
23. Which purchasers of this product have received from you during the past year the largest amount of goods such as cups and saucers, silverware, etc., which you do not manufacture, considered as a proportion of their total purchases of this product?
(Give the number " 1 " to the type of purchaser which has received the largest percentage; " 2 " to the type which received the second largest percentage; etc.)

Wholesale grocers $\qquad$
Retailer-owned wholesalers $\qquad$
Chains (corporate) $\qquad$

Volnntary chains
Retailers $\qquad$ (Excluding all corporate chains and the wholesale unit of voluntary chains, but including such retail units of a voluntary chain as may act each for itself:)
Consumers
24. Which purchasers of this product have received from you during the past year the largest percentage of their purchases of this product as deal discounts?
(Give the number " 1 " to the type of purchaser which has received the largest percentage; " 2 " to the type which received the second largest percentage; etc.)

Wholesale grocers
Retailer-owned wholesalers
Chains (corporate)
Voluntary chains
Retailers $\qquad$ (Exclading all corporate chains and the wholesale unit of volontary chains, but including such retail 'units of a voluntary chain as may act each for itself.)
Consumers $\qquad$
25. In giving deals on this product of extra merchandise of the same kind to the wholesale trade, is your chief intention

That the deal shall not be passed on in any form? Yes. No
That the deal shall be paseed on
In the form of the proportionate quantities of extra merchandise? Yes. $\qquad$ No $\qquad$
By a proportionate reduction of price on parchases of such quantities as those to which the deal was applied? Yes No
By a reduction in price on purchases of any size? Yes.
No

If your intention differs for different classes of trade, so indicate.
a. What proportion of wholesale grocers to whom you sell follow your intention?
How in deal handied by other wholesale grocers?
b. What proportion of retailer-owned wholesalers to whom you sell follow your intentions?
How is deal handled by other retailer-owned wholesalers?
c. What proportion of chains (corporate) to which you sell follow your intentions?
How is deal handied by other chains (corporate)?
d. What proportion of voluntary chains to which you sell follow your intentions?
How is deal handled by other voluntary chains?
26. If you use deals in which you give to the wholesale trade, for purchase or sale of this product, other saleable merchandise of your own manufacture, what are your intentions as to the passing on of the deal?
a. What proportion of wholesale grocers to whom you sell follow your intentions?
How is deal handled by other wholesale grocers?
b. What proportion of retailer-owned wholesalers to whom you sell follow your intentions?
How is deal handied by other retailer-owned wholesalers?
c. What proportion of chains (corporate) to which you sell follow your intentions?
How is deal handied by other chains (corporate)?
d. What proportion of voluntary chains to which you sell follow your intentions?
How is deal handled by other voluntary chains?
27. If you use deals in which you give to the wholesale trade, for purchase or sale of this product, other merchandise such as cups, saucers, silverware, etc., which you do not manufacture, what are your intentions as to the passing on of the deal?
a. What proportion of wholesale grocers to whom you sell follow your intentions?
How is deal handled by other wholesale grocers?
b. What proportion of retailer-bwned wholesalers to whom you sell follow your intentions?
How is deal handled by other retailer-owned wholesalers?
c. What proportion of chains (corporate) to which you sell follow your intentions? How is deal handled by other chains (corporate)?
d. What proportion of voluntary chains to which you sell follow your intentions?
How is deal handled by other voluntary chains?
28. If you give as deals to the wholesale trade discounts from your usual wholesale price on this product, what are your intentions as to the passing on of the deal?
a. What proportion of wholesale grocers to whom you sell follow your intentions?
How is deal handled by other wholesale grocers?
b. What proportion of retailer-owned wholesalers to whom you sell follow your intentions?
How is deal handled by other retailer-owned wholesalers?
c. What proportion of chains (corporate) to which you sell follow your intentions?
How is deal handled by other chains (corporate)?
d. What proportion of voluntary chains to which you sell follow your intentions?
How is deal handled by other voluntary chains?
29. Do you intend that deals shall establish reduced prices which will reach the consumer? Yes $\qquad$ No $\qquad$
30. In your opinion, about what proportion of the merchandise which you sell on a deal basis is sold to consumers

At a reduced price per onit on any size sale?
At a reduced price per unit on sales of certain minimum quantities?
At regular price but with free merchandise included? At same price as if no deal had been given by you?
31. Purposes for which you use deals on this product and reasons why you believe the deals will accomplish your purposes. (If purposes vary with different types of deals or with different classes of trade, so indicate.)
Do you give deals
a. To increase inventories of your customers? Yes. $\qquad$ Na $\qquad$
b. To avoid guaranteeing against price decline? Yea... $\qquad$ No $\qquad$
c. To unload overstack? Yes $\qquad$ No $\qquad$
d. To shift coste of carrying stock? Yea $\qquad$ No $\qquad$
e. To increase business in a short period? Yes. $\qquad$ No. $\qquad$
f. To sell the trade large stocks before season opens? Yes. $\qquad$ No. $\qquad$
g. To stimulate sales attention on the product? Yes $\qquad$ No. $\qquad$
h. To promote and co-operate with special sales events? Yes. $\qquad$ No. $\qquad$
i. Because it has been the custom of your company? Yea $\qquad$ No. $\qquad$
j. Because it is the trade practice? Yes. $\qquad$ No, $\qquad$
k. To meet seasonal conditions (please explain fully) ? Yes No.

1. To meet conditions of business depression? Yes. $\qquad$ No. Specifically what conditions?
m. To meet competitive conditions? Yes. $\qquad$ No. $\qquad$
n. Other purposes?

Discussion of any of the above purposes will be helpful.
32. What types of deals have you found best for this product? (If your answer varies for different classes of trade, for different parts of the country, or for other considerations, so indicate.)
33. Do you regard each temporary deal on this product as a temporary reduction in price? Yes $\qquad$ No. $\qquad$ If not, how do you regard'it?
Is your view different on other products? If so, explain.
34. Are there any advantages in temporary deals on this product which you could not obtain by making a temporary price cut and quoting the change as a price and not as a deal? Yes $\qquad$ No
If so, what are they? If your answer varies for different types of deals, so indicate.
Is your view different on other products? If so, explain.
35. What objections, if any, do you see in deals on this product? (If objections apply to some forms of deals more than to other forms, so indicate.)
a. From the point of view of manofacturers?
b. From the point of view of

Wholesale grocers?
Retailer-owned wholesalers?
Chains (corporate)?
Voluntary chains?
c. From the point of view of retailers?
d. From the point of view of consumers?
36. What suggestion for remedies have you to any of the objections you have mentioned?

## SOME GENERAL QUESTIONS

1. In your opinion, what types of deals are generally most acceptable

To wholesale grocers?
To retailer-owned wholesalers?
To chains (corporate) ?
To voluntary chains?
To retailerst (Excluding all corporate chains and the wholeale unit of voluntary chains, but including such retail anits of a volontary chain as may act each for itself.)
2. In your opinion does the consumer benefit more from one type of deal than another or from deals to one class of trade than to another? Yes $\qquad$ No $\qquad$
3. Please list any comments or suggestions on deals which are not brought out in these questions.

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[^0]:    - This list is by no means all inclusive, but, as far as it goes, it is an acanswers to questionnaires.
    b For explanation of terms used in this column, see pp. 14-17.

[^1]:    * The parentheses indicate that the volume itself does not carry the number since it was given subsequent to publication.

