

# MERCHANDISING

## To succeed, be favorably known, J.C. Penney told Angus breeders in 1949

*J.C. Penney was one of the most successful retailers and registered Angus cattle breeders of all time. Homeplace Farm at his home town of Hamilton, Mo., was known and respected throughout the Angus world. He also operated one of the nation's successful dairy herds, and everyone is familiar with the department store chain he founded and which still bears his name.*

*An expert in merchandising, Penney shared his ideas on the subject with Angus breeders in an article he wrote for the **Angus Journal** in December, 1949. Penney applied his successful retailing theories to his cattle business, and they are as sound today as they were 38 years ago. Here are his merchandising principles excerpted from the December, 1949, **Journal**:*

A business must be well-known, and favorably known, if it is to be a success. That is the same as saying that every business is dependent upon publicity, in some form or another. It is the same as saying that every business must have customers. Customers are people who are drawn to buy from a certain business because of favorable publicity.

Publicity can be advertising. It can be news stories about dramatic events that happen in a business. It is, in short, everything that draws attention to that particular firm.

As many of the readers of the *Journal* know, I am a merchant. When I started my first retail store in 1902, with an investment of my total savings of \$500 plus

a borrowed \$1,500, I little knew that this 25-foot store in a frontier town would grow into a chain of stores that would blanket the entire United States. But I did know that I had some definite ideas of what constituted good, honest business.

I did know that I would step aside from the business practices that were in general use in the early 1900s. I did know that my business would live and thrive by the Golden Rule, or I would have no part of it.

The little town where I started, Kemmerer, Wyo., was a coal mining community. Since the miners were paid once a month, it was customary for them to be in debt to the stores where they shopped. They didn't like it, but they couldn't help themselves . . . prices were so high they could never catch up. As soon as they found that they could come to my store and buy everything they needed at rock-bottom prices, but for CASH, they started transferring their business to me. The word went round like wildfire—not only in Kemmerer itself, but in outlying towns—and people came from miles around to shop at Penney's. That is what I call publicity—good publicity.

The next thing that astounded everyone was my attitude toward the people who worked for me. I chose them carefully. I made heavy demands on them—hard work, long hours, absolute devotion to the job. But I asked no more of them than I was willing to do myself—and a job with a J.C. Penney store meant that a man had a secure future with an opportunity to share in the profits he produced. It wasn't long before I had the pick of the best men in my section of the country . . . due to what I call "grapevine" publicity about the Penney Company.

Meanwhile, I had, as I still have, a high

respect for advertising. Since I could tell people, without exaggeration, that they could buy the best of all values in my stores, I made full use of newspaper advertising to do so. They soon found that the statements that appeared over the J.C. Penney store name could be depended upon—and so that kind of publicity went to work for our stores in a big way.

The policies I had determined upon were successful because they never forgot the "other fellow." I never overlooked the great business truth that every transaction must be profitable and satisfactory to both participants. The word spread—and spread—through every town and city and village where there was a Penney store. Publicity! That was it!

Word-of-mouth publicity, then as now, is worth millions of printed words. To get such publicity, it must be the merchant's constant care to see that his customers get their money's worth, in the kind of merchandise they want, when they want it. It must be his constant concern to see that every customer gets friendly attention. To do that, he needs contented, warm-hearted, ambitious sales people who like their jobs, because those jobs mean helping people.

It is from genuine human emotion that genuine, well-rooted publicity comes . . . and to us, it's the most valuable asset our business owns.



Director of Communications  
and Public Relations

