

AN INQUIRY INTO THE TRADE AREA OF MANHATTAN, KANSAS,
WOMEN'S READY-TO-WEAR SHOPS

by

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INTRODUCTION

Doorbells are being rung every day to find out which products people are buying or to discover such things as why men go hatless, what people do in their leisure time, who eats candy bars, which magazines people read, or whether buyers are following instructions that come with a certain insecticide (16). Just how many such interviews are taking place each week, nobody knows. The odds are getting better all the time that when the doorbell rings, a well-trained young lady will be standing there to say: "We are making a survey"

This technique is being used for everything from getting the public to choose its favorite linoleum patterns to finding out why people are prejudiced against some large corporations. It is aimed not only at the public but at special groups, like teachers, doctors, salesmen, and engineers. It is employed to lay out sales territories, choose sales outlets, shape advertizing, improve public relations, and guide labor policies. Companies find out whether buyers prefer jars or cartons, square boxes or flat boxes, cotton or paper flour bags. Best of all, county by county across the country, they can actually compare the sales and performances of competitive brands (16).

As a science, cross-section sampling is still in its infancy and the subtler shadings of public reactions and public thinking still largely evade its searching glance. Market research, properly applied, can measure much of what is actually going on but it cannot take the place of business judgment. Its helpfulness depends on how it is used.

Purpose

The purpose of this study was to ascertain the residences of customers of women's ready-to-wear stores in Manhattan, Kansas. A survey of this type had not been made in Manhattan, and there was wide differences of opinion among residents and businessmen as to where shoppers live in Manhattan. It was decided, therefore, to answer this question by using the personal interview technique of sampling.

A minor question was to tabulate the number of shoppers who live outside the city limits of Manhattan. This is a vital field to retailers. It is extremely important for them to know the location of their customers. Here again, there is a conspicuous absence of any pertinent information on the subject.

The writer hopes that this feeble beginning to answer this question may cause other students in the years ahead to add further information to the age-old problem of the retailer; viz., who are my customers, where do they live?

Scope

The general population covered by this study was the trade area of Manhattan, Kansas. In a narrow sense, the study was confined to the customers of Cole Brothers' Dry Goods Store, 323 Poyntz Avenue, Manhattan; Poteet Style Shop, 404 Poyntz Avenue, Manhattan; and The Style Shop, 404 Poyntz Avenue, Manhattan. The survey was focused on the pre-Christmas 1947, and pre-Easter 1948, sales.

Method of Procedure

The personal-contact technique and a predetermined method for selection of the people to be interviewed was used. Only those customers whom the writer observed making a purchase in the respective store were interviewed. By setting up a definite specification for the selection of respondents, the sample was rigidly controlled. Since the writer was allowed to select the respondents, there is no valid statistical method which will indicate the amount of error inherent in the survey.

The interviewees were asked one question: What is your approximate address? In almost all cases, the customer responded with her exact address; however the approximate address was used in the study.

The Christmas survey was made on Wednesday, November 5; Tuesday, December 2; Saturday, December 6; Monday, December 8; Tuesday, December 9; Saturday, December 13; and Thursday, December 18, 1947. The survey on December 6 and 18 was made concurrently at the three stores. For the most part, the work was done in the afternoon, and an hour or more was spent in each store at any one time.

The Easter Survey was made on Friday, March 19; Saturday, March 20; Wednesday, March 24; Friday, March 26; and Saturday, March 28, 1948. Due to bad weather conditions, it was necessary to confine the survey to the few days preceding Easter Sunday. Almost all of the work was done in the afternoon, and an hour or more was spent in each store at any one time.

Limitations

The trade area of Manhattan served as a natural boundary to the study.

Furthermore, it was decided to confine the study to three apparel stores whose principal business was the sale of ladies' ready-made garments, and eliminate all grocery, drug, hardware, appliance, furniture, and other types of retail stores which might sell to the same clientele. The customers of these three stores acted as an additional limitation to the study. Almost all of the customers of this type store are women. Therefore, the type of store excluded nearly all men shoppers from the study.

Bad weather conditions prevailed during the weeks preceding the Easter season. For that reason, the survey of Easter sales was confined to the few days preceding Easter Sunday.

Review of Literature

Technical information pertaining to the trade area of women's ready-to-wear shops in Manhattan is conspicuously absent. No comparable study has been made. Information pertinent to a local situation is not available. Since the study was focused on the 1947 pre-Christmas and 1948 pre-Easter sales, only very recent literature was considered applicable.

"Ask the man who knows," is good advice in making a market survey. Consumer surveys are especially important today owing to the long distances separating producer from consumer (4). Under a simple local economy, the producer often sold the consumer direct, learning at first hand of the consumer's likes and dislikes and how the product met consumer demands. With the use of a single middleman, the retailer, the producer was still relatively close to the consumer, for the retailer could tell the producer how the consumer liked his product. But as the trade channel became longer and longer, the producer became farther and farther removed from consumers. The journey between ideas and consumer is long, and they become lost or

distorted before they reach the executives who plan the product and the marketing strategy. Research fills this gap (4).

Research gets the facts needed to solve a problem. Again, research is the constant search for, and analysis of, facts. Market research is carried on by research departments of business concerns; by private companies who conduct research for others for pay; by advertizing agencies; by government bureaus such as the Census Bureau; by universities through faculty members and research bureaus; by endowed foundations; by trade associations; by periodicals such as magazines, newspapers, and trade papers; by banks, especially the Federal Reserve Banks; and the chambers of commerce. In general, the first three agencies conduct research for their own use or for their clients. The last six usually make their material available to others free of charge or upon the purchase of their printed reports (4).

The following case is an example of market research. A manufacturer of women's hats had 9 branch houses, 28 salesmen, 9,000 accounts, and selling expenses of 27 per cent. He was losing money and called in a research man. This man talked to each of the salesmen and got a report on each of their accounts. He found that some accounts were parlor millinery stores, and some, the wives of hotel managers. Without further study, it was found that 2,500 accounts could be discarded. The direct selling expense was 48 per cent in one territory and 85 per cent in another. Seven of the branches were closed. Volume dropped 2.5 per cent but selling expense dropped under 20 per cent, and the company earned a profit (4).

Market information may be secured from secondhand sources or from first hand sources. Libraries, government publications, trade papers, and

trade associations are examples of secondhand sources. Firsthand information may be secured from accounting records, by observers, personal interviews, and consumer surveys (4). The personal interview method was used to obtain the data for the study of pre-Christmas and pre-Easter sales of the women's ready-to-wear shops in Manhattan.

RETAILING

Retailing is the phase of marketing with which the average citizen comes into contact most frequently and directly. Hardly a day passes during which he does not make a purchase, large or small, from a retail store. The process of selling to the ultimate consumer is the most pervading and widespread of all the activities involved in distribution. It is carried on by a wide variety of persons--producers and wholesalers, as well as those who specialize in performing the retail function.

The Development of Retail Institutions

Probably the earliest retail institution was the shop conducted by a European craftsman as an auxiliary to his principal function, that of making the goods he sold (7). The gold and silversmiths, the tailors, and the shoemakers of the earlier and of the medieval periods are illustrative. As trade between Europe and the Orient came into being, traveling merchants carried the importations of the caravans and of the maritime trading companies into interior regions. Many cities became market centers or meeting places for this trade. Widely known fairs attracted patronage from remote regions at periodic intervals.

Pioneers in the development of this country traded furs for manufactured goods at trading posts. Later the Yankee peddler brought cutlery

and tinware from New England and other producing centers to the Ohio Valley and even on to the West as settlers demanded goods which they themselves could not produce. But as population increased, the need for the trading post and the peddlers disappeared, since the general store could take their place and render a more complete service. It performed many marketing functions which the more simple institution could not render and which became necessary as the population became larger and as the standard of living became somewhat higher.

Later, single-line stores, each of which carried one line such as groceries or drugs, came into being. After a time the department store entered the picture, and then came mail order selling and the corporate chain.

Although the development of retail institutions in this country followed the pattern just indicated, many remnants of earlier types still remain. The peddler still visits remote areas, and in the congested sections of many cities he still appears as the pushcart man. The general store still serves in thousands of villages, as it has for many years past. All of this illustrates the basic marketing principle that if an institution performs essential functions, it continues to exist so long as the conditions which favored its development remain in some degree (7).

Economic Basis of Retailing

The retailer is a middleman who sells mainly to the ultimate consumer. The economic task of the retailer is one which is at once very important and very complex. Standing between the producer and the ultimate consumer, he is the last link in the chain of distribution. Certain factors in our economic life have operated to make him increasingly important as our

country has become more mature in its industrial organization. One is the constantly growing distance between producer and consumer. Another is the specialized production of thousands of articles used in our daily life which is based upon technical division of labor and an advanced knowledge or production processes. A third factor has been the tendency over the years to depend upon outside rather than home production as exemplified by the decline of home baking. These and other factors have combined to pave the way and supply the opportunity for a sound economic contribution by the retailer (7).

Retailing Functions

The basic activities or functions of the retailer may be classified as follows (5):

A. Those involving transfer of title:

1. Buying
2. Selling

B. Those involving physical supply:

3. Transportation
4. Maintaining operating plant and equipment
5. Merchandise handling and storage

C. Facilitating functions (those which aid in the performance of the foregoing functions):

6. Financing
7. Assumption of risks
8. Market information
9. Personnel management

10. Records, accounting, and control

11. Policy determination, co-ordination, and evaluation
of results

The retail buying function begins with the retailer's determination of what his customers may buy. Before merchandise can be purchased the retailer must have some idea as to what his customers will want. Estimating consumer demand, which includes a forecast as to both physical characteristics and prices of goods, is a difficult job and one which no retailer can perform with complete success.

The selling function includes more than is indicated by the common usage of the word "selling." In many instances the retailer finds that he must advertise to create a demand for the goods he places in his stock and to attract people to his store in preference to some other store. Open price-bargaining between retailer and customer is being less frequent, but in some stores it still goes on behind the scenes as customer patronage or lack of patronage is an important influence on the terms at which the retailer offers goods. Selling terminates with the transfer of title. It may be said that the selling consists of creating a demand for certain goods, attracting customers to a specific store, negotiation over terms, and transfer of title.

All retailers find that the physical handling of goods involves the operation and maintenance of some kind of plant and equipment. Typically, this plant and equipment consist of a store, but it may consist of a mail-order plant, delivery wagons, and warehouses. For the small retailer the providing and maintaining of his store and equipment may involve but a few hundred dollars each year, for some large retailers the total cost runs into millions of dollars each year.

The retailer has a financing function to perform. To some degree this function is made easier by the willingness of the manufacturer and wholesaler to extend him credit. On the other hand, the slowness with which many customers pay their bills makes the performance of this function more difficult.

Throughout the whole period during which the retailer holds title to the goods he has purchased for resale he is subject to risks of fire, theft, spoilage, possible lack of customer acceptance of merchandise offered for sale, and of price changes.

Retailing cannot be carried out successfully without the retailer gathering and interpreting a vast amount of market information. Many agencies have been developed to aid the retailer in acquiring and interpreting the market information which he needs.

The personnel management function includes such activities as the selection and training of personnel, the establishment of compensation plans, promotion of personnel, welfare or social service work among employees, and hearing and seeking satisfactory adjustments to employees' complaints. In the small store all of these activities will be performed by the proprietor or manager along with his other duties, but in the larger store these duties are so important and time-consuming that they involve a personnel of their own to perform them.

Successful retailing demands some efforts at accounting, the maintenance of records, and the use of these records as a basis for determining the results of operations. Many retailers have tried to avoid the performance of this function, or at least have minimized it; but it is from this group that comes a large part of our failures in retailing.

Every retailer makes a large number of decisions as to the policies he follows in conducting his business. Policy determination is one of the most important retailing functions.

1947 CHRISTMAS RETAIL SALES

Thanksgiving traditionally starts off the Christmas buying season. Most large stores ordinarily expect to do 15 per cent to 17 per cent of their whole year's business in this period (9). As the 1947 Christmas season approached, retailers grew confident that they would top the 1946 record despite an early spring slump.

Resume' of 1947 Retail Sales

Merchants in general felt they got off to a bad start in 1947 even though sales of retail stores showed a 16 per cent gain over 1946 in the first six months according to Department of Commerce estimates. In the early months of 1947, many large stores cut inventories to the bare minimum. Executives would not venture a guess as to what would happen to sales in the balance of the year. Prices had increased approximately 20 per cent in late 1946 and early 1947. A significant part of the volume in early 1947 came from markdowns and sacrifice sales of second-rate merchandise.

The 1947 Easter sales were uniformly disappointing. Consumers showed every sign of resisting higher prices, especially in textiles and other soft goods. Store after store instructed its buyers to trim inventories, to order no more soft goods until prices decreased. Manufacturers refused to cut prices—or cut them enough. Buyers refused to do business at the going scale.

Suddenly the sales picture brightened. Post-Easter volume ran along briskly instead of fading out as everyone had expected. Consumers continued to grumble about prices, but they bought the goods all the same.

Late in the spring, the big mail-order houses broke the deadlock. They started ordering again at the going prices. Regular stores had to follow suit or lose their markets.

The new optimism was sturdy enough to survive approximately six weeks of slow business in August and September. Retail sales in August were only 3 per cent over 1946 in dollar volume which indicated physical turnover was off sharply (10). Store managers blamed the heat as business snapped back toward the end of September when the heat broke.

By October leading retailers in key cities showed that the early spring fears of a slump in buying and a big drop in prices were in the background.

Record Christmas Sales

The nation's retailers pushed hard for a new record Christmas business. At the halfway mark between Thanksgiving and Christmas, it looked as if they were going to make it easily.

Department store sales in the week of Thanksgiving were running 10 per cent ahead of 1946 (11). In the week ended December 18, it became apparent that the holiday trade would ride through at that level. Huge sales were advertised heavily in some cities and brought out the crowds. However, attempts to unload old, inferior merchandise resulted in a great deal of consumer criticism. In some cases, it led to a real slowdown in sales.

Delighted retailers added up the figures on Christmas business; and the more they looked at the result, the better they liked it.

Christmas sales in 1947 broke all previous records. They were approximately 12 per cent above 1946 volume (12). In every part of the country they ran far better than early expectations.

Although all regions of the country shared in the big Christmas trade, the brightest regions were the Middle West and the South. Department stores in those areas showed the largest gains in the nation. A great deal of the spending was done by farmers.

The farm market was exploited heavily, too, by the mail-order houses. While department and specialty stores in the spring were reluctant on buying Christmas stock, the mail-order buyers placed orders. As they came into the fall and early winter selling season, their catalogs went out filled with Christmas bargains. Sears, Roebuck, & Company showed the biggest November in its history. Sales were over \$226,000,000, an increase of 29 per cent from 1946. Montgomery Ward's November business was up 21½ per cent.

The 1947 Christmas sales were good news not only for retailers, but for all business. Many a business boom has died on the sales counter. A lag in sales is reflected back promptly on production and employment in the factories that supply the goods. The fact that sales were still going strong during the Christmas season after two full years of postwar prosperity meant that no such threat was yet visible.

1948 EASTER RETAIL SALES

Figures on retail sales the two or three weeks preceding Easter tell a critical story. If Easter is good, merchants go ahead with confidence, sure that the year will be all right. Retailers find themselves with their stocks low and their sales threatened by lack of goods. They place

more orders on the dress manufacturers or the suppliers of yard goods, and the demand is reflected back through the various levels of the industry to the mills. If Easter is bad, months of hesitation, fear, and irregular buying by stores follows. The first result is a shower of cancellations of cloth orders. Textile men say that no order is really airtight. Dress manufacturers or retailers always can find reasons for canceling—cloth imperfections for example; no quantity of cloth produced at any one time is 100 per cent perfect.

Store executives are always uneasy when Easter is early. When pre-Easter weather is bad, it is just that much worse. This was the combination they met this year. Easter fell on March 28, a week earlier than last year, and the weather was bad almost all over the United States.

Slow Start

Gloom was thick in the retail field during the weeks preceding the 1948 Easter season. This year seemed to have a pale, wan look compared with the mammoth seasons that have been the norm since the early 1940's. Retailers have been so accustomed to setting new records that a leveling-off seemed like a tragic event. Sales got off to a dishearteningly slow start. By mid-March, many a retailer looked in dismay at his inventories and wondered just how much of a markdown he would have to take.

Four broad factors were at work in holding back Easter sales (13):

1. The weather was bad almost all over the United States.
2. Merchandise in department stores was selling at prices from 5 per cent to 20 per cent above the previous year.
3. These prices plus the over-all rise in the cost of living caused customers to trade-down—that is, to buy less expensive goods.

4. Rumors of price cuts in some lines influenced customers to hold back on purchases.

Brilliant Finish

In the last crucial week before Easter Sunday, sales took a sudden up-turn. A last minute break in the long stretch of sub-zero weather brought out a buying rush. Department store volume in the week ending March 27 was a good 17 per cent over 1947. That was enough to put most stores ahead of last year on dollar volume for the Easter season as a whole. Unit sales were off some because prices were higher this year.

On the whole, stores were no longer worried about inventories. Some staged their usual post-Easter clearances, but few were forced to take drastic markdowns.

Encouraging Outlook

As a result of the 1948 Easter season, most retailers felt that the outlook for the balance of the year brightened rapidly. Part of this was a psychological rebound from the trade's crepe-hanging attitude of a few weeks previous to Easter. Aside from that, the stores pointed to several developments that should have increased their prospects (14):

1. European Aid means heavy outlays during the coming year. This will bolster incomes and purchasing power generally.

2. The new tax cut will put an additional \$4.8-billion into the pockets of individuals during the next year. Much of this will go into personal consumption expenditures. It will help fill out the hole that high food costs have made in family budgets.

3. War talk may touch off a certain amount of scare buying among

consumers. There have been a few hints of this already, although there has been nothing approaching panic buying. Stores think that, in coming months, fear of war may provide a prop for hard goods demand. This could postpone the drop in appliance sales that many retailers have been forecasting.

4. New military orders may clear the market in some line and stiffen the price structure. The textile industry, for instance, is counting on government business to pull it out of its difficulties.

5. State veterans bonuses will amount to roughly \$1.5-billion in 1948.

Even though things are looking up a bit, retailers as a whole are still cautious. Some are tempted to stock up heavily and gamble on higher prices. For the majority, Easter this year was much too close. They plan to hold stocks down and take as few chances as possible.

In Manhattan during July, businessmen predicted good times ahead. A group of representative business men were interviewed by the Sun (17).

Most of the people had plenty of money was the opinion of Mr. P. G. Dalton, Manager of Cole Brothers' Dry Goods Store. People were becoming a little more conservative in their purchases, but resistance was not as strong in July as it was four months earlier. Wholesale prices were up 6 to 7 percent, with cotton goods up 7 to 10 percent. Inventories at Coles were up 10 percent over the previous year, mostly because of higher prices. Business in general was about the same as the previous year.

Several businessmen expressed the opinion that consumers were spending more for necessities and tightening up on luxuries (19).

RETAIL STORE SIZE

Retailers were not too well satisfied over the 1948 Easter season. It was one of the rare gloomy spots that has appeared in nine unbroken years of outstanding business.

The impact of these years on retailers has been startling. What was once a shaky trade, populated by thousands of undercapitalized establishments, is now a flourishing business. The magnitude of the change can be roughly figured from Department of Commerce estimates (15).

In 1939, for instance, the average independent store had only a \$19,714 volume. Worse, over 54 per cent of all U. S. stores had sales under \$10,000.

Today, the average independent store's volume comes to \$50,455—a jump of 155.9 per cent since 1939.

For chains and mail-order stores, the rate of per-store growth has been almost as eye-popping. In 1939, the average mass-merchandise unit had sales of \$77,668; in 1947 the figure was \$183,866. The gain: 136.7 per cent.

For chains, independents, and mail-order combined, average per-store volume in 1939 was \$23,748; in 1947 it was \$59,740—up 151.6 per cent.

Behind these increases, especially the huge gains by the independents, was the war and its aftermath. Volume grew by leaps and bounds despite an interlude of rationing and price control. Demand, supported by plenty of money on hand, was enormous. This helped the independent generally, and they received two other specific breaks:

1. Housewives did little shopping around while merchandise was scarce. They made friends with certain merchants and patronized them. This benefited the independent more than the chain.

2. Scarcities started a rush toward national brands. Consumers wanted the best and bought advertised brands rather than private brands

when they knew they could get only a few of a certain product. Since independent stores are the traditional outlet for advertised brands, they received much of the trade.

Whether the independent will continue to grow during 1948 is a question. The chains have started to recapture some of the market they lost during the war. Any gains made during 1948 could be entirely on the part of large retailers, while the independents remain about the same.

Some significant retail statistics are as follows:

Total retail sales last year are estimated by the Department of Commerce at \$117.7-billion. In 1939 the figure was \$42-billion.

The estimated number of stores in the United States is now 1,970,600; in 1939 (last census year) there were 1,770,355.

Most of the gain in store numbers has come via independent dealers. They added around 186,000 stores in the nine-year period since 1939; the chains probably didn't add more than 14,000 or 15,000.

RESULTS

The 1947 pre-Christmas survey showed that of the 276 customers interviewed 232 lived within the city limits of Manhattan. Figure 1, Appendix, illustrates the distribution of the customers throughout the city. It is apparent from Figure 1 that there was no central tendency; that is, a massing of cases at certain points in the city. There was a slight concentration of cases in the area north of Leavenworth Street to Anderson Avenue and between Sunset Avenue and Fourteenth Street. Many of the sororities, fraternities, and independent student houses of Kansas State College are located in this area. In all likelihood some of the students made gift purchases before leaving Manhattan for the holidays. Those purchases undoubtedly accounted for the slight concentration of cases in

that area. Table 1 is a tabulation of the customers living within the city of Manhattan as found in the pre-Christmas survey. Table 4 is a tabulation of the 44 customers interviewed who lived outside the city of Manhattan.

The survey of the 1948 pre-Easter sales showed that of the 289 customers interviewed 264 lived within the city of Manhattan. Figure 2, Appendix, illustrates the remarkably even distribution of cases throughout the city. Table 2 is a tabulation of the customers living within the city of Manhattan as found in the pre-Easter survey. Table 5 is a tabulation of the 23 customers interviewed who lived outside the city.

Figure 3, Appendix, illustrates the combined distribution of 496 customers as found in the pre-Christmas and pre-Easter surveys. The distribution of cases in all parts of the city was unusually even. There was a slight concentration of cases in the area north of Leavenworth Street to Anderson Avenue and between Sunset Avenue and Fourteenth Street. This concentration was reflected from the pre-Christmas survey. Table 3 is a tabulation of the 496 customers living within the city of Manhattan as found in the two surveys.

Table 6 is a tabulation of the 69 customers interviewed who gave addresses outside the city of Manhattan. Of those customers interviewed who gave addresses outside the city of Manhattan, 66 $\frac{2}{3}$ per cent lived within a radius of approximately 25 miles of the city. Only one person who gave an address outside of the city of Manhattan lived in a state other than Kansas. The study of pre-Christmas and pre-Easter sales of women's ready-to-wear shops indicated that Manhattan is the shopping center for a trade area of approximately 25 miles in all directions from the city.

Table 1. Customers per block as found in the survey of pre-Christmas 1947, sales of women's ready-to-wear shops in Manhattan, Kansas.

Block number	Street									
	Poyntz	Humbolt	Leavenworth	Osage	Freemont	Laramie	Moro	Bluemont	Vattier	Kearney
1	1									
2		1								
3	1	1								
4		1		2			1	1		
5		1				2				1
6		1		1	1		1			
7	3	1								1
8	3					4			2	
9	1	1	2	2	2	1	4			
10					1	1	4	1	1	
11	2					1		2	1	
12							1	1		1
13										
14	4					2				
15	2	1	1							
16		4	1	1		3				
17	1	1	1			4				
18	2	1								
19	1	1								

Table 1. (cont.)

Block number:	Street							
	Thurston:	Bertrand:	Ratone:	Pomeroy Street:	Claflin Road:	Fairview:	Fairchild:	Anderson
1								
2								
3			1					
4								
5	1							
6	1							
7	1							
8		1	2					
9								
10		1	1		2			
11								
12			1					
13								
14							7	2
15							1	
16						2	4	
17						1	3	3
18							2	1
19								

Table 1. (cont.)

Block number	Street								
	College Heights Rd.	Platt St.	Houston	Pierre	Colorado	Yuma	El Paso	Riley	Pottawatomie
1									
2									
3			1	1			1		
4			2	1					
5			2	1					
6									
7			1						
8			3						
9				1					
10				2					
11			1			1			
12									
13			1						
14			1						
15			1	1					
16						2			
17									
18	1								
19									

Table 1. (cont.)

Block Number	Street											
	Second	Third	Fourth	Fifth	Sixth	Juliette	Eighth	Ninth	Tenth	Eleventh	Twelfth	
1						1						
2			1			1						
3				1								
4										1		
5						1s*						
6						2						1
7						1						
8									1	2		1
9												
10												
11												
12												
13												
14												
15												
16												
17												
18												
19												

Table 1. (cont.)

Block number	Street								
	Manhattan	Fourteenth	Fifteenth	Sixteenth	Seventeenth	Denison	Sunset	Eighteenth	Deleware
1					1	1s			
2									3s
3		1	5	1	1		1		
4				4	2s				
5				3	1	1s	3	4	2
6	1						2		3
7									
8	1								
9	2								
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									

Table 1. (concl.)

Block number	Street						
	Elliot Court	Goodnow Park	Van Zile	Hilltop Court	Campus Court	East Stadium	Longview Dr.
	2	3	10	2	3	1	1

* = south

Table 2. Customers per block as found in the survey of pre-Easter 1948, sales of women's ready-to-wear shops in Manhattan, Kansas.

Block number:	Street									
	Poyntz:	Humbolt:	Leavenworth:	Osage:	Freemont:	Laramie:	Moro:	Bluemont:	Vattier:	Kearney
1	1									
2	1									
3			2		1		1			1
4	1	4					2		1	
5	1	4				1				
6	1				4				1	
7	1				1			1	1	
8	1	3	1	1		4	1	1	1	
9		1	2	1		4			1	1
10			1		2	1	1	3		2
11	2									1
12	1							2	1	3
13					4					
14	1	2				2				
15	4	3	1							
16		8	5			2				
17		6	2			7				
18	1		2			5				
19	2		2							

Table 2. (cont.)

Block number:	Street							
	Thurston:	Bertrand:	Ratone:	Pomeroy Street:	Claflin Road:	Fairview:	Fairchild:	Anderson
1								
2								
3			1					
4								
5								
6								
7			1					
8	1							
9	1		2					
10	1	1						
11	3			2				
12	1	3						
13								
14							1	1
15								
16							4	
17						3	2	1
18							1	3
19								

Table 2. (cont.)

Block number	Street								
	College Heights Rd.	Platt St.	Houston	Pierre	Colorado	Yuma	ELPaso	Riley	Pottawatomie
1									
2									
3									
4			2	1	1				1
5									
6			1		1				
7							1		
8			2				2		
9			1	1					
10			2	1					
11			5						
12			3	2			1		
13			2		2				
14							1		
15				1					
16			1	4					
17			1						
18		1							
19									

Table 2. (cont.)

Block number	Street										
	Second	Third	Fourth	Fifth	Sixth	Juliette	Eighth	Ninth	Tenth	Eleventh	Twelfth
1						1	1s*				
2			1	1s		1	2				
3											
4										2	
5						1s					
6						1					
7											
8										1	
9			3								
10											
11						1					
12							1				
13											
14									1		
15											
16											
17											
18											
19											

Table 2. (cont.)

Block number:	Street								
	Manhattan:	Fourteenth:	Fifteenth:	Sixteenth:	Seventeenth:	Denison:	Sunset:	Eighteenth:	Deleware
1	ls				ls				
2	ls				ls				
3	ls		4	3	3	1			
4						2			
5		1		1	1		3		
6							1		1
7									
8							1		
9									
10							1		
11									
12									
13									
14									
15									
16									
17									
18									
19									

Table 2. (concl.)

Block number	Street				
2	4	2	2	1	

Elliot Court : Van Zile : Hilltop Court : Campus Court : Evergreen Avenue

* = south

Table 3. Total number of customers per block for the combined surveys of pre-Christmas 1947, and pre-Easter 1948, sales of women's ready-to-wear shops in Manhattan, Kansas

Block number	Street									
	Poyntz	Humbolt	Leavenworth	Osage	Freemont	Laramie	Moro	Bluemont	Vattier	Kearney
1										
2	2									
3	1	1			1		1			1
4	1	5	2	2			3	1	1	
5	1	5				3				1
6	1	1		1	5		1		1	
7	4	1			1			1	1	1
8	4	3	1	1		8	1	1	3	
9	1	2	4	3	2	5	4		1	1
10			1		3	2	5	4	1	2
11	4					1		2	1	1
12	1						1	3	1	4
13					4					
14	1	6				4				
15	6	4	2							
16		12	6	1		5				
17	1	7	3			11				
18	3	1	2			5				
19	3	1	2							

Table 3. (cont.)

Block number	Street							
	Thurston	Bertrand	Ratone	Pomeroy Street	Claflin Road	Fairview	Fairchild	Anderson
1								
2								
3			2					
4								
5	1							
6	1							
7	1		1					
8	1		1	2				
9	1			2				
10	1		2	1		2		
11	3				2			
12	1		3	1				
13								
14							8	3
15							1	
16						2	8	
17						4	5	4
18							3	4
19								

Table 3. (cont.)

Block number:	Street								
	College Heights Rd.:	Platt St.:	Houston:	Pierre:	Colorado:	Yuma:	ELPaso:	Riley:	Pottawatomie
1									
2									
3									
4			1	1		1			
5			4	2	1				1
6			2	1					
7			1		1				
8			1	5				1	
9			1	2				2	
10			2	3					
11			6		1				
12			3	2				1	
13			3		2				
14			1					1	
15			1	2					
16			1	4	2				
17			1						
18	1								
19		1							

Table 3. (cont.)

Block number:	Street										
	Second:	Third:	Fourth:	Fifth:	Sixth:	Juliette:	Eighth:	Ninth:	Tenth:	Eleventh:	Twelfth
1						2	1s*				
2		1		1	1s	2	2				
3				1							
4										3	
5						2s					
6						3					1
7						1					
8									1	3	1
9			3								
10											
11						1					
12							1				
13											
14									1		
15											
16											
17											
18											
19											

Table 3. (cont.)

Block number:	Street									
	Manhattan:	Fourteenth:	Fifteenth:	Sixteenth:	Seventeenth:	Denison:	Sunset:	Eighteenth:	Deleware	
1	1s					1	2s			
2	1s						1s			3s
3	1s	1	9	4		4		2		
4				4	2s			2		
5		1		4		2	1s	3	7	2
6	1								3	4
7										
8	1								1	
9	2									
10									1	
11										
12										
13										
14										
15										
16										
17										
18										
19										

Table 3. (concl.)

Block number	Street							
	Elliot Ct.	Goodnow Pk.	VanZile	Hilltop Ct.	Campus Ct.	East Stadium	Longview Dr.	Evergreen Ave
	4	3	14	4	5	1	1	1

* = South

Table 4. Number of customers living outside the city limits of Manhattan as found in the survey of pre-Christmas 1947, sales of women's ready-to-wear shops in Manhattan, Kansas.

Number of customers	:	Location
3		R. F. D. #1
3		R. F. D. #4
2		R. F. D. #5
1		Abilene, Kansas
1		Alton, Kansas
1		Amarillo, Texas
1		Bala, Kansas
1		Beattie, Kansas
3		Fort Riley, Kansas
4		Garrison, Kansas
1		Harveyville, Kansas
1		Horton, Kansas
1		Junction City, Kansas
1		Kansas City, Kansas
1		Lakin, Kansas
1		Marysville, Kansas
1		Onaga, Kansas
6		Randolph, Kansas
1		St. George, Kansas
1		Seneca, Kansas
1		Stafford, Kansas
2		Wakeeney, Kansas
1		Wakefield, Kansas
1		Wamego, Kansas
3		Westmoreland, Kansas
1		Wilmore, Kansas

Table 5. Number of customers living outside the city limits of Manhattan as found in the survey of pre-Easter 1948, sales of women's ready-to-wear shops in Manhattan, Kansas.

Number of customers	:	Location
1		R. F. D. #1
1		R. F. D. #3
5		R. F. D. #5
1		Belleville, Kansas
1		Cawker City, Kansas
3		Fort Riley, Kansas
1		Hutchinson, Kansas
1		Lost Springs, Kansas
1		McPherson, Kansas
1		Milford, Kansas
1		Norton, Kansas
1		Ogden, Kansas
1		Salina, Kansas
4		Wamego, Kansas
1		Westmoreland, Kansas
1		Wilmore, Kansas

Table 6. Total number of customers living outside the city limits of Manhattan as found in the surveys of the pre-Christmas 1947, and pre-Easter 1948, sales of women's ready-to-wear shops in Manhattan, Kansas.

Number of customers	:	Location
4	:	R. F. D. #1
1	:	R. F. D. #3
3	:	R. F. D. #4
7	:	R. F. D. #5
1	:	Abilene, Kansas
1	:	Alton, Kansas
1	:	Amarillo, Texas
1	:	Bala, Kansas
1	:	Beattie, Kansas
1	:	Belleville, Kansas
1	:	Cawker City, Kansas
6	:	Fort Riley, Kansas
4	:	Garrison, Kansas
1	:	Harveyville, Kansas
1	:	Horton, Kansas
1	:	Hutchinson, Kansas
1	:	Junction City, Kansas
1	:	Kansas City, Kansas
1	:	Lakin, Kansas
1	:	Lost Springs, Kansas
1	:	McPherson, Kansas
1	:	Marysville, Kansas
1	:	Milford, Kansas
1	:	Norton, Kansas
1	:	Ogden, Kansas
1	:	Onaga, Kansas
6	:	Randolph, Kansas
1	:	St. George, Kansas
1	:	Salina, Kansas
1	:	Seneca, Kansas
1	:	Stafford, Kansas
2	:	Wakeeney, Kansas
1	:	Wakefield, Kansas
5	:	Wamego, Kansas
4	:	Westmoreland, Kansas
2	:	Wilmore, Kansas

DISCUSSION OF THE RESULTS

Any sound marketing plan, whether from the point of view of the manufacturer, the wholesaler, or the retailer, begins with the consumer, as it is in satisfying his wants that the businessman finds both his profits and the justification for his existence (5). If an operation is not in the interest of the consumer, it is not justified, no matter how profitable it may be to its owners. "He profits most who serves best (4)." Because of the importance of the consumer and because he is, in a way the arbiter of what can be sold and what cannot be sold and because his is the final decision, the statement is frequently made that "the consumer is King." The consumer is king in the sense that he is the supreme court before which producers and distributors must present their goods and services and from the final decision of which there is no appeal (7).

It is highly important for the retailer to know the location of his customers. The remarkably even distribution of customers in every section of Manhattan as found in the surveys of pre-Christmas and pre-Easter sales indicated that the consumers of women's ready-to-wear shops lived in all parts of the city.

Advertising

Knowledge of the location of a market is essential to the intelligent selection of advertising media. Advertising is necessary, and it renders a definite service to society as a whole (7). To reach a specialized market, the retailer's best medium may be trade papers read by particular groups. For concerns selling to limited territories, the newspapers covering those territories are the logical media. A neighborhood merchant often cannot

afford to advertise in the local papers because there is too much waste circulation to readers located in other parts of the city. Since the customers interviewed in the pre-Christmas and pre-Easter surveys were distributed in all parts of Manhattan, the local newspapers serve as valuable advertising media for the women's ready-to-wear shops. With such an excellent distribution of customers throughout the city, the women's ready-to-wear shops of Manhattan undoubtedly find the local newspapers a relative inexpensive media of advertising.

The average person tends to overestimate the cost of performing the sales function and particularly that portion which relates to advertising. Doubtless this misunderstanding grows out of the knowledge that certain large advertisers spend many thousands or even millions of dollars in a single year. It is also known to many that a black and white page advertisement in a popular weekly magazine costs \$8,000, and that time on a radio chain of 22 stations must be paid for at the rate of \$3,410 for each evening period of 15 minutes, and that one station in New York City receives \$1,000 for an evening hour (7). These amounts seem so large that the average person forgets that expenditures for advertising are significant only when expressed as a percentage of the sales of the advertiser or of the product advertised. It should also be remembered that cost for any one particular form of demand creation should be compared with the costs in using alternative forms of demand creation before they are condemned as excessive, and in order that the effort may be properly appraised.

It is estimated that in 1944 the total expenditures for advertising in all forms totaled \$2,270,000,000 (7). Retail store sales during that year were estimated at \$69,484,000,000, and sales of all wholesale establishments

were in excess of \$100 billions (7). When it is remembered that large parts of the advertising appropriations are spent in aiding the sales work of manufacturers, whose total sales were even larger than those of all whole-sale establishments, the amount spent for advertising indeed shrinks into insignificance when reckoned as a percentage of the total volume of business transacted. In 1940 Dun & Bradstreet, Inc. made a study of advertising expense and its relation to total operating expenses. They found that the total operating expenses for women's ready-to-wear shops was 28.7 per cent of sales of which 1.2 per cent was advertising expense (7).

Knowledge of the location of the retailer's customers aids him in selecting the appeals most likely to produce results and planning the advertising campaign.

Cost of Delivery

Delivery involves expense for labor and operation of trucks. The cost of delivering a package may vary from 4 to 15 cents, depending on the size of the city, density of deliveries, that is, number of stops per mile, size of packages, and type of goods. The average for department stores may be about 10 cents per package. Delivery costs for various departments average from a fraction of 1 per cent to 3 per cent of sales. Average expenses for most types of stores are less than 1 per cent of sales, but many packages are carried by the buyers, so that the cost is higher on goods delivered. Grocery stores often have average expenses of over 1 per cent of sales. City specialty stores often have lower delivery expenses than department stores because more customers carry packages home (7). The unusually even distribution of customers in all parts of Manhattan indicate that the cost of delivery is not excessively high nor extremely low.

Market Risk

All businesses, regardless of type, are subject to a great many and large variety of risks due to numerous conditions. The most significant risks are due to market conditions. These may be divided principally into time risks and place risks. Practically all market transactions involve a certain degree of hazard due to changes wrought by the passage of time, most of which are reflected in corresponding price fluctuations. Place risks are practically always present and are incurred when a commodity is offered for sale in an unfavorable market (7). The market for Manhattan's women's ready-to-wear shops is located in all parts of the city as was evident from the study of pre-Christmas and pre-Easter sales. This acts as a stabilizing factor. It is not necessary for the stores to carry many lines of merchandise particularly adapted to each section of the city. Inasmuch as most market risks arise from changes in the conditions of supply and demand, one of the best ways of reducing such risks is to obtain as correct a knowledge of the market, present and future, as is humanly possible. Only by possessing such knowledge can buyers and sellers act with intelligence. Both place and time risks, as well as risks arising out of changing competitive conditions, should, as a result, be reduced to a minimum.

Trade Area of Manhattan, Kansas

The study of pre-Christmas and pre-Easter sales of women's ready-to-wear shops indicated that Manhattan is the shopping center for a trade area of approximately 25 miles in all directions from the city. Of the 69 customers interviewed who gave addresses outside the city of Manhattan, 66 2/3 per cent lived within a radius of approximately 25 miles of Manhattan.

A market area for shopping lines such as ladies' ready-made garments is made up of a market center surrounded by a county or cluster of counties from which that center draws the greater portion of its shopping line trade. These areas are convenient units, designed for studying distribution problems. Trade areas differ for convenience, service, and fashion goods. People travel farthest for fashion goods and the trend of the trade is from smaller to larger towns. A trade area may be thought of either as the total area from which a town secures any considerable portion of the trade, or as the area from which a town secures more than one half of the trade. In the first sense, trade areas overlap while in the second they are mutually exclusive. Areas can be determined by the law of retail gravitation with little or no field work (4).

This law holds that "two cities attract retail trade from an intermediate city or town in the vicinity of the breaking point (the 50 per cent point), approximately in direct proportion to the populations of the two cities and in inverse proportion to the square of the distance from these two cities to the intermediate town" (4). Distances are measured by improved automobile highways. The law refers to shopping goods, although it applies "to some extent to all kinds of merchandise". In bounding the trade area of a town, the population is considered in relation to the populations of competing towns and the distances separating them (4).

It is a well-known fact that customers' buying habits differ for various types of products. That customers do not travel anywhere near as far for convenience goods, such as groceries and drugs, as they do for shopping lines has been well established. In some parts of the United States people as a matter of course travel hundreds of miles to purchase shopping lines. In more

densely populated areas because of the closeness of cities, travel to purchase shopping line products is limited to short distances. In both the densely populated area and the sparsely populated area the market center dominates the shopping line trade of its area.

The retailer should know his trade area so that he can concentrate his advertising and other sales efforts inside it. His advertising will be much more effective inside than outside his area. Similarly a newspaper can best serve its local advertisers by thoroughly covering its own trade area rather than building its circulation outside (4).

SUMMARY AND CONCLUSION

The retailer holds an important place in our economic life. Various factors have operated to make him increasingly important as our country has become more mature. In 1947 the merchants felt they got off to a bad start, but they finished the year with record Christmas sales. In 1948 gloom was thick in the retail field during the weeks preceding the Easter season. In the last crucial week before Easter Sunday, sales took a sudden up-turn and another high mark was recorded. Business started looking up. These conditions prevailed throughout the United States to a greater or lesser degree.

The study of the trade area of Manhattan's women's ready-to-wear shops showed that the 496 customers interviewed were remarkably well distributed in all parts of the city. There was no massing of cases at certain points in the city. Such an excellent distribution of consumers throughout Manhattan makes for favorable market conditions. The local newspapers are a relative inexpensive media of advertising and the cost of delivery service

is not excessively high nor extremely low. The market for Manhattan's women's ready-to-wear shops is located in all parts of the city. This acts as a stabilizing factor as it is unnecessary for the stores to carry many lines of merchandise selling at several price levels and particularly adapted to each section of the city. The study of pre-Christmas and pre-Easter sales of women's ready-to-wear shops indicated that Manhattan is the shopping center for a trade area of approximately 25 miles in all directions from the city. Of the 69 customers interviewed who gave addresses outside the city of Manhattan, 66 2/3 per cent lived within a radius of approximately 25 miles of Manhattan.

In a study entitled "Market Areas for Shopping Lines 1947" prepared by the Research Department of The Curtis Publishing Company, Philadelphia, Pennsylvania, it was found that using Manhattan as the market center 27 per cent of the shopping lines dollars was spent in making purchases by residents of Manhattan and 60 per cent of the shopping lines dollars was spent in making purchases by residents of the surrounding area. The study was based on Curtis Units which represent the distribution of the combined circulation of The Saturday Evening Post, Ladies' Home Journal, and Country Gentleman as of March 1946, and included both subscription and single copy sales. The shopping line purchases by residents were as of 1946.

The study made by the Curtis Publishing Company coincides to a certain extent with the study made of pre-Christmas and pre-Easter sales of women's ready-to-wear shops. It would seem, however, that the percentage of shopping lines dollars spent by residents of Manhattan is low and the percentage of shopping lines dollars spent in making purchases by residents of the surrounding area is high.

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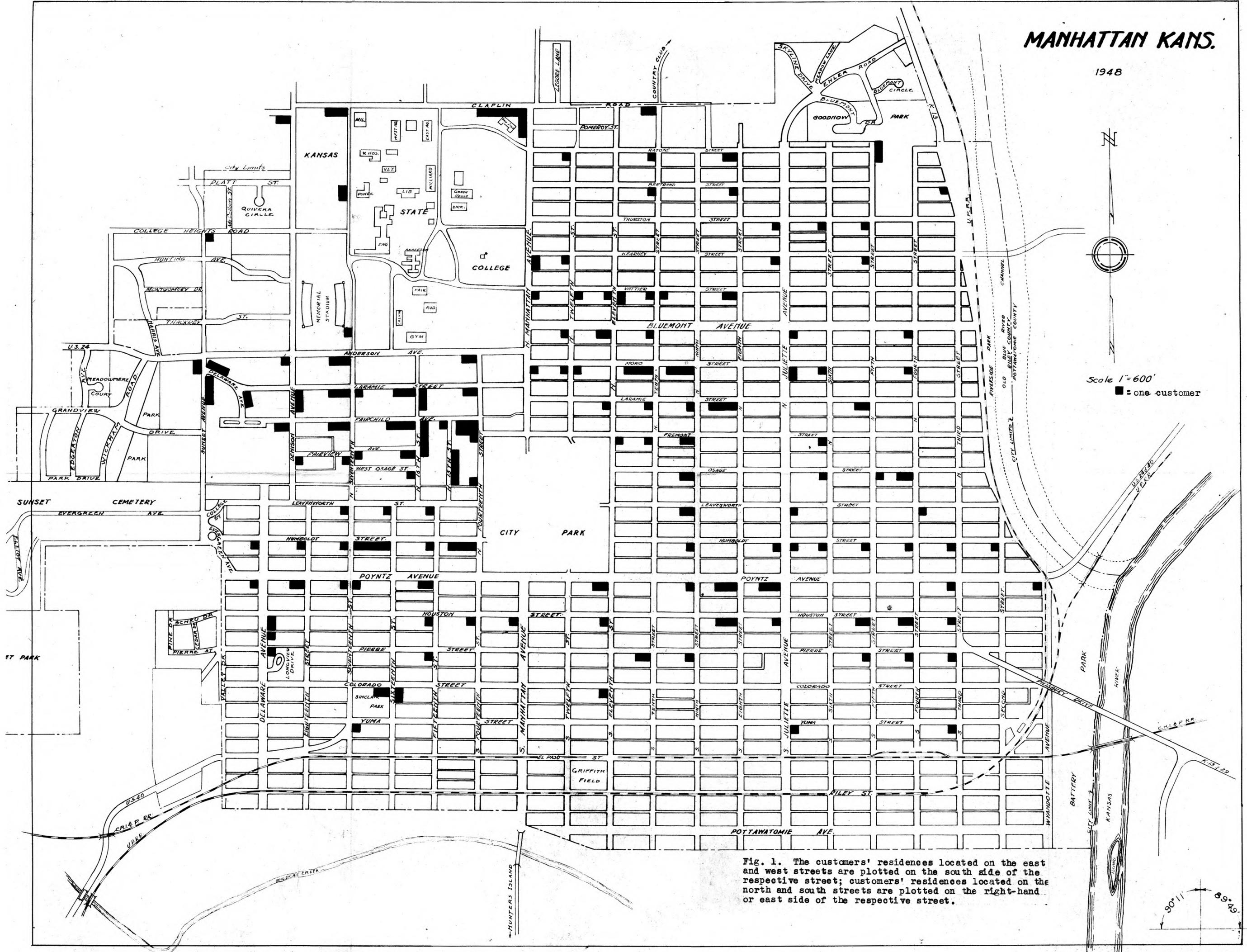
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APPENDIX

Fig. 1. Map of the city of Manhattan illustrating customers' residences as found in the survey of pre-Christmas 1947, sales of women's ready-to-wear shops in Manhattan, Kansas

MANHATTAN KANS.

1948



Scale 1" = 600'
■ = one customer

Fig. 1. The customers' residences located on the east and west streets are plotted on the south side of the respective street; customers' residences located on the north and south streets are plotted on the right-hand or east side of the respective street.

STREET ANGLES

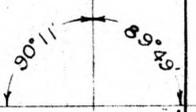
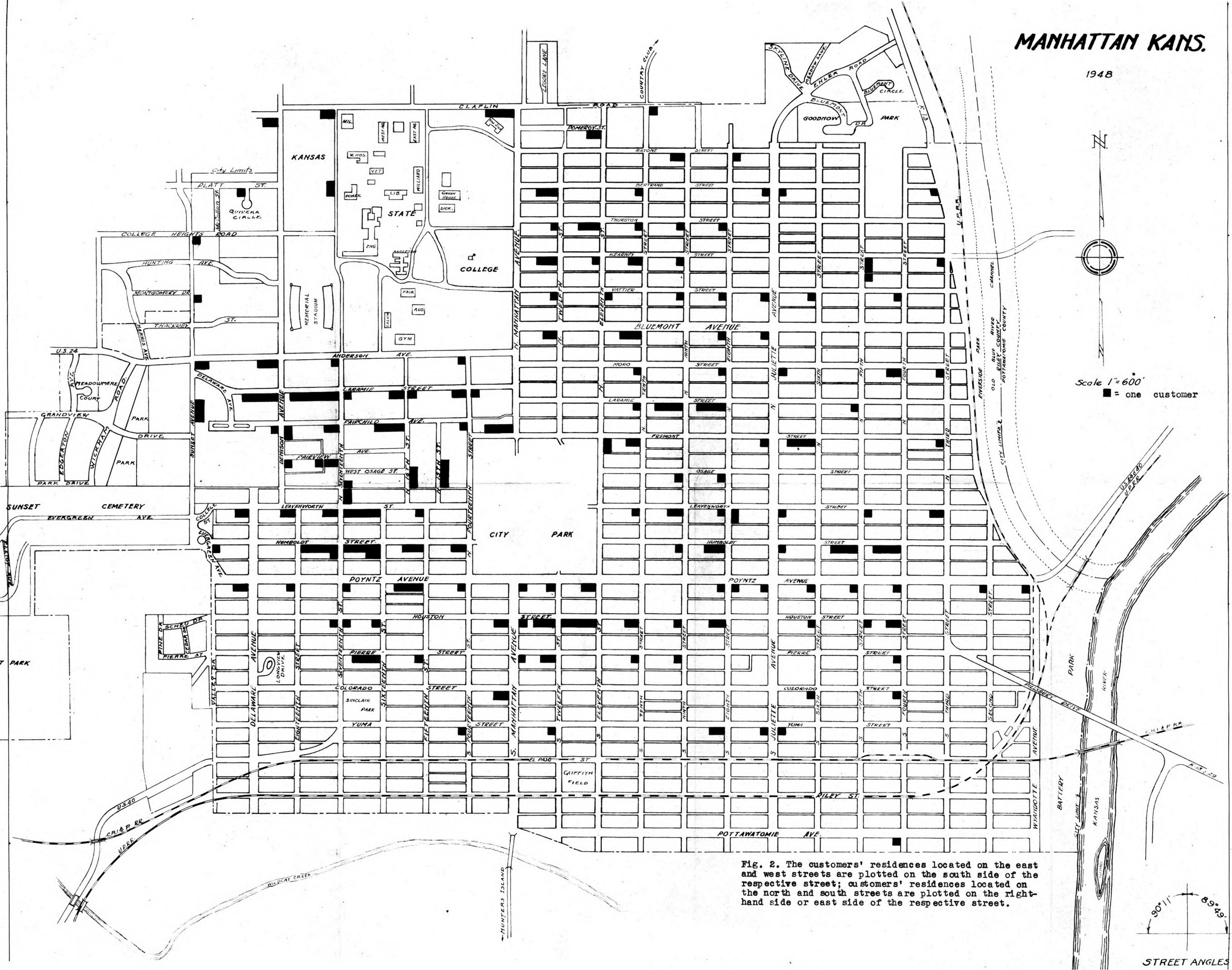


Fig. 2. Map of the city of Manhattan illustrating customers' residences as found in the survey of pre-Easter 1948, sales of women's ready-to-wear shops in Manhattan, Kansas

MANHATTAN KANS.

1948



Scale 1" = 600'
■ = one customer

Fig. 2. The customers' residences located on the east and west streets are plotted on the south side of the respective street; customers' residences located on the north and south streets are plotted on the right-hand side or east side of the respective street.

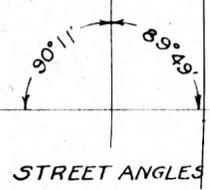
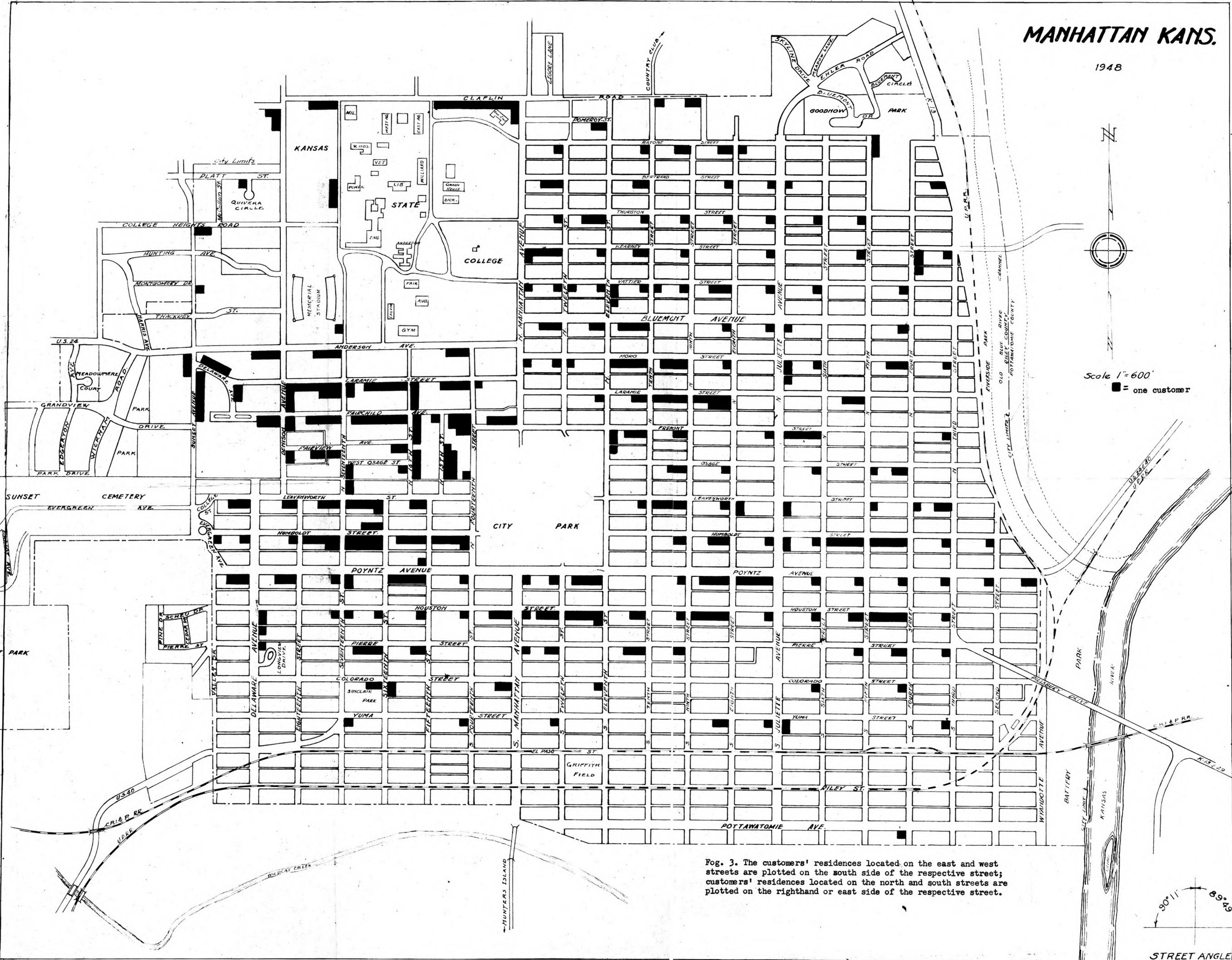


Fig. 3. Map of the city of Manhattan illustrating customers' residences as found in the surveys of pre-Christmas 1947, and pre-Easter 1948, sales of women's ready-to-wear shops in Manhattan, Kansas



MANHATTAN KANS.

1948



Scale 1" = 600'
■ = one customer

Fig. 3. The customers' residences located on the east and west streets are plotted on the south side of the respective street; customers' residences located on the north and south streets are plotted on the righthand or east side of the respective street.

