

ROTARY GOLDEN ROUND TABLE

"Honor Among Thieves"

(Buyer-Seller Relationships)

ANNCR: The Rotary Club of (Name City) in cooperation with Radio Station _____ brings you a projection of the drama you have just heard--a discussion by local community leaders of the application of that story to (Name City). We have heard a story of buyer-seller relationships, and we know that such relationships are a vital part of every community. They are the basis of business. (Name City) has a reputation as a good business center--but how good are the buyer-seller relationships of our city? Do local merchants ever run misleading advertising? Do (Name City) merchants ever try to take unfair advantage of their competitors? Would you say that the price policy in retail business in our community is a good one? As a consumer, do you have confidence in our merchants? Do you enjoy doing business with them? These are some of the questions we are going to discuss--and today's panel is composed of three members of the (Name City) Rotary Club who are well qualified to lead the discussion. They are:

Mr. A _____, _____ (Identification) _____;

Mr. B _____, _____ (Identification) _____;

and Mr. C _____, _____ (Identification) _____.

Mr. A, we think of Rotary as a service club, and I've always heard that Rotary Club members try to maintain high standards in the conduct of their businesses and professions. Before we really get well into this discussion, it might be a good idea to know more about those standards. Can you tell us in a general way just what Rotary expects of its members in the way of buyer-seller conduct?

MR. A: When we become members of the Rotary Club, we are told that a Rotarian is expected to encourage high ideals and correct practices throughout his profession and in the general trade of which his particular business is a part. To make every member's obligation clear to him, Rotary has set forth its ideals of vocational service in this form: As a Rotarian, it is my purpose; to regard my business or profession as my opportunity to express myself in service to society, as well as a means to material gain....to maintain the dignity and worthiness of my calling by the acceptance and promotion of high standards and the elimination of questionable practices.... to value success in my vocation as a worthy ambition when achieved as a

MR. A: (CONT.) result of service to society but to accept no profit nor distinction which arises from unfair advantage, abuse of privilege or betrayal of trust.....to recognize that any sound transaction must be governed by practices which bring satisfaction to all parties concerned, and to esteem it a privilege, in my profession or business, to serve beyond the strict measure of duty or obligation.

ANNCR: Well, certainly if every Rotarian adheres to those standards, it should be a pleasure to do business with Rotarians.

MR. B: That statement of ideals doesn't confine itself to Rotarians, though. You'll notice that a part of the Rotarian's obligation is to accept and promote high standards and eliminate questionable practices not only in his own firm but throughout the line of business he happens to be in.

ANNCR: In other words, Mr. B, you want your competitors to observe high business standards, too.

MR. B: We want our vocation to be one of which we can be proud. And when a business or profession is conducted on a high level, every member of that business or profession profits. A few misguided unethical operators can bring discredit to everyone in a particular line of work.

ANNCR: Then the (Name City) Rotary Club's committee on buyer-seller relations is concerned with the activities of merchants outside the Rotary Club as well as in it?

MR. C: Certainly. Every business man in any community should be concerned about high standards in all business in his community. If (Name City) enjoys a reputation as a place where business is conducted on a high ethical level, every merchant profits from that reputation.

MR. B: We are concerned with buyer-relations, too. Buyer-seller relations are more than the relationship which exists between the owner of a hardware store, for example, and his customers. It is also the hardware owner's relationship with his suppliers. Each merchant is in a dual buyer-seller role.

ANNCR: Exactly what is the job of the (Name City) Rotary Club's buyer-seller relations committee.

MR. C: Our basic goal is to develop in business and professional men a will to make business work in the public interest. If business is to work in the public interest, it must observe sound practices.

ANNCR: What are some of the sound practices your committee tries to encourage?

MR. B: Among the foremost would be truthfulness in advertising. Courtesy and honesty in all dealings with customers, certainly....giving attentive service to both large and small purchasers...fairness in granting discounts and in pricing policies...making adjustments promptly and fairly....opposition to artificial restrictions that would limit production, fix prices or restrain trade....repudiation of all forms of commercial bribery and corruption...the provision of clean, attractive premises--these are all sound business practices. And any good merchant should give full information and the best possible advice to a customer or client, regardless of whether or not it will be of immediate advantage to the merchant.

ANNCR: Those are things a merchant can do as a seller to promote good buyer-seller relations. Can he do anything special as a buyer?

MR. C: He most certainly can. First of all, he can buy with honesty and fairness to the end that each party to the transaction will be benefited. He can avoid unfair pressure to secure cut prices or special discounts. He can settle his accounts promptly. He should refuse to do business with suppliers whose practices are not of a high standard. As in selling, he should repudiate all forms of commercial bribery or corruption, and he should give due consideration to all factors involved in making a purchase--quality, service, and others--not price alone. And he should never offer special inducements to a supplier to obtain goods which are scarce on the market.

ANNCR: Those are certainly commendable objectives. But what does Rotary do to promote those objectives?

MR. A: Every member of a Rotary Club should be a one-man committee to improve buyer-seller relations. But local clubs go far beyond that. Rotary Clubs in some communities have sponsored "Courtesy Contests," in which the buying public is invited to report instances of unusual courtesy on the part of sales people. Prizes are awarded to both the winning letter writers and the sales people.

MR. B: Many Rotary Clubs have conducted "Spruce Up" campaigns among local businessmen to induce them to make their stores clean and attractive, to improve their displays of merchandise and generally improve their customer service.

- MR. C: Some clubs have sponsored salesmanship training courses, so that the buying public in their communities may enjoy better retail service.
- MR. B: One of the most enjoyable activities is a "Peddler's Picnic," an annual picnic and golf tournament to which each club member invites sales representatives who call on him regularly.
- MR. A: In predominantly industrial areas, Rotary Clubs have successfully promoted exhibits or industrial expositions to show the public the goods and services available to them in the community. Other clubs have made a library of colored slides on major industries available to schools and clubs.
- MR. B: A list of Rotary projects to improve buyer-seller relations would be almost endless, (Name AnnCR.) One of the important things in every community is to improve competitor-relations. We all know that bad competitive relations, the kind involving cut-throat tactics, can be bad for business. Good competition of the right kind is healthy--and we are constantly trying to sell the idea that in order to have good competition, you must be a good competitor.
- ANNCR: Do you have any way of policing local business?
- MR. C: No--and police methods aren't effective in establishing good buyer-seller relations, anyway--because police methods depend upon force. If the merchant is forced to do something, he will do it only while he is being watched. If he wants to do something, he will do it consistently.
- MR. B: That's right, C. I know that in my business, public opinion and the reaction of competitors to a merchant's way of operating can have far more effect than any "must-not" rules. No man likes to feel that either his competitors or his customers regard him as unfair or unscrupulous.
- ANNCR: But suppose, for example, that a (Name City) merchant persists in running misleading advertising. What can you do to stop him?
- MR. A: I think the most important thing we can do is point out to him in a friendly way that he is wasting his advertising money.
- ANNCR: What makes you think he's wasting his money?
- MR. A: Many lines of business depend upon advertising for a large part of their sales. As long as the public believes their advertising, it will get results. But once people become convinced that a merchant's advertising is misleading, they will quit paying any attention to it. His advertising will have to become more and more extravagant in its claims to get any

MR. A: (CONT.) results and, finally, he will run out of new prospects. The merchant who runs misleading advertising hurts himself more than anyone else.

ANNCR: Is that equally true of a merchant who has three or four prices for each item he sells?

MR. A: It certainly is. A person who pays one price for a piece of merchandise and finds a friend who paid a lower price at the same store is rightly resentful. You can't much blame him if he decides never to do business with that store again.

ANNCR: But what if he decides to go back and this time get the lower price on another purchase?

MR. B: I've always been afraid to do business with stores that come down on their prices because I'm never sure whether I'm getting the bottom price or not. Nobody can be sure. If a merchant establishes a fair price on his goods and sticks to that price, everyone respects him and has confidence in him.

ANNCR: Then I take it that it's your feeling that merchants who deviate from sound ethical business practice eventually run themselves out of business.

MR. C: That's right. But that is no reason why you should let them run themselves out of business. (Name City) needs all the business it can get. We try to encourage all the new firms we can get. If a business can be made healthy by mending its ways, we certainly shouldn't stand by and see it go to pieces. And while an unethical firm is going through the process of liquidating itself, it can't help but hurt other honest firms in the same line.

ANNCR: I can understand that.

MR. A: We would like to sell every merchant in (Name City) on the Rotary ideals for business conduct. There is no copyright on them. We are not only willing but eager to share them with every businessman. We know they are right. It's been proven time after time that he profits most who serves best. From a purely selfish standpoint, no merchant can afford to be greedy in the conduct of his business. Look around (Name City). Pick the most successful business institutions in our community. You'll find that the above-average success in every line offers above-average service and enjoys above-average confidence.

MR. C: People want to trade with a firm they can rely on--and it does not take long for the public to learn the worst when a firm is undependable. I don't

- MR. C: (CONT.) know of any business in this community that can stay prosperous on one-time orders. Every merchant needs repeat business. Whenever any business man is tempted to take advantage of a customer, he should ask himself what that customer's repeat business might be worth to him over a period of years. Aside from the moral satisfaction a man derives from running his business on the highest level, it is downright unprofitable for a merchant to indulge in unfair tactics. He simply can't afford it.
- MR. B: You see, even in the case of the rare individual who isn't bothered by moral scruples, there is a common-sense appeal for doing business the right and honest way. Sharp tactics are stupid tactics in the long run.
- ANNCR: But what if a merchant is faced with unfair competition? What if his competitors are all doing things he doesn't want to do?
- MR. A: I would say that such a merchant is in a position to do a quick job of establishing himself as the best man in his line. He has a moral obligation to try to straighten out his competitors--to improve the standards of his line of business--and he is almost certain to find at least one competitor who feels as he does. When you get a couple of firms leading the way, the others either fall in line or fall by the wayside.
- ANNCR: Mr. A, do you think a merchant should knock an unscrupulous competitor? Should he expose the competitor's unfairness?
- MR. A: I don't think knocking a competitor ever helped anybody. If a merchant sells what he has to offer, customers will soon enough find out that a competitor isn't making such services available. Knocking creates enmities and makes business conditions almost impossible. It eliminates any chance of real harmony within a professional or business or trade group. And knocking drives trade away. It hurts not only the person whose firm is being belittled, but it hurts the knocker.
- ANNCR: I see what you mean. Gentlemen, you said at the outset that one purpose of the (Name City) Rotary Club's buyer-seller relations committee was to sell Rotary's ideals to all business and professional men. I think you've done a mighty convincing job in this broadcast. I had never realized before how impractical and improvident it is to do business in an unfair way. I wish we had more time to discuss the subject, but we haven't. Next week, after Rotary Golden Theatre has presented a drama on a problem that affects all of us, Rotary Golden Round Table will follow immediately with a discussion of that problem as it applies to (Name City). Our panel for

ANNCR: (CONT.) next week's local participation in Rotary's Golden Anniversary observance will consist of (NAMES AND IDENTIFICATIONS OF PANEL MEMBERS)--all well qualified to discuss the subject to be presented. Be sure to be with us again next week for another program presented by the (Name City) Rotary Club and Station _____, as a public service--in your interest.