


## VOGAN CANDY COMPANY - Portland . Seattle, Spokant Treoma






"They WORK "while you sleep"


A Dependable Physic when Bilious, Headachy, Constipated and Upret. 10, 25, 50c-drugstores.


## Who Pays For Advertising?

Who pays for the advertising? That was an old con-
undrum when Heck was a pup and as you no doubt know undrum when Heck was a pup and as you no doubt kno
Heck is a very old dog now.

But then, as now, the conundrum had an answer.
And the answer is: Advertising pays for itself. Which is to say that neither the consumer nor the deal-
er pays for the advertising in either higher prices or lowThere's an illustration which has been going the rounds for a long while now. It is worth repeating here. X and Z are competitors in the manufacture of rubber
nipples for babies' feeding bottles. Both produce 100,000 nipples for babies' feeding bottles. Both produce 100,000 each manufacturer 12 cents each to make manufacture makes a profit of 2 cents on each nipple he sells.
X determines to advertise and appropriates 1 cent on each nipple sold and presently finds his market expanded
to a demand for 200,000 nipples a year.

When he gets to making 200,000 nipples a year he discovers that economies in manufacture thus made possible 2 cents on each nipple he's making 3 cents and making twice as many.
So next year he increases his appropriation to 2 cents criple, selis 300,000 and gets his factory cost down to 14 cents to the dealer

Thus encouraged, the third year he increases his ad ertising appropriation to 4 cents for every nipple sold her economies made possible through huge through furduction, he gets the factory cost down to a bed-rock figure of 5 cents per nipple. Then he decides that his profit is oo long and he cuts the price to the trade to 12 cents, 2 cents lower than the beginning price-and makes 4 cents
profit.
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Meanwhile Z continues his enterprise without advertisat 12 cents, profit 2 cents and the dealer's price 14 cents.
X is clearly in the commanding position-he got there cents less, which affords the dealer an opportunity to make a longer profit-and you can guess whose nipple he buys and pushes. Meanwhile X is making 4 cents against
Z's 2 cents profit.
Thus the advertising paid for itself, gave dealer and manufacturer a longer paid for

handising Advertising.

