# Modern Business

A SERIES OF EIGHTEEN TEXTS, ESPECIALLY PREPARED FOR THE ALEXANDER HAMILTON INSTITUTE COURSE IN ACCOUNTS, FINANCE AND MANAGEMENT

EDITED BY
JOSEPH FRENCH JOHNSON
DEAN, NEW YORK UNIVERSITY SCHOOL OF COMMERCE, ACCOUNTS AND FINANCE

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GETTING THE BEST OUT OF THE MEN (Continued)
INTRODUCTION

THE MEANING OF MARKETING METHODS

1. The three phases of selling.—There are three different kinds of things that must be considered by every one who has anything to sell. One group of considerations has to do only with personal salesmanship and sales management. Another has to do only with advertising. Still a third is concerned solely neither with personal salesmanship nor with advertising, but is common to both.

To illustrate, suppose that a manufacturer undertakes to market a new product. If he is to influence sales in all possible ways, he must give much thought to the selection, training and supervision of an effective force of salesmen, and he must also pay careful attention to the many important details of the technique of advertising—for instance, the organization of the advertising department, the determination of advertising policy, the writing and placing of advertisements, the preparation of supplementary advertising aids, and the recording of results. Is this all that he must do, however? By no means. There is another important phase of preparation for the selling campaign which precedes the planning both for the personal salesmanship and for the advertising. The plan behind the campaign is the thing that primarily determines the success or failure of every salesman and of every advertisement. On it depends the selection of advertising or personal salesmanship as a marketing tool; on it depends also the choice of one trade channel or of another and the decision to use established
methods of reaching the market or to hew out some new road between distributor and consumer. All these things and many more must be decided before a salesman is employed or a line of advertising is written. The plan behind the campaign is the field where personal salesmanship and advertising meet; it is based on a consideration of all the vitally important things that do not pertain exclusively to either one of the two expressions of the selling idea but that lie behind them both.

It is with some of the problems involved in the plan behind the campaign that Part I of this volume is to deal. There is no name in general use to indicate those activities that are included in the complete campaign. The word “selling” properly includes everything that is done by the man who has anything to dispose of in a commercial way. In general practice, however, this word is quite frequently restricted in its meaning so that it applies only to personal salesmanship. In its stead the word “marketing” is gradually coming into popular use to apply generally to the distributing campaign. It is this word that we shall usually employ. Marketing methods, in a sense, are inclusive of everything that is done to influence sales. Ordinarily, however, the study of marketing methods excludes the consideration of the technique of advertising and the technique of salesmanship, and includes only those sales considerations that are not concerned solely with one or the other of the two distinct ways of disposing of commodities.

2. The influence of trade relations.—We cannot consider all phases of the subject of marketing. Chiefly we are concerned with those complicated relations that modern marketing has developed among the various factors in trade, and that must be considered first by the distributor who wishes to build his campaign with care. Whether
one is a retailer, a jobber, or a manufacturer, he finds that his everyday activities are linked up in countless ways with the problems arising from the competitive relations among the many kinds of retail distributors, from the increasing attempts to shorten the chain of distribution and to discover new trade channels, from the important causes for the chaotic condition in the jobbing industry, from the resulting difficulties attending the solution of the manufacturer's marketing riddle, and finally from the growing public and legislative interest in marketing procedure and the demand that each distributor definitely justify his own existence.

3. The relation of salesmanship and advertising.—The study of marketing is often confused by the failure to realize the single purpose of all sales activities. There are only two ways in which anything can be sold—by personal salesmanship and by advertising. Commercially speaking, personal salesmanship is the attempt to induce a desired action or a desired mental attitude regarding goods or services, by direct solicitation of one buying unit or one individual at a time. Advertising is the attempt to do the same thing, but by the solicitation of more than one buying unit or more than one individual at a time. Unfortunately some of the partisans of these two expressions of the selling idea have sought at times to build up a wall between them. We hear of lack of sympathy between sales managers and advertising managers, of advertising campaigns as things apart from sales campaigns, and of advertising men who forget that they are salesmen. There is no antagonism between personal salesmanship and advertising. They are both included in selling. Their methods differ, but they have only one purpose—to aid in the making of sales. One of the great needs of marketing is a realization of the oneness
of all selling endeavors, an appreciation of the fact that the two kinds of marketing procedure are not in opposition, that they both have their place, and that when both are used in a selling campaign they must be carefully co-ordinated and made to work in harmony toward the common end.

4. Importance of marketing problems.—The problem of marketing must be solved by every successful business enterprise. In all businesses the profits ultimately depend on the ability to sell goods or services advantageously. A factory may possess every facility for the economical making of goods, but unless the selling methods are carefully designed to meet the peculiar requirements of the product and of the market, the business cannot be conducted at a profit. A trading industry also must finally look for its profits to the development of effective methods of selling. Marketing problems are universal in business, and no one in any commercial activity can afford to ignore them.
5. Trade factors.—Trade factors are the cogs in the machinery of marketing. They are the things that have to be considered prior to the actual selling campaign by every one who has anything to sell. They may be grouped under three heads: the goods that are to be sold, the market for the goods, and the methods of reaching the desired market.

6. The product.—Every marketing campaign must be built on the characteristics of the goods to be sold. The fundamental basis for the wide variations in methods of marketing is the wide variations in the nature of the goods themselves. The methods of marketing dressed meat and the methods of marketing cotton cloth are different primarily because the products themselves are different. It is true that the variations in the nature of the market affect selling plans largely, but usually these market variations themselves are due to differences in the goods to be sold. It is also true that custom has great weight in determining selling methods; but customs, even though no longer logical, must have arisen originally for some good reason, and that reason, so far as selling methods are concerned, is almost invariably to be found in the characteristics of the goods that are being marketed.

It is obvious that the first thing the seller must do is
to study the things he has to sell. There are a number of questions he must ask and answer before he spends money for salesmen or for advertising. For instance: Is the product one for which there is a ready demand, or must the demand be created? Is it a necessity or a luxury? Will it repeat? Is it subject to seasonal variations in demand? What are the peculiar conditions surrounding its production? What about raw material, cost of manufacture, and ease of transportation? How much capital is available to market it? What are the inherent qualities of the article? Why should people purchase it? How can it be given individuality? What are the trade-mark and patent questions in connection with it? What are the marketing possibilities of the package? How much can it be sold for? How does it compare with competing articles? These questions are merely suggestive. Most of them apply, of course, chiefly to the manufacturer and his product. There are others, however, just as important that must be studied by the dealer. One of the chief criticisms of many retail and wholesale salesmen is that they do not know the goods they handle. The manufacturer does not often fail in this respect; but distributors are so often guilty of failure really to study the things they sell, that it is necessary to place great emphasis on the importance of this factor in trade.

7. The market.—Study of the market is fully as important as study of the product. Who are the people who form the natural market for the goods you have to sell? Where do they live? How do they live? What are their buying habits? How much can they pay for a product like yours? Do they belong to a distinct class or do they include all classes? Are they city dwellers or country dwellers? Is the market local, state-wide,
national, or international? What about competition? How many competitors have you? What is their relative strength? Who purchases your goods now? Is there an undeveloped market? What is the total consumption of goods of the kind you want to sell? What percentage of this consumption can you divert to your goods? Can the total consumption be increased? Can you get your share of the increased consumption?

These and many other questions must be answered before the successful campaign begins. It is true that they are not always asked and answered consciously. Marketing is not always a carefully considered activity. Many men have started to sell something without knowing the importance of questions such as these—without acquainting themselves with the facts that form the basis for the answers—and yet have blundered into success. This used to be done more frequently than it is today. Formerly guessing and lack of foresight in entering upon a selling campaign did not necessarily mean failure. The market was broad and eager, novelties were few and welcome, competition was relatively small; and, if the product was good, the seller could often gain his knowledge of the market through expensive experience, and still be able to sell successfully. The golden days of easy marketing are gone, however. The man with something to sell today, unless he gives to the possible market the same careful consideration that he gives to the product, is fairly certain to go under before he blunders upon the right market for his goods. The business cemetery is full of manufacturers who have tried to sell their goods to the wrong people, of jobbers who have spread their salesmen out too thinly over an impossible area, and of retailers who have overstocked
or wrongly bought because of lack of exact knowledge of what their market was and what it wanted.

8. **Reaching the market.**—The purpose of studying the product and studying the market is first to discover for the distributor the possibilities open to him, and second to aid him in his solution of the problems relating to the third trade factor—the methods of reaching the desired market. All the previous study of the campaign leads up to the study of trade channels and marketing methods. Adding machines, for instance, are usually sold direct by the manufacturer to the consumer because the nature of the product is such that middlemen could not or would not give it sufficiently careful study to enable them to develop the necessary market. The farm papers are the chief mediums for mail-order advertisements because the market for mail-order houses is chiefly found in rural communities that are relatively inaccessible to completely stocked specialty stores. Heavy staples like sugar, flour, etc., are usually sold through jobbers because their bulk is too great to permit the average retailer to purchase in sufficient quantities to justify direct relations with the manufacturer. These examples illustrate the connection between the product, the market and the methods that are selected to reach the market. The three great trade factors are linked closely together. The study of any one of them alone does not lead the distributor anywhere; the careful, painstaking study of them all is likely to lead him to success.

9. **Trade channels.**—By trade channels we mean the trade routes along which goods pass on their way from the manufacturer to the final consumer. If the route is direct and without branches and intersections, we have the manufacturer-direct-to-consumer selling method. If
there are several routes leading from the production center, and if each of these direct routes branches off at some distributing point where new routes radiate out to the final markets, we have the selling method that utilizes one class of middlemen—possibly the manufacturer-retailer-consumer method, or the manufacturer-agent-consumer method. And if these branch routes, each in turn, come to smaller distributing centers where new routes reach out into the surrounding country, we have still another complication in our trade channels—the manufacturer-jobber-retailer-consumer selling method.

The problem of distribution is constantly becoming more difficult of solution. In former times trade channels were definitely established, and the manufacturer had little choice of selling methods. Each class of distributors occupied a fixed place in the chain of distribution, and there were but few attempts to open new lines of contact between the manufacturer and the final market. Competition was not so keen as it is today. Fewer people, proportionally, were engaged in mercantile pursuits. The business acumen of former industrial leaders was devoted to the exploitation of new countries rather than to the intensive development of a market as yet uncrowded. The power of advertising as a force in business was little appreciated, and it had scarcely begun to exercise its far-reaching influence on the long-established traditions of marketing. Under these conditions, the problem of selling was comparatively a simple one. The manufacturer had but to adopt the usual trade channels, and there was little tendency to question the necessity or the value of the services rendered by the distributor.

10. New difficulties of marketing.—Today condi-
tions are altered. There is little respect for traditional methods as such. Every manufacturer and every distributor seeks the largest possible market at the least possible cost, and he consciously selects the trade channel and the selling methods that are best suited to his particular case, without regard to prevailing customs, unless expediency or their real value dictates a compliance with them. Intense competition makes it necessary for the man who has something to sell to cultivate relatively unimportant markets that he would have disdained in the old days, to regard with desire every profit that goes into the pocket of any one who stands between him and the consumer, and to submit to searching analysis every process, every link in the chain of distribution, every method of marketing, to the end that he may have the maximum advantage over his competitors in price, in service, and in profits.

11. The old chain of distribution.—For many years many manufactured products passed through a series of trade channels that were dictated by a market organization built on six factors. These factors were:

I. Manufacturer,
II. Commission merchant,
III. Jobber,
IV. Wholesaler,
V. Retailer,
VI. Consumer.

This traditional chain of distribution is not unknown today. In some of the textile trades, for instance, we still find all these links in the chain, and many more besides. There are, indeed, so many factors who handle some kinds of textiles on their way from the manufacturer to the consumer that it is often difficult to trace
and chart them. This condition, however, is not typical of modern marketing. Many factors have combined to obviate the former necessity for a long string of profit-taking middlemen. Advertising has brought the manufacturer and consumer closely together; increased consumer demand for fresh styles has necessitated the shortening of the chain; quickened methods of transportation have rendered unnecessary the long, graduated series of warehousemen that used to be needed in order to give the consumer the goods when he wanted them. These and other developments have operated in most industries to break down the traditional chain of distribution and to substitute for it one composed of fewer links.

12. The new chain of distribution.—In the great staple lines, such as groceries, hardware, dry-goods, and drugs, the commission merchant or broker has largely disappeared (with notable exceptions, of course), and the functions of the jobber and the wholesaler have lost their distinctive features; the words jobber and wholesaler, in fact, are used interchangeably. Nowadays the normal trade channels for the majority of all staple articles are represented by the trade relations indicated in Figure 1.

There are, of course, almost countless manufacturers who have made even greater changes in the old traditional trade channels than are indicated by this chart. Millions of dollars' worth of goods are sold directly from the manufacturer to consumer; immense corporations conduct manufacturing enterprises, and then sell the products of their factories through great chains of retail stores owned by themselves; hundreds of manufacturers have eliminated the jobber from their sales schemes. Yet, despite all the vital changes in trade relations, despite all the outcry for fewer steps between the maker
of goods and the consumer, the manufacturer-jobber-retailer-consumer system is still strongly intrenched, and it is the relation between these four factors that forms the basis for most of the complicated problems of modern marketing.

13. *The consumer.*—It is important to have definite ideas about each of the four normal links in the chain of distribution. A consumer, according to the Century Dictionary, is "one who destroys the exchangeable value of a commodity by using it." In other words, he buys goods for consumption and not to sell them again. This definition is so simple that there ought to be no difficulty in deciding who is and who is not a consumer. The de-
cision is not always easy, however. For instance, the retail grocer may insist that a hotel or a restaurant is a consumer, and that, as a consumer, it should buy its supplies from the retail dealer instead of from the jobber. The wholesale grocer, on the other hand, may maintain that the hotel is in reality a dealer because it sells, although in somewhat altered form, most of the food that it buys. In general business usage, however, there is little confusion about the meaning of the term consumer; it means the ultimate consumer—the individual that uses the things he buys for himself, and does not sell them again either in their original or in altered form.

14. The retailer.—The term retailer is derived from two words meaning “to cut again.” It was originally applied to a class of middlemen who purchased cloth by the piece or in quantities and then cut off smaller amounts for sale to consumers. Speaking generally, the modern retailer is a distributor who buys goods to sell them again without change in form to buyers who are not dealers. He usually sells to consumers, but he may also sell to manufacturers. The important parts of the definition are two: first, the phrase without change in form. If a man buys goods and changes their form in any way before he sells them, he is to that extent a manufacturer and not a retailer. Also note particularly the phrase to buyers who are not dealers. This distinguishes the retailer from the jobber.

15. The jobber.—A jobber or wholesaler is one who buys, usually in quantities, for the purpose of selling the same goods again, without alteration, to other dealers. These dealers may be either jobbers or retailers. When one who is otherwise a jobber sells goods to a consumer, so far as that particular transaction is concerned he
ceases to be a jobber and becomes a retailer. We have already suggested that there was formerly a clear distinction between the function of the jobber and the wholesaler. The jobber bought "jobs"—odd lots at particularly favorable prices, and disposed of them sometimes to wholesalers and sometimes to retailers. The jobber frequently had no regularly established market, while the wholesaler ordinarily supplied a more or less permanent list of customers. This distinction no longer exists in most lines of trade. As has been stated, the words jobber and wholesaler are usually employed interchangeably. Because jobber is the shorter word, it is the more common, and we shall use it uniformly to refer to that class of distributors who perform the activities included in our definition of the term.

16. The manufacturer.—A manufacturer is one who expends labor upon raw materials or upon already manufactured parts so as to produce something different in form or utility from the raw material or the manufactured parts upon which the labor is expended. He may either buy or control the supply of things upon which he works. If he buys his material, he differs from a jobber or retailer in that he does not sell the things he buys exactly as he buys them. The term manufacturer includes those who manufacture from raw materials as well as those who purchase manufactured articles and work them up into different forms or assemble them with other parts in the production of a larger or a different article. For instance, each of the following may be considered a manufacturer:

1. The farmer who raises wheat and puts the raw material on the market.
2. The miller who purchases wheat and produces flour.
3. The baker who purchases flour and uses it in the manufacture of bread.

The automobile manufacturer is no less a manufacturer if he purchases all his parts and simply assembles them, than he would be if he built the entire car from the raw material. A publisher is a manufacturer; likewise the small, one-man cigar factory, as well as a great corporation like the American Tobacco Company.

From the standpoint of marketing, however, we must add one thought to the definition of manufacturer. The manufacturer who is important in the marketing field is a business unit that has charge of the combined activities of producing form utility and of marketing goods. If any factory owner solves his sales problem by making arrangements to dispose of his entire product to some individual or to some company that is to take the responsibility of marketing it, the factory owner has no immediate problem of distribution, and the agency that handles the products in the open market has to meet the problems that the manufacturer would otherwise have to face. This is not an unusual situation. There are sales companies that make a specialty of disposing of a factory's entire output, and in certain branches of the textile industry, commission houses contract to distribute the entire output of the mills.

17. Selling problems of dealers and manufacturers.—We are to give separate attention to the selling problems of the retailer, the jobber, and the manufacturer, arising out of the relations of these three classes of distributors and the influence of those relations on trade channels and trade methods. The retailer and the job-
ber have a comparatively easy task. The retailer, by the terms of the definition of the class to which he belongs, need give but little consideration to the kind of buyers to whom he can best appeal. He is prohibited from selling to dealers, because otherwise he would not be a retailer; he knows without any study that his great field is in satisfying the wants of consumers. To be sure, within the consumer class there are many groups that he must study and select from before he begins business; but in general his chief problem is not to determine upon the proper market for his goods; it is mainly to find the best method of reaching the market that is naturally his. The same thing is true of the jobber. If he is to remain a jobber only, he must confine his sales to dealers, and usually those dealers are retailers. True, he must find the right retailers; but he, like the retailer, finds his chief problem in selecting methods of reaching the market rather than in selecting the market itself. With the manufacturer the case is different, however. His first, and often his greatest, problem is to decide whether to sell his goods to jobbers, to retailers, or consumers—whether to sell directly only to one, or to all, or to any combination of these classes. Only after this question is answered is he able to give consideration to the other problems having to do with methods of reaching the class to which he has decided to appeal. In general, then, the retailer and the jobber have one great group of problems—the selection of selling methods; while the manufacturer has two—the selection of trade channels as well as the selection of selling methods.

18. Other aids in marketing.—We have referred to the manufacturer, jobber, retailer and consumer as the normal terminals and intersecting points in modern channels of trade. There are, however, other factors
whose services are sometimes utilized, even though they may not be typical of the entire marketing field. The term semi-jobber is ordinarily applied to a dealer who sells both to dealers and to consumers. His activities are those of both the jobber and the retailer. In some lines of trade semi-jobbers are common. In many others, however, they are not regarded with favor either by manufacturers or by the so-called legitimate jobbers or retailers. The term manufacturing jobber is usually applied to one who is chiefly a jobber but who also sells goods that he manufactures himself or that some one else manufactures for him under his own label. His activities are both those of a manufacturer and of a jobber. We are to find that the rise of manufacturing jobbers has been the cause of many complications in the field of trade relations.

19. The agent.—Commercially speaking, an agent is one who acts as the direct representative of a manufacturer, a jobber, or a retailer, who is compensated on some other than a straight salary basis, and who in the details of his activities is not responsible to his principal. The line between certain kinds of salesmen working on a commission basis and sales agents is difficult to draw distinctly. The agent, however, is an independent business man, often taking orders from his principal with respect to policy, profits, prices, terms of credit, etc., but yet retaining very large control over his own activities. Some of the additional characteristics of the agency relation are as follows: The agent usually, not always, sells by sample. Like the salaried employé of the principal, the agent binds the principal absolutely, within the scope of his agency, and does not assume individual liability for his acts. Goods shipped to the agent for delivery remain the property of the principal.
who must bear all fire and other risks. The term agent is used very loosely in business. Sales managers are frequently incorrectly referred to as sales agents. Traveling salesmen are often agents in popular speech. These incorrect uses of the word should be avoided, and the term agent should be applied only to those whose activities come within the definition of the word.

20. The commission merchant.—The commission merchant or commission man is ordinarily an independent business factor who receives goods on consignment from his clients (manufacturers, jobbers, or retailers), sells them for what they will bring, and retains a part of the sales price as his commission. Goods are sent to him at his risk. Usually he has large discretion in the fixing of prices and terms, and is responsible for the payment of his customers' accounts. Commission merchants are found chiefly in white goods lines, grain, produce, cotton and chemicals. The term commission merchant, however, is often incorrectly applied even in these lines. Many men dealing in produce, for instance, although formerly strictly commission merchants, now have their own buyers in the country and buy outright the produce they are to sell again. Although often called commission men, these dealers are not correctly so designated. They are either jobbers or retailers, in accordance with whether they sell to dealers or to consumers.

21. The broker.—The term broker is another name for commission merchant, and is the title applied to dealers trading on a commission basis in such lines as real estate, stocks and bonds, etc. In the mercantile world brokers are sometimes found, but they are not a typical factor in modern industry.
CHAPTER II
SELLING AT RETAIL

22. Magnitude of retailing.—The selling of goods at retail is the most common fact in business. The word business itself to many people carries with it only the idea of retail merchandising. A generation or so ago if a boy was to "go into business," about the only outlet for his ambitions was the country general store or the city retail establishment. This condition has changed, of course; business today includes a myriad of activities that were scarcely thought of by our grandfathers. And yet the distribution of goods at retail is still the greatest business in the world. There are said to be three-quarters of a million retail stores in the United States. Add to this enormous total the number of strictly mail-order establishments and the great number of manufacturers who market their products directly to the consumer, and we shall certainly have close to a million business establishments engaged in selling goods to the ultimate consumer. Their activities affect all of us. Whether we are retailers ourselves or not, we are vitally interested in what they do and how they do it. The greatest proportion of our earnings goes to them, and it is very much to our interest as consumers to study their problems, their methods and their possibilities, and to find the true relation of the service they render to the price we pay them for it.

23. Importance of the retailer.—Furthermore, the
problems of the retailer are as important to the jobber and the manufacturer as they are to the retailer himself. The jobber's business life depends upon the success of his retailer patrons; success for him is measured largely by the degree to which he helps the retailer to market his wares. The manufacturer, too, in the great majority of cases, finds his ultimate market through the doors of the retail store; and one of his greatest problems is to cooperate with the retailer to the end that both may give better service, sell more goods and make more profits. The retail merchant is the nearest trade factor to the consumer. His activities must enter into every marketing problem whether his services are used or not; his methods and status are of interest to everyone who has anything to sell.

24. Three methods of selling at retail.—There are three chief methods by which goods are sold at retail: (1) by personal solicitation through salesmen or canvassers who call upon the consumer; (2) by the retail store; (3) by the mail-order method. The phrase "selling at retail" should not be confused with the word "retailer." We have defined a retailer as one who buys goods to sell them again without change in form to those who are not dealers. This is the accepted definition of the term. To sell at retail, however, is simply to sell to the ultimate consumer or to others than dealers. A manufacturer who sells his product directly to consumers is selling at retail. This does not make him a retailer, however, within the meaning of our definition, although he is sometimes popularly thought of as a retailer, particularly if he reaches consumers through his own stores. In view of the popular confusion in the terms it may seem futile to attempt to differentiate between selling at retail and being a retailer. The distinction is neces-
sary, however, if we are to have clear cut definitions showing definitely the relative place and function of the manufacturer, the jobber and the retailer.

25. The itinerant merchant.—Before the development of town life, when people generally were able to supply most of their limited wants by direct barter with their neighbors, the itinerant merchant practically controlled such merchandising as existed outside of the few metropolitan centers. It is probable that there were traveling merchants before there were any towns at all, and this class of dealers may therefore be considered as the originators of the retail merchandising system. They went from tribe to tribe, and later from town to town and even from country to country, displaying their wares before any possible purchaser they chanced to meet.

26. The peddler.—There are three modern types of the ancient itinerant merchant. The first of these is the peddler, who still supplies out-of-the-way communities with many of the necessities of life. The characteristic feature of his activities is that he carries his stock of goods with him, calls on those who may be interested in his wares, and makes immediate delivery of the goods that are purchased. This method of distribution, although useful and important in a primitive state of society, is obviously unsuited to modern conditions except in unusual cases. Its one advantage is that the customer can purchase at his own door. He is saved the necessity of doing anything except pay the price and receive the goods. The business of an itinerant dealer, however, must always be conducted on a small scale. Unless operated in connection with some other method of marketing, it can never develop to any great extent and, therefore, it can never seriously compete with that
of distributors who are able to effect the economies that are always possible in large-scale business.

27. The canvasser.—A second type of the modern itinerant merchant is the canvasser who solicits orders from house to house, but who does not carry his stock with him. The book-agent is an example of this type. Selling by means of personal solicitation of the consumer is appropriate when an article is so little known that its merits must be presented personally to each prospective purchaser, and when it is impossible or inexpedient to rely upon printed advertising to create a demand. Under such conditions this method can be successfully employed. A business of this sort need not necessarily be conducted on a small scale. There are some exceedingly prosperous business houses that have made a careful study of this method of marketing and have built up national organizations of house-to-house solicitors. Publishers of books and maps, and manufacturers of stereoscopes, kitchen utensils, and a great variety of other goods do an immense business of this sort chiefly in rural and semi-rural districts; and some mail-order houses, like the Larkin Company, for example, have used this method of selling to supplement their catalog business. Nevertheless its possibilities are limited. There is undoubtedly a popular prejudice against the house-to-house solicitor. His powers of salesmanship have so often been enlisted in the support of articles of questionable merit that even the canvasser with a strictly reputable article to offer often finds his usefulness limited by reason of the prejudice that exists against his selling methods.

28. The specialty salesman.—A third type of the dealer who takes his wares directly to the consumer may
be termed a specialty salesman, for lack of a better name. The difference between him and the house-to-house canvasser is principally one of degree and not of method. Instead of calling upon everybody, the specialty salesman carefully selects his prospective customers, and centers his attention upon them. It seems a far cry from the persistent solicitor for "Lives of the Presidents" to the highly paid commercial ambassador who obtains a railroad's order for fifty thousand dollars' worth of supplies, but so far as selling methods are concerned, the two types of salesmen must be placed in approximately the same class. They both deal directly with the consumer, and they both ignore the retail store and the mail-order method of selling. Both are just modern types of the old itinerant merchant. The one adopts this method of marketing because he believes it good policy to do so—the other, because the nature of his goods demands it.

29. *When the specialty salesmen is used.*—A specialty salesman, in the sense in which we are using the term, usually handles a line that is of so technical or complicated a nature that it must be carefully explained to the consumer before he can be induced to purchase. An example is the cash register salesman. He has to prove first to the prospective purchaser that a cash register is necessary in the "prospect's" business, and then he sometimes also has to prove that his particular machine is preferable to any other. The same thing is true of the life insurance salesman. Sometimes an article that is originally introduced to consumers by specialty salesmen becomes so well known that it is later handled profitably through the medium of regular retail stores. In other lines, however, the specialty salesmen are continued long after the public has become perfectly famil-
iar with the article. This is usually the case when the demand is comparatively limited and the competition is severe. The typewriter business illustrates this condition.

In certain instances there is no other selling method possible than direct contact with consumers by the use of salesmen to solicit their business. Locomotives, obviously, could not be sold in a retail store or by mail. It is equally obvious that not much life insurance would be sold if every man who ought to carry insurance were left to discover his need himself and to call at the office of the agent on his own initiative; although advertising can do much to supplement the work of the salesman in this as in other fields. Speaking generally, very high-priced articles can probably be sold more successfully and economically by personal solicitation of the consumer than by any other method. In the case of low-priced articles, however, the method is undoubtedly expensive, and appreciably increases the cost of goods to the consumer. A dealer entering upon a business in which this selling method is customary would ordinarily have to adopt the same method to get his share of the trade. There are many business houses, however, employing only store salesmen, assisted by effective advertising, that have competed successfully with other houses in the same line that relied solely on their outside salesmen. Under normal conditions it would be a mistake to inaugurate an expensive system of local and traveling salesmen to sell goods to consumers if competitive conditions did not clearly demand it.

30. The retail store.—The retail store is of almost equal historic importance with the itinerant merchant as a means of reaching the consumer. For many years before the development of town life and before the days
of cheap and easy means of communication, the local shop practically controlled the distribution of goods at retail. Its advantages proved so remarkable that even the modern development of land and water transportation and the extraordinary growth of advertising and the resulting important changes in trade relations have scarcely affected its influence. Today probably ninety per cent of such staples as groceries, clothing, drugs, dry-goods, hardware, furniture, etc., are still marketed through the retail store. Every one has a more or less definite understanding of what is meant by the term retail store; yet it is hard to define it. A retail store is an establishment that sells chiefly to consumers by “over-the-counter” methods. It may receive many orders by telephone, of course, and usually it delivers a large proportion of the goods sold. Its delivery clerks may call upon the regular customers and solicit their orders for the day, although this expensive custom is being supplanted by the increasing use of the telephone. Retail merchants in certain rural districts stock up wagons with salable merchandise and dispose of the load by making house-to-house calls upon the farmers in the neighborhood; and many retail stores combine selling by mail with the ordinary distribution through regular store channels. Yet if a retail establishment has facilities for dealing directly and personally with customers who come to the store to buy, it may be classed as a retail store, no matter how many other retail selling methods it may use in combination with its over-the-counter activities.

31. Specialty stores.—The first retail stores were probably what we now call specialty stores; that is, each store dealt in only one kind of goods or in two or more closely allied lines. These stores grew up in the towns.
In ancient and mediaeval times there was little country life as we know it now; the population of almost all countries was congregated in towns or around castles, because the unsettled conditions of the times made isolated residences unsafe. The towns that were of sufficient size harbored enough little specialty shops to supply most of the demands of the inhabitants, and the smaller places that could not support a complete group of specialty shops in all lines, depended on itinerant merchants for what their own stores could not supply. With the increased safety of more settled times, however, the country outside of the towns became more thickly settled. For each group of country dwellers there was some center, a cross-roads, perhaps, or a small town. Here there might be a few specialty stores, but ordinarily the population tributary to the small trading center was not large enough to support specialty shops in all lines. The itinerant merchants declined in importance, and there was need for some method of supplying the entire wants of the country communities. Out of this need developed the country general store. In a small country community there is not enough business to support a separate grocer, a separate dry-goods merchant, a separate jeweler, a separate hardware dealer, and so on, but there is usually more than enough business to provide a living for one dealer handling all these lines and many others besides. We do not know when the general store first appeared, but it certainly was a much later development than the small one-line specialty shop. In the United States the specialty store and the general store seem to have grown up together. In earliest colonial times we find them both, and both have continued in their respective fields to the present time.
32. Department stores.—A third form of retail store is the department store. In essentials it is a general store on a large scale. It is a city, instead of a country, institution, because only in the city is sufficient trade found to support it. Probably the department store developed first in France, although the United States and other countries were quick to adopt it. Today it is found almost everywhere in the civilized world, and its rapid growth, its problems, and its possibilities have been potent factors in breaking down old trade walls and in complicating the market situation. Some of the reasons for its popularity are the following: (1) Possibility of economies in operation. Many so-called overhead expenses of a retail store, necessitating a certain minimum expenditure for a store of any size, are not increased proportionately by an increase in the business of the establishment. Rent, delivery expenses, advertising, and managerial salaries are sometimes used as illustrations of this fact. It is not clear that department store selling expenses are now lower than selling expenses of first-class specialty stores; but certainly the expected possibility of economies in operation was one of the reasons for the early development of the department form of store organization. (2) Convenience to the public. It is a convenience for a shopper to be able to purchase many kinds of goods at one store; hence a department store is expected to draw trade and to show large sales. (3) From the two foregoing reasons for the popularity of the department store arises the third, the possibility of doing a large business on a comparatively small capital. Greater profits, of course, are the ultimate reason for the investment of capital in a department store instead of in a specialty store, and these profits are expected to result from the economies in op-
eration, the large sales, the quick turns of stock, and the other profit-making factors, which, theoretically at least, are characteristic of the department store.

33. *Two kinds of department stores.*—There are two distinct kinds of department stores. In one kind the separate departments are owned by separate individuals; the store is really but a single roof covering a collection of separately owned retail shops, the owners of which contribute to a common fund to pay for the store activities that serve them all in common, but retain individual control over the sales and profits of their respective departments. The other extreme is a store owned by one man, a partnership or a corporation; employés are responsible to a certain extent for the separate departments, but the central office directs in a considerable detail all of the activities of all of the departments. In some cities the separately owned departments are unknown; in others they still flourish. Between these two extremes there are any number of variations. Perhaps the most common form is a store with individual or corporate ownership, with possibly a majority of the departments owned by the central management, and the rest owned and controlled by other persons.

34. *Chain stores.*—Another form of retail store is the chain store. Properly applied, the name refers to one of a group of stores all centrally owned and operated, or collectively owned and managed for the common benefit of all the members of the group. Well-known examples are the Douglas and Regal shoe stores, the shops of the United Cigar Stores Company, the Woolworth five- and ten-cent stores, the Huyler candy stores, the Great Atlantic and Pacific Tea Company with stores all over the country, and the local chains such as the Acme Tea
Company in Philadelphia and vicinity, and the James Butler stores in New York City. The term chain store is also frequently applied to a separately owned store which is the exclusive agent in a community for some nationally known line, and when the line is very complete and makes up a large part of the stock of the store. The Rexall drug stores are a case in point; the owners of these stores own stock in the corporation manufacturing the Rexall line, but each store is usually separately owned and managed.

35. Selling by mail.—The third normal method of selling at retail is the mail-order method. Selling by mail is a recent development. There could be no general use of this method until the mails were quick, cheap, and sure—in other words, until the railroad was firmly established and generally used. Practically the whole great structure of mail-order business has been built up during the short period beginning approximately with the middle of the last century. The rate of its development has been astounding. There are no figures to show its present magnitude, but we can get some suggestion of its size and importance from the fact that a single mail-order house in Chicago does an annual business of approximately a hundred million dollars.

Selling by mail to the ultimate consumer is carried on by every kind of retail distributor. There are first the establishments, ranging in size all the way from the tiny home industry to the many million dollar corporation, buying all or most of their goods and then selling them on an exclusively mail-order basis. Then there are the city department stores, many of which for years have sold by mail as well as over-the-counter. Of later development are the smaller specialty and general stores in town and country that are gradually realizing the
opportunities offered by a mail-order adjunct to their businesses. And finally there is the manufacturer who either markets all his product by mail, or else reaches the consumer by mail at the same time that he is utilizing other trade channels and other selling methods. The mail-order business, together with the development of department and chain stores, is an exceedingly important fact in merchandising, and has had much to do with the present complex and rapidly changing situation in the market for manufactured goods.

36. Necessity of the retail store.—Of the three methods of selling at retail, the method that is based on the services of the various forms of the retail store is the most important, and it is to that method, which, as we have found, is often associated with mail-order selling, that we shall give our chief attention. The retail store exists because it serves the people. It needs no other justification, and it will not give way to any other method of retail selling until that other method is found to serve the people better. The retailer is the great middleman; more than all other middlemen combined, he creates time and place utilities. He makes it easy for the manufacturer to market his goods; he makes it easy for consumers to get them; and he serves in general as a clearing house to crystallize demand and to focus supply. He is an educator, a civilizer, and an agent of progress. Imagine a town with no retail stores. The idea is preposterous. Our daily life is adjusted to the fact of the retail store's existence; universal mail-order buying is unthinkable; and until some great change comes into our basic habits of life, the retail store will continue to exist and to justify its existence.
37. Retailing prior to the Civil War.—Before the Civil War, retailing in the United States was not a very complex business. There were only one or two department stores; chain stores were almost entirely in the future; the mail-order bugaboo was not yet darkening the small dealer's sky; and cooperative stores were too rare to be considered seriously. The specialty shop and the country general store had things their own way. Monotony was the most noticeable characteristic of the retail business during this period. The craze for rapidly changing fads and fancies had not yet arrived; the majority of lines consisted of staples that were largely in demand year after year; and consumer demands were less exacting and variable than they are today. Finally there were generally rising prices, which continued to go up until the end of the war. As a result of all these things, dealers often thought it advantageous to keep goods for a long time on their shelves. When goods are staple and when prices are rising, the merchant is not unwilling to carry stocks over from year to year. Consequently, in a day long before the present age of keen interest in the relation of turnover to profits, retail methods were often lax and careless. "Storekeeping" was not a career on a par with the professions. It was thought that any one could keep a store, regardless of ability; and often any one could, and make a living without exerting himself greatly.

There was one other result of the conditions then
existing. With prices frequently changing and generally rising, goods were usually left unmarked except in cost figures. The one-price policy was almost unknown. Bargaining was in vogue; goods were usually sold to the individual customer for what that customer could be induced to pay. Competition was largely on a price basis; the merchant who could be induced to take the lowest prices, or who shrewdly denied himself the pleasure of holding goods for rising prices, and who advertised his willingness to take a low profit on a rapid turnover, usually got the business.

38. Changed conditions after the war.—Nearly all the important conditions surrounding the retail business changed after the Civil War. Prices began to decline, and the decline was sharp for several years. True, a steady rise soon set in again, but in the interval most dealers had to change their entire basis of business or else go to the wall, and the changes then largely effected have continued to the present day. With the sharp decline in prices, and with the tightening of credit terms granted to retailers, goods had to be sold at once if large losses were to be avoided. Recently in an Illinois town an old merchant died who still had calico on his shelves that he had bought at $1 a yard, and which he refused to sell below cost. Most dealers, however, were alive to the new conditions. The necessity for quick removal of stock awoke a keen spirit of competition. The retail dealers who had slumbered for years suddenly found themselves faced by the necessity of either becoming very much awake or going out of business.

The change in retailing conditions brought about by the declining prices after the war was further necessitated by other developments that followed fast on the heels of the price revolution. Prominent among those
developments was the increased variety of manufactured goods. With the disappearance of the frontier and with the remarkable growth of American cities, household industries declined; many of the things long produced by each family for its own consumption were now manufactured outside the home, and sold largely through retail stores. This meant larger and more complete stocks; and this in turn required the more frequent turning of capital if the average retailer with small capital was to make the same net profit as before and stay in business. He could adjust himself to the new conditions only by radically changing his business methods.

Another development was the rise of large department stores and other new forms of retail establishments. Nearly always they based their appeal on some new form of service to the public, some new idea in merchandising which the public appreciated and to which it quickly responded. The department store and the chain store taught the public what to expect in merchandising, and they have been powerful agencies in educating the small merchant in new ways of serving consumers and in new ways of making profits for himself.

Finally there was the extraordinary development of advertising. Perhaps no other single force has had such great influence on retail merchandising. It has educated the people to values, and developed new wants; it has unsettled the relations of the old factors in trade; it has introduced the modern problems of trade-marks, proprietary goods, and all the complications that have followed in their wake; and lastly it has ushered in the bogey of mail-order competition.

39. Status of the retailer.—All these developments have appeared within the space of a few years—fifty at the most; and they have meant almost a revolution in
retail merchandising. They have been good for business. When any business is easy, it does not occupy a high place in public opinion, because it does not always attract to itself the best brains of the nation. Let it become difficult, however; let it find itself confronted with problems to be solved, new relations to be worked out; and it takes a new lease of life. Such has been the history of retailing. The retail business today offers more opportunities for the young man of brains, energy, ambition, and determination than a great many other businesses in which he might engage. It is a business that offers social as well as financial distinction. It has come into its own. The old "storekeeper" is a disappearing type. In his place is found the real merchant, keenly alive to everything that affects his business, serving the public always, and receiving a just reward for his services.

40. The new basis of competition.—All the changes that have occurred in retailing in the past fifty years are summarized in one great change—the change in the basis of competition. The old basis of competition was price. The new basis is service. Price as the sole basis of competition is dead. Nowadays even if a store gets trade because of its low price appeal, and many of them do, it holds trade because the low price is only one of the forms of service the store offers to its customers. The service that holds business and that draws trade from the competitors may be such a simple thing as a policy of courtesy, a "thank you" attitude, and a willingness to please; but it is on just such simple, yet important things as these that great businesses are built and prosper.

We are to consider some of the typical factors in retailing and their competitive strength and weakness in contrast to the strength and weakness of other retail
factors with which they come into competition. Every retailer competes with many other retailers of the same type as himself, with retailers of other types, and with the direct-selling manufacturer. The second of these classes of competitors is our chief subject of inquiry. Later we are to take up the problems and competitive strength of the manufacturer who by selling direct competes with retail stores.

41. Competitive strength of the specialty store.—We have already referred to the importance of the specialty store. It is found everywhere, in large cities and in smaller towns that have outgrown the country general store. In the city its chief competitor, aside from other stores of the same type, is the department store; in the country its chief competitor is the mail-order house. Mail-order competition is to be considered in a chapter by itself. Accordingly, our present consideration has to do chiefly with the status of the specialty shop in the city as a competitor of the department store in the same city. That this competition is a real one is not to be denied. It is readily seen that one of the most important sources of the competitive strength of the specialty store lies in its convenience to the public. The great department stores do a large business in groceries, meats, household equipment, clothing, and other staples; but we cannot conceive of a city in which a few great central department stores could monopolize this type of business. The "corner" grocery store, the local drug store, the exclusive haberdashery, the specialty shoe shop, offer conveniences that the public demands. In outlying districts they serve as neighborhood centers; in the down-town districts they have an appeal all their own. They exist because a large proportion of the buying public finds that they offer conveniences in immediate
delivery, personal service, complete stocks, etc., that many department stores cannot offer.

The specialty store, also, is in a position to offer a complete stock in one line, as against the more restricted stocks in many lines of the average department store. This advantage is not universal, however. One large department store in Chicago, for instance, carries a larger stock of jewelry than all except two or three of the largest specialty jewelry shops. In many lines, nevertheless, it is to be expected that the progressive store owner who gives his entire thought to one kind of goods will be able to offer customers a larger assortment of those goods than the paid buyer of a small section in a large department store.

The specialty store owner should be able to offer his customer a more personal service than can be offered by the department store. He knows many of his customers personally; he usually relies less on transient trade; and he is in better position to select a stock that will meet the requirements of a known market. The personal touch is of great importance in business. The owner’s personality has made many successful specialty stores. To be sure there is almost an equal opportunity for the capitalization of personality on the part of the section buyer in a department store. It is less difficult, however, for the small store owner to impress his personality and his methods upon his subordinates than it is for a superior to do the same thing in a great system-ruled department store.

Inasmuch as the specialty store owner usually knows his trade and can readily adjust his stock to known needs, he ought to be able to carry relatively smaller stocks and thereby turn his capital faster than the department store buyer whose market is wider and less
stable. Perhaps this is more a theoretical than an actual advantage, because we find that the record for turnovers is held usually by department stores. The opportunity is the greater, however, for the specialty store owner who is of equal calibre with the department store man.

Despite the economies possible in the operation of a department store, department store selling expenses seem to have mounted well above the costs of doing business in the average specialty establishment. Recent investigations resulted in the publication of the following figures showing the average costs of doing business in a number of specialty stores and department stores. The percentages are based on total sales.

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Groceries</td>
<td>15.91%</td>
</tr>
<tr>
<td>Vehicles and implements</td>
<td>17.44%</td>
</tr>
<tr>
<td>Variety goods</td>
<td>17.76%</td>
</tr>
<tr>
<td>Hardware</td>
<td>19.41%</td>
</tr>
<tr>
<td>Clothing</td>
<td>20.27%</td>
</tr>
<tr>
<td>Dry goods</td>
<td>23.05%</td>
</tr>
<tr>
<td>Shoes</td>
<td>23.22%</td>
</tr>
<tr>
<td>Furniture</td>
<td>23.91%</td>
</tr>
<tr>
<td>Drugs</td>
<td>24.65%</td>
</tr>
<tr>
<td>Jewelry</td>
<td>25.81%</td>
</tr>
<tr>
<td>Department stores</td>
<td>26.18%</td>
</tr>
</tbody>
</table>

The value of statistics of this sort depends on the accuracy of the accounting on which they are based and on the number of cases investigated. The figures are given as merely suggestive of the general relation probably existing between selling expense in specialty shops and in department stores. If the specialty store owner has this advantage, he should to that extent be able to meet the many forms of competition offered by the department store.
42. **Competitive weakness of the specialty store.**—If there are inherent or possible points of competitive strength for the specialty store, there are also points of weakness.

Often the specialty store is not centrally located, and accordingly cannot use newspaper advertising at all, or at least cannot use it so economically and effectively as the centrally located department store. The department store, too, because of its size and the large number of lines it has to offer, can often use much larger advertising space than it would be profitable for the specialty store to use; and the size of the advertisement undoubtedly has an attention value which the small advertisement, no matter how carefully prepared, finds it hard to overcome.

Another point of weakness, although by no means inherent, is the fact that many small specialty stores are less efficiently managed than competing department stores. After all, prosperity in a department store and lack of prosperity in a specialty store, in ninety-nine cases out of a hundred, are due to efficiency in the former and lack of efficiency in the latter. Given the same degree of managerial ability, apart from exceptional conditions, the specialty shop gets its fair share of the business and its fair share of the profits in competition with even the most successful of department stores.

43. **How the country general store holds trade.**—The country general store is in competition with city specialty stores and city department stores that solicit the personal visits and trade of country dwellers, as well as with the exclusive mail-order establishments and the mail-order departments of all kinds of city retail stores. In competition with city stores that solicit the trade that goes from country to city in person, the country general
store in common with the small town specialty store also has its points of strength.

It is more convenient to purchase at home than to go to the city to trade. Delivery is quicker, and adjustments should be less attended with difficulties. The great majority of people have small incomes; they must purchase in small quantities, and cannot greatly anticipate their needs. The local store must be relied on to supply most of the necessities of country life. The country merchant should realize this fact; he should advertise the service he offers to country dwellers; and he should make it worth while for his neighbors to give him the small amount of trade that the city stores take from him as well as the larger part of the community's business that necessarily comes to him.

The country merchant, more than any other tradesman, knows his customers personally. With the right personality, he can hold trade that will be proof against any alluring offers from city stores. He can base his credit risks on absolute knowledge of his customers, and thereby cut down bad debts to a minimum. And he can, if he will, carry a stock that will reflect perfectly the demands of his trade. The fact that he does not always do this is no argument against the possibility of his doing it.

44. Why the general store loses trade.—The weaknesses of the country general store are partly inherent, but for the most part avoidable. Two of them are the following:

The stocks in each line are necessarily small. The country store that attempts to supply most of the needs of its patrons cannot offer a large selection in any one line. This is an inherent disadvantage. As a result, the patrons of a country general store will buy from it
those staples which involve anywhere little opportunity for selection and which they must have at once, but they will often go to the city for luxuries and for articles that are usually referred to as "shopping" lines.

A large proportion of country stores are inefficiently conducted. This is far from being an inherent point of weakness, but it is a common one. Poor advertising, poor selling, poor buying, lax credits—these and many other avoidable inefficiencies are chiefly responsible for the country trade that goes to the city. Those country stores that are efficiently conducted have little occasion to bewail the cityward trend of trade.

45. Reasons for department store strength.—The city department store is looked upon by many retailers of other types as their most feared competitor. It is true that it has unusual competitive strength. Its size, its advertising, its sales have an element of the spectacular about them that would draw trade even without more substantial reasons. These more substantial reasons, however, are the basis for the department store's great success. In competition with city specialty stores, with small specialty and country stores in the surrounding territory, and with exclusive mail-order houses if it does a mail-order business, it draws great volumes of trade. Disregarding for the present the mail-order phase of competition, its strength is based on a number of factors:

46. Department store economies.—The department store offers the opportunity of unusual economies in operation. Theoretically the overhead expense for two departments or stores under a common roof should be less than for the same two stores under separate roofs and separate ownership. Theoretically if an expenditure for advertising, for example, draws people into the store to
inspect the special offers of one department, and results in the visitors purchasing not only the special offers but also the goods in other departments that are brought to their attention after they enter the store, the advertising expenditure is doubly efficient, and the charge for advertising against each dollar's worth of goods sold is less than it would be if sales from only one department resulted from the publicity. The list of theoretical savings might be extended to great length. Why is it then, as we have seen, that the department store cost of doing business averages higher than selling costs in other kinds of retail establishments? Selling costs in some great department stores have run as high as thirty-five per cent of the gross sales; many of the larger stores report as high as twenty-five per cent, and the average is said to be in excess of twenty-six per cent. Such a cost of doing business would ruin the average specialty shop. Why, with its opportunity for economies in operation, has the selling cost in the department store reached such excessive figures?

There are many possible answers to this question. One of them is that the department stores in a city are usually located close together. To a large extent they all appeal to the same community of people; none has a localized trade; they are all in keen competition with one another. This has resulted in extraordinary competitive activities. One store adds an expensive item of service, and the others promptly follow suit. One moves to a newer, more favorable, and more expensive location, and the other stores follow its lead. The department store chooses the most central and therefore the highest rent district, in the first place, and then the fact that increased trade is drawn to that district reacts to increase greatly the value of the ground occupied by
MARKETING METHODS

the store. All of these and many other factors operate to increase the department store cost of doing business, despite the many economies that are actually effected by reason of its peculiar form of organization.

47. Conveniences of department store.—The greatest reason for department store strength is probably the conveniences that such a store offers to the public. These conveniences are obvious: central situation, concentrated purchases, concentrated credit, systematic and extensive delivery systems—these and other conveniences are appreciated by the public, and largely account for the sales and size and strength of the department stores in all of the larger towns of the country.

48. Department store buying strength.—The department store often has greater buying strength than the specialty store. This does not mean that the department store usually buys any one line of goods in greater quantity than the specialty shop dealing only in that line, although many of the largest department stores do buy individual lines of goods in larger amounts than any except the largest of the specialty shops. The buying strength of the department store is due chiefly to the fact that the department store is a much sought outlet for the goods of manufacturers; its support is often essential to the introduction of new goods; manufacturers are in keen competition for its services, and, to obtain its cooperation, they often grant it buying advantages that are not granted to specialty stores. Many department stores will not buy through jobbers; they demand the jobbers' discount from the factories. Then, too, the elaborate buying organization of a great department store is often in a position to pick up bargains, odd lots, and jobs that are never brought to the attention of the small, local specialty store. All of these buying
advantages result in the possibility of low prices, lower often than those of specialty stores despite the increased cost of doing business of the department store.

49. Advantages due to size.—Finally the factor of size is responsible for many things that the department store can do to attract and hold trade. For instance, a specialty shop cannot afford to employ an instructor to give her whole time to increasing the welfare and the sales efficiency of the sales force; the department store can and frequently does do this. The department store, with a great variety of different kinds of goods, each of which must stand its share of advertising expense, often uses large-space, expensively displayed newspaper advertisements. Few specialty shops can compete with it in this respect. The fact that a business is big means that it can employ big men at big salaries. There are many exceedingly successful and efficient men in charge of specialty stores; but, speaking generally, the high salaried business generals of the great department stores bring to their work a vision, a merchandising courage and skill, a knowledge of business and its methods that are sometimes lacking in the case of the competing specialty competitor.

In competition with the country store the city department store has the same advantages that it has in competition with the city specialty store. In addition, it is able to offer larger and fresher stocks and a more varied assortment of goods from which to select. It derives strength also from the mere fact that it is in the city. The city always has had a lure for country dwellers, and probably as long as city conditions and country conditions differ, a certain amount of country trade will continue to go to the city.

50. Elements of weakness in department stores.—
Among the elements of weakness inherent in the department store may be mentioned the following:

Its size is likely to lead to decentralization of policy. That is, the store policy may not be reflected by the acts and opinions of all the employés in each of the many departments. In a large organization, where constant supervision of employés by the more responsible officials is not possible, there is especial danger of injury to the entire establishment through the unauthorized statements or actions of some irresponsible cog in the machine.

The lack of personal touch with the thousands of customers means that the business must be conducted largely on an impersonal basis. Of course the department heads and salespeople often build up a permanent clientele based as much on pleasant personal relations as upon good goods and proper house policy. But it is certainly true that many specialty shops hold a large amount of their trade because many customers like to deal with individual owners or managers instead of with great machine-like organizations.

The extreme competition among rival department stores and the growth of public demand for increased and expensive service of many kinds often necessitate expenditures that are likely to bring the outgo dangerously near the point of no profits. The story is told of one well-known department store that had drifted along with the tide of increasing demands for competitive service until it found itself confronted by a selling expense that ate up thirty-five cents out of every dollar received from sales. Only a sudden awakening to the danger and an immediate policy of careful retrenchment saved the store from failure.
CHAPTER IV

THE CHAIN STORE

51. *Rise of the chain store.*—The newest competitive factor in the retail field is the chain store. Quietly, without ostentation, the foundations for the chain store system of retailing were laid years ago when such organizations as the Great Atlantic and Pacific Tea Company began to extend their operations over wide sections of the country. For many years the pioneers in the field conducted their businesses with profit to themselves and with constantly increasing efficiency, yet received little attention from the great majority of manufacturers and from legislators and business periodicals. The public patronized the chain stores in increasing numbers, because they found that stores of this sort offered a desirable form of service; and those other forms of retail establishments with which the chain stores came into competition were keenly aware of the competitive strength of the new method of retailing. Until comparatively recent years, however, the growth of chain stores was so gradual and there was such lack of ostentation in the development of the various systems that they were not given general consideration either as a menace or as an opportunity by the other factors in the merchandising field.

52. *Growing public interest.*—Perhaps the awakening of general public interest in chain stores dates from the remarkable spread of the five- and ten-cent store idea and from the spectacular rise and success of the
United Cigar Stores Company. Before and since that time a multitude of chain store systems have come into being; many of them have failed, but a large proportion continue to do an increasingly profitable business. Even this development, however, has not centered upon the problem of chain store competition the same degree of popular interest as that which has attached to the better understood methods and problems of the mail-order houses and department stores. These three types of retailers have grown up together, and the last two have somewhat overshadowed the first, because of their more direct and immediate influence on buying habits and on other retailers. As long as many communities were untouched by the chain store problem, other more pressing marketing problems had the center of the stage. The chain stores are moving fast, however; their influence is spreading far, and they are forcing themselves upon public attention in no mistakable way. The new interest in them was reflected in the Congressional hearings on the various anti-trust bills introduced in the national Congress during the winter of 1913-1914. Then for the first time the trade attitude toward chain stores seems to have been crystallized in these Congressional hearings and in the business press; the public was given an insight into the workings and the functions of the chain store systems, and the chain stores were formally recognized as a vital factor in the future of retail merchandising.

53. Magnitude of chain store operations.—Few people have any conception of the magnitude of the business done by the chain store systems of the country. The F. W. Woolworth Company, which gave some of its profits to aid in the building of the tallest business structure in the world, in 1913 did a business in 680
stores of $66,228,072, every cent of which represented the sale of articles priced at five and ten cents. This enormous total resulted from the sale of such widely varying articles as jewelry ($2,500,000), sheet music ($1,500,000), and confectionery ($8,500,000).

The grocery trade has long been extensively organized on a chain store basis. In the national field there are such organizations as the Great Atlantic and Pacific Tea Company with 800 stores in all parts of the country and the Grand Union Tea Company with 200 stores. There are also hundreds of local chains that control large slices of the grocery business in their respective communities. A list published in Printers' Ink in 1914 named the following as among the largest of these chains. The figures show the number of stores in each chain: Acme Tea Company, Philadelphia, 307; James Butler, Inc., New York City, 238; Kroger Grocery & Baking Company, Cincinnati, 182; Wm. Butler, Philadelphia, 140; Michael O'Keefe, Inc., Boston, 146; Robinson & Crawford, Philadelphia, 129; Thomas Roulston, Brooklyn, 121; John T. Connor Company, Boston, 110; James Bell Company, Philadelphia, 130; G. M. Dunlop Company, Philadelphia, 106; C. F. Smith Company, Detroit, 61; Mohican Company, New York State, 50; Duke C. Bowers, Memphis, 43; Andrew Davey, New York City, 49. In Philadelphia in 1914 there were said to be 1,262 grocery stores belonging to various chains and only 1,500 independently owned retail grocery establishments.

The United Cigar Stores Company with more than 900 stores in 1914 is the best known example of the chain store system applied in the tobacco business, but there are also many smaller chains of cigar stores in New
York and other cities, which are successfully proving the possibilities of chain store organization.

54. *Chain stores in the dry goods field.*—When receivers were unexpectedly appointed in 1914 for the great wholesale dry-goods house of H. B. Claflin and Company, many people learned for the first time that this company had built up a chain of dry goods and department stores through a series of holding companies operating under several names. The United Dry-Goods Companies controlled five well-known stores in New York, Buffalo, Newark, Louisville, and Minneapolis. They also controlled another holding company known as the Associated Merchants Company, and owned a controlling interest in the jobbing house of H. B. Claflin and Co. The Associated Merchants Company in turn controlled five stores (including one fur store) in New York, Buffalo, and Baltimore. H. B. Claflin and Co., or its president, John Claflin, in their turn controlled a total of twenty-eight stores situated in Brooklyn, St. Louis, Cincinnati, Cleveland, Pittsburgh, Nashville, Tacoma, Louisville, Kansas City, Reading, Altoona, Toledo, Wilkes-Barre, Terre Haute, Grand Rapids, Norfolk, Augusta, Montgomery, Denver, Butte, Seattle, Anaconda and Hamilton, Ont.

There are several smaller chains of dry-goods establishments, notably the seventy members of the chain of Golden Rule dry goods stores in the far West. These stores are unique in that they are found only in small towns and cities, whereas the better known chains usually operate only in the larger centers of population.

55. *Reasons for success of a small chain.*—There seem to be few standards for chain store operation. The various systems differ widely in their methods and in their policies. Are there, then, common reasons for the suc-
cess of chain stores as a class, or is each system successful primarily because of the peculiar ability and policies of the man behind it? We are to consider the reasons for the competitive strength of two chain systems of different types, and then to attempt to find the common points in both. The general manager of the seventy Golden Rule dry goods stores on the Pacific Coast says that the reason for his success is the cutting of selling costs. The cost of doing business in the ordinary dry goods store is from 15 per cent to 25 per cent of the total sales, probably averaging in the neighborhood of 23 per cent. The Golden Rule stores have cut the cost of doing business to the remarkably low figure of 8 per cent.

One of the important reasons for this is the elimination of many of the usual items of retail store service. For example, the stores make no deliveries. In the average dry goods store, delivery expense amounts to slightly more than one per cent of total sales. The Golden Rule stores save this amount together with other expenses of a similar nature. Because part of this saving is returned to the public in lower prices, the stores seem to lose no trade as a result of doing away with some of the customary forms of store service. It should be remembered, however, that these stores are in small towns where the absence of delivery and other service facilities would not be as great a handicap as it might be in many cities.

Another important cause of the low selling expenses is the fact that the business is conducted on a strictly cash basis. In the average dry goods store, bad debts amount to about one-half of one per cent and, of course, there is always a considerable additional expense for bookkeeping and collecting when a business is run on
a credit basis. The cash business that saves these expenses can materially cut down its selling costs. It is interesting to note that in this case the stores have been firmly established on a cash basis in small towns where the habit of buying on credit is usually more firmly entrenched and harder to up-root than it is in larger communities.

The chief problem of chain stores, the problem of the relation of the individual store managers to the chain owner, seems to have been solved in such a way as to give every inducement to the separate managers to keep down expenses to a minimum. Each manager owns a one-third interest in the store; often the chain owner loans him the money to buy this interest if he is without capital. As he accumulates capital, he is permitted to invest his surplus in a one-third interest in a new store. The manager of the new store in his turn buys a one-third interest in it, and the general manager of the chain owns an equal share. Many of the managers own a one-third interest in several different links in the chain. This system certainly provides the necessary incentive to selling activity and to the cutting down of selling costs, and it seems to have been entirely successful.

In addition to low costs of doing business, quantity buying has been an important factor in the success of the Golden Rule stores just as it has been perhaps the most important factor in the success of nearly every system of chain stores concerning which facts and figures are available. Quantity buying, of course, means the purchase of goods at minimum figures, and this in turn means the possibility of attractively low prices to the consuming public.

56. Reasons for success of a large chain.—In a series
of interesting articles that were published in *Printers' Ink*, Mr. George J. Whelan, president of the United Cigar Stores Company, gave what he believed to be the reasons for the competitive strength of the stores in that great chain. Summarized, his reasons were as follows:

The United Cigar Stores Company is founded solidly on a policy of service to the public. The "Thank You" attitude of the salespeople is fundamental in all the relations of the stores to their customers. Mr. Whelan says the stores are required to "give the customer the best they dare to give him." Premiums, free matches, souvenirs, delivery, willing exchanges, and many other items of service are used to attract and hold trade. It is thought that these services do not really cost anything; they are forms of advertising that bring much more than their cost in increased profits.

The organization is so complete that friction, misunderstandings and consequent waste are reduced to almost nothing. In the home office, for instance, every superior officer is able to take over the work of any other officer at any time.

The plan is to cut the gross profit one per cent every year, because it is believed that with the yearly growth in the size and efficiency of the chain, selling costs should be reduced annually by that amount, thus maintaining the dealer's net profit. Mr. Whelan does not say just how many years he expects this yearly decrease in selling costs to continue. He believes the small individually owned retail store "cannot afford to handle the business as economically or as efficiently" as the great system of chain stores "just because the $30,000 man is better than the $1,000 man."

The company does business on a basis of absolute knowledge of the possibilities, the sales, and the needs
of each store. There is no overstocking, no ordering by guess; every store keeps a perpetual inventory of every item in its stock; daily, complete reports of all sales and receipts go to the home office, and the general officers know definitely every day exactly where the business stands.

The policy is to carry small stocks, take small profits quickly, and turn capital frequently. This, it might be mentioned, is almost the entire secret of all successful retailing. It is interesting to note, also, that rapid turn-overs of capital are characteristic of most chain store systems. It is said that one very successful chain of groceries in Memphis turns its capital on an average forty times a year. Such unusually effective merchandising as this does not seem to be the result of anything inherent in the chain store principle, but rather is the result of business sagacity which would be equally productive if applied to any other form of retail selling.

Other reasons for the competitive strength of the United Cigar stores include a really scientific selection of store locations; compact stores, arranged in a standard way, with not an inch of waste space, and with all goods so placed as to save the salesmen's time in reaching for them; equipment of uniform appearance, permitting economies in buying and in operation, and possessing distinct advertising value; a coupon system and premiums that are really prized by customers; organized window trimming which finds out in advance the best way to get maximum results from the windows, and which, by standardizing window equipment and display, results in the savings that standardization usually effects in any activity; a school for salesmen, in which house methods and policy are thoroughly learned before the salesman is permitted to practice on the public; an
esprit de corps throughout the entire organization, fostered by a real interest in the employés and by house-organs, personal letters, and other accepted means of producing cooperation throughout an organization.

57. The common elements of chain store strength.—A study of chain stores will show that there are common factors in most chain store successes. Perhaps the most important of them are the following:

Quantity buying is necessitated by the fact that a chain consists of a number of stores all handling approximately the same things; this results in low costs, and makes possible low prices to consumers. Business men are just beginning to question the ethics of quantity discounts, but, right or wrong, such discounts are the general rule in business, and to them more than to anything else the majority of chain store systems owe their competitive strength.

When a chain of stores gets strong enough, it often builds or obtains control of factories. In this way, although the chain must still perform the wholesale middleman's services, it can either take the middleman's profit for itself or else split it with the consumer. In some chain systems, particularly in the shoe line, the process has been reversed, and manufacturers have started their own stores so that they might be sure of a controlled market for their products.

The element of size and the necessity of careful organization if the chain is to be successfully operated, permit economies and efficiencies that tend to reduce the cost of doing business. Standardized advertising, store arrangement, and window display, training for salespeople, the possibility of transferring slow sellers in one store to another store in a different town, and complete records designed and supervised by high-
priced, trained executives, are some of the advantages accruing from the factor of size of the business and volume of sales.

All these advantages may be passed on to the public in the form of increased service. The service may take the form of low prices alone, or of prices not so low, but coupled with increased comfort and convenience to the customers, or it may be usual prices with a maximum of various kinds of activities that please the public and attract and hold trade. Service in some form, then, is what the chain store offers in its appeal for trade. To the extent that it gives better service than the individually owned store, or service in some degree novel and therefore attractive, the chain store will continue to be an important competitor of all other forms of retail establishment.

58. Where the chain store is weak.—From what has been said, it may seem that the chain store method of retailing has only advantages—that a chain of stores needs only to be started in order to be successful. Of course this is not true. There are many rocks in the channel, and many chain systems have gone to pieces on them. It will be well to examine briefly some of the chain store elements of weakness.

The difficulty of getting good managers for the several stores, and the necessity for unusual organizing and executive ability on the part of the general officers probably are the most effective barriers to chain store success. Many chains have broken up because of the wrong solution of the manager problem, or because the men at the head, capable though they may have been in managing small retail units, were not big enough for the job of administering an entire chain.

Another source of weakness is the need of great cap-
ital and the possible over-extension of business. Lack of sufficient capital is a frequent cause of retail failures, and it is especially an obstacle to chain store success. At the time of the Claflin receivership in 1914, *Printers' Ink* made the following editorial statement: "Naturally there have been many inquiries as to whether or not the Claflin failure is a test of the efficiency of the chain store system. It is not, for the simple but sufficient reason that while the stores involved were virtually owned or controlled by the same interests, they were not operated by those interests. Buyers were free to choose their own markets, and the Claflin company was frequently subject to competition from its own sources of supply—manufacturers often selling direct to the Claflin stores." Nevertheless, the fact that one danger incident to all chain stores—the over-extension of business—was a factor in this failure is evidenced by the official statement given to the press by the president of the various interlocked companies: "This rapidly expanding business has occasioned large capital requirements which we have been unable to meet, and a receivership has therefore become necessary, pending readjustment of the affairs of the company."

A third real danger in chain store operation is the growing antagonism of other types of retailers. Opposition, of course, is expected by every business, and ordinarily it only incites to greater efforts. In this case, however, the opposition is seeking to strike through the legislatures at the very basis of chain store success. Many individual store owners are endeavoring to crystallize public sentiment against the quantity discount. Their efforts may not be successful next year or ten years hence; they may never be successful. But the opposition to quantity discounts has already found many
influential champions in Congress, and the constant agitation of the matter is likely at any time to result in serious adverse legislation.

59. Meeting chain store competition.—The chain store advantages in competition are many and important, but this does not mean that the individual store owner who suddenly is confronted by chain store competition need sell out to the chain system, or stoically stick to his shop and await a more or less lingering business death. Many keen business men welcome chain store competition, because it wakes up the trade, starts people to buying new things and more things, and lifts the level of retail efficiency. If chain stores have done nothing else, they have been great educators of retail merchants. The dealer who keeps his eyes open and studies the methods of his chain store competitor, unconsciously puts himself through a course of training that makes him a better merchant, and enables him to compete with the chain store on its own basis of service. There is no reason why any dealer cannot adopt the same means of cutting down expense that are employed by chain stores, except of course such savings as are attributable solely to large scale organization. It is only the merchant who refuses to change his ways, who is blind to new methods in merchandising, and who really prefers to complain rather than to compete, that need fear chain store competition. The individual store owner always has the advantage in that his business is his own—it reflects his own personality; and, if his personality is right, he can gain a personal hold on his trade that is unattainable by the paid manager of a mere link in a great machine-like chain of stores.

60. Buying exchanges.—The advantage of quantity buying is not one that must be confined to the chain
store. Buying exchanges are gradually developing. These are organizations of individually owned stores that combine their buying power in order to obtain the same quantity prices that are given to chain stores. A Western town, for instance, has a successful chain of three drug stores. Their business is large, and the owner is able to get low prices on large quantities. In order to meet this price competition, several of the other leading drug stores in the town have made arrangements to combine their purchases, and thereby destroy the chain owner's buying advantage. A few years ago many manufacturers and jobbers refused to give quantity prices to these so-called buying exchanges. The seeming necessity, however, of helping the individually owned stores to compete with the chain stores is more and more bringing manufacturers to a willingness to deal with chain stores and with buying exchanges on an equal basis.

61. Cooperative chain stores.—A brief consideration of the form of competition offered by the cooperative store is introduced in this chapter, because the most successful cooperative stores are usually those conducted on a chain store basis. There are very few strictly cooperative retail stores in this country, perhaps not more than 150 in all. In a few instances individual cooperative stores are notably successful. Speaking generally, however, the cooperative chains, like the Right Relationship League in Minnesota and northern Wisconsin, are the only striking evidences that cooperative retailing in this country can be made a success. In Europe, where cooperation is an exceedingly serious competitive factor, many of the cooperative retail establishments are operated on a chain store basis.

62. Purpose of cooperative stores.—The sole pur-
pose of a cooperative store is to lower retail prices. A retail price is made up of three factors—cost of the goods, cost of doing business, and profit. The last factor is the one that the cooperative store attempts to eliminate; often it also seeks to reduce the others, but the striking out of the factor of profit is its chief purpose. We are not to discuss in detail the many methods of bringing about this result. It is feasible now to consider only some of the different aims of cooperation here and abroad, and, in doing so, to suggest some possible reasons for the weakness of the cooperative movement in the United States and its tremendous strength in Europe.

63. **Cooperation here and abroad.**—Cooperation in Great Britain and Europe is a firmly established fact. It has made remarkable strides in England, Scotland, Denmark, Belgium, Germany and Austria, and it is gaining a strong foothold in other Continental countries as well. In England one family in every four belongs to a cooperative society. The cooperatives of England and Scotland do a business in excess of $65,000,000 a year. In the British Isles and Europe probably 50,000,000 people buy most of their staple supplies from cooperative stores. Compare all this with the situation in the United States. Here a successful cooperative store is a curiosity. What are the reasons for the different status of the cooperative store here and abroad?

The most important reason probably is the fact that in Europe cooperation is a class movement; it is an expression of the workingman's class consciousness—an attempt to link the wage earners still more closely together so as to improve their condition and to give them greater strength in their continual battle with capital.
In the United States we recognize no classes; the wage earner of today is the capitalist of tomorrow; the class consciousness of Europe is lacking. It is true that we may be developing this class consciousness; it is true that the growing strength of the labor organizations may in time bring about a solidarity of interests that will remove the present fundamental difference between labor conditions here and abroad; but at present this difference does exist, and, because it does exist, the workingmen of this country have not as yet found it necessary to cooperate except in the matter of bargaining with employers. It must also be remembered that wages in Europe are so low that many workingmen would be shut off from many of the relatively necessary things of life if they could not buy them for less money than is charged by regular dealers. In this country, however, until recently at least, wages have been sufficiently high to enable workingmen to enjoy even many luxuries; the pinch of poverty has not necessitated cooperation in the United States as it has in many countries across the water.

The success of a cooperative store depends primarily upon the loyalty of its supporters. Unless the store can be assured of the constant trade of a definite group of people, its success is dubious. In Europe the universal class consciousness, the driving necessity of cooperation, produces this loyalty. In this country there is no such incentive. We are individualistic politically and economically. True, the growing proportion of Europeans among our workers and the rising prices without proportionate rise in wages may be destroying this intense individualism. The time has not yet arrived, however, when there can be the same intra-class cooperation here that is found abroad. One curious expression of
loyalty to the cooperative idea is found in the fact that the Glasgow cooperative society never paid its chief officer more than thirty-seven dollars a week. Imagine any competent executive in this country being willing to conduct a many million dollar business for a salary of that size!

64. Foreign cooperative stores.—As a result of the foreign attitude toward cooperation, even the first cooperative retail store ventures abroad were successful. A single cooperative store, however, offers few advantages to its patrons. Accordingly the societies were quick to develop along lines that resulted in far more important savings than are represented by the usual small profit of a single retail dealer. The first movement was ordinarily to obtain the advantages of quantity buying. Chains of stores were established, and the wholesaler's profit was eliminated. Then came an attack on the profit of the manufacturer. Today the British and Continental cooperative societies conduct great factories; they own sources of raw materials in the Orient and elsewhere; they operate their own steamship lines; in short, many of them conduct every operation between the raw materials and the ultimate consumer. This is the secret of foreign cooperative success. The savings possible from conducting a single cooperative retail store are minute; the real savings come from the elimination of wholesale and manufacturing profits.

65. Types of cooperation in the United States.—In the United States most cooperation starts with a single store, and ends there. There is ordinarily not enough class feeling, not enough loyalty, to make even that one store notably successful, and, as a result, expansion is impossible. A frequent plan is for a few people to de-
cide offhand that a cooperative store will mean lower costs of living; they band together, sell a number of memberships, open a store, hire a manager at a small salary, and, without analyzing the situation, anticipate big reductions in prices. The reductions often do not appear. In many lines the retailer's profit is so small that it is speedily eaten up by the inefficiencies that are often characteristic of the cooperative store. Too often there is inefficient buying, inefficient sales service, waning loyalty of patrons and quick failure. There are, of course, some striking exceptions to this usual procedure, but the picture is by no means an unusual one. There are signs of coming greater interest in cooperation. There is at least one real cooperative factory in the United States. But we are not yet as a nation ready for extensive cooperation in manufacturing and marketing.

66. **Strength of cooperative competition.**— Where it does exist in the United States, what is the competitive strength of the cooperative store? Theoretically it has a body of supporters who are pledged to deal with it and with it alone. Their trade belongs to the store they have started. Actually, the pledged supporters are often attracted elsewhere by a price that is lower or by service that is better. Theoretically, too, the attempt to conduct the business at cost will result in low prices to the consumer. Actually the expenses of inefficient management are often so great that prices cannot be much lower than they are in the store efficiently managed with the purpose of making a profit. For these and other reasons, it is evident that competition from cooperative stores in the United States is not now of great importance. With industrial conditions here approaching the conditions that obtain in older countries, it is
probable that the cooperative principle will be more extensively and more successfully applied, but for the present the owners of stores and factories that are run for a profit need not greatly fear the competition of cooperative companies.
CHAPTER V
SELLING BY MAIL

67. Advertising and the mail-order business.—Mail-order selling is partly the cause and partly the result of the development of modern advertising. Until business men recognized the possibility of reaching large numbers of people through the printed word, there was no mail-order selling. Then, when selling by mail did appear, the necessity of making each advertisement pay its way resulted in much of the research and careful experiment that have made of advertising a relatively dependable marketing tool. If all advertising were merely general publicity—the kind that is designed to send readers to retail stores for the goods advertised by the manufacturer, there could be little definite checking of advertising results; whether one kind of advertising or another was the better would be largely a matter of opinion. But in mail-order advertising every advertisement can be definitely checked; its effect is known; and accurate tests can be made to determine what is the best appeal and the best layout for any given situation.

Twenty years ago the mention of mail-order advertising suggested the idea of cheapness—cheap magazines, cheap advertisements, cheap goods. The so-called "mail-order publications" were usually of low grade, filled with all sorts of questionable offers of tricks, games, agents’ outfits, and other things designed to appeal to the unsophisticated. Today the meaning of mail-order advertising and mail-order selling is entirely
changed. The connotation of unworthiness is absent. The mail-order business is now recognized as a very real and a very important factor in retail competition. Because of its strength it is respected by all, and because of its success it is feared by many.

68. **The extent of mail sales.**—To perhaps the majority of people the mention of mail-order selling brings up the thought of enormous establishments, such as Sears, Roebuck and Company, Montgomery Ward and Company, and other strong houses doing a large business on a national scale. It is not strange that mail-order business now stands for big business in the popular mind. The success of some of the best known mail-order establishments has been so phenomenal that it has overshadowed in public thought the success of thousands of small houses. In 1914 Sears, Roebuck and Company did a business of $96,024,754. Montgomery Ward and Company in the same year piled up total sales of $41,042,486. The National Cloak and Suit Company, handling a much more limited line than either of these other houses, sold $15,164,728 worth of goods. This is big business indeed, and it is matched by the sales of The Larkin Company of Buffalo, The Standard Mail-Order Company of New York, and perhaps a half-dozen other leaders in the mail-order field.

69. **Mail-order houses not always large.**—It is a mistake, however, to think that mail-order selling is confined to a few great, well-known houses, or that the problem of mail-order competition for retail stores is one involving merely the activities of great corporations. There are many thousands of prosperous houses doing business wholly or partly by mail. In the aggregate their business is tremendous. They are not spectacular in their methods, but their business is solid, steady, and
growing, and they must be taken into consideration in any discussion of the problems and methods of mail-order selling. Mail-order selling is not centered in Chicago or New York; it is to be found everywhere. There is scarcely a town in the country that does not make sales by mail, and on the average the business of the man selling wholly or partly by mail is not larger than that of the average retail store. The mail-order business is made up of thousands of units—not of two or three or half a dozen. It must be considered almost as a universal activity and not as an exceptional expression of an occasional and freakish idea in marketing.

70. Two kinds of mail sales.—Retail selling by mail has two phases—the sale of goods by the manufacturer direct to the consumer, and the sale of goods by dealers. Thousands of retail stores sell part of their stock by mail. It is said that Sears, Roebuck and Company manufacture a large part of the things that they sell—possibly one-fifth of them; while Montgomery Ward and Company are merely dealers. Most of the mail-order advertisements appearing in general magazines are those of manufacturers seeking to deal directly with consumers. The source of supply for the things that are sold by mail is not important; the methods of selling are the same regardless of whether goods are sold by manufacturer or by dealer, and we need not differentiate between the two classes of mail-order distributors in considering the general subject of selling by mail.

71. Why goods are sold by mail.—The causes of the development of mail-order marketing are many. One of them, and the greatest, we have already considered—the growth in realization of the possibilities of advertising. Another is the rising standards of living, which result in a demand among country dwellers for many
things that they cannot always buy in local stores. Still another cause is the great increase in the number of manufactured goods that crowd the shelves of retail stores. Heretofore almost any manufacturer could obtain dealer cooperation for his products; nowadays the dealer is often averse to pushing new goods, and accordingly the manufacturer finds it necessary or expedient to seek his own market. His decision to do this is frequently induced, also, by the prospect of complicated problems likely to arise as a result of distribution through "regular" channels. Added to these causes are all the facts of strength inherent in the mail-order business. Mail-order selling, therefore, is partly the result of consumer demand, partly the result of the manufacturer's necessity, and partly the result of a marketing policy dictated by expediency.

72. Who is a "legitimate" dealer?—In the discussion of selling problems the expression "legitimate dealer" is often heard. For instance, the following question was propounded to retailers by a business magazine: "Do you think it is good business for a manufacturer of advertised goods to place his line with everyone who will carry it, or should he try to protect the legitimate dealer?" Who is the "legitimate" dealer? The "legitimate" dealer ought to be any one who sells honest goods in an honest way, and serves the public. Some retail store owners, however, refuse to accept this interpretation of the expression; they maintain that the specialty retail store dealing over-the-counter is the only "legitimate" dealer. To them all other forms of retail competition are "illegitimate"—the department store, the chain store, and, more "illegitimate" than all the others, the mail-order house. Is there any justification for this point of view? It is natural, perhaps, but not
justified. When vaudeville first began to assume importance as a form of theatrical performance, the older branch of the business arrogated to itself the adjective "legitimate." This did not keep the public from patronizing vaudeville or actors from appearing in it. And so it will be in the field of marketing. The oldest occupants of any field of activity are always inclined to think that they are the "legitimates," and that any newcomer is an unreasonable intruder, without economic justification, and to be fought by their united strength. Any marketing activity is legitimate if it serves the people in an honest way. Change and innovation are the characteristics of our civilization. Nothing stands still. New times demand new things. If the mail-order house deals in service, if it satisfies a real want, it is just as legitimate as the local retail store, and no attempt of the latter to stop its development by legislative enactment or by coercion of manufacturers can be successful; local dealers must accept it as a legitimate competitor; they must make it the object of real competition instead of complaints.

One peculiar feature of the retail store owner's attitude toward the mail-order business should be noted. Some retail dealers' associations have unanimously adopted resolutions against the mail-order house, maintaining that it was threatening the whole economic structure of the country and breaking down the local retail marketing which is the basis of most American business. And yet many of the dealers joining in this denunciation eagerly accept the mail-order business that comes to them; they realize the possibilities of developing their trade beyond the boundaries of their immediate neighborhoods, and actively go out after business in the surrounding districts. In other words, much
mail-order denunciation is denunciation not of mail-order selling but of mail-order houses. It is an economic wrong, some dealers would try to make us believe, for a large organization to do a successful business wholly by mail, but it is not wrong for the small dealer, who sells also over-the-counter, to do as much mail-order business as he pleases! No argument is needed against this contention. Unless a large, successful business is economically wrong, the fight against mail-order houses as something apart from the mail-order principle is in no way different fundamentally from the competitive fight between one small retail store and another store of the same class.

73. *Justification of selling by mail.*—Does mail-order selling really serve the people? Many dealers say no. We must start with the fact that the average mail-order business is just as honestly conducted as the average retail store; that its advertising is as believable, and its goods as fairly priced; that it is, in short, a fair and square merchandising business, making its original appeal on the basis of good goods at fair prices, and seeking to hold trade by a policy in which the customer's satisfaction is paramount. This is certainly the way in which most mail-order businesses are conducted, just as it is the way in which most local stores are conducted. Probably some mail-order advertising is misleading. Certainly the advertising of some retail stores is equally so. There are black sheep in every business family; but the entire family is not judged by its dishonest members. Honesty and the desire to give the customer a little bit better than a square deal are the characteristics of the modern successful merchandising establishment, whether it sells its goods over-the-counter or by mail.
74. Is mail-order selling a service?—If, then, the mail-order business is basically an honest business, whether it really serves the people or not depends on whether the people patronize it, not once, but many times. It cannot be denied that they do this in very large numbers. No business can continue to make large sales on a basis of misrepresentation, exaggeration, and dissatisfied customers. The mail-order houses do continue to make large sales, and they do hold a large proportion of their customers. Most of them look to reorders alone to make their profits. If these statements are true, and the facts certainly point in that direction, it seems to be clear that mail-order selling has not forced itself upon an unwilling public, that it does serve the people honestly, and that it is, therefore, economically justified.

75. Mail-order houses create business.—But, it is sometimes argued, the mail-order house is simply a competitive factor; it creates no business, no new service; it does merely those things that are also done by the local retail store. Even if this were true, it would be no argument against the justification of mail-order selling, as compared with other forms of competitive marketing. This country is operating on a competitive basis of industry; the field is free; every one is at liberty to use honest methods to get as much of the business as he can induce the public to give him. But regardless of this, is it true that the mail-order house is not a constructive factor in merchandising? No. Many commodities are bought by mail that are not carried in local stores. Thousands of expenditures are made to increase the pleasure of living in country homes that would not be made if the mail did not offer an easy way to learn of new things and to make suitable selections from large stocks. The spreading of the news of new kinds
of merchandise by mail-order distributors has raised the standards of living; it has put new comforts into countless homes; it has created new wants and then has satisfied them; it has opened minds and hearts and purses, and has resulted in unnumbered purchases that would never have been made except for its influence.

76. Undue influence in selling.—Some critics start with the fact that mail-order selling is constructive, that it does create new business, and then base their argument in opposition on the assertion that buying by mail leads people into extravagances, into purchases they can ill afford to make. Perhaps this is true; perhaps it is not. Even if it were true, it would be no argument against mail selling as contrasted with over-the-counter selling. Are local retail stores eager to restrict the purchases of their customers? Do any appreciable proportion of the world’s merchandisers refuse to sell without knowing first whether their customers can really afford to buy? Is not all competitive business conducted for the purpose of increasing consumption, stimulating business, building up large sales, and earning the largest profits consistent with permanent success? It may be that the whole competitive system of industry is wrong if it does encourage undue buying; but if this is a fault, it is a fault of the entire system, and not simply of that tiny part of the system represented by the activities of mail-order distributors. When local dealers criticise the mail-order house on this basis, they are criticising it for doing successfully the very thing that most of them are trying to do—to sell honestly as many goods to as many people and to make as much profit as possible.

77. The question of sales service.—Not only does mail-order selling often serve people in ways in which they
are not served by other methods of selling, but it also frequently gives better service than retail stores in the very fields in which the retail stores ought to excel. Consider the single item of sales service, for example. How many retail salespeople can give the definite, usable information about the goods they handle that is ordinarily given in the catalog or advertisements of the man who sells by mail? A small town dealer wrote as follows to a farm implement manufacturer:

I know now why I have been losing business to the catalog houses. I thought I knew my line, but I don't. A farmer out in the country had been getting consignments pretty regularly at the freight station from one of the Chicago houses, and I wanted his business. This spring he was in the market for a sulky plow. I determined to get his order, and went out personally to his place and invited him to look over my stock as a personal favor. He came in, and I showed him your line. One plow interested him, and he began to ask questions about it. I told him all I could, and all that I had ever told anybody. But he wasn't satisfied. Before I knew it, he was telling me more about that plow than I knew myself. It was an interesting half-hour for me. I asked him where he had learned the implement business. He said he had never learned it; he had gotten everything he knew about the true inwardness of a sulky plow from the pages of Blank's mail-order catalog. That taught me a lesson. No, I didn't make the sale, but I'll never lose another for the same reason that I lost that one. If Blank can afford to take the time to tell his customers all they want to know about the things they purchase, I guess I can afford to learn my line well enough to tell my customers the same things. Send me all the information you have.

78. The retailer's opportunity.—All this is not a plea to the public to purchase goods by mail. Buying by mail is prohibitively tedious, formal, and cumbersome
for most people. Certainly the average buyer would far rather deal with a live person, with his fellow townsman and neighbor, than with an impersonal, distant corporation, provided the local dealer can give him the same service that the mail-order distributor gives him. The mail-order house ordinarily gets business only when the local store cannot give the service that the mail-order house gives, or when the customers of the local store do not know that it can give that service. Selling by mail is not going to drive the local dealer out of existence. Both have their places, and both will continue to prosper. If the local dealer, however, is to get his due share of the business, he must give his best thought and energy to the task of competing with the mail-order house on its own basis of service, instead of to futile plans for impossible /legislative prohibition or crippling of a method of selling that is just as valuable to him as it is to the distant house that competes with him for the trade of his district/. If the mail-order seller is guilty of unfair practices in competition, they should be prohibited, and he should be punished; just as the local dealer should be punished if he also fails to obey the rules of the game. But as long as both the local dealer and the mail-order house play the game honestly, neither one can strike effectively through the legislature at the business of the other without striking at the very base of the competitive system of industry to which they both owe their existence.

79. Competitive strength of mail-order houses.—It is well for all classes of retail competitors to keep definitely in mind the comparative points of competitive strength of both the mail-order house and the local retail store. Some of the advantages of the former are the following:
Its wide area of operations frees the mail-order house from the influence of purely local conditions of business depression. Only a wide-spread industrial or financial difficulty can seriously affect its business. For example, if there were a prolonged strike of miners in the anthracite coal region of Pennsylvania, every retail store in Scranton and in the other towns of the district would suffer because of the decreased buying power of its customers. If there were a mail-order house in Scranton, however, operating generally throughout the East, its trade in the anthracite region would be only a small part of its total business, and decreased returns from that district would not seriously affect its prosperity.

Large stocks need not be carried. Many of the larger articles listed in mail-order catalogs are not carried in stock at all. When orders for these articles are received, they are forwarded to the manufacturer, and shipment is made direct from the factory to the customer. This is one of the greatest advantages of the mail-order method of marketing. The local store frequently ties up its capital in relatively large quantities of merchandise. The store has to have on hand the goods for which there is likely to be any demand, and its customers are often unwilling to wait until the dealer can order from his jobber the things that they want. When they order by mail, however, they expect some delay in delivery of the goods, and the mail-order dealer has opportunity to obtain outside of his stock the articles ordered that he may not have on hand.

The catalog of the mail-order dealer represents his entire line. This catalog is always accessible in the home of the customer. It is a much simpler matter to turn its pages than it is to gain a knowledge of the complete
stock of a store by personal inspection. The mail-order customer, therefore, is likely to order a larger assortment of merchandise than the over-the-counter customer. Then, too, the picture of the article itself in the catalog is coupled with an alluring description. This is often more effective in making sales than is the mere sight of an article in a store, to which the customer's attention is not directed by the salespeople. If all retail clerks were real salesmen, this advantage of the mail-order catalog would not be so pronounced. The frequent lack of effective store salesmanship, however, often makes the sale a mere satisfying of the customer's expressed requirements.

The mail-order business, with few exceptions, is conducted on a "cash in advance" or "cash on delivery" basis. Customers do not expect credit and do not ask for it. The mail-order dealer, therefore, avoids bad debts, and, to this extent, has an advantage over his local, credit-granting competitor.

Physically speaking, the field for development is practically unlimited. Operations can extend as far as the postal, telegraph, freight, and express systems reach.

80. The problem of low prices.—It is sometimes maintained that the mail-order house, simply because it is a mail-order house, is able to offer lower prices than the local retail store. Generally speaking, this is not true. There are three factors in a dealer's price: cost of the goods to him, expense of doing business, and profit. If mail-order prices are lower than local store prices, selling by mail must have the advantage in one or more of these factors. It is certain that the mail-order house does not take a lower profit on each sale than the efficiently conducted local store that understands and ap-
plies the principle of small stocks, small profit, and rapid turnover.

81. Comparative costs of doing business.—With regard to the factor of the expense of doing business there is much confusion of data, much difference of opinion, and much popular misconception. It is necessary to differentiate between the small manufacturer of a single article or a small group of articles who sells his goods by mail direct to the consumer, and the mail-order house that is chiefly or partly a dealer in goods manufactured by others. The selling expense of the former is often very high. Small manufacturers selling by mail sometimes pay as much as fifty cents to sell each dollar's worth of their product. This high expense is not usual, but it is by no means unknown. From this high figure, the expense shades down in such a variable way that it is wholly impossible to strike an average. No figures are available for definite statements. Certainly there are many direct-selling manufacturers who consider themselves lucky to be able to buy a dollar's worth of business for twenty-five cents. Probably it is safe to say that in a great many cases, if not in the majority, the relatively small manufacturer who sells by mail has no lower cost of doing business than the country retailer who usually can keep his expenses very close to the 18 per cent mark.

In the case of the great nationally known mail-order houses, some of which manufacture part of their stock, but most of which are simply dealers, recent investigations have given us some enlightening figures. The general assumption is that these houses have a lower cost of doing business than the small country stores with which they chiefly compete. This is not borne out by the available facts. The country store, as has been said,
often can do business at an average expense of 18 per cent of its sales. Statistics recently collected indicate that the average cost of doing business in seven large mail-order establishments that were investigated is somewhere around 22 per cent. This is in line with the testimony of the vice-president of Montgomery Ward and Co., to the effect that it costs the mail-order house from 16 per cent to 26 per cent of its sales to do business. The great mail-order establishment effects many kinds of savings that are impossible to the local retail store, but the enormous cost of the catalogs and other forms of advertising which are necessary for the house that sells by mail undoubtedly brings up the total expense to a point very close to the figure that has been quoted.

No figures have been obtained to show the average cost of doing business by mail in the thousands of retail stores that encourage their customers to send in mail orders. Certainly many of them find their expenses for mail sales rising considerably above the expenses for over-the-counter sales, although others doubtless find that the reverse is true. The fact that figures are not available on this class of business makes it impossible to generalize about the relative advantages possessed by the mail-order and by the over-the-counter methods of selling so far as the cost of doing business is concerned; while the few figures that have been collected from other classes of mail-order distributors warrant the suspicion, at least, that the popular impression regarding the economy of selling by mail is not in accordance with the facts.

82. The most important factor in price.—If mail-order selling, then, has any inherent advantage in price making, it must be with respect to the first factor in
price—the cost of the goods to the house that sells them. First, consider the manufacturer who sells direct. The natural assumption is that the goods laid down in his warehouse have cost him less than they would cost the dealer who had to buy them from him. This would be true provided the cost of the goods to his sales department was the same as the cost of manufacture. But many manufacturers credit themselves with a profit both on manufacturing and on selling; they charge the sales department with an amount that represents both the actual cost of manufacture and the profit demanded from the manufacturing department; and the sales department is then expected to make still another net profit for the manufacturer. Because of this difference in procedure, it cannot be said that the direct-selling manufacturer can always start with a lower cost of his goods than the mail-order house that has to buy what it sells, although probably in many cases he can do so.

83. How size of the business influences prices.—The majority of mail sales, however, are not made by the manufacturer; they are made by the dealer—the man who buys goods and sells them again without changing their form. There is nothing in the nature of the mail-order house of this character that gives it the power to command lower prices than any other kind of retailer can command. The mail-order house and the local retail store must pay the same price for their goods if they buy in the same quantities. The ability to buy in quantities nowadays is the most important factor making for low cost of goods to the dealer. The jobber usually has a sliding scale of prices, and many manufacturers are willing to go over the jobber's head, and to make their lowest prices to anybody who can buy in sufficient
amounts. Our general inquiry, therefore, regarding the comparative price-making ability of mail-order houses and local retail stores resolves itself into this: Which of these two types of retailers is the more likely to develop to such size that it can command direct buying connections and the resultant lower prices on the goods in which it deals? When the question is presented in this form, it cannot be denied that the advantages lie with the mail-order house when the conditions with respect to capital and managerial ability are equal, and when the article to be sold lends itself equally well to either method of marketing. This is true simply because the number of people who may be considered possible customers of the local retail store is necessarily limited, while the possible area of operations of the mail-order house is practically unlimited. If, therefore, a large mail-order house makes better prices than a small retail store, it is not because one is a mail-order house and the other is a retail store. It is because one is a large buyer and the other is a small one.

84. The secret discount.—We have been speaking about the quantity prices that are an ordinary thing in trade. If the usual quantity discounts were the only price advantages of the large establishments that are able to buy in maximum quantities, the small dealer would not be seriously handicapped in competition because in many lines the ordinary scaling down of prices for varying quantities is not large. There is, however, another kind of quantity price, which the big buyer is sometimes able to force from the manufacturer. This is in the nature of a secret discount, and some people maintain that it bears the same relation to legitimate business that the secret rebate formerly did in transportation. For the sake of getting an order that is not
otherwise obtainable some manufacturers will sell a quantity of goods to a large mail-order house at a price that cuts their profits close to the vanishing point; indeed manufacturers without adequate cost systems have been known to sell their entire output to mail-order houses at a loss, blinded to the unprofitable nature of the business by the seeming advantages to be derived from the mail-order connection. This sort of thing, of course, gives the large mail-order dealer a decided advantage over the small local retailer who can command no such inside prices. And yet, again, this advantage is not peculiar to the large mail-order house; secret rebates and other sub rosa forms of price discrimination are used to their own advantage by all classes of large distributors. The great department store and the chain of specialty stores are often in just as advantageous a position to obtain these secret price favors as is the mail-order establishment. Here, again, this advantage is one accruing from the factor of size of the business, and is no more inherent in the mail-order form of selling than it is in any other form of retailing.

85. "Loss leaders."—Mail-order houses do, of course, cut prices on many nationally advertised articles on which quantity prices do not prevail to any extent, and for which they must pay as much as local retail stores have to pay. This is not peculiar to mail-order houses, however. Many local stores do the same thing. The policy of offering "loss leaders" or of shading the profit on well-known goods in order to attract trade is by no means confined to any one kind of retail dealer. If country dealers do not usually adopt this policy, it is because they do not care to risk trouble with manufacturers who want their prices maintained, because their total business is not large enough to permit much price cut-
ting on some articles with the expectation of making up the loss on other sales, or because they believe that this policy is not good merchandising.

86. Status of the small mail-order house.—The small mail-order house (of which there are many) labors under the same selling disadvantages as the small retail store. The common custom of making the general statement that mail-order houses can usually undersell local retail stores is due to two things: first, the mistaken idea that all mail-order houses are large; and second, the fact that mail-order dealers ordinarily confine their operations to districts where they are not in direct competition with large local retail establishments that have the same purchasing power as themselves.

87. How the local store can compete.—In competition with mail-order dealers the local retail store has many important points of strength. Some of them are the following:

The purchaser likes to see what he is buying. He can go to the store and actually pick out the article he is to get. If he is dissatisfied with his purchase, he can usually make quick and easy adjustment without going to the trouble of reshipping the goods, writing letters, and waiting several days for the adjustment to be made.

The store and the consumer's residence are usually comparatively close together. Delivery can be made without the delay that is frequently incident to the process of ordering by mail.

The merchant, particularly in a small town, is ordinarily on friendly terms with most of his customers. By right dealing he can readily build up a clientèle of friends and acquaintances whose goodwill is valuable. A long period of fair dealing will also establish a goodwill for
the establishment that sells at long range, but the influence of a distant dealer upon his customers can never be so strong as that which the local merchant has upon his neighbors.

As the patronage of the retail store is generally local and limited, the owner is in a position readily to adapt his stock to local needs, to avoid slow sellers, and to hold trade by catering to individual and neighborhood peculiarities. A men's furnishing store in a western town maintains a careful card record of the requirements of each of its regular customers. When a man enters the store to buy a hat, the salesman knows the sort of hat he usually buys, and immediately offers it to him; and when the dealer wants to dispose of an odd lot of shirts, he sends personal notices to his customers who wear the sizes included in the lot. No inducements of price elsewhere could permanently alienate the customers of this store.

The local retail store is an important factor in the business life of the community. Its owner is usually a resident of the town in which it is situated. Its force of employés is largely recruited from its immediate vicinity. Their prosperity depends upon its success, and they form a most effective force of personal advertisers. Many towns exist chiefly because of the stores that form their nucleus; the stores make the towns. The local merchant can appeal to civic pride in urging support of home institutions against out-of-town competition. The civic consciousness of American communities is becoming a force to be reckoned with, and the retail merchant can use this spirit to his own advantage.

88. *Price competition versus service competition.* — The local retail stores that compete successfully with catalog houses are chiefly those that make service their
appeal for trade. Successful price competition is also common. Many dealers advertise to meet any mail-order prices that are offered. When they are given an opportunity to figure on entire bills of goods, they are often able to convince the customer that the average local prices are at least as low as the average catalog prices; but even when some business is accepted on this basis at a reduced profit or at a loss, it is good advertising for the store and often results in insuring the future trade of the customer.

Service competition, however, is more common and usually more successful than price competition. Not all the local dealers who complain of mail-order competition are incompetent merchants by any means, but it cannot be denied that many of them are. Here are some of the characteristics of many stores in which mail-order competition is continually complained of in terms of fear, hatred, and hopelessness: poorly selected stocks with many lines always entirely exhausted before reorders are sent, careless credit granting, slipshod salesmanship, untidy appearance, failure to use the display windows advantageously, and poor advertising or no advertising at all. On the other hand, many of the local stores that are too busy to permit much complaining about mail-order competition have the following characteristics: well-selected stock in which no line in demand is ever allowed to become exhausted, careful credit granting, alert salesmanship based on the evident desire to please, spick-and-span appearance, well-trimmed windows, and the kind of effective advertising that meets the catalog houses on their own ground.

Perhaps the chief cause of failure of many stores in their attempt to compete with city mail-order houses is their inability or unwillingness to advertise effectively.
One has only to compare catalog descriptions with the usual small town newspaper publicity to be convinced of this. Yet a retailer in discussing catalog descriptions of mail-order goods said: "Most of the descriptions are flowery stuff that would look silly if used by a local house." He was mistaken. Catalog descriptions are far from being "flowery stuff"; but even if they were, they sell goods; and the local dealer who refuses to advertise in the same way will probably continue to lose trade to those who know what advertising is for and how to use it.

89. The local store’s mail-order department.—One frequently suggested method whereby the local dealer may compete with the catalog houses is for him to go out after mail-order business himself. The suggestion is worth considering. Many large city stores have established elaborate mail-order departments, and have issued catalogs almost as extensive as those of the exclusive mail-order establishments. Their efforts have not always been successful, however. Some city stores have found it unprofitable to continue their mail-order activities partly because of the style feature in many of their goods, which makes an annual or even a semi-annual catalog impracticable; it is said, too, that city buyers cannot always gauge the demands of country trade. But the retail store that wants mail-order trade need not go after it with an elaborate catalog. Its mail-order activities should be primarily a service to those people who ordinarily buy the class of goods in which it deals. It should welcome mail and telephone orders for its regular goods and its specially advertised offers; it should provide prompt service for those who cannot come to the store to trade; it should issue small bulletins of specials for limited periods; in other words, it should do
everything in its power to extend its influence as far as possible among the people who need the same kind of goods that its over-the-counter customers need. The country store is admirably situated to go out after this trade. One store uses the more important country papers to carry its regular advertisements all over the district; another store issues a small weekly folder, full of real advertising and other interesting reading matter, which is sent to communities where few newspapers circulate; still another uses page space each week in its local paper, and then has the advertisements reproduced in circular form for distribution throughout the surrounding country.

90. Basis of successful retailing.—For the store that really wants to give service, that really wants to show its ability to compete with distant catalog houses, that really intends to get its share of the business, there are hundreds of ways of spreading its influence and increasing its sales. For such stores there is no insurmountable problem of mail-order competition, and it is because the number of such stores is constantly increasing that we can confidently predict that the mail-order house is not going to drive the local retail store from the field. To be sure, some stores will succumb to mail-order competition, but they will usually be the comparatively weak stores, more or less inefficiently conducted, that could not hope for success under any circumstances. The store that does not fulfil its mission is bound to fail sooner or later, and it is not a very serious indictment of mail-order selling to charge the catalog houses with the business death of stores of this type. After all, most retail competitive problems involve primarily the problem of merchandising ability. More and more the local retail stores are showing the same merchandising abil-
ity that is the chief basis of the success of the great mail-order houses, and more and more each factor in retailing is asking for public support solely through a straight competitive appeal built on the solid foundation of real service to the consumer.
CHAPTER VI

THE RETAILER AND NATIONAL ADVERTISING

91. The problem of buying connections.—Many of the difficult problems in retailing arise from the relations of the retailer to the other factors in merchandising. In the first place, there are all the problems of competition—competition with other retailers of the same class and with the many new types of retailers that have arisen of late years to complicate marketing procedure. All these problems are difficult of solution, but they are not more difficult than the other group of problems arising from the relation of the retailer to those who supply him with the things he is to sell. In the old days the situation was more simple—the retailer competed only with other similar retailers; there were no department stores, no chain stores, no mail-order houses to add to his troubles and, incidentally, to his opportunities. Similarly he had no serious problem of buying relations. He bought from the jobber unquestioningly, and he bought largely what he and the jobber pleased, instead of what the consumer had been taught by the manufacturer to demand. There was no problem of advertised brands, of price maintenance, of exclusive agencies, of jobber influence versus manufacturer influence; there was no upsetting of trade channels, no concentration on the retailer of a hundred different distribution schemes all seeking his attention and all tending to scatter his energies and to make his task more difficult even if more worthwhile.
92. From whom shall the retailer buy?—Today the retailer buys from two great sources. There is still the jobber, whose multitudinous services are so valuable that to many retailers he is and will continue to be absolutely indispensable. The new source of supply is the manufacturer who reaches the retailer either directly through his own salesmen or by mail or through selling agents who take the place of his own selling organization. Both the jobber and the direct-selling manufacturer are constantly soliciting the business of the retailer. Whether he shall deal with one of them alone or with both is a question that he must answer in view of the peculiar circumstances surrounding his own business. There are no general principles to guide him. The jobber offers exceedingly valuable services; but, if the retailer does not need those services, there is nothing to prevent him from seeking direct relations with the manufacturer. If the jobber gets his business, it must be on the basis of price, convenience and service. If the direct-selling manufacturer gets his business, it must be on the same basis. The retailer must be his own judge; he must balance the advantages of one connection against the advantages of the other, and then abide by the consequences of his decision. It is his duty to seek a source of supply that will give him the goods best adapted to his trade at the lowest prices, and that will also serve him best in the ways in which his business needs to be served if it is to meet with the greatest success. The purchasing problem of the retailer is not so much where to buy as it is what to buy. There are many phases of this latter problem. We are to consider only one of them.

93. Manufacturers' appeal to consumers.—Perhaps the most interesting situation the retailer has to face in
connection with his buying is his relation to the goods of the manufacturer who advertises them to the consumer and who urges the retailer to serve as the medium through which the demand created by the advertising can be satisfied. The great majority of advertisements in general magazines, in street cars and on billboards are not intended to promote direct relations between the manufacturer and the consumer; their purpose is to send the reader to a retail store to ask for the things of which he has read. What is the retailer's point of view toward all this activity, which is supposed to be partly in his own interest? How should he react to it? What can he do to make it operate to his own advantage? Should he be in favor of it or against it? These are some of the questions every retailer has to answer. And they are of vital interest to the general public, also, because on the answers to them depends largely our ability to buy the things for which advertising has aroused our desire. On the general answers to them, too, may depend the permanence or the alteration of our present buying habits. Possibly the problems involved in the relation of the retailer and the advertising manufacturer may mean a realignment of retail activities; they may mean more chain stores, more direct mail sales, or even some new form of retail selling that has not yet appeared.

94. What is national advertising?—The term national advertising is conveniently used to refer to that kind of advertising which the manufacturer does with the purpose of sending readers to the retailers for his goods. The term is not accurate, because the advertising may be merely local or sectional instead of national, and because those manufacturers who deal directly with consumers through their own retail stores or by mail may and do advertise nationally. But if we
understand the arbitrary and customary meaning of the term, it will serve our purpose. Should the retailer handle nationally advertised goods and push them, or should he prefer to handle and push goods that are not so advertised—goods that are not branded and trademarked, or if they are so branded, that have not been brought to the public's attention by means of advertising by the manufacturer?

This is not a question of package goods versus bulk goods. Advertising has firmly entrenched package goods, so that non-advertisers and advertisers alike now use the modern, cleanly, convenient method of selling goods in small containers—in those lines, at least, such as groceries and drugs, in which the package plan of marketing is practicable. This is not the place to discuss whether package goods have increased the cost of living. They may or may not have done so. It cannot be denied, however, that they have added to the convenience of buying, helped to fix standards of quality, and reduced the selling expense of the retail store.

95. Retailers' private brands.—We are to consider from the point of view of the retailer the arguments for and against the handling of trade-marked, nationally advertised goods. Closely linked up with this question is the problem of the private brand. Unadvertised goods do not always bear the name of the retailer; sometimes they have no distinguishing mark at all; at other times they are trade-marked, but not advertised, by the manufacturer or the jobber. In many cases, however, the retailer's label appears on them. Whether it does or does not is unimportant in our general consideration of advertised versus non-advertised goods. The arguments for and against the handling of the latter are practically the same regardless of whether the non-ad-
vertised goods carry the retailer's own label, the label of the manufacturer or the jobber, or no label at all.

From the retailer's standpoint there are many reasons why he should carry advertised goods. Some of the more important we shall now discuss.

96. The question of quality.—Nationally advertised goods are of known, stable quality. The consumer has confidence in them; he knows what he is getting. Past experience with such goods has familiarized him with them, and he can buy quickly, conveniently, and confidently by name. The quality is ordinarily high because the purpose of advertising is to produce a large volume of sales, and the resulting large scale business permits the employment of the best designers, the most skilled executives and operators, the best machines, and the other efficient agents that often make for high quality in the output. When this quality has once been established, it must be maintained if the manufacturer is to achieve permanent success. The consumer who has once tried the goods and found them satisfactory, purchases them again and again with confidence and renewed satisfaction. The handling of goods of this character is particularly advantageous in a store's appeal for new trade. A transient in a city or a newcomer in a community who has worn a certain brand of clothing, for example, does not hesitate to deal with a strange store that handles the same brand. A store that deals in well-known goods thereby establishes itself in the public mind as a reliable, reputable establishment. A trade paper recently said: "The retailer who ignores the powerful influence of advertising is completely out of tune. That advertising has brought about a stable condition in buying and selling is evident at every turn. Whether it be an incubator, a thresher, a
breakfast food, a collar, or a cigar—people want to buy and duplicate by name. They don't want nameless unknowns."

Those who oppose advertised goods say that national advertising is no proof of quality—that brands originally of good quality deteriorate after the public has been made familiar with them. It is unfortunate that this criticism is sometimes justified. A few manufacturers have made the mistake of thinking that when the demand has once been created, it will continue even though the original high quality of the goods may be shaded a trifle. This is exceedingly poor policy. Advertising alone never has made and never can make a permanent success for any manufacturer; but advertising plus quality is a winning combination. Most advertising manufacturers thoroughly realize this, and the few who do not, suffer for their folly.

The opponents of advertised goods also maintain that many unadvertised goods are just as well known and of just as high quality as advertised goods. They are right. Advertised goods have no monopoly on quality, nor have they a monopoly on public favor. There is at least one firm of non-advertising wholesalers and manufacturers of men's furnishings, for example, whose name on goods means just as much to buyers in general as the name of some advertising manufacturer; and there are many examples of the same thing in other fields. But, in comparison with the advertised goods that are known to the public, the number of unadvertised brands that are equally well known is exceedingly small. To prove this, one has only to try to recall the names of advertised and of non-advertised brands in any line of merchandise.

Finally, the critics of advertised goods say that the
handling of such goods is not the thing that chiefly establishes a store as a reputable place to trade. They are right in so far as the people of a community have an opportunity to observe the conduct of a store during a considerable period of time. Right dealing without advertised goods will hold trade, just as wrong dealing even with advertised goods will bring failure. When a store appeals to transients, however, and certainly when it tries to attract new customers, advertised goods give it a decided advantage.

97. Value of the manufacturer's name.—The merchant who handles advertised goods does so partly because the prestige of the manufacturer will help him sell the goods. The trade paper, Men's Wear, recently quoted the following statement of a store owner: "Three years ago I sold $700,000 annually. Today I am selling $1,000,000. Part of this, not all of it, is due to the fact that I sell and advertise Blank's clothing. My name on my store in my town is worth a lot more than theirs; I could sell it for $250,000. But their name on their clothes is worth a lot more than mine. My customers know that I do not make clothes, and the name of Blank on the clothes answers every question any man might be inclined to ask. The combination of my name on my store and their name on my clothes in my town cannot be beat."

In opposition to this, some store owners maintain that their names on their goods are worth much more to the public than the name of the manufacturer. It is this belief that is responsible for many of the private brands carried in retail stores. If a store operates strictly on a "satisfaction or money back" basis and if it has been in business long enough to make the public familiar with this policy, that store's name without question is suffi-
cient guarantee of quality to the old customer. But to the new customer it means little or nothing. When new trade is sought, the owner's name is less potent in establishing public confidence than the names of the manufacturers of nationally advertised brands. In the past many of the largest stores have refused to push advertised goods, preferring to establish their own brand name. There now seems to be a movement away from this policy, although many dealers still insist on having their own labels on everything they handle.

98. Volume of sales.—It is maintained that more sales can be made of advertised than of non-advertised goods. People are attracted to the store not only by the dealer's own advertising, but also by the manufacturers' advertising, featuring the things that the dealer is known to handle. Assume that there are two stores in a town in the same line of business, both of them operated with equal intelligence and ability, and both of them equally prominent and known with equal favor to the public. If one handles nationally advertised goods and the other does not, it is fair to assume that the former would do the larger business, simply because both the dealer's and the manufacturers' advertising would be working for it, while the latter would be aided only by its own publicity.

Against this contention, the advocates of non-advertised goods say that the effectiveness of national advertising is over-estimated; that in some towns few people read the general magazines, and that the "demand through national advertising" idea is largely a fiction. This is a question of fact. Poor, scattered, half-hearted advertising by a manufacturer of course does not create much demand for his goods. But if goods are ad-
vertised effectively, persistently and widely in mediums circulating in the dealer's community, there is no denying that a tremendous demand can be created. This fact is too well-known to need illustration.

99. Lower selling cost.—It is said that nationally advertised articles can be sold more quickly and easily than non-advertised goods. The customer who asks for a definite kind of razor, or shoes, or breakfast food knows exactly what he wants; the salesperson has only to wrap it up and hand it over the counter; he need spend no time in convincing the customer of the merits of the article. The time spent in making sales is a big item of expense in retail stores, and those stores that are operated efficiently are constantly trying to find ways of helping the clerk to eliminate waste motions, waste steps, and waste minutes—all with the purpose of increasing the number of sales he can make in a day. It is certain that the selling of well-known standard goods can be accomplished in less time, and therefore with less expense, than the selling of unknown brands. The Retailers Men's Apparel Magazine says: "Retailing of advertised goods is frictionless. The advertised brands are called for by name—there is no dickering, no uncertainty to buyer or seller; the sale is closed quickly. Additional profit in advertised goods lies in the time saved in waiting on customers."

There is no argument against this contention. If goods are really effectively advertised by the manufacturer among the people who trade with any store, that store can save time by selling the brands that are called for. Of course if any store's customers are not reached by the mediums carrying a manufacturer's advertisements, the manufacturer's goods might just as well not be advertised anywhere so far as that store and its pa-
trons are concerned. In such case, the goods must take their chances with other unknown brands.

100. *Quicker sales and more turnovers.*—If nationally advertised goods can be sold more quickly and with less expense than others, and if there is more demand for them, it follows that their sale will result in more turnovers of capital and a larger volume of profit than can result from the sale of unbranded or privately branded lines. This should be true even if the margin of profit on each sale of the advertised brand is less than on each sale of the non-advertised brand. Suppose that there are two similar articles, one advertised and the other not advertised. Each sells to the consumer for ten cents. On the former the dealer gets a gross profit of two and one-half cents; on the latter, of five cents. Assume that there is real demand for the advertised line, and that the dealer can sell one hundred pieces of it during the time it takes him to sell twenty-five of the other. His gross profit, then, on the advertised brand would be $2.50; on the non-advertised brand, $1.25. It should also be noted that nationally advertised goods are usually more staple than others; they do not often have to be closed out at the end of a season at a loss or at a greatly decreased profit. Even a small reduction in the usual price will move them readily.

This argument, too, cannot be questioned, provided the advertising really results in a demand considerably in excess of that which can be worked up for other goods. Whether the advertising has this effect in any particular case is a question of fact for the retailer to decide.

101. *Manufacturers' selling aids.*—One of the strongest arguments for nationally advertised goods is that the retailer who handles them is aided in many ways in his advertising by the manufacturer. Practically all pro-
gressive retailers, whether they handle nationally advertised lines or not, are now convinced of the desirability of local advertising for themselves. But the burden of preparing effective advertisements is so heavy that many retail advertisements are weak and ineffective. The advertising manufacturer is usually glad to aid the dealer in his advertising. He sends him suggestions for copy, not only describing the manufacturer's goods but also the other lines in the dealer's stock; he furnishes cuts of his goods, electros for complete advertisements, street-car cards, window displays, inside store signs of all kinds, form letters to go to the dealer's customers, booklets, and many other kinds of advertising.

The answer that is usually made to this argument is that much of the advertising material furnished by the manufacturer is worthless, and that, when it is not worthless, it is ninety-nine per cent advertising for the manufacturer and his goods, and only one per cent advertising for the retailer and his store. The electros leave room only for the bare mention of the dealer's name and address, the copy is widely different from the style the dealer would use in his own advertisements, the material is prepared in great quantities and does not aid at all in giving individuality to any store that uses it, and the booklets and letters sent out at the dealer's expense are often ineffective and without value. It is also maintained that the dealer who gives a list of his customers to a manufacturer so that the latter may circularize them, puts himself at the manufacturer's mercy if he should lose the account and the manufacturer should see fit to give the list to a competitor.

There has been too much basis for this criticism of the value of the manufacturer's advertising helps. Many of the charges are founded on all too frequent
practices. But the situation is changing. More and more, the manufacturer is trying to give advertising aid that will help to advertise the dealer first and the manufacturer second. The necessity of making a store’s advertising individual and characteristic of the store’s spirit and purpose is being increasingly realized, and the progressive manufacturers are now giving advertising service that really serves.

102. Customers resent substitution.—Many customers resent substitution, and the store that has to offer something “just as good” when an advertised brand is asked for, loses their goodwill and their trade.

This is undoubtedly true, and yet substitution is no crime, even though some manufacturers would try to make it so. The dealer owes no duty to the manufacturer simply because the latter has invested in national advertising. No manufacturer by his advertising “buys a market” on which the retailer must not trespass. To try to sell a substitute when a customer asks for a certain manufacturer’s goods is not “stealing the market” of the manufacturer. If a stranger with a desire for a certain brand of goods were to go into a store where he had never traded, solely because he knew he could find the desired brand there, and if the salesperson were to try to sell him something else when the desired article was really in stock, there might be some question of the ethics of the clerk’s action. But such cases are very rare. Ordinarily a customer visits a store because the store is well known to him, or it is convenient, or it has been recommended to him by spoken or printed advertising. When he enters the door, he is the store’s customer and not the manufacturer’s. If he asks for some specific thing, and if the merchant can sell it to him and is willing to, all well
and good; but if the merchant prefers to sell or to try to sell something else, he is at perfect liberty to do so, unless of course he has previously accepted the exclusive agency in his town for the article asked for. If he has an exclusive agency, honesty requires him to do his duty by the manufacturer; otherwise the question of substitution involves neither law nor ethics. The only question is one of business policy; the merchant must balance against his desire to sell a substitute, the possibility of losing the customer by reason of the attempted substitution.

103. Value of an exclusive agency.—Many advertised goods are sold on the exclusive agency basis. A dealer who accepts an exclusive agency does so because he wishes all of the manufacturer's advertising in his town to work solely to his own advantage; because he believes that he should not be asked to push goods which can be purchased elsewhere than in his own store; because if he can have the exclusive sale of a well advertised brand of goods, he believes it will add prestige to his establishment and bring in trade that would ordinarily go elsewhere.

The opponents of nationally advertised goods say that the exclusive agency is a snare and a delusion; that the dealer who accepts it is building his house on sand, because at the manufacturer's whim the agency may be taken from him and given to a competitor, and that the dealer's advertising of the exclusive line will then be worse than wasted, because it will operate to the competitor's advantage. The sudden loss of a line which a dealer has been pushing is likely to result in loss of the confidence of his customers, and in embarrassment, financial disadvantage, and weakened prestige. The answer to this contention is that reputable manufac-
turers do not deprive a dealer of an agency unless he has failed to live up to his part of the agency agreement. The argument, also, is somewhat weakened by another argument of the opponents of national advertising. If nationally advertised goods are not in demand, if they do not bring customers into a store, if they do not increase a dealer's prestige, why should he accept an exclusive agency in the first place, or, having accepted it, why should he object if it is taken away from him?

Another important argument for the handling of nationally advertised goods has to do with the matter of price maintenance, but price maintenance is so significant a merchandising problem that it will be dealt with in a separate chapter.

In opposition to the favorable arguments that we have been considering there are many arguments advanced by those who do not believe that it is to the retailer's advantage to handle goods that are advertised and branded by the manufacturer. Some of these opposition arguments have already been discussed. A few of the others are the following:

104. Higher cost and less profit.—Nationally advertised goods cost the dealer more than similar unadvertised goods, and give him a smaller profit. It is maintained that often advertising does not pay for itself, or, if it does, that the manufacturer creates a strong demand through his advertising, and then, in order to make a greater profit for himself, uses the demand as a club, and forces the dealer to handle his goods at a very narrow margin of the profit.

It is true that some nationally advertised goods give the dealer little profit on each sale. This has never been proved to be generally the case, however, but even if it were, the volume of business resulting from steady
and large demand should result in greater total profits than could be obtained from a smaller total business on unadvertised goods which might give a larger profit on each sale. This matter has already been considered. Many dealers have found that when the same quality is desired in advertised and in non-advertised lines, there is little if any difference in the price that must be paid for them. The New England Grocer and Tradesman says: "Taking the trade as a whole, the profits are better on nationally advertised goods, and when the grocer considers the volume of these goods which he can sell and the ease with which the sales are made, he must admit that they are money-makers of the best description."

The argument regarding the "big-stick" methods of manufacturers again suggests the inconsistency of some arguments of the opponents of advertised goods. If advertising by manufacturers does not create a demand sufficient to bring a considerable amount of trade to the store, how can any dealer be forced by this non-existent demand to carry the advertised goods? It is useless to argue that advertising does not create demand. It does. Unfortunately a few manufacturers do use advertising as a club to beat the dealers into line. Their number, however, is small and they will disappear entirely as dealers and manufacturers come the better to understand each other and to appreciate the true function of national advertising in its relation to distribution.

105. Dealer should work for himself.—It is contended that the handling of goods that bear the dealer’s own name enables him to build up his own business, independent in every way of the favor or fear of some distant manufacturer. When he advertises, he advertises
his goods and his store alone. When his selling policy and his sales service create goodwill, it is goodwill solely for his establishment. All of his business-building activities tend to build up his business, and not that of some one else. By fair dealing he can develop public confidence in his opinions and in his offerings; his customers will learn to rely on him instead of on the name and reputation of some manufacturer who tries to use him as a go-between. By handling goods with his own brand, he becomes a real merchant, an independent business man; he is not a mere machine, a mechanical distributor of goods which he stocks because the manufacturer asks him to and which he sells only as the manufacturer makes it possible for him to sell them.

There is much truth in the first part of this contention. The dealer will be wise, however, to balance against the slow, uncertain process of building up prestige unaided by manufacturers' advertising and goodwill, the rapid, easy development of a profitable business and of a reputation as a high grade merchant dealing in reputable merchandise, which will follow the pushing of the right kind of advertised brands.

The second part of the foregoing argument in opposition to advertised goods, however, is not valid. In a certain sense every retail dealer and every other kind of middleman is a machine; at least he is part of the machinery of marketing, passing along from manufacturer to consumer the things that the manufacturer produces and that the consumer wants. And yet, of course, no retailing can be machine-like. Regardless of the kind of goods carried, every successful storekeeper is a real merchant. Those who fear that they may lose their individuality, their independence, by handling trade-marked goods may be reassured by the
evidence of countless successful, bustling, intensely individual retail shops where there has been full realization of the advantages of handling goods backed in public by the manufacturer.

106. **Conclusion.**—In conclusion it may be said that nationally advertised goods have certainly been wonderful stimulators of the retail trade. They have taught people to want more things and better things. If manufacturers’ advertising were to be discontinued, it is reasonable to expect that nearly every retail line would show a great falling off in trade. Statistics that have been gathered from various sources indicate that the great majority of retailers favor nationally advertised goods. Salesmen who have tried to sell both advertised and non-advertised articles report generally in favor of the greater ease of interesting dealers in the former. Perhaps the general conclusion regarding the proper attitude of the retailer toward this question might be formulated as follows: If goods are effectively advertised by the manufacturer, if there is a real demand for them, and if the profit is such on each sale that the total business will yield a satisfactory return considering the amount of capital invested and the time required to turn it over, then by all means handle advertised goods. In other words, while there are many general arguments applying for and against all advertised lines, the retailer must finally consider each on its merits, and reach a decision on the basis of, first, service to his customers; second, profit and other forms of immediate return to himself; and third, the general effect on his business now and in the future.
CHAPTER VII

THE JOBBER'S SERVICE

107. Jobber's service little understood.—We have defined a jobber as one who buys, usually in quantities, for the purpose of selling the same goods again, without alteration, to other dealers. From the consumer's standpoint the jobber is the least known and the least tangible factor in marketing. The consumer does not know him. The average individual who is not engaged in merchandising may have some realization of a dimly outlined distributor behind the retailer, who in some vague way takes a profit to which he has but a questionable title; but his ideas about the jobber are far from being well-defined, and it is likely that he could not name half a dozen houses conducting a strictly wholesale business. Because the jobber does not closely touch the consumer, there is little general interest in his activities. There are hundreds of books and articles about the manufacturer and the retailer, but very few about the jobber. Partly because of the general lack of knowledge of the jobber's service there has arisen a suspicion that his service is uneconomical and not worth the money that is paid for it. When the middleman is attacked, it is the jobber that usually has to bear the brunt of the criticism. Certainly he does not want to be shielded from just criticism, but just as certainly he is entitled to a fair hearing based on the facts of his service and not on guesses and vague suspicions.

We are to consider chiefly the jobber of manufac-
tured products. Typical manufactured lines that are still largely distributed through jobbers are hardware, dry-goods, and drugs. The wholesale grocery trade also is very strong, but only a part of the grocery jobber's stock consists of manufactured specialties; much of it is raw food products which the jobber has imported or bought in bulk, and has cleaned, sorted, and packed for the retail trade.

108. What is the jobber's pay?—Our purpose is to analyze the jobber's service to manufacturer, to retailer and to consumer. First, what does he do for the manufacturer? Does he earn his pay? His compensation often is not as much as is generally supposed. For instance, an article listed at $4.00 a case, or intended for sale to retailers at that figure, may be billed to the jobber at $4.00 less 10 per cent. In other words, he pays $3.60 for this case of goods, and sells it for $4.00. Forty cents, 10 per cent of the selling price, is his gross profit on that transaction. He handles many articles, particularly in the grocery trade, on this narrow margin. Sometimes his profit is less. A well-known brand of widely advertised soap, for example, is handled by the jobber for only a trifle more than 8 per cent gross profit. In other lines the profit is larger, running sometimes as high as 25 per cent. Figures are not available to show the average jobber's gross profit on all lines of goods, but probably it is not greatly in excess of 15 per cent. Out of this he must pay the expenses of conducting his business, ranging between 6 per cent and 15 per cent of his sales; he must earn a return on the capital invested; and he must have something left as net profit if he is to continue to run the risks of his calling. What return does he make for the amount he is paid?
109. Jobber a specialist in marketing.—From the manufacturer's standpoint, the first service rendered by the jobber is the service of a specialist in distribution. The jobber is in business solely to buy and sell goods. He knows the trade intimately; he knows the demand and how to satisfy it; he knows the things that will sell and those that will not sell; he has a clientele of relatively permanent customers; he provides a ready-made market for the goods of the manufacturer who can obtain his cooperation. The manufacturer—at least the smaller manufacturer—is a specialist in manufacturing; he is not skilled in marketing, and he ordinarily finds it much cheaper to use the jobber's services than to attempt the expensive process of studying and reaching the retail trade without the jobber's help.

110. Jobber has ready-made sales force.—The jobber provides a ready-made selling organization for the manufacturer's goods. There are approximately 300,000 retailers in the United States dealing in food stuffs. Every one of these retailers is frequently visited by one or more of the many thousands of jobbers' salesmen. If a manufacturer were to abandon the jobber and to attempt to sell a competitive line of groceries to the retail trade solely through his own salesmen, he would need not less than 300 men to cover the country properly. On the other hand, if he used the jobbers' selling forces and confined his own sales activities to keeping the wholesale trade in line, he might get along with as few as thirty salesmen. The enormous difference in selling cost between these two methods of marketing is obvious.

111. Jobber cultivates market intensively.—The jobber can afford to cultivate the market much more intensively than any except the very largest of manufacturers. A salesman for a manufacturer making only
a single article—catsup, for instance—could not afford to call on the small dealers or to go into the small towns, because the amount of his sales to each dealer or in each town would not pay the salesman's expenses. Comparatively large individual orders are necessary if a manufacturer's goods are sold only by his own salesmen to the retail trade. The jobber's salesman, however, deals in a hundred or a thousand articles. His sales of catsup to each small dealer may be very small, but with the order for catsup is included an order for many other things, so that the total sale pays a large enough profit to justify the expense of the solicitation. There is no dealer so small that he is not visited frequently by jobbers' salesmen.

112. Shipping and storage service.—The manufacturer who ships direct only to the jobber can effect the savings resulting usually from the exclusive handling of relatively large shipments. The routing and packing charges for a few large orders are much less than similar charges for many smaller orders. In addition, the manufacturer saves much in storage charges. If the jobber's services were not used, most manufacturers would have to use local warehouses at various distributing points so that retailers could get their supplies conveniently and promptly. The Shredded Wheat Company estimates that by eliminating this expense and using the storage facilities of the jobber it makes a saving of two cents a case per month.

113. Service in carrying accounts.—The jobber frees the manufacturer from the problem of retail credits. Taking our illustration again from the grocery field, we find that the manufacturer with a complete national distribution, if he dealt direct with retailers would have to carry the accounts of considerably more than a quar-
ter of a million dealers. The expense of bookkeeping, of the adjustment of credit relations, of collecting, and the losses from bad debts would necessarily be very great. On the other hand, the manufacturer of a grocery specialty who dealt only with jobbers would have not over 2,500 accounts; it would be comparatively easy to obtain credit information on each customer; many of them would discount their bills; and clerical and other similar items of expense could be cut to a comparatively small minimum.

114. Variations in jobber's service.—Not all manufacturers who sell through jobbers make use of all these forms of the jobber's service. For instance, the practice of making "drop shipments" frees the jobber from the actual handling of the goods. "Drop shipments" are made direct from the factory to the retailers, on orders taken either by the jobber's or the manufacturer's salesmen; the shipments, however, are billed by the manufacturer to the jobber; the jobber takes all the responsibility for collection; and the financial arrangements between jobber and manufacturer are exactly the same as they would be if the goods were first shipped to the jobber and then reshipped by him to the retailer. Many manufacturers, while relying on jobbers for the bulk of their business, also send their own salesmen to call on retailers. If the manufacturer's policy is to protect the jobber by giving him his profit on all goods sold to his customers, the manufacturer's salesmen are chiefly trade missionaries, employed primarily to talk the manufacturer's goods to the retailers and to aid the jobbers' salesmen in taking orders. If these manufacturer's salesmen themselves take orders from retailers, the retailer is asked to name the jobber through whom the order is to go; the salesman sends the order to the
jobber named; the jobber gets his regular profit on it; and the order is filled either from the jobber's stock or from the factory direct.

Besides these two common modifications of the ordinary method of marketing through a jobber, there are other ways in which some manufacturers vary the usual items of jobber's services. Nevertheless the jobber stands ready to give the five kinds of service that have been mentioned. Is this service worth what is paid for it? Could the manufacturer perform it for less? In many cases, no. It is true that a large number of manufacturers do not deal through jobbers; some of their reasons are to be considered in the next chapter. But the fact remains that the jobber is in a position to give valuable and cheap service in connection with many kinds of manufactured goods, and that the manufacturer who can obtain his cooperation has enlisted the support of an efficient and an economical selling aid.

115. How the jobber serves the retailer.—Although the fact that the jobber lowers the cost of wholesale distribution of many manufactured articles is an important point in his defense, his chief justification is found in the fact that his services make possible the existence of the thousands of neighborhood retail stores which our buying habits demand. The best way in which to understand what the jobber does for the retailer is to imagine a typical successful store of the smaller sort—a neighborhood grocery store for example. This store has on its shelves 1,000 or more different kinds of brands of goods. They are made by perhaps 300 different manufacturers. The store has been buying its stock from three or four jobbers. Now suppose that all the jobbers are eliminated over night. The retail merchant wakes up some morning to find that there
are no more jobbers; he must buy every item in his stock directly from the manufacturer. What would be the effect? In 90 per cent of the cases the retailer would probably go out of business, but, if he should be able to adjust himself to the new conditions, he would find himself in the following situation:

First the retailer would have great difficulty in keeping complete stocks in any line. When buying from a jobber, he can keep a memorandum of needed supplies, and give a lump order when the jobber's salesman makes his frequent round. Even with this easy method of ordering, the average retailer finds it exceedingly difficult always to have on hand a supply of even the commonest staples. If he had no jobber to deal with, the necessity of constant reordering from many manufacturers would be an obstacle to success which could only be avoided by the introduction of an elaborate and expensive system of stock records and purchasing procedure.

The actual time spent in seeing the salesmen of 300 or more manufacturers or in ordering from their catalogs would be enormous. The small dealer would go out of business if he had to spend practically all of his time in this way. Even under the jobbing system, he finds that a great part of his time is taken up with seeing competing jobbers' representatives and the salesmen of the comparatively small number of manufacturers that sell direct. With the jobber eliminated, only the largest stores, employing many responsible buyers, could survive.

The retailer would have great difficulty in keeping a well-selected and a well-balanced stock. Imagine the average dealer, necessarily without specific knowledge of the quality and selling value of every competing line in his stock, importuned constantly by a horde of sales-
men to stock large quantities of one line at the expense of another. Inevitably he would find himself over-stocked in some things and understocked in others. One of the greatest services rendered by the jobber is the aid his salesmen give the retailer in the latter's endeavor to keep a carefully selected, carefully balanced stock of goods. The jobber is keenly aware of the necessity of cultivating the continued goodwill of his trade; he knows that his own success is bound up in the service he gives to each of his customers; he knows that the secret of retail success is largely a matter of minimum stocks, quick turnovers of capital, and frequent purchases. With the jobber gone, it is not to be expected that each one of a multitude of competing manufacturers would have the same solicitude for the individual retailer's continued success that the jobber now has for his customers. The jobber does not push any one kind of goods ordinarily; he tries to build up the retailer's business as a whole, and he renders valuable service by aiding him with all kinds of buying and selling plans.

In many lines the retailer would have to purchase in much larger quantities than if he bought from the jobber, because the solicitation of small orders would not pay the small one-line manufacturer. This would mean that the dealer would have to have a much larger capital than is now required for him to do a profitable business. If his business remained as small as it now is on the average, he would have more capital tied up in goods, he could turn his capital less often than he can now, and consequently his profits would be prohibitively low. He would either have to go out of business, or his prices to his customers would have to be greatly increased.

The necessity for large purchases in each line would also result in increased storage space. The small dealer
now relies on the jobber to carry his surplus stock for him. He buys frequently and in small quantities, and in that way not only turns his capital many times a year, but also does business with a minimum of overhead expense. Added warehouse charges would increase his own cost of doing business, and would have to be reflected in his prices to the public. This warehouse cost, which adds place and time utility to commodities, must be met by some one; if the jobber does not meet it, the manufacturer or the retailer must, and it is probable that the jobber, who is a specialist in warehousing as well as in selling, can store goods more cheaply than either of the other factors in trade.

Without the jobber there would probably be a cessation of the credit arrangement that now practically results in the jobber's furnishing many a retailer with most of the capital with which he conducts his business. The struggling merchant who gives a show of ability can usually find some jobber to back him until he gets on his feet. In every town there are retailers who would have to close their doors tomorrow if it were not for the leniency and goodwill of a jobber. The jobber often is the retailer's banker; he extends him credit, not particularly because he wants to do a favor, but because it is good business to help the man who gives evidence of being able to succeed. Certainly with the withdrawal of the jobber and the resulting keen desire of many competing manufacturers to get their money without delay and without risk of loss, the average man desiring to go into business would not be able to command enough capital to conduct a retail store.

116. *When the jobber is necessary.*—In this consideration of the service rendered the retailer by the jobber, we have in mind those retail lines in which jobbing
plays the strongest part. If a store deals in goods that are of such nature that the entire stock can be bought from a few manufacturers, the jobber's service is not important. This is largely the case with stores handling shoes, furniture, clothing, etc. The elimination of the jobber would not greatly handicap these stores, because in perhaps the majority of cases even the smallest of them are already purchasing directly from the manufacturer. It should also be remembered that we are not considering the advantages and disadvantages of the present system of multitudinous small stores scattered everywhere throughout the country and of the present system of independent, strictly competitive, relatively small units of manufacturing. It is possible that with fewer and much larger retail stores and with combinations among manufacturers for the purpose of more economical marketing, there would be less necessity for the jobber's services. Under present conditions, however—and those are the only conditions worth considering—the jobber is often essential to the existence of the average retail store in many staple lines.

117. Jobber's service to consumer.—Finally, the jobber serves the consumer. He permits the existence of the neighborhood store, which is demanded by our modern buying methods; he is an effective factor in creating place and time utility; he provides an economical method of marketing for many manufacturers, and thereby keeps down prices; he encourages retail competition, increases retail efficiency, tends to weed out the unfit in merchandise and to encourage the sale of goods of quality. In short, he touches the lives of the public in such a variety of ways that, if he were to disappear from the merchandising field, we should find ourselves seriously inconvenienced; we should be under the neces-
sity of abandoning old buying habits and forming entirely new relations with the sources of supply of many of the things that we eat and wear and use.

118. *A clearing-house for merchandise.*—One phase of the jobber’s general service to manufacturers, retailers, and the public alike is brought out in the following article which appeared in *Printers’ Ink*:

By the operation of a “transfer station” at Waverly, N. J., the Pennsylvania Railroad in one year “saved” 11,342 freight cars. In other words, instead of sending a carload from some small town in New York State direct to some far-away destination and reshipping various small shipments at innumerable places en route, the car is rushed to Waverly, where it is unloaded and its contents consolidated with those for the same destinations from many other cars from different places, so that solid carloads can be sent through to each of the towns for which shipments were included in the original cars.

The jobber is the “transfer station” of the business world. He receives large shipments from manufacturers, subdividing each shipment and consolidating the subdivisions so that a small quantity of each manufacturer’s shipments are sent in one large aggregate to each retailer. This is just the same as making up carload lots of shipments from various towns to some one town as is done at the Waverly station. If we stop to think what an expensive and inconvenient thing it would be for each manufacturer to make many small shipments to retailers, and how much it would add to the cost of consumers, we will cease to look at the jobber as adding unnecessarily to the cost of distribution.

Many people who believe in the jobber’s service, however, are seriously questioning whether his function in sorting and re-shipping goods sent to him by the manufacturer is an economical one. It is said that in some lines merchandise on its journey from the manufacturer
to the retailer through a series of brokers and jobbers has to be crated and uncrated, packed and unpacked, assorted, and freighted so many times that an appreciable amount is added thereby to the price to be paid by the consumer. Doubtless this is true. One suggestion to remedy this condition is that the jobber shall act solely as a sales agent and a collector, and that he shall not handle the goods at all. It is suggested that all his orders be taken on the "drop shipment" basis; that they all be sent to the factory for filling; that the retailers be encouraged to buy in the smallest possible amounts; and that the manufacturer ship these small amounts direct to the retailers by parcel post. It is maintained that this would not only save the many expenses of re-shipment, but that it would also permit dealers at all times to order goods in small quantities and so to keep complete assortments in all lines continually throughout the season. The scheme would doubtless accomplish this latter result if the goods were such that they could be handled in this way; but it is doubtful if it would effect any saving in expense, because certainly in many kinds of business the cost of a large number of small parcel post shipments would be in excess of the freight charges on much larger quantities, even when one or more re-shipments by freight had to be made after the goods left the factory and when the cost of successive handlings was added. The scheme is interesting, however, as showing the possibility of alteration in some phases of the jobber's function, while retaining the essential features of his activity that makes him a necessary factor in many lines of merchandising.

119. Two methods of wholesale selling.—We have seen that there are different kinds of retailers, each in competition with the others. So are there different
forms of jobbing houses, differing, as in the case of the several types of retailers, not in the goods they carry but in the way in which they are organized to sell them. The typical jobbing house sells its goods by traveling salesmen who call on the retail trade. The institution of traveling salesmen is as old as jobbing itself. In some wholesale lines, however, traveling salesmen are not an important factor. In the case of dealers in goods in which style plays a large part it has long been the custom for buyers to make periodical visits to the central markets and to order only after personal inspection of the jobbers' stocks. In all lines there is a growing tendency to encourage personal visits of buyers to jobbing centers for the purpose of stimulating pleasant personal relations between the supply house and the retailer. Nevertheless the backbone of the average jobbing business is the salesman who carries the jobber's message from store to store and from town to town. The competition in jobbing channels is extremely severe, and it is generally considered that the house that does not go out after the business with competent representatives cannot compete with the house that does.

The business world, however, has been furnished with evidence during recent years tending to show that traveling salesmen certainly are not necessary in all cases and that possibly their influence in future wholesale selling will be considerably diminished. Wholesale selling by mail, although not as spectacular as the activities of the great retail mail-order houses, has developed to a surprising extent. Enormous wholesale businesses, like Butler Brothers and the Baltimore Bargain House, showing yearly sales of millions of dollars worth of goods, have been built up strictly on a mail-order basis. The fact that they have been successful necessitates seri-
ous consideration of them as possible forerunners of a coming common form of wholesale marketing.

120. Advantages of using salesmen.—Some of the competitive advantages of wholesale selling by salesmen are the following:

The jobber can develop a personal, friendly relation with the trade through his representatives. A purchaser usually places his order where he can get the best service and the most satisfactory goods at the lowest price; but when two or more houses offer him approximately the same terms, the same price and quality, and the same service, his personal relation with the houses or with their representatives is likely to be the determining factor in the placing of his order.

The salesman can give his employer information regarding the credit of the retailer, and may also be of material assistance in the matter of collections.

A salesman who knows his line and who is skilled in his business can usually obtain a larger order from a retailer than the latter would ordinarily give if he were ordering only from a catalog.

The salesman knows local conditions as well as general merchandising methods. He can often give the retailer valuable aid in meeting local marketing problems.

Much wholesale selling is done by means of samples that are carried by the salesman. The mail-order jobber must make sales solely by the attractiveness of the pictured and printed descriptions of his goods.

121. Advantages of selling by mail.—In contrast to these points of competitive strength of the ordinary jobber, the wholesaler who sells by mail has certain definite advantages:

He is free from the danger of losing customers who
are so strongly attached to a salesman that they will transfer their trade to any house by whom he may be employed.

He is free from the possibility of being injured in the eyes of his customers by the irresponsible, thoughtless actions or words of some salesman over whose speech and movements, at the best, the jobber can exercise but limited supervision.

It is maintained that the mail-order jobber does business at less cost than the jobber who sells by salesmen. There are no figures to prove this, however.

The mail-order jobber says that his system of selling encourages frequent, small orders from the retailer which are most essential to retail success, and which, consequently, are for the best interest of the jobber. On the other hand it is maintained that many jobbers' salesmen are so keen for immediate commissions that they will load the retailer, regardless of the ultimate effect that this may have on the business of both the retailer and the jobber.

122. Combination of methods.—Relatively few jobbers employ either of these methods of marketing exclusively. Nearly every house that employs salesmen also issues a catalog or price list, and encourages its customers to order frequently by mail. Many jobbers advertise extensively in trade papers, and send out elaborate circulars and announcements. The desire to utilize every possible method of contact with customers has induced some jobbers to publish house organs, which carry their advertising, and, in addition, contain so much matter of general interest that they may be classed almost as business magazines. Competition is keen in the jobbing field, and with few exceptions the greatest success is won by those who use both salesmen and the
mails to solicit orders. This combination of methods is particularly advantageous in the case of those jobbers whose selling costs are high by reason of a large territory and widely scattered customers.
CHAPTER VIII

THE JOBBER'S STATUS

123. Jobber not to be abolished.—Despite the service that the jobber is in a position to offer to manufacturers and retailers, there is a constantly increasing number of manufacturers who decline in whole or in part to take advantage of those services and an equal number of retailers who prefer to make their purchases direct from the manufacturer. Why? Before investigating the reasons for the changing status of the jobber and his declining importance as a factor in many kinds of merchandising, let us fix firmly in mind the fact that the jobber is not going to be eliminated. It is true that he is being eliminated in some kinds of business; it is also true that his functions are being greatly changed in others. But there is a wide difference between the elimination of some jobbers and the elimination of the jobber. Until we abandon the competitive system of industry, some jobbers will be necessary in some lines of industry. Starting with this understanding, we are to inquire into the reasons for the chaotic condition in marketing, which seems to have for its center the changing status of the jobber and his fight for existence. We are to ascertain, first, why it is that many retailers are willing to forego the jobber's service to them, and, second, why it is that many manufacturers are leaving the jobber partly or entirely out of their schemes of marketing.

124. Increased buying power of retailers.—First, why is the retailer increasingly eager to make his purchases
direct from the manufacturer? The most important reason probably is the increased size of retail buying units. As soon as a retailer develops his business to such an extent that he can buy goods in very large quantities, it is natural for him to wish to buy from the manufacturer at the same price at which the manufacturer would sell the same quantities to the jobber. He wants the jobber's profit for himself. When it is understood that many retail units—large specialty stores, department stores, chain store organizations, and the great mail-order houses—have larger purchasing power than all except the most extensive jobbing establishments, it is not to be wondered at that they are willing to take over the jobber's function of storage, provided they can obtain the same discounts that are ordinarily given to the jobber. The fact that some great retail buyers can and do get minimum prices by buying directly in quantities, influences the smaller retailers, in order to compete with their stronger competitors, to form cooperative buying exchanges by means of which purchases are pooled and manufacturers are asked to give to the buying exchanges the same prices that are obtained by the larger retail organizations buying individually. When a single retailer or a group of retailers demand direct buying connections on the strength of their buying power, they consciously abandon the old idea that there should be certain prices to jobbers because they are jobbers and other prices to retailers because they are retailers; they set up the new idea that the only basis of price differentiation should be the quantity that can be purchased, regardless of whether it is jobber, retailer, or consumer, who can buy that quantity—although some of these direct retail buyers would refuse to grant to the consumer.
the same quantity-buying privileges that they demand for themselves as a right.

125. *Ease of buying directly.*—Retailers are encouraged in their attempt to purchase directly by the increased ease of dealing with the manufacturer. The number of manufacturers’ salesmen who can call upon retailers is constantly increasing; facilities for the quick and cheap transportation of even small shipments direct from the factory to the store are much better than formerly; the possibility of ordering frequently and conveniently by mail from the manufacturer is being realized more than ever before.

126. *Some lines not sold by jobbers.*—Some manufactured lines have developed in such a way that they are no longer generally handled by jobbers. Ready-to-wear clothing, for instance, is not commonly thought to be a profitable jobbing line. When goods of this sort cease to be profitable to the jobbers, the jobbers abandon them or become manufacturers on their own account, and the retailer is forced to buy from the manufacturer.

127. *Retailer knows sources of supply.*—The fact that consumers are more and more acquiring the habit of buying goods by name encourages the habit among retailers of thinking of the manufacturer rather than of the jobber as the natural source of supply for the things in their stores. As long as customers generally asked simply for flour, the dealer did not pay much attention to brands and manufacturers; he bought usually on a price and quality basis from the jobber. But when his customers began to ask for Gold Medal flour or some other advertised brand, the manufacturer’s instead of the jobber’s name was the one that naturally occurred to the retailer when he thought about ordering. National advertising has made the manufacturer known to the re-
tailer. The dealer knows definitely where to go for the goods he wants; he no longer has to depend on the jobber for all of his information regarding sources of supply.

128. Some jobbers sell to consumers.—Some jobbers have antagonized the retailer by invading what the retailer claims as his field. The jobber often sells directly to large consumers; then, too, many jobbing houses have openly established retail stores. This arouses resentment among those retailers who believe that each factor in trade should stick closely to its own peculiar function. When a jobber owns several successful retail stores in a city, it is not to be expected that the competing individually owned stores will be eager to increase his prosperity and competitive strength by patronizing his wholesale establishment.

129. The charge of price discrimination.—Finally, the charge has been made by some retailers' associations that jobbers do not have fixed prices for fixed quantities, that they favor certain dealers and discriminate against others, and that when one retailer buys goods from a jobber at a certain price, he cannot be sure that his next-door competitor is not going to buy the same quantity from the same jobber at a lower price. This charge is certainly not generally true; and yet some jobbers not only admit it but even defend the practice on the ground that the shrewdest buyer should get the best bargains. But whether the practice is general or not, or whether it is justifiable or not, it is resented by many retailers, and is helping in many lines to widen the breach between jobber and retailer.

130. Why the manufacturer sells direct.—In considering the reasons for the manufacturer's growing independence of the jobber we must class them under two
heads; first the reasons that might apply to the old-fashioned jobber who has not varied his activities from the historic model, and, second, the reasons that apply only to the jobber who has departed from the old model and has undertaken or abandoned certain activities in an attempt to strengthen his position. These changed activities have often in their turn reacted to further antagonize the manufacturer and to emphasize the precariousness of the jobber’s position. First, what has happened in the field of the old-line jobber that has alienated many manufacturers?

131 *Jobber’s inability to push one line.*—The most noticeable development is the enormous increase in the number of manufactured lines which the jobber is asked to handle. A recent catalog of a wholesale grocer contained 6,000 items divided among 724 different kinds of goods. Among them, for instance, were 102 brands of coffee, 30 different kinds of coffee substitutes, 84 makes of canned beans, and 75 kinds of cigars. Obviously the amount of real salesmanship that can be put behind any one manufacturer’s goods by the jobber’s representatives is exceedingly limited. It is utterly impossible for the jobber’s salesmen to know the selling points of more than a minute fraction of the things they are supposed to sell. This is unsatisfactory to the manufacturer who wants the aid of personal salesmanship in the pushing of his goods. The jobber’s salesman cannot give personal attention to many lines; accordingly the jobber refuses to handle goods for which the manufacturer has not created a demand, as, if he does put them on his price list, they do not sell.

The advertising manufacturer feels that in view of the aid he gives the jobber by creating demand, the jobber ought to reciprocate by telling his salesman to get be-
hind advertised goods. Often the jobber does not see it in that way. And, in fact, why should he? How can he push one manufacturer's goods without being unfair to other manufacturers? If the manufacturers of both Ivory soap and Fairy soap, for instance, deal through the jobber, how can the jobber urge his salesmen to put their efforts behind one brand without being unfair to the other? The jobber’s function nowadays cannot be to push any one line; theoretically, at least, the physical necessities of the case compel him to say to the retailer: “Here are many different brands of goods. They are all good, or I should not be handling them. Take your choice.” This situation is not satisfactory to those manufacturers who do not advertise, or who want real sales service to supplement their advertising.

132. Desire to keep close to market.—The development of advertising by the manufacturer has brought a long string of consequences to upset the manufacturer-jobber relation. One of them is the desire of the manufacturer who spends huge sums in advertising his goods, to keep in closer touch with his market than is possible when he deals only through the jobber. He wants to be sure that the advertising is being backed to the limit by personal salesmanship all the way down the line until the goods are delivered to the final consumer. This does not mean necessarily the elimination of the jobber; the jobber ought to welcome national advertising if it helps him to sell more goods with less effort. It does mean, however, that the manufacturer wants to exercise more and more control over all steps in his distribution and that he often is not satisfied with the passive order-taking attitude of many jobbers’ salesmen.

133. Necessity of checking up advertising.—The advertising manufacturer wants to know definitely where
his goods go into consumption. Suppose a manufacturer of a food specialty deals only through jobbers. He advertises in national magazines, but it is his policy also to use local advertising—newspapers, street cars, billboards, etc.—in those towns where special advertising effort is needed. There are seventy-five wholesale grocers in Chicago, and he sells to all of them. He has an idea that his sales to consumers in Chicago are falling off, but he wants to make sure of this before he spends money for local advertising. How can he make sure? It will do him no good to compare his sales to Chicago jobbers this year with the sales last year, because Chicago jobbers ship his goods all over the western territory, and total sales all over the district covered by them may have increased while actual deliveries to Chicago retailers may have decreased. The jobbers can guess at the situation for him, but advertising appropriations should not be made on a guessing basis. He may send representatives to the retailers themselves and attempt to get exact figures—not guesses—from them; but if he can afford to do this as often as will be necessary, he can afford to eliminate the jobber and have these representatives do all his selling. As a matter of fact, the manufacturer who sells only through jobbers does not know where his goods go into consumption. Unless the jobbers are willing to keep definite records of the shipments of all of his goods and to supply him with this information, he is handicapped in his advertising activities.

134. Some jobbers antagonistic to advertising.—Some jobbers resent national advertising by manufacturers. They say that the profits on advertised goods are too small; they complain that the manufacturer is making of the jobber a mere machine; they resent their
lessening influence with retailers occasioned by the growing consumer demand for advertised goods. This attitude is not logical unless the profit on an advertised line is really too low; yet the attitude is not infrequent, and as a consequence manufacturers often prefer to find their own markets rather than to spend the time and money necessary to enlist the jobber's support.

135. Price cutting by jobbers.—One of the most important results of advertising has been to aid in the development of the principle of price maintenance. Many manufacturers wish to name the price at which jobbers shall sell their goods to retailers as well as the price at which retailers shall sell to consumers. Some jobbers have refused to give this principle their support. Price cutting by jobbers is one of the oldest and most common of the abuses of which manufacturers complain. When price cutting becomes general among jobbers, the manufacturer who wishes prices maintained is tempted to withdraw entirely from his jobbing relations. Perhaps the failure of some jobbers to support price maintained goods has been more responsible than any other one thing for the development of manufacturer-direct-to-retailer selling systems.

136. Exclusive agencies and direct selling.—It has been found that certain kinds of goods are best sold by the exclusive agency system; they are handled only by one dealer in a town. Because of the large sales by this dealer, direct selling by the manufacturer often becomes more economical than selling through the jobber. Also the manufacturer wishes to keep in the closest possible touch with those dealers whom he has entrusted with the exclusive sale of his goods, and this is not always possible if the jobber must act as an intermediary.
137. Manufacturers sell complete lines.—Another reason, not influenced by advertising, for the lessening importance of the jobber to some manufacturers is the development of the movement for the production of complete lines by manufacturers. For instance, in the shoe industry many factories now make all kinds of footwear, so that a retailer can buy his entire stock, if he cares to do so, from one manufacturer. When this is the case, the sales to each retailer can often be made large enough to justify the manufacturer's sending out his own salesmen. Coupled with this movement is the development of the "family products." The National Biscuit Company or one of its great competitors can supply a dealer's entire needs for the class of goods it manufactures. The resulting large sales to each dealer often make direct selling economical.

138. Retailers' refusal to buy through jobbers.—The demand of large retailers for direct buying connections and their refusal to purchase through a jobber tempts the manufacturer to sell direct to them. When a manufacturer yields to this natural temptation, then the jobbers sometimes in reprisal refuse to carry his goods and thereby force him into a general system of direct selling.

139. Nature of the commodities.—One important reason for direct selling is the nature of many of the commodities sold. If goods are liable to rapid deterioration in value, it becomes necessary to market them by some system that will insure their getting to the retailer by the most direct route. Rather than risk the danger of having their goods spoil in the jobbers' warehouses, some well-known manufacturers of pickles and preserves, for instance, prefer to operate their own local distributing stations where they can keep a close watch
on the condition of their goods and from which the retailer can be urged to buy frequently and in small quantities. The National Biscuit Company follows this procedure. So also do the majority of the meat packers, but in their case the reason for direct selling is largely the fact that ordinary jobbers do not possess the refrigerating facilities that are necessary to keep the product in marketable condition. That jobbers can and do give satisfactory service in connection with the marketing of many kinds of spoilable goods, however, is proved by the support given to jobbers by many manufacturers of goods of this class. The Kellogg Toasted Corn Flake Company, for instance, has been a notable and consistent distributor exclusively through the jobbers of a product that is subject to deterioration.

140. Lowered cost of direct sales.—Finally, the growing practice of going over the jobber’s head to the retailer may be attributed partly to the increasing density of population. When retailers are widely scattered and the expenses of traveling salesmen are high, manufacturers are usually unwilling to undertake the cost of selling direct to the dealers. In such a situation the jobber is generally recognized as being the most economical distributing medium. But when many possible retail customers are grouped closely together, the expense of a local warehouse and of sending the manufacturer’s salesmen direct to the retailers is comparatively small, and the manufacturer when confronted by what he believes to be sufficient cause for forsaking the jobber does not find the task of direct selling an impossible one. For example, many well-known manufacturers who ordinarily deal through jobbers, have, for one reason or another, elected to become their own wholesale distributors in New York and in other large cities.
141. Direct selling is natural tendency.—The statement is sometimes made that the whole mix-up about the jobber is due to a selfish desire on the part of retailer, jobber, or manufacturer to cut out a step in marketing and to keep for himself a profit that has heretofore gone to some other trade factor. That this is not always the case is proved by the large number of natural causes for the present situation which have been listed in this chapter. There is always the desire, of course, on the part of every distributor to get all the profit possible, and the changing status of the jobber is due in part to that desire; but certainly it is due just as largely to the many things that have happened of late years to alter marketing methods—things that have happened because of a natural development of trade and not because of a selfish desire on the part of any trade factor to upset old procedure solely for the sake of an immediate advantage to himself.
142. The old-line jobber.—We have said that some of the reasons for direct manufacturer-retailer relations apply to the old-fashioned jobber who has not altered his classic functions. These are the reasons that have been discussed in the preceding chapter. There is another class of reasons, however, arising from a change in jobbing functions, and the most important of them is the entry of the jobber into the manufacturing field. The old-line jobber was a distributor pure and simple so far as manufactured goods were concerned. To be sure, he has always performed a semi-manufacturing function with respect to certain kinds of goods. The grocery jobber, for instance, has since the beginning of the canning industry taken largely upon himself the responsibility of establishing local canning factories and of collecting and packing the fruits and vegetables that are handled by the canning establishments. Sometimes the jobber owns and operates outright the factories that supply him with his canned goods; sometimes he merely backs a local canner with his capital and with his agreement to take the output of the establishment. In either case, however, the jobber usually controls the character of the product, and he provides, often in advance, for its marketing. There are some independent canning factories, but the great majority of them put up all or most of their product under the labels of the jobbers with whom they deal; only a few advertise their own brands
to the public. The canning industry seems to be essentially one of small units, because the cannery must be close to the source of supply; therefore, in spite of a few notable exceptions, it has not attracted generally the attention of large scale manufacturers, and the supremacy of the jobber in this field does not seem likely to be seriously disturbed. What is true with respect to canned goods is also generally true with respect to goods of various sorts imported in bulk and then sorted and packed for the trade by importing jobbers. The jobbers' brands have long dominated such goods, and they will probably continue to do so. Some importers are beginning to limit their attentions to one or a few lines of goods, to brand them uniformly, and to advertise the brands nationally. The function of these importers, however, is essentially a jobbing one; it differs only in degree from the activities of the many general jobbers who import and pack under their own brands but who do not generally resort to advertising to market the goods.

143. Jobbers as manufacturers' competitors.—These old, well-established activities of the jobber do not constitute what is known as the private brand problem. There is no private brand problem as long as the jobber puts his own label only on the kinds of goods that are not generally branded and advertised by the manufacturers. The problem arises when the jobber comes into direct conflict with the advertising manufacturer by putting his own brand on the same kind of goods that are branded by the manufacturer. The private brand problem is serious now because the hardware jobber who handles many goods trade-marked by the manufacturer is often pushing a similar line of competing goods under his own label; because the drug jobber who is supposed
to be in business primarily to distribute the goods of manufacturers is frequently putting out, in competition with the manufacturers' goods in his stock, a complete line of druggists' package goods under his own label; and because dry-goods jobbers and others are in many cases trying to bolster up their position by similar practices. This is the private brand problem. Is it the cause or the result of the present changing status of the jobber? Probably it is both a cause and an effect. The jobber says: "The manufacturer is taking my most profitable trade away from me; he is selling direct to the largest retail buying units, which of right ought to buy from me. Often he is selling package goods and other specialties direct to all retailers, regardless of their purchasing power, and is then leaving me to supply the same retailers with the heavier bulk goods on which I make the smallest profit, or no profit at all. If I am to stay in business, I must make a living profit; and I can't make a living profit unless I handle specialties which I can sell under my own label, which the manufacturer can't take away from me, and on which I can fix my own profit without dictation by the manufacturer." On the other hand, the manufacturer says: "Of course I have to sell direct to the retailer. Here is John Smith and Company, the wholesale druggists, with a brand of face cream of their own. Their salesmen have orders to push it and to try to get the retailers to order it instead of the face cream that I manufacture and advertise widely. Why should I entrust my brand to them? It is certain, if I do, that they will do their best to side-track it and to substitute their brand." There we have the private brand problem in a nutshell.

144. Different kinds of manufacturing jobbers.—The jobber who sells his own private brands is sometimes
known as a manufacturing jobber. He operates in several different ways. First, there is the jobber who has actually established his own factories and who really manufactures the goods on which his trade-mark appears. There are relatively only a few jobbers who do this, however, because of the amount of capital needed to establish and operate factories. Another type is the so-called manufacturing jobber who goes to some independent manufacturer and has him put up goods for the jobber under the jobber’s label, or who buys package goods of various sorts without any label and then attaches his own after the goods reach his warehouse. This method is followed to some degree by almost every jobber in every line in the country. Still another method is for a large jobbing house to take the exclusive agency for a manufactured line, and to act as the manufacturer’s exclusive agent for the distribution of the line throughout the entire United States or within a limited territory.

The jobber who follows any of these three methods may or may not advertise the goods for which he assumes responsibility. In the great majority of cases he does not. If he does, the advertising is usually in trade papers and is not intended to influence the consumer. Some manufacturing jobbers, however, are using local mediums—newspapers, street cars, etc.—to influence consumer demand; and a few of the largest jobbing houses are advertising in general mediums to reach a national consumer market. Among the well-known products advertised nationally by jobbers who either manufacture them themselves or who have undertaken the exclusive responsibility for their distribution, are Eskay’s Food, Calox Tooth Powder, Pebeco Tooth Paste, and Steero Bouillon Cubes.
145. Why the jobber likes private brands.—We are to consider the problem of private brands from three points of view: first, from the point of view of the jobber who is responsible for them; second, from the point of view of the manufacturer who makes them; and third, from the point of view of the general public and of the manufacturer who opposes them.

146. Small profit on advertised goods.—Why does the jobber sometimes abandon his historic function as a distributor exclusively and put his own trade-mark on goods to sell in competition with goods trade-marked by manufacturers? His first reason is usually his belief that he can make more profit on his own brand than on a manufacturer’s brand. The charge is made that goods that are advertised by manufacturers often give the jobber such a small profit that he cannot afford to handle them. If this charge is true, it is an argument that cannot be answered.

Advertising manufacturers, however, usually contend that the profit on their goods, although perhaps small on each sale, is sufficient in the aggregate because of the smaller expense of selling and the more rapid turnover of capital possible with goods for which there is a real consumer demand.

It is said that the jobber’s sole purpose in putting out private brands is to make more money—to get them for the minimum price and to sell them for the maximum; and that consequently quality is likely to be a secondary consideration. This charge is probably true sometimes, but it certainly is not true in all cases. Even though a jobber may get his privately branded goods from the manufacturer who will furnish them at the lowest price, and even though the jobber may change his source of supply as often as he finds a chance to get goods at less
cost to him, it must be remembered that in many cases he has as much pride in his private brand as the manufacturer has in his—that he hopes to make his trademark the basis for increasing goodwill for him and for his goods, and that he is as jealous of the quality of the goods sold under his brand as any manufacturer could be.

147. Jobber wants to control his market.—The private brand jobber says that he owns his own business. No salesman who leaves his employ to work for another jobber can take trade away from him. If a jobber’s private brand has proved satisfactory to a retailer’s customers and is in demand among them, the retailer is not likely to cut off his source of supply for those goods simply because of friendship for a salesman who has formerly sold them but who has now gone over to a rival jobbing house. Furthermore, the manufacturing jobber maintains that he owns his business in still another sense. He is the sole wholesale distributor of his brand; he can dictate prices and profits without interference by any manufacturer; and his market is not likely to be demoralized by price-cutting by other jobbers, which sometimes does demoralize the market for manufacturer’s nationally advertised goods that are offered by jobbers as leaders.

148. Private brands mean more customers.—The jobber says, too, that his private brand will bring him new retail connections. If he advertises it and it is demanded by consumers, his salesmen will have less difficulty in opening new accounts than they have when all they can offer the retailer is the same line of manufacturers’ goods that is also offered by other jobbers.

149. Why the manufacturer makes private brands.—The manufacturer who is willing to keep himself in the
background and to make goods for the jobber to sell under the jobber's trade-mark justifies his activities in several ways. First, there is the manufacturer who ordinarily sells his goods under his own label, but who has produced more than his normal market can consume, and who finds himself with a warehouse full of goods that he cannot move. The temptation is great for him to remove his label from these surplus goods and to sell them to some jobber who wants to brand them with his own trade-mark. He says that this business is clear "velvet"; he gets trade that he could not get otherwise; and he does not believe he is injuring himself in any way by the transaction.

Then there is the manufacturer who finds himself with some goods of second or third quality on hand, on which he does not wish to put his own label. If he can find some jobber who is willing to buy them and put his private brand on them, he believes he is making a clear gain. Some opponents of private brands charge that most of the jobbers' privately branded goods are obtained in this way. They have not proved this charge. There are countless goods bearing a jobber's trade-mark that are of just as high quality as any that are branded and advertised by a manufacturer.

Finally there is the manufacturer who has no trade-mark of his own and who does nothing but make jobbers' or retailers' privately branded lines. He does this as a conscious policy, often because it happens to have been a long established custom in his line of business and because jobbers and retailers in that line insist on having their own brands or none at all, or because by this method of doing business he believes that he saves much selling expense which the marketing of his own goods under his own trade-mark would entail. Allied to him is the
manufacturer who has but one quality of goods, and who puts his own trade-mark on part of his product, but is willing to sell the rest unbranded to jobbers and retailers who insist on having their private brands. He believes in pushing his own brand, but he sees no harm in permitting exactly the same goods to be sold under any other brands if dealers want them. He may protect the price on his own brand, and yet permit the same goods under private brands to be sold at any price the dealers wish to put on them. He believes, in other words, in doing everything possible to protect the goodwill he has built up for his name, but he sees no necessity for protecting the goodwill that has been built up for the goods themselves.

150. Arguments opposed to private brands.—In opposition to jobbers' and retailers' private brands we find a long line of influential factors in trade. First among them are the majority of nationally advertising manufacturers. Then there are most of the other factors concerned with advertising—advertising agents, newspapers and magazines, and other interests which might be expected to oppose any movement that is based largely on opposition to the influence of advertising. Finally there is a great body of retailers who have often expressed their preference for goods advertised by the manufacturer over those that are branded by the jobber and are unknown to the consumer. Some of the arguments in opposition to private brands are the following.

151. Unfairness to manufacturers.—It is charged that the jobber who pushes his own brand is unfair to the manufacturers of competing brands that he carries. In a certain sense this charge is reasonable. Suppose that a hardware jobber has his own brand of saws, and that
he also purports to aid in the distribution of the saws of a half dozen manufacturers who sell their product under their own trade-marks. If his salesmen do not push his private brand unduly, if they simply say to the retailer, "Here are seven good brands; take your choice," there cannot be much criticism of his activities. But this usually is not the purpose of the private brand jobber. His salesmen have orders to push his goods. All of them do not attempt to substitute, but many of them do. This is where the unfairness comes in. The jobber believes he should be supported by the manufacturer as a legitimate middleman, and then he often turns around and competes, as a manufacturer, with the manufacturer whose support he solicits. It is difficult to see the validity of arguments in support of this practice. The jobber says he is forced to adopt it in order to make a profit; perhaps he is. But in doing it he is undoubtedly helping to break down the manufacturer-jobber-retailer system of distribution upon the continuance of which his existence as a jobber depends.

Of course if a jobber frankly pushes his private brands, and if this fact is known by manufacturers who urge him to place their own brands on his price list, the jobber cannot be charged with unfairness even if he complies with their requests. He may be helping to break down the jobbing system, but he is not unfair with the manufacturers; they put themselves in his power with their eyes open. The unfair nature of the jobber's private brand activities appears only when the jobber demands as a right that the manufacturer sell his goods through the jobber alone, even resorting to questionable coercive measures at times to accomplish this purpose, and then, having obtained the manufacturer's cooperation, turns around and does his best to push his
private brand at the expense of the manufacturer's goods. This practice is by no means unknown, and it certainly does not help to clear up the present confusion regarding the jobber's status.

152. How unfairness can be avoided.—It is entirely possible, however, for a private brand jobber to conduct his business in such a way as to avoid any implication of unfairness and to be freed entirely from the anomalous position in which many private branders find themselves. Suppose our hardware manufacturer who puts out his own brand of saws should say to manufacturers seeking his support: “No, gentlemen, I cannot handle your saws. I have the utmost goodwill for you, but as competitors and not as sources of supply. I am not a jobber of saws; I am, for practical purposes, a manufacturer of them. My salesmen have orders to push my own brand of saws; they couldn’t do that and also give you the service you have the right to expect. To be sure, there is a demand for your goods among some retailers and consumers, but it is my business to try to change the direction of that demand, and I am going to do it if I can. You will have to sell your saws either through your own salesmen or through other jobbers who are not your competitors as I am. If you want me to handle your other hardware lines, I am at your service and I can undoubtedly help you, but so far as saws are concerned you will have to seek other distributors.” This would be a straightforward attitude which could not be open to criticism, and it is the attitude that many jobbers are rightly taking. It is not at all necessary for a jobber to handle one manufacturer's line exclusively in order to be fair to that manufacturer; if he handles several manufacturers' competing goods on an equal basis, supplying them without prejudice to retailers who want
them, he is doing his duty as a general distributor. But if he tries to compete with his own sources of supply, he is helping to drive manufacturers into that direct-selling system which means the continually decreasing importance of the jobbing business.

153. Less profit on private brands.—Advertising manufacturers say to the jobber the same thing that they say to the retailer: Perhaps the profit on each sale is less on advertised than on privately branded and non-advertised lines, but if the national advertising is properly done, it will result in a demand that will mean easy sales, small selling expense, rapid turnover of capital, and larger total profits than could be obtained from the sale of a line which has to be sold by the expensive method of unassisted personal salesmanship. Somebody must create the demand if the goods are to sell profitably. If the manufacturer does not do it, the jobber or the retailer has to, and the manufacturer believes that his method is the cheapest ultimately to the consumer as well as to those who handle his goods.

154. Buyers demand advertised goods.—The opponents of private brands point out that the jobber is in business because he serves the retailer, and through him the consumer. If the retailer wants advertised goods, and the jobber will not supply them, the jobber is not fulfilling his function of service. Furthermore it is suggested that the jobber who is forced to tell the retailer that he will not handle or cannot obtain advertised goods that are in great demand, loses prestige with the retailer who likes to concentrate his purchases and to look to one or two jobbers for all of his supplies.

155. Advertising does not increase cost.—Much is made by the private brand opposition of the matter of quality. The non-advertising private brand jobber, it
is said, cannot get goods to put up under his own label that are equal to manufacturers' advertised brands in quality at a price materially lower than he has to pay for advertised goods. Advertising, it is maintained, does not increase prices; hence the jobber who offers his own goods to retailers at a price well below the price of advertised goods is admitting thereby that his line is of inferior quality. This is a question of fact. Generally speaking the advertiser who achieves a relatively permanent success and who advertises economically and effectively does not have to add the expense of the advertising to what would otherwise be the price of his product. Good advertising decreases the selling cost, permits economies of large scale production which tend to reduce the cost to manufacturer, and in other ways holds the price down instead of raising it. In individual cases, however, it is undoubtedly true that, while the going price represents value to the purchaser, it is somewhat higher than it might be if the value were measured solely by inherent quality in the goods. Advertising certainly makes many people perfectly willing to pay a slightly higher price for some articles than they would be willing to pay for the same inherent quality in unadvertised goods. This higher price does not have to be charged by the manufacturer; if it is charged, the reason is that people are willing to pay it, and the manufacturer thereby takes an extra profit because of the goodwill he has built up for his business.

The charge that the jobber who has goods put up for him by a manufacturer cannot control the quality of those goods is not valid. The better class of private brand jobbers certainly exercise the closest possible supervision over both the raw materials that go into their products and the processes of manufacture. Some pri-
vately branded goods are not what they might be in the matter of quality, but if the jobber wants quality he can get it and keep it just as well as the advertising manufacturer.

156. Manufacturer of private brands hurts himself.— In opposition to the methods of the manufacturer who is willing to put up his product under the brands of jobbers, it is maintained that he is following a practice that will result ultimately to his disadvantage. If a manufacturer sells some of his goods under his own name and some of them under the names of one or more jobbers or retailers, he is helping to arouse distrust of advertising among consumers who learn that the same goods are sold at one price under the manufacturer's label and at another price under the dealer's private brand. On the other hand, if a manufacturer sells all his product to private brand dealers, he is laying up trouble for himself. There are plenty of instances like the following. A manufacturer of shoes had been selling his entire product to one jobber who sold the whole lot under his private brand. The contract was a profitable one for the manufacturer; he had no selling expense whatever; and he considered himself lucky. Soon, however, trouble appeared; the jobber made demands which the manufacturer did not believe he was required to satisfy; the ill-feeling grew, and when the contract period expired, the jobber did not renew the agreement; the manufacturer was left with a factory, expensive equipment, a big pay-roll, but absolutely no developed market and no sales force. This situation is by no means unusual, and it is causing many manufacturers to consider seriously the advisability of trade-marking their own goods, of creating a steady market for them, and of conducting business in general in such a way that every
bit of good-will developed by their goods will be good-will for the manufacturer instead of for a dealer who is not primarily responsible for the product and who might make it necessary every year for the manufacturer to build up a new market for the things he produces.

157. Should all goods bear manufacturers' names?—Some interests have at various times sought to lessen the influence of private brands if not to eliminate them by attempting to obtain legislative action requiring the manufacturer's name to appear on every manufactured article. It is maintained that this will definitely fix responsibility for the quality of all goods, and will tend to decrease the number of private brands because dealers will not care to put out their own brands if at the same time they must publish the fact that they are not the actual manufacturers. It is difficult to see how a statutory requirement of this sort would bring the expected results or would aid the public in any material way. Most people understand that goods privately branded by retailers and jobbers are ordinarily not actually made by the dealers who are responsible for them. The private branders commonly do not practice any deception; it cannot injure them for the public to be definitely told that the goods are made for them by so-and-so. If anyone did object to publication of this fact, it would be easy for him to print the manufacturer's name so inconspicuously that few customers would ascertain it. And even if every member of the buying public did know definitely the name of the manufacturer of every manufactured product he bought, of what use would this information be to him? If anything goes wrong with the purchase, he looks to the distributor of it if that distributor has put his trade-mark on it. The consumer wants to know who is responsible to him for the things
he buys, not necessarily who manufactures them. The buyer of an Ingersoll dollar watch does not care who makes it as long as the Ingersoll company stands behind it and guarantees it to him. The buyer of Onyx hosiery has no particular interest in the several factories that manufacture it. As long as Lord and Taylor put their brand on it and stand behind it, the consumer is satisfied.

158. Two phases of the problem.—From what has been said in this chapter it is evident that there are two phases of the private brand problem. The first phase is really not a problem at all. If any kind of distributor, jobber or retailer, large or small, with either a national or merely a local influence, sees fit to become an actual manufacturer in some lines or puts his label on goods manufactured for him, and frankly says to manufacturers of competing lines that he is not in a position to serve them, he cannot be seriously criticized. It is his privilege to divide definitely his manufacturing and jobbing functions if he cares to, and to engage in both fields provided he does so fairly.

Criticism of the private brander is justified only when he pretends to be willing to cooperate in the jobbing or retailing of a line of goods with which his brands come into competition. If he does this, he puts himself in an anomalous position that is bound to increase direct selling by the manufacturer and to limit still further the activities and importance of the independent jobber.

One jobber says: "I don't figure much on functions; they are largely theoretical anyway. I figure on getting the business and holding it." And that is exactly the attitude of the great majority of private brand jobbers who try to job and to manufacture competing lines. It is a natural attitude, but it must be considered as illog-
ical and short-sighted. The jobbers who follow this practice are aiding in increasing the chaos in marketing. Perhaps the manufacturers forced them into it; perhaps they themselves are primarily responsible.

Who started the controversy is not the important question. The important point is that unless the jobber remains distinctly a jobber, in many lines the independent jobber will continue to be of lessening importance. Either non-competing manufacturers will organize for the purpose of conducting common jobbing establishments of their own, or there will be an increasing amount of direct sales to retailers by individual manufacturers. There will be a growing list of large retail buying units—department stores, chain stores, and great mail-order houses—who find the manufacturer receptive to their demands for direct buying connections, and who then increase in strength and power because of this relationship.

159. The public's interest.—Whether the changing status of the jobber is or is not of general public advantage is a disputed question. The advocates of jobber elimination in answering this question in the affirmative often try thereby to obtain general approval of their activities. The public is interested only in getting goods in the cheapest and most convenient way; and it is yet to be proved that the direct manufacturer-to-retailer method of selling is generally less expensive than the sale of goods through the jobber. The jobber's function must still be performed. Storage, assembling, financing, and other phases of the old-line jobber's activities must be carried on by some one. If the jobber does not perform them, the manufacturer or the retailer will have to, and there is a decided question as to whether the jobber cannot do it the most economically. Further-

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more, even if the manufacturer or retailer sometimes has the advantage in this respect, it is by no means clear that the general public will benefit, because if savings are made by direct selling, these savings are often kept as extra profit by those who have assumed the work that the jobber formerly was expected to do.

160. Future of the jobber.—Finally, regardless of the changing function of the jobber in many lines and of his entire elimination in others, regardless of the growth in direct selling, regardless of the way in which the private brand problem may be eventually solved, we may be certain that as long as competitive industry continues, there will continue to be jobbers. The retailer who handles many kinds of goods—the druggist, the grocer, the hardware dealer, the dry-goods merchant, and many others—will often be forced to buy from a jobber. In these lines, direct buying is possible with respect to all the goods handled only when the retail organization is of unusual size. But under the competitive system of industry, all dealers cannot be of great size. As long as the competitive field is open, there will always be relatively small dealers who will not belong to buying associations and who will not be able to buy sufficient quantities of each kind of goods to be able to command direct buying relations. For them, the jobber is an absolute necessity, and, because there are and will continue to be such dealers, it is safe to predict that unless we exchange the competitive for the monopolistic system of industry, the jobber will continue to be a factor in the marketing of many kinds of manufactured products.
CHAPTER X
THE MANUFACTURER'S CAMPAIGN—STUDY OF THE PRODUCT

161. Importance of the marketing plan.—No matter how good the advertising copy may be, no matter how effective the personal selling force, neither advertising nor salesmen can bring success to a business unless the plan of campaign is right. What is the plan of campaign? It is definite advance knowledge of the methods to be used in marketing an article or the stock of a store, before the selling starts. Opposed to a planned campaign are the hit-or-miss unplanned trials of this scheme or that, the vacillating, wavering attitude of the man who does not know exactly what he wants to do or how he wants to do it and who opens his mind and his purse to every will-o’-the-wisp scheme that is suggested to him by those who want his money. For instance, there is the small retail merchant who does not plan his advertising for a year in advance. He has no definite appropriation, and is sold space not because it fits in with his marketing scheme but because of the personality and fluency of the solicitor. Then, too, there is the manufacturer with no settled policy about trade channels. He may have been selling only to jobbers, but a big order from a retailer tempts him; he accepts it without thinking of the consequences, and trouble follows. There is also the advertiser who looks on advertising as a gamble. He puts his little bet on this medium or that, on this size space or on that preferred position, and sits
back stoically to take his earnings or his losses with cynical expectation of the latter and only a gambler's hope of the former. This is not advertising; it is plain gambling, and it is as seldom successful as it deserves to be. This does not necessarily imply that the "cut and try" method is wrong. The one best way is often found only by a process of elimination of the wrong ways. But if the whole so-called campaign consists in trying this and testing that, there is no campaign worthy the name; the real campaign should start where the cutting and trying end.

162. Basis of a good plan.—It is important to have a definite plan of campaign, but a definite plan of campaign is worse than useless if the plan happens to be the wrong one. A good campaign plan may be defined as definite knowledge in advance regarding the methods to be used in marketing a product or the stock of a store, founded on careful study, investigation and analysis. The last part of the previous sentence is the nub of the whole matter. Without careful study, investigation, and analysis, the plan is built on mere whim and personal prejudice, and whim and prejudice are far from being safe guides for the investment of money.

163. Analysis in business.—Analysis in business is nothing new. It has always been applied in the productive end of industry. Boards of directors seldom arbitrarily decide that such and such change shall be made in their manufactured product, and forthwith order it done. They recognize that mechanical problems must be studied and analyzed, and they usually reserve decisions until competent engineers have done their part of the work. Yet the same board of directors that wisely study their manufacturing problems, will often complacently order large expenditures in new sales activities without
study, investigation, or analysis, and merely on the strength of personal opinion and attempted reasoning by false analogy. They may try to excuse this procedure by pleading the lack of standards in marketing. This is not a good plea. For every business there are certain standards; investigation will bring them to light, and if no attempt is made to ferret them out, the directors are merely gambling with the stockholders' money. It is not a legal offence to put money into undigested marketing schemes, but it is an offence against common sense. After all, the making of a good marketing plan is chiefly a matter of common sense, and common sense is only another name for logical thinking.

164. Magnitude of manufacturer's problem.—We are to consider the campaign primarily from the manufacturer's standpoint. This is because the manufacturer's marketing problems are far more numerous and far more difficult than those of either the retailer or the jobber. The latter two classes of distributors have their general markets selected for them by the definitions of the classes to which they belong. The retailer must sell to others than dealers, and the jobber must sell to dealers; their only problem is how best to reach the natural market. The manufacturer, however, must first select his market, and then find out how to reach it. Many of the suggestions in our presentation of points to be covered in a marketing campaign will not apply to the retailer or the jobber. Others will, however; all classes of merchants will find solutions to most of their own problems by a study of the manufacturer's campaign.

165. Campaign plan includes advertising and salesmanship.—We cannot consider all the things to be studied in every campaign; every business presents peculiar aspects that require special consideration. Our purpose
is merely to indicate the method of analysis and to show
typical points suggestive of the sort of things to be stud-
ied by everyone who has anything to market. We are
concerned with the entire campaign, not simply with
personal salesmanship or with advertising. The selling
campaign is a unit. Whether the decision is to use either
advertising or personal salesmanship, or both, in reach-
ing the desired market, the preliminary study prepara-
tory to the outlining of the campaign must always cover
the sort of matters taken up in this and the following
chapters. We are to stop where the specific plans for
salesmen or for advertising would begin. Our concern
is with that field of marketing analysis that precedes
advertising and personal salesmanship and is common to
both.

166. When the analysis should be made.—There are
three occasions when a manufacturer may make a care-
ful analysis of his marketing problem: (1) before he
starts in business or immediately thereafter, (2) when
he wishes to add advertising to his other selling activities
and finds it necessary to investigate and chart facts that
should have been investigated and charted before, and
(3) when he awakens to the necessity of greater com-
petitive efficiency and decides to put his business under
the microscope and find out the things that will enable
him to abandon hit-or-miss procedure and substitute for
it carefully considered policies built on known facts. We
are to take up the campaign chiefly from the point of
view of the manufacturer who is about to begin business.
This is the logical time for a complete analysis. The
matters considered, however, will ordinarily be just as
useful to the manufacturer already in the market who
wants to find out how to get more sales and more profits.
There are three groups of factors to be considered—the
product, the market, and the way to reach the market. This chapter deals with the study of the product.

167. Making sure of the product.—First there should be technical tests to prove that the product is right, that it will do the things the manufacturer wants it to do. Before Crisco was put on the market, the manufacturers experimented for years to get it exactly right. Literally, hundreds of times the company thought that the product was ready for the market, only to find that after exhaustive tests had been made some changes were still necessary. It is common knowledge that the inventions of Mr. Edison have all been subjected to the most painstaking experiments to prove their practicability before they were put on the market. On the other hand, there are many instances of expensive business disasters that have resulted from failure to be sure in advance that the product would do what was claimed for it. The manufacturer's enthusiasm often outruns his business sense.

Technical tests of the product are not alone sufficient. There should be practical tests to prove that the product will operate in the hands of the average user as well as it operates in the laboratory. Before the Mark Cross safety-razor was introduced to the general public by a phenomenally successful use of large space in the newspapers, the manufacturers had proved its effectiveness by inducing a large number of different classes of men to try it out.

If the product is already on the market, it is well to find out definitely whether it can be improved in some way or rendered in use or appearance more attractive and therefore more salable. The manufacturer of a small but useful attachment for talking machines had been trying vainly to find a market for it. The price was three dollars. People did not buy it because, despite
its usefulness, the article did not show its value. After the reason for the slow sales was ascertained, the attachment was given a wash of gold plate and part of its structure was cut away so as to show the interior mechanism. It sold readily thereafter at an increase over the original price.

168. The problem of the raw material.—After the fitness of the product has been looked into, it is advisable to chart the conditions under which it is manufactured. First to be considered is the raw material from which the product is made. If you are the manufacturer, do you control the supply of raw material, or must you depend on others for it? The steel corporation that controls iron mines can adopt certain policies with respect to selling prices, competitive activities, credit granting, etc., that are not possible to the manufacturer who must look to others for his raw material. Is the supply steady, or does it fluctuate? If you are making an article from a certain kind of hard wood, you want to know very definitely whether the supply is so sure that you can undertake safely an extensive marketing campaign. What about the prices for the raw material? Are they steady? This, of course, vitally affects the price that must be charged for the finished product. Food-stuffs are subject to considerable price variation, and yet package foods are generally sold at a steady price regardless of the shifting raw material market. When this is the case, it is certain that the package price is sufficiently high to give a profit even with raw materials at their highest mark.

169. Capacity of the plant.—The capacity of the plant is an important subject of investigation. At the beginning of a business, all the questions of demand, competition, and marketing methods will be studied be-
fore the size of the plant is determined. But with an established business, before a campaign to boost sales is started, it is necessary to find out whether the plant can take care of the increased business that is expected, or whether additional plant capacity can be provided if the factory is now doing all it can. An advertising solicitor induced a manufacturer to take large space in a publication for a year. The solicitor had made no investigation of the business, and the manufacturer went into the campaign in a half-hearted way and gave the advertising little attention. Contrary to his expectations, it produced an immense amount of business—more than his factory could possibly accommodate; as a result, many orders had to be refused and a large part of the purchased publicity was wasted.

170. Analysis of labor supply.—The quantity and kind of labor is an important item in an analysis of the product. Is it skilled or unskilled; is a large supply available, or is there likely to be a shortage at any time? If unusual skill is required, the supply will probably be limited, and it will not be wise to attempt so extensive a marketing campaign as might be justifiable if the labor problem were not a serious one. The question of union labor versus the open shop may also have a bearing on marketing. Is it possible at times to base a selling appeal on one or the other of these policies. Also labor conditions in the factory may vitally affect the stability of the output. Certainly the possibility of strikes should not cause entire cessation of selling activities; if that were necessary, we should have very little competitive marketing because labor troubles are a common incident in business. But if conditions were notably unsettled in a factory, an extensive advertising campaign might be unwise, unless, indeed, the advertising had as its purpose
the creating of a public sentiment both within and without the factory that would lessen the probability of a shut-down.

171. Cost of manufacture.—Another point in connection with the conditions of manufacturing is the cost of making the product in varying quantities. It is said that goods are usually sold at the price they can be made to command, instead of on a mathematical basis of cost-to-make plus cost-to-sell plus amount of profit desired. This is true, but of course the selling price must cover all these three items; the variable factor is the amount of profit obtained. Before a price can be fixed, the cost to manufacture must be definitely known. A gas engine manufacturer was having trouble in marketing his product. One day he received a visit from a representative of a great mail-order house who offered him a certain price for his entire output. The manufacturer, glad of this easy solution of his selling problem although the price offered was low, did a bit of hasty figuring, and accepted the proposal. Shortly afterward he was induced to install a real cost system. For the first time he discovered his actual cost to manufacture, and he found that the price at which he had contracted to sell the entire output was just enough to cover the manufacturing cost without leaving a cent of profit.

172. The question of capital.—Allied to the consideration of conditions of manufacturing are various questions about the capital of the business. Is capital easy or hard to obtain? Can a large campaign be planned, or must the marketing expenditures be low? How much capital is now available or in sight? What rate of return must be earned? Is it necessary to conduct a concentrated campaign that will bring immediate results, or will the stockholders be willing to wait for results
until the full force of a large expenditure for goodwill can be realized? Are there any prejudices among the influential stockholders that must be catered to? This last question may seem out of place in a scientific investigation of the possibilities of a business. Unfortunately it is only too frequently asked, and answered in the affirmative. Many stories are told of advertising accounts that are inefficiently handled, and which yet remain in inefficient hands because of influences that count for more than the business judgment of the advertising or sales manager.

173. Choosing the right name.—If the product is one that is to be trade-marked or named, the selection of the right name is a matter of primary importance. After a name is tentatively chosen, it must be attacked from all sides. Not unless it can pass every test should it be finally selected. First, can it be protected by registry at the patent office? The requirements of government registry are many and varied. No name should be selected, of course, that has ever been registered by any one else or that has been in use even though unregistered. The man who is choosing a name for his product can well afford to give this matter his most careful attention, to search widely among the names in his field of business, to read the best books on the subject, and finally to get the advice of a lawyer or business expert who has specialized on trade names and trade-marks.

The matter of protection, however, is only a part of the problem of the name. After all, the name must be one that will help sell the goods. It should be so distinctive that no one could confuse it with any other name, even though the similarity might not be obvious enough to prohibit registration. A naphtha soap that has long been on the market bears the name of the maker—Fels
Naphtha soap. When the Procter & Gamble Company decided also to put out a naphtha soap, they too gave it their own name—P. & G. Naphtha. The earlier name was so distinctive that it had become firmly fixed in the public mind, and the newer name simply fitted into the old brain grooves in such a way that many people who wanted the new product asked for "P. & G. Fels Naphtha soap." Certainly it is better to select an invented or unusual word or words, such as Listerine, Tarvia, Wooltex, or Uneeda, than to try to join the crowd of Standard's, Quality's, Acme's and other similar too-common brand names.

It is common sense to select a name that is easy for everyone to pronounce. It would be interesting to know just how much business has been lost to Sanatogen and Bon Ami soap and Clicquot Club ginger ale because of the hesitancy of many people to ask for a thing by name when they are not sure of its pronunciation. A name, too, should be as short as possible. Velveola Souveraine may add distinction to a face powder, but the name is not so good as the shorter Primrose. Finally, does the name in some way suggest the use or quality of the product? Descriptive names cannot be registered, but it is sometimes possible to avoid actual description and yet to give the name valuable suggestive qualities. For instance, a better name than Ivory for a white soap could scarcely be found.

174. The trade-mark.—The subjects of the trade name and of the trade-mark are closely connected. The trade name is usually the basis of the trade-mark, and the two are considered and registered together. The trade-mark must first be constructed in order to obtain the maximum advertising value. Then, after the design is laid out, there must be a search among other trade-
marks for the purpose of making sure that the one selected is original. Protective records should be laid out from the very beginning, because after many years when a competitor may lay claim to the mark, if it is to be protected unquestionable proof must be advanced that it has actually been in use for the number of years claimed. Finally the trade-mark must be coordinated with all the other forms of publicity.

175. The problem of the package.—Following closely on the heels of the trade name and trade-mark analysis is the consideration of the cost, size, shape, weight, distinctive qualities, and advertising value of the package, if the goods are to be sold in packages. One manufacturer of corn flakes bases his whole advertising appeal on the fact that his package is somewhat larger than the packages of rival manufacturers. The two best-known brands of shaving soap are so similar in quality that the marketing appeal for a time was limited to rival claims for the different kinds of boxes in which the shaving sticks were sold. There is a growing custom to fix upon one uniform style of packing and to retain it for every member of a family of products. This plan has great advertising value.

176. Charting the selling points.—In making careful inquiry into the product as a preliminary to the marketing campaign, the purpose is primarily to bring out facts that will be helpful in the selection of the best way of reaching the market. After the general plan has been made, however, the product must again be the subject of careful inquiry for the purpose of finding the selling points that will be most effective in making sales. The salesman and the advertising man must pick the product to pieces so that its every aspect, its every use, may be known and utilized in the marketing appeal. One sales
manager has an interesting series of charts that he has constructed to aid him in finding the facts regarding his product, and then in keeping those facts constantly before him. The first chart has five columns, one for each of the senses, and in each column are the physical facts about the product that appeal to one of the senses. The second chart is one of functions; it shows what the product does. The third tells where and by whom it is made. The fourth goes into detail in showing what the goods are made of and how. The fifth lists the most important sales arguments to consumers, and the sixth does the same for dealers. This is suggestive of what might be advisable for everyone who has something to sell. The selecting of sales arguments, of course, lies within the field of the psychology of salesmanship and of advertising, because the selling point that may appear to the manufacturer at first to be the strongest may prove entirely incapable of selling the goods. It is said that the manufacturers of Valspar varnish first based their selling appeal on the quick-drying feature of their product. This was interesting to dealers, but consumers were indifferent to it. The consumer campaign was not a success until the emphasis was placed on the claim that the varnish would not be discolored by water.

177. The demand for the products.—Between the study of the product and the study of the market lies a field for study that reaches out and overlaps on each side. This is the study of the product in its relation to demand. Part of this study must supersede everything else in the plan for the campaign. Simultaneous with the first plan for the product in the manufacturer’s mind is the thought, “Will people want it? Is it worth while to make it? Will there be a sufficient demand for it to warrant putting money and time into it?” If the answer
is affirmative, at some stage in the plan there must be careful consideration of the following points.

178. *The nature of demand.*—Is the demand expressed or unexpressed? Do people now realize that they want the article, or must they be educated to their need of it? If the product is one of a number of similar competitors, the manufacturer will find that he is helped by all the selling effort of the others, and he will ordinarily have precedents to guide him in selecting the most effective selling route; but if he is a pioneer, his problem is immensely more difficult. The manufacturer of a new brand of oat-meal in packages would find a more or less satisfactory route to the market already laid out for him, but the first manufacturer of a vacuum cleaner had a tremendous marketing problem to solve before he got returns on his investment.

179. *Necessity or luxury.*—The selling plan will be partly influenced by the classification of the product as a necessity or luxury. These terms are merely relative; the luxury of to-day may be the necessity of to-morrow, or the thing that in popular thought is a luxury may in reality be a necessity to which the public has not yet been educated. Typewriters were certainly not thought of at first as necessities in business, and, to sell them, the manufacturers had to adopt the expensive method of direct solicitation. They are necessities now even though the selling plan has not been greatly changed. The increasing number of different kinds of outlets for the output of typewriter factories, however, indicates that the old method of selling is no longer universally necessary.

180. *Will the business be permanent?*—Is the product a fad or a staple? If it is a fad, the campaign must be quick and productive of instant results. If it is a staple, a considerable investment in goodwill may be jus-
tified, and the plan may be based on the policy of going slowly but surely. If a war were in progress, a popular book dealing with the causes of the war might be advertised widely and expensively in the expectation that the public interest would quickly respond to the advertising appeal. A manufacturer of a roofing preparation, on the other hand, would expect to get returns slowly; the building public would not all respond at once to his appeal; he would have to lay the firm foundations for future success by a careful picking of sales channels and of advertising mediums and by husbanding his resources so as to be able to continue the campaign during the time necessary for its cumulative effect to be felt.

181. How many sales to a customer?—How many sales will be made to a customer? A new brand of clothing might be pushed continually in a given territory, because the customers could be induced to buy it over and over again. A manufacturer of office safes, however, could not operate in such an intensive way. If any territory were completely worked, he would soon exhaust it, and would have to move on to a new market. The consideration of whether the product is to be a "repeater" or is to sell only once to a customer is of first importance in planning the marketing campaign.

182. Are there selling seasons?—Finally, when will the product sell? Is it in use all the year around, or is it seasonal? The marketing campaign of a distributor of garden seeds would be entirely different in many respects from the campaign of a manufacturer of fountain pens. The man who can get satisfactory returns from his selling efforts twelve months in the year will do business in a different way from the man who has, say, two selling seasons a year and who in the off-seasons must either lay
off his selling force or use them as immediately unproductive trade missionaries.

SUMMARY OF STUDY OF THE PRODUCT

Making sure of the product.
  Technical tests.
  Practical tests.

Conditions of manufacture.
  Raw material.
    Who controls it?
    Is supply sure and steady?
    Does the price fluctuate?

Plant capacity.
  Present capacity.
  How much of it is used?
  What increase in business can be cared for?

Opportunity for expansion.

Labor supply.
  Is labor skilled or unskilled?
  Is supply always adequate?
  Possibility of labor troubles.

Cost of manufacture.
  Cost in minimum quantities.
  Unit cost for expected increase in business.

Capital of the business.
  What part of it can be used for marketing?
  Can it be readily increased?
  How much increased business will present capital care for?
  What rate of return must be earned?
  Must returns be quick?
  Influence of stockholders in selection of selling methods.
The name.
  Legal questions.
  Practical questions.
  Value of distinctiveness.
  Ease of pronunciation.
  Length.
  Suggestive value.

The trade-mark.
  Advertising value.
  Protection.
  Coordination with other publicity schemes.

The package.

Charting the selling points.

Demand.
  Expressed or unexpressed?
  Is product necessity or luxury.
  Fad or staple?
  How soon will territory be exhausted?
  The question of selling seasons.
CHAPTER XI

THE MANUFACTURER'S CAMPAIGN—STUDY OF THE MARKET

183. What is meant by the market?—After the study of the product comes the study of the market. The market, for the purpose of this study, is made up of those people who chiefly influence demand. Hence, even for the manufacturer who sells through jobbers and retailers, the most important part of the market is the ultimate consumer, because in the great majority of cases it is the ultimate consumer who determines whether the dealers are to handle a product. If a manufacturer makes cardboard cartons for package goods, his chief market consists of other manufacturers who buy the cartons for their products; for him, therefore, these other manufacturers are the ultimate consumers. In the same way, dealers themselves might be the most important part of the market for a manufacturer producing store fixtures. In every case, of course, the middlemen are a part of the market, but the first study of the manufacturer must be directed toward those who destroy the exchangeable value of his goods instead of toward those who merely add place and time utility to them.

184. Purpose of market analysis.—The purpose of studying the market, like the purpose of studying the product, is to ascertain the most effective and economical method of marketing. This should constantly be borne in mind. Investigations for their own sake are worthless. Unless the results are to be analyzed and used, the
investigating manufacturer is in no better position than the man who rushes into a market with his eyes shut, and trusts to luck to find the right way to sell his goods. The market facts that are worth investigating in one business are not always the same as those worth investigating in another business. The points presented in this chapter are merely suggestive. Ordinarily most of them must be considered, and ordinarily, too, each business will present other phases of market analysis that are peculiar to it and which must be taken into consideration before the plan for the campaign is completed.

185. Who compose the market?—First, the manufacturer must find his market. He is putting out a new brand of talcum powder, for instance. Who is going to buy it? To whom must he appeal? Who are the people who are to influence demand and determine his success or failure and where will he find them? He must first decide whether his market is to be found among men, women, or children, and in his consideration of this question he must remember that the people who actually are to pay their money for his goods are not necessarily the ones who really influence the purchase. Manufacturers of automobiles are advertising to some extent in boys' magazines, because it is thought that the boy often exercises influence in the purchase of a motor car. Few men control the family choice for the kind of piano that is selected, yet the man of the household usually buys the instrument. Life insurance is sold chiefly to men, but thousands of policies would never be placed except for judicious sales activity directed toward those who are to be the beneficiaries. The question as to whom the chief selling appeal should be made is often a nice problem, requiring great care in the solution. The manufac-
turers of business phonographs are facing this problem, and are doing an interesting work in harmonizing the apparently conflicting interests of stenographers and office managers.

Often, however, a single appeal can be made because the person who actually buys is influenced only by his own opinions and needs. Whether he is a man, a woman, or a child is a question of importance in the choosing of sales channels and sales and advertising arguments, in standardizing the personality of the sales force, in fixing prices, in deciding on the use of demonstrations or of sampling campaigns, and in many other phases of the manufacturer's plan of marketing.

Are the possible purchasers rich or poor? What are their occupations? Are they lawyers, hod-carriers, or railroad employés? Obviously these questions have a bearing on sales methods. A beautiful piece of expensive jewelry can be profitably sold by high-grade salesmen calling on the exclusive jewelry trade. Cheap jewelry to be sold in variety stores, on the other hand, must be marketed in an entirely different way. The trade channels, the prices, the advertising mediums, the sales appeal for an article to be sold to professional men must differ greatly from the methods used in reaching the market of day laborers.

Finally, what is the environment of the possible purchasers? Do they live in the city, in smaller towns, or in the country? For some articles the answer to this question is easy. The manufacturer of windmills would scarcely seek his market in the cities. For many products, however, there is a choice of markets; the goods may be used either by city or country dwellers. In such cases, the problem becomes one of selecting the line of least resistance. Buying habits must be consid-
ered. A manufacturer of a new line of hosiery analyzed the situation and decided that city people have been more accustomed to buying hosiery by brand names than people who live in the country. Accordingly he decided that he would have less competition and would be able to build up a firmer business by directing all his appeal to the country trade than by seeking to enter the strongly competitive city markets. Many manufacturers are finding with surprise that they have overlooked important markets by confining their activities either to the city or the country field. Perhaps the growing realization of the importance of the farm market is the most notable feature of present-day selling.

186. *Where is the market?*—Is the market international, national, sectional, or local? Is the product suited to only one locality or is its use wide-spread? Yellow laundry soaps are generally used throughout the United States, but it happens that in the states of the Northwest the demand is chiefly for laundry soap that is white. The manufacturer of such a product would find his market defined by relatively sharp geographical lines. Sometimes transportation problems naturally limit the size of a market. A brick manufacturer could not ordinarily ship his product great distances because the cost of transportation would put him at a disadvantage with respect to local competitors. Often the possible market is of national or international scope, and the selecting of only a limited part of it for the sales activities of a manufacturer is a matter of conscious policy based on competition problems, limited manufacturing and marketing resources, or other reasons that dictate a partial development of the available market. Sometimes manufacturers fail to reach out as widely as they might because of ignorance of the extent of the market
or because of ignorance of the methods of getting trade outside of a narrow field. In past years many American manufacturers have ignored the foreign market for these reasons, or because complete domestic absorption of their product did not necessitate a search for a wider field. This condition is changing. Political as well as economic reasons are urging manufacturers to develop their export trade; and with the increase of the agitation for foreign trade relations, we can expect to see radical changes in the sales policies and sales methods of American manufacturers.

Climatic conditions are often important in guiding a manufacturer to his natural market. Umbrellas are not a lively commodity in New Mexico; fur coats do not find a market in Louisiana; nor are cotton-gins sold in Minnesota. This is a matter of common sense, as are most of the other considerations in market analysis; yet the story of the manufacturer who tried to sell woolen caps in Brazil is not unique in its evidence of the failure to apply common sense to marketing problems.

187. When can the product be sold?—Selling methods will largely depend on when the people who compose the market ordinarily buy the product that is under consideration. This is partly a matter of buying seasons. In certain lines the seasons are seemingly fixed beyond the possibility of change. Men's clothing, for instance, is bought by the consumer in the spring and fall, gardening tools are chiefly purchased late in spring or early in summer, and the jewelry business is at its height at Christmas. In lines in which buying is seasonal, the manufacturer must ascertain both the buying seasons for consumers and for dealers, because the dealer's season naturally precedes the consumers'. He makes his plans carefully so that the activities of his salesmen will
be focused on the trade at the proper time, and so that his consumer appeals will have their greatest cumulative effect at just the right time to influence the seasonal purchases.

In connection with the sale of so-called seasonal goods there are two interesting developments. One is the growing custom of continuing consumer advertising throughout the year in order thereby to fix more firmly the advertiser's brand in the minds of the buying public. This practice is exemplified by the year-round advertising of the manufacturer of a brand of summer-weight underwear. Another development is the attempt to put goods that were formerly seasonal sellers into the all-year-around class. It is said that before the extensive advertising of Sapolio began many years ago, scrubbing soaps and cleaning compounds sold chiefly during the customary semi-annual housecleaning periods. Now the sales do not vary greatly from month to month. Retail dealers who formerly thought it was necessary to abandon their advertising, to lay off most of their clerks, and to spend most of their time keeping cool during the summer, have found that in most cities there are plenty of people in town with money during the heated term, and that increased instead of decreased selling efforts during that time will bring corresponding results.

Many manufacturers and dealers make a careful study of the occasions when buyers are in the market for their goods, and, by the use of available records and intelligence, take full advantage of every opportunity to reach buyers at these times. Weddings and births are watched, and sales efforts directed toward those who might be in the market on the anniversaries of these occasions. Manufacturers of office equipment and home furniture keep in touch with those who have suffered loss
through fire. The record of building permits is a valuable index of possible buyers for dealers in all kinds of material. There are few kinds of business that cannot push sales by an intelligent use of clipping bureaus and other sources of information regarding possible buyers.

188. *How are purchases made?*—The question of how those who compose the market make their purchases is chiefly of importance to the manufacturer entering an existing competitive field, but certain phases of it are also of importance to the pioneer. The question involves largely the matter of buying habits. Do buyers of the sort of thing that you, a new manufacturer, are trying to introduce, ordinarily buy by brand or do they care little about the names under which goods are sold? If they usually buy by brand, how strong is their attachment to the goods they are now using, and what can be your expectations of changing the direction of demand? It has been said that if an article contributes to the personal comfort, health, or appearance of the person for whom it is bought, or to the appearance of some of his possessions, his attachment for the article he has been using satisfactorily is much stronger than the effect of an appeal to utility, economy, or some other impersonal idea. A man who has found just the make and shape of collar that suits him is not easily influenced to buy another brand, while an inducement of price or proof of superior quality will readily induce him to abandon the kind of office ink he has been buying. Considerations such as these aid the manufacturer in estimating the amount of business he can hope to get in a competitive field and in determining the necessary strength and direction of his selling efforts.

Do the consumers in the desired market ordinarily buy directly from manufacturers or from dealers? Are they
accustomed to seek their own sources of supply, or is personal solicitation of their trade the common thing? It would be difficult to get a business man to go to a store, simply through the force of advertising, to make inquiry regarding an adding machine, because he ordinarily does not fully realize his need until a salesman has helped to prove it to him. It is said that the number of people who voluntarily apply at life insurance offices for policies is so small as to be practically negligible. In these and other lines, consumers are accustomed to buy only after direct solicitation. On the other hand, a man peddling cigars from office to office might be looked upon with suspicion because smokers usually make their purchases at stores or by mail. Considerations such as these have a decided bearing on the sales methods to be followed by the new manufacturer.

Other questions concerned with the buying habits of the desired market are the following: Do the people in the market expect credit? Will profits be decreased if credit is not granted? Do they buy in large or small amounts? Chewing gum for years has been sold in five-cent packages, one package at a time. One manufacturer has tried to alter this buying habit, and incidentally decrease his sales expense and increase total sales, by using the slogan, “Buy it by the box.” In many cases, however, it is not wise to attempt to change buying habits, and the manufacturer will find it advisable to harmonize his selling efforts with existing custom in the market he is attempting to win.

189. How much can be sold?—No marketing campaign can be carefully planned that is not based on more or less definite knowledge of the consuming possibilities of the market. The manufacturer should try to find out the present total consumption of the kind of
goods with which his own is in competition, the total per capita consumption, the per capita consumption by states and towns, the increases or decreases in consumption, and all other pertinent facts that will help him in estimating the possibilities of the business and the amount of sales he can reasonably expect to make both when the campaign is new and during succeeding years. When a product is new and non-competitive, the size of the possible market is purely a matter of estimate. When the first safety-razor was offered for sale, the manufacturer had little basis for guessing how many people might be interested in it; the possible market might be said to consist of every male adult in the country. But the manufacturer of a safety-razor today has a basis for more definite figuring. First he tries to find out the total sales of safety-razors in the United States, if he is to confine his trade to the domestic market. It is not always easy to get information of this kind, but there are ways of learning business facts, and the careful manufacturer will find them. Statistics of production are available; well-informed advertising agents and large dealers can often make fair estimates; and several organizations make a business of digging out all kinds of sales facts and figures.

190. Is the market growing or shrinking?—Total present consumption, however, is not all that must be ascertained. It is also necessary to find the rate at which the business is increasing. If the annual growth is large, the manufacturer entering the field can expect to get a share of the business with comparative ease, because rapid increase ordinarily means a relatively undeveloped market and a strong demand, part of which may be deflected from established brands. If the total business is stationary or decreasing, or if it shows only a small
increase, the manufacturer seeking to enter the market or to increase the sales of a product already on sale should investigate the causes of this condition. He may find, first, that the market is limited and that it has reached the "point of saturation" in consumption; in other words, it is already taking all the goods it is capable of consuming. There are many such markets. The demand for candles, for instance, is not keeping up with the increase in population, because newer methods of illumination are driving candles from the fields. A market of this sort is not a promising one. If a manufacturer wishes to enter it, or, being in it, wishes to increase his own business, he must fight a purely competitive battle; his gain will be his competitors' loss; and, if his competitors match his own activities, the result will be increased sales cost for all without corresponding increase in sales.

Such a condition, however, is not typical. Ordinarily if total sales in any field are not progressing satisfactorily, it is because those who occupy the field are not taking advantage of all the available opportunities. A manufacturer who ascertains this fact about a market may enter it with the reasonable hope of getting good returns from intelligent marketing efforts. He can direct his salesmanship and advertising primarily toward the educating of new customers. The total business will be increased, and he will get his share of it even though his competitors may wake up and do their share in increasing consumption. A market that offers an opportunity for constructive sales activities is always more attractive and more profitable to a manufacturer than one that admits of merely competitive marketing methods.

191. Comparison of consumption and production.—Although it is interesting to get facts regarding con-
sumption for the entire country or even for the world, as indicative of the possibilities ahead of the successful business, the average small manufacturer will be interested immediately only in figures regarding consumption in the territory in which he wishes to operate. After obtaining figures for that territory he should compare them with his actual or estimated production. If the present consumption, taken into consideration with the expected increase based on the tendencies in the business, indicates that 100,000 bags of cement will be used the coming year in the district that the manufacturer can conveniently serve, and if his own annual production is 10,000 bags, he must get 10 per cent of the total business if he is to operate his factory to capacity. Can he get this percentage? Here enters the problem of competition. Who else is getting the business?

192. The study of competition.—In connection with competition there are many questions to be asked and answered. First, how many competitors are there? The exact number can readily be learned from trade lists prepared by commercial agencies and trade publications. How long has each one been in business? What are the resources of each? Commercial agencies can also give information of this kind. It is valuable to the manufacturer because it shows him the strength of the competitive army with which he must fight for business; he will hope to do his part in making new customers, but even for this new business he must compete with the other manufacturers in his field. The modern business man does not do much talking about his competitors; but he does business on definite knowledge of who they are, what they are doing, and what they are able to do in the field in which he is operating. To ignore competitors is to fight in the dark. Business is best conducted in
the daylight of known competitive strength or weakness.

193. The relative strength of competitors.—One of the most important questions to be asked regarding competitors is the percentage of the present total business obtained by each. Suppose a manufacturer finds there are fourteen competitors in the territory that is naturally his. One of them gets 75 per cent of the business, one gets 10 per cent, and the other twelve divide the remaining minute portion. This indicates overwhelming strength on the part of one competitor, and unusual weakness on the part of the others. If the new manufacturer needs 10 per cent of the business in order to keep his plant running, in many cases he would decide that it would be cheaper and easier to go after the business of the trailers rather than to try to make a dent in the trade of the overshadowing leader. The progressive manufacturer is usually more eager to enter a market in which there are a few dominant figures and many unimportant trailers than one in which a large number are striving evenly for the business. If the biggest manufacturer now in a market gets only 15 per cent of the total business, and if he is closely followed by many others who get from 10 per cent to 12 per cent of the trade, the new manufacturer who plans for a large output must rank from the outset well up among the leaders if he is to keep his plant busy. This is not an easy task, and the manufacturer attempting it must be well backed by capital and selling strategy.

Another important question involves the present goodwill of each competitor. What has been the rate of increase in his business? Has he stood still, or does a healthy growth indicate growing goodwill and good selling ability? How is he thought of in the trade? Is
it going to be easy to compete with him, or is he likely to match any trade-drawing activities that are launched by a competitor? ¹

194. Competitive marketing methods.—Finally, what are the marketing methods of each competitor? What is the policy of each one with respect to sales channels, advertising, credits, dealer cooperation, and all the other things that go to make up the details of a sales campaign? The purpose in ascertaining these facts is not to enable the investigator to copy the methods of his competitors. Good business is not imitative. The purpose is to permit the investigator to take advantage of the mistakes of others, and to guide him in following custom where customary methods—the line of least resistance—seem to be the best for the given conditions. Novelty in sales methods is often valuable, but novelty at the cost of the goodwill of dealers or consumers is foolish. Often the old ways are the best.

One phase of competitors' marketing methods that must be closely studied is that which has to do with prices and profits. It is essential that every factor in the field should know the prices charged by all his competitors to jobbers, to retailers, and to consumers, and the profit that each factor in distribution makes on each line of competing goods. Prices are finally fixed by competition, and the facts of competition are presumably registered in the prices of the goods already in the field. The manufacturer who offers a profit so low that the dealers cannot pay their selling expenses out of it will not get their cooperation. A price to consumers that exceeds competing prices and does not give in return greatly increased value will kill a campaign; so, too, a price that is much below the market will needlessly disrupt

¹ Many of these questions are discussed more intensively in the volume on Advertising—Editor's Note.
trade relations and is likely to result in reprisals and ultimate disaster. Competitors cannot and do not get together to fix prices, under a market system of real competition, but the organization of the market is such that there is a perfectly natural trend toward relatively uniform prices for uniform goods.

195. Transportation problems.—The last phase of study of the market is concerned with transportation problems. The factory in the first place must be located logically with reference to the raw materials and the market. It seems inconceivable that a man would put up a canning factory in New Jersey without adequate analysis of the situation, and find, too late, that he was 500 miles away from his raw material; and yet this was an actual incident. Another manufacturer built a plant in a small inland Wisconsin town, and, when he came to market his product, which was intended for farmers, found that the only railroad led south to Chicago. Fortunately such incidents as this are not common, but they indicate the need for common-sense study of the situation before any money is spent to make or market a product. The extent of the market is definitely limited by the ability of the manufacturer to ship his goods quickly and cheaply. Unless a product is a novelty which cannot be duplicated by competitors, or unless the manufacturer has given the name of his brand such wide publicity that it takes on the nature of a specialty, he cannot hope to extend his market much beyond the area in which shipping charges from his plant are less than from a competitor’s establishment. Branch warehouses help to widen his area of operations, and a great national sales organization can often help to lessen the handicap of high shipping charges. But regardless of these things, the problem of transportation is always a vital one,
forcibly affecting the size of the market, the prices for the goods, and the profits of the manufacturer. It is interesting to note that jobbers have the same shipping problems as manufacturers. The Claflin failure in 1914 is said to have sounded the knell of long-distance jobbing from the East. The jobbing center of the country has inevitably shifted to Chicago and St. Louis as the westward trend of population has made national jobbing operations centering in New York more and more of an impossibility.

SUMMARY OF STUDY OF THE MARKET

Who are the people that make up the market?
Consideration of those who buy and those who influence the buyer.
Men, women, or children?
Rich or poor?
Occupations.
Environment—city, town, or country dwellers.

Where do they live?
Is market international, national, sectional, or local?
What limits it?
Can it be extended?
Climatic influence.

When do they buy?
Buying seasons.
Extending the seasons.
When do buyers enter the market?

How do they buy?
Is it hard or easy to change buying habits?
Do they buy from dealers or from manufacturers?
Do they expect credit?
Do they buy in large or small quantities?

How much will they buy?
Total consumption of all competing products.
Is the market growing or shrinking?
Total consumption in restricted territory.
Per capita consumption.
Comparison of consumption and production.

From whom do they buy?
Total number of competitors.
Resources of each.
Relative strength of competitors.
Prosperity and goodwill of each.
Marketing methods of competitors.
  Sales channels.
  Prices and profits.

Transportation problems.
Influence on size of market.
Influence on prices, profits, and other selling factors.
CHAPTER XII

THE MANUFACTURER'S CAMPAIGN—REACHING THE MARKET

196. The third part of the problem.—After the manufacturer has studied his product and has answered the many questions that are suggested by its analysis, after he has also studied his market and has found out about it the various things that are necessary to guide him in his selling activities, he finds himself face to face with the hardest part of his planning for the campaign—the analysis of the various trade channels and the selection of the right way to reach his chosen market. The first two parts of the planning for the campaign—the study of the product and the study of the market—are relatively easy, because here the manufacturer deals chiefly with definitely ascertainable facts. The things he wants to find out about his product and his market can be definitely known; they need not be guessed at. But in the study of the method of reaching the market, he often finds himself confronted by various trade channels, various selling methods, and forced to choose between them with little to guide him except personal opinions and the widely varying experiences of others. His task is not all guesswork by any means; there are many principles to guide him; but the fact that sales methods are not standardized renders his task a difficult one.

197. Trade channels.—All the possible methods by which a manufacturer may market his goods in the domestic trade are shown in the following outline:
A. Manufacturer direct to consumers.
   1. Through solicitors or canvassers.
   2. By mail.
   3. Through the manufacturer's own retail stores, usually conducted on the chain store principle.

B. Manufacturer direct to retailers.
   He may reach the retailers either through salesmen or by mail.
   1. He may deal with one or more of these kinds of retailers:
      a. Country general stores.
      b. Specialty stores.
      c. Department stores.
      d. Chain stores not owned by the manufacturer.
      e. Mail-order houses.
      f. Cooperative buying organizations of retailers.
   2. He may sell generally to all retailers in a selected class who will buy.
   3. He may confine sales to one retailer in a community.

C. Manufacturer direct to jobbers.
   He may reach the jobbers either through salesmen or by mail.
   His goods may be distributed to any desired class of retailers by:
   1. All jobbers who will cooperate with him.
   2. Selected jobbers having exclusive jobbing agencies in restricted territories.

D. Manufacturer direct to special representatives.
   He may reach them by salesmen or by mail.
   They are called special representatives because they are not normal parts of the marketing chain.
   These special representatives may sell to jobbers, retailers, or consumers.
They are:
1. Agents.
2. Commission men.

198. _Exclusive or combined use of trade channels._—Some manufacturers find it advisable to select one of these possible trade channels, and to send their goods through it exclusively. Others are able advantageously to combine several trade channels in their plans of campaign. Some manufacturers, for instance, confine their direct sales to jobbers. Retailers and consumers, regardless of buying power, cannot purchase direct from the factories. Such a policy is dictated by the manufacturer's desire to obtain the largest possible amount of cooperation from the jobbers by refusing to compete with them in their attempts to sell to retailers. Other manufacturers sell both to jobbers and to retailers. Some of this class will sell to any jobber and any retailer; some will sell only to those large retailers who refuse to purchase through jobbers. There are still other manufacturers who will sell direct to anybody, jobbers, retailers, or consumers. Others ignore the jobber and either sell direct only to retailers, or deal with both retailers and consumers. The possible combinations of trade channels are almost numberless. Whether a manufacturer is to sell through one or more channels, whether he is to use salesmen or the mails or both, depends partly on custom in the trade, partly on the nature of his product, and partly on his ability to see new methods of marketing, to overcome tradition, and to adapt to his own use all marketing plans that appeal to him as offering new opportunities for the sale of his goods.

199. _Direct sales to consumers._—Where the nature of the product permits direct sales either to consumers or
dealers, the manufacturer should consider the following advantages of dealing direct with consumers by mail, by salesmen, or by his own retail stores: (1) The manufacturer who deals in any one of these ways knows exactly where his goods are being consumed, and he can direct his advertising and sales efforts accordingly. (2) He has absolute control of his market; he has no problem of price-cutting, substitution, or lack of dealer cooperation. Opposed to these advantages are (1) the great expense of direct selling in most cases and (2) the antagonism of dealers.

200. Direct sales to retailers.—When the product is such that it might be sold directly either to retailers or jobbers, a policy of confining direct sales to retailers may be dictated by the following considerations: (1) The manufacturer who sells to retailers usually knows where his goods are being consumed. (2) If the manufacturer's salesmen call on the retailers, it is possible to impart the salesmen's enthusiasm to the dealers and to get them energetically behind the goods. (3) Many retailers will not purchase through jobbers, and their cooperation is often important to a manufacturer. (4) If price maintenance is a problem, the manufacturer who deals direct with retailers may sometimes make them his agents, send them his goods on consignment, and thus avoid the legal difficulties of maintaining prices. The manufacturer who sells through jobbers ordinarily is not in a position to do this. Opposed to these advantages of direct sales to retailers are (1) the cost of maintaining a large selling organization or of extensive dealer advertising, (2) the financial risk involved in assuming the jobber's function of warehousing and of granting credit, and (3) the organized opposition of the jobbers.

The advantages and disadvantages of dealing through
jobbers have already been considered in the chapters on the jobber.

201. *Direct sales to special representatives.*—Agents, commission merchants and brokers are independent distributors who stand between the manufacturer or dealer and his primary market. When a manufacturer or dealer elects to distribute his goods through these special representatives, it is usually because he would be at a disadvantage in trying to sell through a sales organization of his own. This disadvantage might be occasioned by one or more of the following causes: (1) Limited capital. Some manufacturers of textiles sell to commission houses that advance them the money needed to turn out the product. (2) Limited demand. In a small city there is not enough demand for office safes to justify a manufacturer's representative giving his entire time to local trade. A dealer in some other line, however, could profitably act as agent and carry a small stock on consignment to supply local demand. (3) Unfamiliarity with the market. Some breakfast food manufacturers in the early days of the industry were specialists in manufacturing only, and did not have the time or money to study the market; they solved their marketing problems by selling to brokers, who, in turn, sold to jobbers. (4) Peculiar organization of the market. For instance, stocks, bonds and produce are usually purchased in quantities only through exchanges or boards of trade. Trading on these exchanges is confined to members, who are commonly called brokers. An individual having commodities of this sort to sell would ordinarily have to do so through the agency of a broker.

202. *Elasticity of the manufacturer's organization.* —Our list of trade channels does not show the various
aids that may be given by the manufacturer's own organization in the marketing of his product. It has been suggested that he may reach any class of buyers by salesmen or by mail; but it should be remembered that his salesmen and his mail-sales need not focus at the home office or factory. There may be an extensive organization of district managers, branch offices, branch warehouses, and even branch factories. An organization of this sort may take the place of jobbers, and thereby permit the manufacturer to sell directly to retailers. But we are not concerned now with the manufacturer's organization. We are concerned with the trade channels, not under his own control, that he selects to serve him. Not until these trade channels are definitely selected can he plan for a suitable organization to enable him to connect with those channels, nor can he do any of the other things that are necessary before he can put his selling plan into effect.

203. Trade channels constantly changing.—Trade channels are no longer standardized. One manufacturer of kitchen utensils firmly supports the jobber; another sells direct to retailers; a third deals only by mail with consumers; and a fourth pins his faith to house-to-house canvassing. One manufacturer may use different channels in different markets. A long familiar method of marketing may be changed over night by some manufacturer, without any radical change in the product or in the character of the market. This does not mean that the selection of trade channels is a matter of whim. It does mean that the whole marketing world is in a state of flux, that the man with something to sell must not take accustomed marketing methods for granted, and that close analysis to determine what is the one right method for him and his goods is more nec-
essary now than ever before if competition is to be met and sales are to be increased. In this analysis the manufacturer is guided by all of the considerations of the product and of the market that we have already discussed. The comparative influence of each of these several considerations differs for every product. We can only suggest some of the ways in which a few of the more important of the points brought out in the study of the product and the market are used by the manufacturer in choosing his marketing channels.

204. The influence of custom.—Often the line of least resistance is the best for the manufacturer to follow. Customary methods of selling should first be considered by the manufacturer. He should not follow them simply because they are customary; but, if they prove to be adapted to his use, the fact that they are more or less standard will help him in his distribution. Because grocery specialties are usually sold by retailers who purchase from jobbers, the small manufacturer of such a specialty would ordinarily find it advisable to sell through established channels. Machinery is ordinarily not sold by jobbers, but through branch houses, agents, and retailers. The machinery manufacturer would not try to cut new paths for his goods until he had carefully considered the advisability of selling in the same way as his competitors. Clothing is largely sold by direct sales to exclusive retail agencies; few clothing manufacturers seem to care to deviate from this established system. And yet custom often restricts sales unnecessarily. Chewing-gum has largely been sold by dealers in drugs, groceries, and confectionery. The United Cigar Stores Company decided that gum could also be sold by tobacco stores, and formed a company to manufacture and sell it through their own chain
of shops. The same company came to the conclusion that candy could also be sold in cigar stores, and has started a movement in this direction which seems sure to be followed by others. Jap-A-Lac was first sold only through established channels in the paint trade. A careful analysis pointed to the probability of successful sales through department stores, drug stores, and even grocery stores. Now the product is on sale in all of these as well as other kinds of retail stores. Custom helps in selling, but, if it is blindly followed, many avenues of marketing are likely to be undiscovered.

205. "Shopping" lines and "convenience" goods.—Mr. C. C. Parlin, manager of the Division of Commercial Research of the Curtis Publishing Company, has contributed much to the standardizing of marketing methods by his investigation of the field of the department store. He defines a "shopping" line as one that is bought only after comparison of values has been made in several stores. The higher priced goods purchased largely by women are usually in this class; for instance, ready-made clothing, millinery, the better grade of dress goods, furniture, rugs and carpets, etc. "Convenience" goods, on the other hand, are bought without comparison of values. The things that influence a customer to buy "convenience" goods at one store in preference to another are (1) the convenient location of the store; (2) the impulse of the moment, suggested perhaps by the sight of a desired article in a window; (3) custom, which holds the trade of a customer after it has been once attracted; (4) the desire to buy a specific brand which is on sale only in certain stores. Some men's goods are shopping lines. A man certainly shops for the expensive things that he uses in his business and for the more momentous purchases
for home and family; for instance, he compares values when he buys an automobile or a furnace. But ordinarily a man does not shop; he selects his store for the same reasons that influence a woman to select a store in which to buy convenience goods, and he buys in that store what he asks for or what is offered him if it seems to suit his purpose.

Mr. Parlin has also found that some communities attract more trade from the surrounding districts than they lose to other communities. These towns or sections of a city he calls shopping centers. Women center their purchases there in shopping lines. Each of these shopping centers is likely to have three department stores or other establishments handling shopping lines, because women seem to like to compare values in at least three stores. If there are more than three department stores, they can usually be classified in groups of three each, the classification depending on the grade of goods carried and the people appealed to.

From these conclusions it may be possible to establish certain principles. If a manufacturer is marketing something that can be classed as a shopping line and which is bought chiefly by women, it is often advantageous for him to confine its sale to one of the three competing stores in each shopping center, because he can be reasonably sure that all possible purchasers in the community will visit that store before finally buying. If exclusive agencies are thus granted, direct selling to the retailers is often the most economical and satisfactory sales method, on account of the relatively large purchases of each dealer. Department stores depend almost entirely on the trade of women; they are usually more anxious to handle shopping lines than convenience goods, because the great majority of the latter are
bought in local specialty shops. Accordingly the department store seems to offer the most desirable trade outlet for the manufacturer of a product that appeals chiefly to women and that can be classed as a shopping line.

On the other hand, in marketing convenience goods the exclusive agency is not so desirable, because sales will be increased by having the goods on sale in as many stores as possible. Moreover, many goods of this sort are ordinarily marketed through jobbers, because the majority of the retailers will purchase in small quantities and because the widest possible distribution is desirable. If department stores handle a convenience line, they cannot monopolize its sale; most of the customers of a department store visit it chiefly to shop, and only buy convenience goods there for one or more of the reasons already given.

206. Unfamiliarity of the product.—If goods are new and the public is unfamiliar with their use, they must often be sold direct to consumers. Vacuum cleaners were in this class when they were first marketed. This same consideration may dictate a policy of introducing a product by demonstrations in retail stores. An invention for cleaning silver was successfully marketed in this way. Or the unfamiliarity of the goods may induce the manufacturer to select one distributor—jobber, retailer, or mail-order house—to get behind it and push it in return for an exclusive agency. The pioneer in the kitchen cabinet field was marketed in this manner. This consideration also has much to do with determining the advisability of extensive advertising.

207. Necessity of unusual selling effort.—Cash registers would never have been extensively used if the manufacturers had depended on jobbers to market
them. They can be sold only by specially trained salesmen. Sometimes a retailer in a community can be induced to learn a difficult line sufficiently well to sell it to his customers in return for an exclusive agency contract, but more often direct sales are the best method of reaching buyers with an article that must be backed by real educational salesmanship. Possibly the development of advertising as a creator of demand will change this condition. At the beginning of a campaign, however, the manufacturer will ordinarily want to link up the advertising with strong personal sales effort. Allied to the necessity of unusual selling effort is the frequent necessity of special attention to consumers after the sale has been made. Automobiles illustrate this latter necessity. The buyer looks to the man who sold him a car to lend a hand in the troubles that may develop after he has purchased it. Department stores and mail-order houses have been known to handle automobiles, but the great majority of automobiles and other articles requiring much attention to keep the customer sold are marketed through the manufacturer's own sales force, independent selling agents, or local specialty dealers with exclusive contracts.

208. Other influences.—The ways in which product and market analysis affect sales methods are countless. The following sundry suggestions emphasize some things that have gone before and that are indicative of the value of analysis in any marketing campaign. If goods cannot be sold by description, printed advertising alone must not be depended on to create a demand. If the demand is not extensive, direct sales are often not possible; established middlemen must be used. If jobbers and retailers do not give the desired cooperation, or if the market is demoralized by price-cutting on the
part of dealers, a manufacturer may be forced into direct selling. If a manufacturer's capital is small, he ordinarily cannot assume the risk-carrying feature of the jobber's or retailer's activities; he must usually sell through dealers. If his profit is small, the selling expense must be kept down, and sale through established agencies may be necessary even at the cost of the greater sales that could be made by direct solicitation of consumers. Long credits demanded by retailers may force the manufacturer to deal through jobbers. If the independent retailer will not carry a manufacturer's complete line, he may have to start his own stores. It is said that the W. L. Douglas shoe stores were established for this reason. The manufacturer may find that his product and his market are adapted to a number of different selling methods; in such case, his choice of sales channels depends on expediency, policy, and the attitude of the middlemen. If a product is new and non-competitive, the manufacturer may forge out his own marketing method; but if it is in competition with old established lines, it must often meet competition by going through the same channels as competing goods.

209. The sales policy.—After the selection of trade channels comes the decision regarding various other phases of sales policy. Are the chosen channels to be reached by salesmen or by mail? Are the sales to be aided by advertising? If so, what mediums are to be used—printed periodicals, posters, street cars, sampling, demonstrations, catalogs, circulars, form letters? Is credit to be granted? What prices shall be charged to buyers of various quantities? Is an attempt to be made to maintain the resale price? If so, how? Who is to pay the freight? What is to be the policy with respect to returned goods? Are sales to be made on a
basis of satisfaction guaranteed, and are exchanges of goods and refunds of purchase price to be unquestioned house policies, or are goods to be considered definitely sold when they are shipped? These questions are suggestive of the matters of sales policy that must have consideration in the plan for the marketing campaign. They must all be answered definitely before any goods are sold; there must be no vacillating; a policy once established must be firmly followed until careful analysis proves it to be wrong.

210. The cost of marketing.—The campaign should be preceded by a carefully prepared budget of estimated receipts and expenditures. One complete budget of this sort included the following items: tabulation of complete expense balanced against returns from 90 per cent of proposed first year's output; detail of manufacturing expense; detail of sales organization expense; detail of advertising expense; detail of expected volume of sales with basis of estimation; detail of possible lesser and greater volume of sales, with accompanying scales of graduated expense and returns; detail of administrative financing of the proposition. The manufacturer who is analyzing an established business can start with definite facts regarding present costs; he needs to estimate only the expected increase in business and the cost of obtaining it. The manufacturer entering the field, however, must deal entirely in estimates, except where he can learn the manufacturing and selling costs of a competing or similar line. These estimates are not easy to make, and yet they are possibly the most important single part of the whole plan for the campaign. Many a campaign has gone on the rocks because the costs of getting business were greater than any reasonable expectation of sales would warrant, because manufactur-
ing costs had not been adequately studied before prices and profits were determined, because sufficient capital was not available to tide over an emergency, or because of some other failure to study the finances of the enterprise and to prepare properly for the future.

211. Organization of salesmen and of advertising.—With trade channels selected, sales policies determined, and the amount to be spent in marketing completely scheduled, there is next the necessity for organizing and training the selling force and preparing for the writing and placing of the advertisements. Both of these activities are considered separately in other sections of the Modern Business Text. It is important here to show their place in the complete campaign, and to emphasize the necessity of definitely scheduling the plan of action. There should be a chronological schedule of factory production and delivery, a chronological schedule of sales organization work, a chronological schedule of all the kinds of advertising and follow-up that are to be used, and a chronological schedule of the aid to be given dealers if dealers are to be used in the marketing plan.

212. Coordinating the salesmanship and advertising.—Coincident with the organization of the salesmen and of the advertising should be plans for linking together all of the selling activities. Salesmen must often be taught how to use the advertising; sometimes their antagonism to it must be overcome; and always there must be definite plans for making personal salesmanship and advertising work together for the common end. This is best accomplished by looking closely to the internal organization of the company, by being sure that the men who plan and write the advertising are in the closest possible touch with the men who train and direct the salesmen, and by leveling any foolish walls of
prejudice that may have grown up to handicap the efficiency of those who work in different ways to make the sales.

213. Getting distribution and cooperating with dealers.—No attempt should be made to sell anything through dealers unless careful analysis has shown that dealers will be receptive to it. Usually, however, their receptivity is a matter of education, and the manufacturer must make careful plans to insure getting proper distribution of his product among the stores in which he wishes it to be sold. If these stores are carefully selected and if they reach a class of people among whom a demand for the product exists or can be created, dealers as a rule are glad to handle it. They demand only three things: real salability in the article, the opportunity to make a reasonable profit for themselves, and sensible cooperation from the manufacturer. Few manufacturers try for long to market an article that is not salable, but many of them neglect the matter of profit for the dealer, or antagonize the trade by so-called dealers' helps that are not really helps at all. The profit to the dealer must be enough to enable him to cover his costs of doing business and also to return him something to pay him for the risk he runs by acting as distributor. Some manufacturers use the demand created by their advertising as a club to force dealers to handle their goods at a very small profit. This is an exceedingly expensive policy. Most dealers have opportunity to influence sales, and it is certain that they will sell as little as possible of an article on which their profits, rate of turnover considered, are not satisfactory. With respect to the advertising matter—samples, booklets, signs, window displays, electrotypes for advertisements, etc.—that is sent by manufacturers to dealers, there has of late years
been a change of heart on the part of the most successful manufacturers. Tons of expensive advertising material have been wasted yearly by being sent to dealers who could not use it or who did not know how to use it. Nowadays these things are being done better. The dealer is certainly willing to sell the things he has in stock, and he welcomes help from the manufacturer, but he wants advertising help that will advertise him and his store first and the manufacturer and his goods second. This is a perfectly logical attitude, and those manufacturers who put themselves in line with it are reaping the reward.

214. The sales record.—Finally the plan for the campaign should provide for complete records of everything that is done and the results that are obtained. Plans should be laid for recording the exact cost of every phase of the salesmen's activities, every different form of advertising and even the cost of every individual advertisement or piece of advertising matter, the cost of sales and advertising administration, the total marketing expense subdivided in as great detail as may be desirable, the sales attributable to the different methods of sales stimulation, records of consumption of the product by individual buyers, by towns, salesmen's territories, states, and other units, net profits from each form of selling effort in each subdivision of the market, comparative statements of costs and sales and profits for successive years shown in whatever detail may be advisable, and, in short, every kind of record that may enable the manager of the business to know exactly where the business stands, what is being done to stimulate it, the cost of the stimulation, and the results obtained. Without careful preparation for records of this sort, the business cannot be conducted on the basis of known
facts, and it will be seriously handicapped in its future development.

**SUMMARY OF THE STEPS IN REACHING THE MARKET**

Selection of trade channels.
Determination of sales policies.
   Advertising.
   Credit.
   Price maintenance.
   Returned goods.
   Guarantees.
   Treatment of customers.
Charting the cost of marketing.
   Complete budget of estimated expenditures, sales, and profits.
Organization of salesmen and of advertising.
   Definite schedules of all forms of selling activity.
Coordinating the salesmanship and advertising.
Getting distribution and cooperating with dealers.
Plan for detailed records of actual expenditure, sales, and profits.
CHAPTER XIII

PROTECTING THE MANUFACTURER'S GOODWILL

215. Goodwill and price maintenance.—The manufacturer by making a good product, by advertising, and by a long period of fair dealing with his customers gradually attracts to his goods and to his business a certain amount of popular interest and approval. This favorable attitude of the public is called goodwill, and goodwill is often the manufacturer's or the dealer's most valuable asset. Goodwill is not easily built, and it is very easily destroyed. Accordingly the protection of goodwill, acquired slowly and expensively, is one of the most important problems in marketing. For the manufacturer this problem is largely one of price maintenance. Price maintenance is a policy adopted by a manufacturer who sells through middlemen, whereby the manufacturer seeks to limit or to fix the price at which the middlemen shall sell his goods. The attempt may be made to control the re-sale price of jobbers or of retailers or both; the price may be definitely fixed, or the control may consist in the establishment of maximum or minimum limits. Price maintenance is not a new policy, but the public has not heard a great deal of it until recent years when the courts and legislative bodies have begun to take frequent cognizance of it. As a sales policy it vitally affects the public. The public's interest in price maintenance is greater than that of either manufacturers or dealers, and the public should study and thoroughly understand it to the end that the
controversy regarding it may be decided for the best interests of all.

216. How price maintenance developed.—Price maintenance is the out-growth of large scale production and of national advertising. The former, as we have seen, has had the effect of greatly stimulating competition. The more a factory produces, the harder the manufacturer is pushed to find a market for his product. Increased competition has constantly forced manufacturers to seek new ways of insuring sales and profits. National advertising was one of the things seized upon as a valuable aid in competitive marketing. Its rise dates from about the year 1870. Before that time there had been some national periodicals and some national advertising, but not enough seriously to influence marketing methods. With the development of magazines and newspapers, however, manufacturers, pressed for a market, began to realize the possibilities of appealing direct to consumers by giving their goods individuality and by publishing broadcast the merits of the product. This had the result of establishing certain brands in popular favor, of familiarizing consumers with their quality and prices, and of creating a marked demand for well-advertised articles.

Retailers were quick to take advantage of this situation. Price cutting is nothing new. Ever since there has been any merchandising, some dealers have tried to attract trade by offering well-known articles at prices under the market. With the advent of national advertising this practice increased. If an article is widely advertised, universally known, and in constant demand, some retailers believe it good policy to offer it at an unusually low price in order to get people into the store and to create the impression of a general low level of
prices. Advertised goods have become the frequent subjects of cut prices offered by dealers who wished to accomplish these two purposes.

217. Price cutting and the manufacturer.—The usual result of price cutting on advertised goods is (1) to start a price war that will end only when the profit has been cut out of the goods and they have been thrown out of dealers’ stocks, (2) to antagonize those dealers who will not cut the price and who see their trade leaving them and going to the cut-rate store, or (3) to lower the level of prices so much that dealers generally will not care to push the product. The manufacturer may regard the cutting of prices on his goods from several points of view. (1) If he has a monopoly or a semi-monopoly, price cutting will not greatly injure him. Sugar, for instance, has been used so much as a “loss leader” that the normal prices return little or no profit to the ordinary dealer; the manufacturers, however, continue to make their sales and their profits because the people insist on the dealers handling their product. (2) If the manufacturer is an extensive advertiser and has an article for which he has created a large demand, he may be able to look with equanimity on price cutting, secure in the belief that, regardless of the vanishing profit to the dealer, he can yet force the dealer to carry his goods because of the popular demand. This is done in some cases. It need only be suggested, however, that forcing the dealer to do anything he does not want to do is an expensive and wasteful practice. (3) The average manufacturer, however, has nothing that approaches a monopoly, and he cannot afford, or he does not care, to use advertising as a club to force the dealer into line. His first natural effort is to do something that will stop the price cutting.
218. Methods of stopping price cutting.—There have been two general methods of attempted price maintenance. One of them relied on early court decisions that upheld the right of makers of patented goods to dictate the prices at which the goods should be sold. The other relied on contractual relations between the manufacturer and the dealer, and the refusal of the manufacturer to furnish his goods to dealers who cut the established price. Recent decisions and attempted legislation have invalidated or threatened both of these methods. The legal status of price maintenance is so rapidly changing, and favorable or unfavorable legislation is so likely to be passed at any time, that a history of the court decisions and a statement of the status at the present moment would be of little value. Accordingly, we shall not consider the legal aspect of the matter. We shall, rather, confine our attention to the arguments for and against price maintenance, not from the standpoint of the manufacturer alone, but from the standpoints of manufacturers, all classes of dealers, and the public as well.

219. Interference with property rights.—It is said that when a jobber or a retailer buys goods, those goods belong to him; he can deal with them as he pleases, sell them at any price he wishes; and the attempt of any one to dictate to him what he shall do with the things he owns is an unwarranted intrusion on his private affairs. In the following paragraphs are stated the more commonly urged arguments of those opposed to price maintenance. The usual answers to these arguments are also given.

Those in favor of price maintenance answer this argument by pointing out that property rights are not absolute; they are subject always to the interests of the public as a whole. A man may buy things the use
of which is sharply limited in the interests of public policy. If price maintenance is for the good of the general public, as it is said to be, then the fixing of re-sale prices by the manufacturer is proper and should be legalized.

220. Unreasonable restraint of trade.—The opponents of price maintenance say that the fixing of re-sale prices by manufacturers is an unreasonable restraint of trade, because it tends to restrict the competitive activities of merchants, discourages competition, and retards the development of merchandising generally. The basis of this argument is the assumption that price competition is always of benefit to the public and that trade is always facilitated when each dealer establishes his own prices.

In opposition to this argument it is maintained that the basic assumption is wrong; unrestricted price competition is often of injury to the public, and the absolute independence of each dealer is a fiction. Unrestricted competition is a failure; the constant tendency is toward increasing control of industry, and control in the form of price fixing by the manufacturers is a public good and is therefore reasonable and right. This argument is to be elaborated later.

221. Is price maintenance a form of monopoly?—It is said that a manufacturer who is permitted to fix the prices at which his goods shall be sold by middlemen is thereby given a form of monopoly. He dictates to distributors all down the line, and makes it impossible for consumers to get the goods except at his arbitrary prices.

It is difficult to see the force of this argument. Monopoly means the entire absence of competition. It is obtained only by acquiring control of the sale of all goods of a certain kind that would otherwise be in com-
petition with one another. If one company were to effect the consolidation of all the manufacturers of safety-razors, and were to keep the field clear of competition, that would be a real monopoly. Everyone who wanted a safety-razor would have to buy the monopoly product, and everyone would probably have to pay the price the manufacturer demanded, because even if the monopoly goods were sold through middlemen and price maintenance were illegal, the cost to the dealer would be arbitrarily fixed so as to return to the manufacturer the highest monopoly profit he dared to take. This is not what is meant by price maintenance, however. Monopolies are illegal. For all safety-razor manufacturers to combine and to fix monopoly prices is a very different thing from one safety-razor manufacturer trying to uphold the price on his particular razor. In the former case, no one could buy a safety-razor except at an arbitrarily fixed price. In the latter case the consumer is under no such necessity. There are hundreds of safety-razors; if the consumer does not care to pay the standard price for a Gillette, he can make his choice from a hundred others. If a manufacturer has by some means created public preference for his particular safety-razor, and if he can control the price at which it is sold, he has indeed entire control over his own product. But that is very far from being monopoly. The consumer does not buy the price-maintained razor under compulsion; he is free to pay the price or to choose another razor. Furthermore the fixed price is not determined by monopoly considerations; it is fixed at a level which will encourage sales in a competitive market. The price must be kept low enough so the product may meet the competition of other similar articles.

The manufacturer who sells direct to consumers is per-
fectly free to charge any price he can get for his goods, and to maintain a fixed price if he wishes to. Suppose he changes his selling plan. He now markets through retailers, but still insists on standard prices to the consumer. Wherein do his activities develop the characteristics of monopoly as a result of this change in his selling plan?

222. *Are fixed prices and conspiracy prices similar?* Opponents of standard prices say there is no difference in effect between permitting a manufacturer to fix the re-sale price of a certain article, and permitting a group of retailers to get together and to agree on a price to be charged for that same article.

Advocates of standard prices admit that in the individual instance there is no material difference in the effects of these two practices. The possible results from the application of the two underlying principles, however, are widely different. If a few retailers are permitted to combine to fix the price of one article, other retailers cannot logically be kept from doing the same thing on other articles. If this practice is legal for retailers, it must be legal also for jobbers and other middlemen; and if middlemen can do it, manufacturers must in fairness be given the same privilege. Here we have the legalized opportunity for the restriction of all price competition and the development of complete monopoly through voluntary combinations in all fields of manufacturing and merchandising. This is contrary to public policy. However, all restriction of price competition is not wrong. As is to be explained later, it is maintained that restriction of price competition under the system of price maintenance by the individual manufacturer operates to the best interests of all concerned. No such results can come from price maintenance as will surely
come from the legalization of the principle of conspiracy prices, because there is involved in the former no element of combination among the factors in any competitive field. Price maintenance has nothing in it that can encourage combinations; conspiracy prices, on the other hand, are synonymous with trade combinations.

223. Does price maintenance result in higher prices to the consumer?—It is said that fixed prices mean high prices, that the chief purpose of the manufacturer in fixing a price is to fix a high price.

This is a question of fact. The opponents of price maintenance have not proved their case. On the other hand, lists of advertised articles some of which are sold at standard prices and others at varying prices, show that the former are not generally higher priced than the latter. The chief difference is that in any competitive group the fixed prices are likely to approximate one another while the non-standard prices are likely to range all the way from very low to very high. The fixed prices are usually in between. It should be remembered that fixed prices cannot be much if any higher than others; otherwise they would not be attractive to buyers. Manufacturers must fix their prices in the face of competition. Furthermore, price maintenance often does as much to keep prices down as it does to keep them up; the dealer handling a price-maintained article cannot make an undue profit on it because the price is standard—the consumer knows what it ought to be.

224. Are fixed prices unfair to dealers?—It is said that nationally fixed prices are unfair because the costs of jobbing and retailing vary in different sections. Suppose that an article sells to the retailer for seventy cents. He is required to sell it for one dollar. His gross profit is 30 per cent on sales. One retailer can do business at
a cost of 18 per cent of sales; his net profit therefore is 12 per cent. Another retailer in a different section of the country cannot do business for less than 25 per cent; his net profit is only 5 per cent. It is maintained that each dealer should be permitted to make his own prices on the basis of the conditions peculiar to his business.

From the standpoint of the individual retailer this is a fair contention. Advocates of price maintenance, however, say that a nationally fixed price is justifiable, even in the face of possible prejudice to certain dealers, on the ground of the greater public good derived from one price that is everywhere uniform.

A similar argument is the one advanced by those who maintain that the dealer who is able on account of greater efficiency to reduce his costs of doing business should be permitted to give the consumer the benefit of his efficiency in the form of lower prices. In answer to this it is said that a standard price, fairly fixed, is of more benefit to the public at large than the occasional offering of a low price, and that the retailer who is unusually efficient has plenty of opportunity to benefit his customers and to build up trade by means of the additional forms of service that he is in a position to give. Standard prices have not tended to discourage the search for increased retail efficiency; side by side are found highly efficient and successful stores and poorly managed struggling establishments, both believing in and pushing price-maintained goods.

225. Arguments in favor of price maintenance.—The answers to the arguments of those who oppose standard prices, already given, may be considered as negative arguments in favor of price maintenance. In addition, there are many positive methods of presenting the case for the advocates of this policy. The favorable argu-
ments largely group themselves under two heads: the advantages derived by manufacturers, dealers, and consumers from price maintenance, and the influence of standard prices in encouraging retail competition.

226. **Standard prices help the manufacturer.**—The non-advertising manufacturer who has not created public demand for his own brand or who sells his product under the dealers' labels may have little interest in keeping up the price. The dealer is the one who has to stimulate the demand for goods of this sort, and an occasional cut price may be an effective way of pushing them. The manufacturer in such cases will not usually suffer, because the price cutting by one dealer on these goods will not tend to bring about retaliatory cuts by other dealers and thus develop a general price war resulting in the final refusal of dealers to handle the goods at all. The situation is different, however, when the manufacturer has through advertising or otherwise built up a real demand for his goods. If price cutting is permitted, some retailers will offer low prices on his goods for the sake of attracting people to their stores; other dealers will follow suit, and the result will be a disappearance of dealers' profits, dissatisfaction with the goods, and disaster to the manufacturer. The advertising manufacturer is perfectly willing to take his chances in competition with the similar products of other manufacturers, but he is at a serious disadvantage when his goods in one store have to compete on a price basis with the same goods in another store.

This would not be the case if price cutting increased the total sale of the goods. It does not do so ordinarily. Suppose a chain of grocery stores does ten per cent of the total grocery business of a community. If the chain stores cut the price on Heinz pickles, undoubtedly the
sale of pickles by those stores will be greatly increased. The independent stores that do 90 per cent of the total grocery business, however, may not be able to meet the cut and still get a satisfactory profit. They will either meet the cut, get along without profit temporarily, and finally get tired of doing business for the fun of it and throw out the line entirely; or they will try to hold the price, see their sales decreasing, refrain entirely from pushing the line which the chain stores are quoting at a cut price, do their best to push something else on which they can make a profit, and regard the cut price goods and their manufacturer with disfavor for a long time thereafter. As long as the dealers who believe in maintaining prices do the majority of business in any line, the manufacturer of an advertised article ordinarily loses in total sales even though a few cut price dealers may increase their individual distribution of the product.

227. Standard prices help the dealer.—Whenever retailers' opinions of price maintenance have been published, the large majority have always favored it. It is natural that they should. The retailer is justifiably eager for profit. A maintained price insures him a fair profit. He can handle price maintained goods and push them, secure in the knowledge that no one is likely to demoralize his trade by forcing him to meet a price that will destroy his profit. The cut price dealer does not like price maintenance, it is true, but he is seeking to build up his business at the expense of the manufacturer. The normal price of an advertised article seldom returns an excessive profit to the dealer; it is usually low, and properly so because the demand is expected to result in quick and easy sales. When the normal price is cut, then, it usually means a cut below the profit dan-
ger line. The exceptional dealer may be able to cut the price radically and still make a profit, because of low selling expense; but the average dealer is not in this position. He cuts solely as a method of advertising. What he loses on the cut, he makes up on other non-advertised articles. He demoralizes the manufacturer’s market, and the public is not ultimately benefited.

228. Standard prices help the consumer.—As has been pointed out, the consumer seldom benefits from cut prices on advertised articles. The average retailer cannot cut such prices materially, and make a profit. His purpose is usually to attract trade by cuts on well-known goods, and then to sell other goods at a price that will make up for his loss on the advertised articles. The consumer is not helped by this practice. Price maintenance enables the consumer to buy in any market at any time with the assurance that he is paying a fair price. He cannot be imposed upon by any dealer, because he knows what the price ought to be, and he will refuse to pay more. Price maintenance, furthermore, provides standards for the pricing of all goods, whether they are advertised or not. It helps greatly in standardizing merchandising, in helping the consumer to buy easily and safely, and in educating him to standards of value.

229. Standard prices encourage competition.—One ostensible purpose of the opponents of price maintenance is to limit the development of the larger business units and to restore competitive opportunities for the man with the small capital. The friends of standard prices maintain that unrestricted price competition defeats this very purpose. It is a matter of history that some of the so-called trusts have developed their present power because their great capital, in an unrestricted price market, enabled them to undersell their smaller
competitors and to put them out of business. We have seen that the profit on a single sale of an advertised article is generally low, and that a substantial cut in the price often means the almost complete disappearance of the profit. Who can afford for long to sell goods at little or no profit for the sake of advertising? The man with much capital or the man with little? The answer is obvious. Many great chain store systems that can afford to sell advertised goods at a loss have seriously embarrassed their smaller competitors. On the other hand, if prices on well-known, advertised articles are maintained, the man with small capital is in exactly as strong a competitive position as the man with large capital; competition then becomes a matter of service rather than price. Unrestricted price competition has proved its inability to prevent monopoly and to encourage competition.

230. All prices cannot be restricted.—Price maintenance does not mean the entire elimination of price competition, by any means. Even though manufacturers are given the right to dictate re-sale prices on their products, there will be hundreds of manufacturers who will not care to do so. There is little or no value in price maintenance to a manufacturer unless he has created a wide demand for his goods, because it is only goods in wide demand that are made the subject of profit-shattering and market-demoralizing price wars by dealers. Retailers will always have in stock many articles on which a temporary cut in price for advertising purposes would not injure manufacturers or dealers; and there will always be manufacturers selling goods in bulk, non-advertising, or putting dealers' labels on their product, who will not fix re-sale prices and who would gain nothing by doing so. If a manufacturer, however,
in order to protect the goodwill expressed by wide demand for his brand, cares to fix a fair price and to require middlemen to observe it, the friends of price maintenance contend that he should be permitted to do so to the end that he may protect his own market, help dealers to make and keep a fair profit, and serve the consumer in the many ways in which standard prices have proved their ability to serve him.
CHAPTER XIV

THE COST OF COMPETITIVE SELLING

231. *Criticism of marketing methods.*—The cost of marketing is attracting the increasing attention of press and public. Recent years have seen large advances in the cost of staples and luxuries alike. In the attempt to head off further advances and to find the reason for past increases many people have come to regard the present marketing system as the most blameworthy single factor. The criticism is frequently made that high prices are due to advertising; that the enormous wastes of publicity are responsible for many of our difficulties; that there are too many salesmen, too many middlemen, too many appeals to the public, and too much buying; that the world is living beyond its means and that this or that phase of marketing is chiefly to blame. We are to look into some of these charges in so far as they have reference to manufactured products.

232. *Who pays for the advertising?*—Perhaps the most frequent criticism is leveled at advertising. We are asked the question "Who pays for the advertising?" with the implication that the answer will disclose a condition that is largely responsible for high prices. The answer depends, of course, on what is meant by *pay*. Obviously the man who advertises pays the bills. Those who ask the question, however, are prompted to do so by the thought that behind the advertiser there is some one who really bears the burden—that the advertiser passes on his advertising expense to the consumer, and
the consumer pays it in the form of higher prices. Is this true? If it is, it is a serious indictment of advertising.

233. Advertising and the retail store.—First, consider the retail store. In the larger cities at least, the successful retail store spends huge sums for publicity; it uses large space in expensive newspapers; it spends a fortune, perhaps, on the decoration of its Christmas windows; it provides all sorts of conveniences for its patrons, all of which are charged to advertising. What is the result of all this? Do the customers pay more for their purchases than they would if the store did no advertising? What is the purpose of all these marketing activities? They have but one purpose—to make more sales. Increased sales mean more rapid return on the investment, and without a proportionate increase of capital. This means that the capital can be used more frequently. A man with a capital of $10,000 may without advertising make sales of $25,000 a year. If he spends a few hundred dollars in advertising his sales may amount to $40,000. He increases his "turnover" from two and one-half to four times. If he does this, he can afford to take a smaller profit on each dollar's worth of goods sold. This is one saving that he can pass on to the public. Another is the item of expense. Every article sold must bear a certain charge for the expenses of running the store—rent, labor, administration, etc. Some of these expenses remain the same regardless of considerable increases in the amount of sales; some of them increase with the sales, but not proportionately—advertising is such an expense. Accordingly with the increased sales caused by good advertising, each dollar taken in has to bear a decreased proportion of the total expense of doing business. Here is another saving that
can be passed on to the public in the form of lower prices. Another opportunity for saving is in the cost of the goods to the dealer. We have seen that quantity purchases often mean extra discounts. The merchant who, through advertising, is able to run up his sales, is in a position thereby to buy in larger quantities, to command lower prices, and to pass on this saving to his customers.

Ineffective retail advertising is of value to no one. The store that cannot get satisfactory return on its advertising expenditure soon ceases to advertise or ceases to exist. Poor advertising need not be considered; we are concerned only with that which is effective. Good retail advertising certainly does not increase the cost of goods to the public. Very few stores have ever raised their prices after they began to advertise, while there are countless cases of prices going down as the result of advertising. Where does the buying public look for bargains? In the quiet, non-advertising store, or in the big, busy, thoroughly advertised retail establishment? In the latter, of course; and because this is true, store advertising cannot be charged with creating high prices.

234. Advertising and the manufacturer.—Next, consider the manufacturer’s advertising. This is the kind of advertising that is usually attacked. The public sees hundreds of magazines carrying numerous pages of advertising; it sees billboards and street car cards everywhere; it cannot escape the marvelous electric signs that illumine every Broadway in the country; it learns that one back cover in colors on one popular periodical costs $10,000; and it jumps to the conclusion that here indeed is something tangible, something that must be charged with the high cost of living.

235. Reduction of manufacturing costs.—As in the case of retail advertising, we must differentiate between
good and bad national advertising. Bad advertising is wholly a loss. The advertiser learns his lesson, takes his loss, and gradually recoups by better methods, or he ceases to do business. The manufacturer is the loser, not his customers. Good national advertising, on the other hand, tends to keep prices down. First, it results in increased sales, and increased sales often make it possible for the manufacturer to effect the ordinary economies of large scale production; for instance, lowered cost by reason of increased purchases of raw material, better methods made possible by the employment of high salaried experts, complete division of labor with resulting increased efficiency, and the use of labor-saving machinery which is only profitable when the output is large. All of these savings, and others, may result in lower cost of the finished product.

236. Reduction of selling costs.—This is not the most important effect of advertising, however. Sometimes the increased sales through advertising are not enough to decrease materially the cost of manufacture per unit, and sometimes there is a limit in production beyond which additional economies in manufacturing are impossible. Even in such cases advertising means a saving, because while good advertising may sometimes reduce the unit cost of manufacture, it always reduces the unit cost to sell. The cost to sell is a big item in the price at which an article is sold. Every article must bear a proportion of this cost. If the total selling expense is high and the sales small, the price must be fixed accordingly; but if through an expenditure for advertising the sales can be greatly increased, the proportion between selling expenses and sales may be so changed that the price can be brought down. Suppose without advertising a manufacturer can sell 10,000 units of his product at a selling
cost of $5,000. Each article sold must bear a selling cost of fifty cents. Suppose now he adds an expense of $2,500 for advertising, and as a result sells 20,000 units. His total selling cost is increased to $7,500, but the unit selling cost is only thirty-seven and one-half cents. Here is the real economy of advertising, and it usually goes hand in hand with a third saving—the lessened unit charge for overhead expenses. With an output of 10,000 articles, each article must bear its share of such expenses as administration, return on capital, etc. If the output is increased to 20,000, many of these charges will not be proportionately increased, and each article then will carry a smaller charge for the items of general expense.

237. Evidence of savings.—These are not mere theoretical savings effected through advertising. The advertising periodicals are filled with the testimony of manufacturers who have been able to keep down or even to reduce prices as a result of advertising, when the large increases in the prices of raw materials would otherwise have forced prices up. Ivory soap is as widely and as expensively advertised as any commodity in general use. Does any one suppose that its present price, which has remained unchanged for almost half a century, could be maintained if it were not for the large scale production and the economies in marketing effected almost entirely through its effective advertising?

Good advertising does not really cost anything? It must be paid for, of course, but is not an unproductive burden on any one. To ask “Who pays for the advertising?” is like asking “Who pays the rent of the store?” or “Who pays the salary of the clerk behind the counter?” They are all selling expenses which are absorbed
in the business, which are required by competition, and which often permit lower prices to the consumer than would be possible without them. The question "Who pays for the advertising?" might be answered by another question, "Who pays the salary of the agricultural expert who shows a farmer how to double his corn crop without additional expenditure of much of anything except intelligence?" Good advertising is no more a burden to a manufacturer and his customers than the salary of the expert is a burden to the farmer and his customers.

238. The extra value in advertised goods.—Despite the savings to the manufacturer brought about through advertising, it is pointed out that sometimes the price of an advertised article is greater than the price of a similar unadvertised article. As has already been suggested, this is not generally true. In a few cases it is true, however. What about the disposal of advertising costs in these cases? Suppose that a pair of advertised shoes cost $5.00. Suppose also that a pair of unadvertised shoes of similar quality could be purchased for $4.50. If I buy the former, do I pay a tax of fifty cents for the advertising—a tax for which I get no return? Decidedly not. In the first place, the amount chargeable for advertising to each pair of nationally advertised shoes would be only a tiny fraction of fifty cents. In the second place, if I pay the extra fifty cents, I do so because I receive value for it. What value? Wearing quality and fit? Perhaps not; the cheaper shoes may possibly be just as good in these respects. The value is intangible, but it is none the less value. By buying the advertised shoes I am satisfying my pride; I am getting a standard article which every one knows to be standard. The thing for which I pay
the extra fifty cents is mental satisfaction that the manufacturer is behind the shoes and the pleasure I derive from possessing something for which advertising has created my demand. This kind of value is just as real as if it were tangible; it is recognized by economists; I am willing to pay for it; and when I do buy it, I am not spending money for which I get no adequate return.

239. Advertising and other marketing methods.—In order to show the effect of competitive marketing methods on prices, we have confined our attention to advertising because advertising is the activity that is most attacked and because advertising readily serves to illustrate the principles. It should be remembered, however, that personal salesmanship does exactly the same thing as advertising except in a different way and frequently on a smaller scale. If a manufacturer sends out traveling salesmen, it is because he believes that thereby he can make the maximum sales at the least selling cost. Often if he did not use salesmen, he could not sell or make his goods at all. If a retail store owner hires salespeople to help him behind the counter, or to take his place there, it is because by doing so he can make more sales without proportionate increase in selling expense. The results from largely increased sales, whether they come through advertising or personal salesmanship, in the great majority of cases are such as to keep down consumer prices on any article to which effective advertising or personal salesmanship is applied.

240. Is advertising a social waste?—We have been considering the refutation of those arguments against competitive marketing methods that are based on the mistaken assumption that the effective advertising of any
article raises the price of that article. There is another class of arguments against advertising, however. Some people criticize it on the score that it is an economic waste, that it presents too many and too effective buying appeals, that it encourages undue buying, and that it results in all sorts of expenditures that have their part in increasing the cost of living. It is contended that when an advertising manufacturer greatly increases his sales in a competitive market, one of two things happens: either the total purchases of the kind of product he makes are increased (which may or may not be a good thing), or he is taking business from a competitor, who with declining and perhaps disappearing sales finds himself ultimately with a factory and equipment on his hands that represent a social waste. In connection with this argument it is only necessary to point out that those who advance it are arguing not against advertising as one distinct form of marketing, but they are arguing against the whole competitive system of industry. Too often the critics of advertising forget that the arguments they advance against printed salesmanship could with just as great force be advanced against every attempt to market competing goods in any way whatever. If the national advertising of a manufacturer is an economic waste, then the local advertising of a store is a similar waste, and so also are the following: the placing of goods on display in the window in order to attract trade, the making of a store attractive so that customers will feel like staying and buying, the neat dress of the saleswomen that is supposed to add to the pleasure of purchasing, and the quiet suggestion after a collar has been sold to a customer: "These new cravats that tie into a tight bow are being worn generally with that shape of collar."
241. Advertising and salesmanship have same purpose.—The only difference between the thousand things that the retailer legitimately does to attract trade and the advertising that the manufacturer causes to be sent all over the country, is one of degree. One does on a small scale what the other does on a large scale. If it is right for a retailer to try to get you to trade with him instead of with a rival dealer, it is right for the manufacturer, by telling his story where you can see it, to try to get you to purchase his goods instead of those of another manufacturer. There is no difference in principle. If competition as a principle is right, then any method of competition that is honest and in good taste is right, regardless of whether it operates on a large scale or on a small scale, and one such method cannot logically be criticised without criticising every other competitive method of marketing.

242. Any honest method legitimate in competition.—This is not the place to argue whether the competitive or the monopolistic system of industry is to be preferred. At present we are operating under the competitive system, and we are likely to continue to do so for some time to come. Under that system honest advertising is just as legitimate as salesmanship; the manufacturer’s national advertising is just as legitimate as the gilt lettered sign above a retailer’s store. As long as the principle of competitive industry is recognized, no honest, fair method to get business can be considered wrong. There is no difference in principle between telling a competitive story to a million readers of a magazine, and telling the same story, face to face with a customer, over the counter of a retail store. It is said that “advertising, by cunning, psychological methods, foists upon us hundreds of things we neither need nor of ourselves desire.”
This is not true; few of us will admit that we often buy things from the possession of which we do not obtain some satisfaction. But even if it were true, it would be no indictment of advertising apart from the competitive system as a whole; because if advertising tends to increase wants and sales, so does everything else in competitive marketing. Advertising and personal salesmanship are simply two methods of doing the same thing. If one is right, they are both right; and no criticism of one that does not frankly include a criticism of the entire competitive system of industry need be considered by the man who is marketing his goods in any way that is in good taste and which is based on an honest desire to deal fairly with competitors and with the public.
PART II: SELLING

CHAPTER I

ITS PLACE IN THE FIELD OF BUSINESS

1. The merchandising machine.—Æsop relates in his fables that one day the members of the body came to the conclusion that they were doing all the work while the stomach got all the food; so they decided to go on strike. The legs refused to go after the food, the hands to take it up, and the mouth to receive it. After a few days of this, however, the legs and arms became extremely weak and the mouth parched and dry. They began to see that the stomach, in its own quiet way, was doing necessary work and concluded that all would have to work in harmony to keep the body together.

In the same way, all departments of a business are important and must work together. Some departments are more important than others, of course, just as some organs of the body are more important than others in sustaining life and action. It is quite natural for each department to magnify its importance to the business as a whole. It must be conceded, however, that distribution is the big problem in almost every business. The importance of the selling end, therefore, cannot be overestimated.

Merchandise moves so smoothly from the factory to the ultimate user that we may not realize how complex is the business mechanism which makes the movement possible. A huge factory in Illinois, let us say, turns
out farm implements for users who may live anywhere between Maine and California, or even in foreign countries. The Illinois manufacturer cannot sell a hoe to the truck farmer in Mississippi. The manufacturer sells his hoes to a jobber in Memphis who carries and distributes the stock of the Illinois manufacturer and a number of others. The Memphis wholesaler sells, in turn, to a retailer in Meridian, Mississippi, who, since he is close in touch with the wants of the Mississippi farmer, carries stock drawn from wholesalers in Memphis, New Orleans, Mobile and Birmingham, and from manufacturers who sell to the retailers direct.

Year by year, new and better appliances take their places in the Meridian retailer's stock. One by one appear motor plows, seeding machines, cream separators, milking machines and power churns, each offering the farmer the opportunity to do something that he could not do before or to perform some old task more efficiently. Each new article is produced in one or two plants and distributed over the whole country and sometimes over the whole world. In the case of each one, the wholesalers and the retailers have to be persuaded to stock up with the new and improved article and must be taught how to sell it. This is the work of that part of the business organism known as the merchandising machine—the distributing or sales end of the business.

2. Power furnished by the salesman.—Salesmanship puts life and vitality into this mechanism. Salesmanship makes the goods move. The manufacturer's salesman shows the wholesale dealer that he can resell the product at a profit. The salesman of the wholesaler does the same with the retail dealer. The retailer in turn paints pictures of better work done in less time and with less effort, and so persuades the farmer to buy. The sales-
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man, then, spreads the good news of how to get more and better goods for what one has to spend. The progress of civilization has meant, above everything else, that the use of the best material things has become more common. The genius of inventors and the daring of capitalists who backed them have resulted in modern mechanical processes for producing goods in large quantities. But these processes could never have been made to pay, nor would the cost of the necessities and comforts of life be as low as it is, if salesmanship had not provided the wide distribution that warrants the production of goods upon a vast scale.

3. Salesmanship promotes civilization.—Let us look at the salesman’s work in establishing new trade channels and spreading civilization from a slightly different angle. An enterprising American employs idle Filipinos to make cigars and pays them more than enough to provide for their primitive wants. Salesmen in America dispose of these cigars. Salesmen from America travel to the Philippines and teach the natives the use and advantages of numerous articles found where there is a higher standard of living than that to which the Filipino has been accustomed. The natives learn the names and the use of clothing and of furniture and various appliances for the home. There is aroused in the Filipino a desire for more of these comforts and enjoyments and he works harder. As time goes on he sees the wisdom of allowing his children to get some schooling. Certainly few are doing more for the civilization of that Filipino than the salesman who disposes of his product and the salesman who teaches him to use his wages intelligently.

Today virgin lands are populated and empires are built by true salesmanship. For years the Dominion of Canada and the Canadian Pacific Railroad have em-
ployed agents to sell to British and Continental immigrants—yes, and to farmers in the United States—citizenship in Canada and possession of farm lands in the Canadian Northwest. These agents now have three hundred thousand of their chosen prospects taking up Canadian land every year. The price these immigrants are paying for their new citizenship is the abandonment of country and friends and the expense of moving their families to a far-away land. But the gain is worth the price, for it means independence for the immigrants and opportunities for their children.

4. Vast influence of salesmanship.—The salesman, then, is a vital and important element in the commercial world of today. He connects the man who makes and the far-away man who uses. He is the apostle who spreads the gospel of good things, the universal use of which means the progress of civilization. Without the power which the salesman supplies to the merchandising machine, the present processes of specialized and large-scale production and of world-wide exchange could not be carried on.

Selling starts the blast furnaces, fills the long freight trains with manufactured products and swells the laborer's pay envelope. It is the salesman who fills the trains and hotels, and who ceaselessly distributes that which is being constantly produced. If you want a true sign of prosperity, see whether the salesman is abroad through the land. If he is, you may know that times are good. But when the salesman cannot sell, every one in the business world is suffering; for then the heart of the business organism can not send the life blood of trade coursing through the arteries of the business world to nourish and sustain the tissues of commercial life.
5. *The salesman's dignified work.*—These various sides of the work of the salesman must be seen in order that the importance and dignity of his place in the business world may be appreciated. A century ago, it was customary for inventors and men of rare genius to die in the poorhouse. For an inventor to be appreciated by his own generation was unusual; it took twenty-five or thirty years for the public to learn how to use his new article. Today, the inventor turns his article over to the man who can show people their need for it and soon a rising industry has grown up around the inventor's idea. The modern salesman has accomplished in a year what was formerly the work of a generation.

In his work, he approaches men of varying importance; he must possess the ability to talk to the small man without condescension; he must meet the big man on his own level. To this work he must carry a thorough knowledge of his goods and the policies of his house and a capacity for intelligent initiative. In the eyes of the men he meets, he is not merely his house's representative—he is the house itself.

The modern salesman tries to be all that is implied by the term gentleman—both in appearance and character essentials. He looks upon a business engagement as a sacred trust. He guards jealously the confidence placed in him by his customer on the one hand and by his house on the other.

6. *Demand versus supply of salesmen.*—A keen business man once said that there were two men who were of supreme importance to him; the man on the production end who could turn out the most goods at the lowest cost, and the man on the selling end who could sell the most goods at a fair profit. For every man who can sell successfully, there are several who can direct pro-
duction. The demand for salesmen, on the other hand, is larger than for production men. Every year numberless new articles must be introduced and made popular. New brands of old articles must be placed upon the dealers' shelves; and staples must be distributed against the severest competition. The supply of men who are able to do this work will, in all probability, never equal the demand.

One has but to glance over the classified advertising columns of a high class daily paper to realize how insatiable is this demand. The man who can sell has a choice of connections and can start with a new concern at a rate of compensation extremely rare in other fields. It is quite unusual for the salesman to get into the "situation wanted" columns. Because of the large demand, there is no field in business in which a young man can get such a large return on his personal force and character and in which, without the possession of capital, he can play so important a part in the business world.

7. Remuneration of salesmen.—The compensation offered to salesmen depends largely upon the part which they play in creating a desire for their goods. The ticket seller in a New York subway station can scarcely be called a salesman at all, for he merely passes out tickets and makes change. His compensation is low because the power to persuade and convince is not required in any appreciable degree. On the other hand, some time ago a ticket seller for one of the big railroads, while visiting a large office on personal business, learned that ten men were to be sent to Buffalo the following night. The firm practically decided to send the men over a competing road. The ticket seller immediately stepped into the breach, talked convincingly of the superior equipment on his road, and by promise of personal ser-
vice, got the business for his railroad. Though off duty, he went immediately to his company's office, secured and delivered the necessary tickets and carried away with him a check for over $100. That was salesmanship of a high order.

8. Demand for retail salesmen.—The old idea that anyone can sell behind a counter is fast giving way to a keen realization of the value of salesmanship in retail selling. Selling behind the counter is largely what the individual makes it. There are those who simply supply what is asked for and that none too graciously; who do not take the trouble to study the line they are selling, and who give no thought to devising ways of increasing their sales. There is also a rapidly growing class who have made it a point to get a thorough knowledge of their goods; who by their frankness, courtesy and knowledge win the confidence of their customers and sometimes acquire a following; who advise their customers; who are able to sell a better quality of goods than the customer had it in mind to buy; who can close a sale when the customer is in doubt; and who plan methods of awakening interest in lines other than those the customer had in mind when entering the store. The demand for this latter class is so great that the larger, more progressive retailers throughout the country are establishing training schools to develop such salesmen.

Then the sales of cloaks and suits and of men's clothing at retail is supposed to require a higher order of salesmanship than the selling of smaller, lower priced articles. The centering of desire on a particular garment and the closing of a sale is difficult. The compensation is correspondingly larger. The selling of expensive furs and imported gowns calls for a still higher order of ability. Rug salesmen in the higher class depart-
ment stores regularly close sales running into three and four figures and are usually compensated on a commission basis. It is not uncommon for their compensation to go as high as three, four, or five thousand dollars a year. As we advance in the scale of retail selling, the discrepancy between supply and demand for well-trained salesmen increases.

9. Salesmen who seek the buyer.—We come next to the traveling salesman who goes to the buyer. Here we have first, the commercial traveler, representing a wholesale house and engaged in disposing of staples against strong competition. A man who can sell in this field is an asset; one who cannot is distinctly a liability. The demand for salesmen who will be an asset far exceeds the supply. Second, we have the final and highest type of salesman, the man who is selling a specialty for which an entirely new demand must be created. We must include here the promoter who assembles and plans a new enterprise and interests capital in it. The demand for men capable of this creative salesmanship is practically unlimited. Compensation, therefore, is also unlimited. Men have been known to make a fortune in a single transaction; and it is not at all extraordinary for men of this type to earn from ten to fifty thousand dollars per year.

10. Opportunities in salesmanship.—It has been seen that a man who can sell will command several times the salary that he could earn in routine or clerical work, or even in some important constructive work pertaining to production, accounts or finance. There are two main reasons for this. First, the executive head of a business is very likely to think of his sales department in terms of income and profits and of his other departments in terms of outgo and expense, and as a result,
is likely to be more liberal in his plans for compensation in the sales department. Second, the actual worth to a firm of a man in any of these other fields must be uncertain, but there is nothing uncertain about the worth of a salesman to his firm. It can be figured out in actual dollars and cents.

11. *What the salesman learns.*—Hugh Chalmers, who has been known as one of America’s foremost salesmen, says that a man should always view his compensation from two angles. First, what can he earn? Second, what can he learn? From the latter point of view, salesmanship is especially attractive. The salesman comes into contact with a wide circle of business men. He acquires the ability to meet men and to address them. He gets a first-hand knowledge of the big business problem of distribution. He learns to observe the business methods of others. He develops poise and self-confidence and in short acquires the strong, positive qualities that make for success in business.

A great many big business executives began as salesmen. A personal knowledge of conditions on the firing line is invaluable to the man who is directing operations from a private office. The salesman, therefore, who takes advantage of every opportunity for becoming a broad-gauged business man, and avoids injurious habits, is preparing himself for an executive position, either in the house for which he is selling or in a business of his own building. John North Willys came in from the road where he had been selling automobiles for another concern to establish the Willys-Overland Company of which he is the head today.

With all its opportunities, selling, as a great sales manager has put it, is the most fascinating game in the world; and, unlike most others, is a game of brain, pure
and simple. It satisfies the inherent love of adventure—the hazard of defeat and the chance of big victory. To sum up, the man who can sell is a success—others may be.

12. Universality of selling.—Salesmanship, in its broadest sense, is essentially the selling of one's point of view—the ability to start with the other fellow's point of view and lead his mind to the desired view. When an individual endeavors to influence another to adopt a certain mental attitude or to take a desired action, he is practicing salesmanship. In this broad sense, everyone can profit by a knowledge of the principles of salesmanship and successful selling methods.

Everyone, at one time or another, sells his services. If we can present our qualifications in such a way as to convince the other fellow, we will sell our services more surely and possibly at a higher figure. The accountant who would become general auditor would do well to study salesmanship before presenting his proposition. The advertising manager must sell his board of directors on the efficacy of an advertising campaign; and sell them, too, on the necessity of an advertising appropriation. The shop superintendent who desires improved equipment in his plant must sell the board of directors. The corporation treasurer must sell the bank on his proposition, when he goes to borrow funds. The great lawyer, pleading for a life before a jury, is simply trying to sell that jury his point of view. A great statesman might well be compared to a high-class specialty salesman. Every man, then, has a vital interest in that knowledge of the human mind and that practice of persuasion in which lies the essence of salesmanship.

13. Selling ability not necessarily inherent.—E. St. Elmo Lewis tells a story of a director of salesmen who
was saying to him one day: "No, you can't teach a man salesmanship—it has got to be born in him." The speaker had been watching one of his men in the front part of the store demonstrate a mechanical device. He now stepped quickly forward. "Bill," said he, "I notice that you did all the demonstrating and all the talking. Why didn't you let your prospect handle the machine—operate it? By letting him play with it, you would have held his interest and created in him a desire to own the machine. Instead of that, he walked out on you." He had laid down a definite principle of salesmanship. And this indicates what little thought the average business man is giving to the subject when he says that salesmen are born and cannot be made.

There is a great deal of discussion as to whether or not there is a science of salesmanship. We do not have to decide that question here. Leaving it entirely open, it is quite clear that we can apply scientific methods, which merely means approaching the subject with an unbiased mind, delving into the experience of numerous men who have sold goods, and drawing from that investigation certain fundamental principles. An art is defined as the practical application of knowledge or natural ability. By adding to our natural ability the knowledge of the principles of salesmanship which we have gathered by the scientific methods described, and applying them to the practice of selling, we are practicing the art of salesmanship. We shall then be doing nothing more or less than adding to our own experience in the selling field the experience of other successful salesmen.

14. Knowledge plus practice.—The trained engineer, fresh from his technical school, is probably not so good a bridge builder as the foreman who has worked at
bridge building since he was a boy. Give the engineer five years' experience, however, and he will be the better bridge builder of the two, simply because he has at his disposal, not only his own experience, but the whole past experience of the engineering profession. The salesman, too, needs constant practice. He needs his own experience to tie to the experience of others. But the mediocre man can be improved by teaching; the good man can be made better by teaching; and the best of men can be considerably strengthened by teaching. The great salesman who is born and not made is greater at forty than he was at twenty. A study of the principles of salesmanship will shorten that time between twenty and forty, and bring the ambitious man more quickly to his goal.
CHAPTER II

STAPLES, BRANDED STAPLES AND SPECIALTIES

15. **Divisions of selling.**—Selling activities may be classified from several different standpoints, all more or less important. One division may be made to depend upon whether the goods are sold directly or the sale is made by means of a sample, a catalog or verbal description. Except in rare instances, goods are sold at retail by the first method. Bonds are usually sold by verbal description. The traveling salesman as a rule sells by sample and, sometimes, in the case of large technical appliances, by model. If models are not used in the latter case, selling must necessarily be done by catalog. There has been a tendency recently to replace more or less cumbersome sample cases with catalogs. The Heinz Company, for example, finding it impracticable to have salesmen carry a sample of each of the "57," and that the few they could carry were burdensome, have equipped their men with catalogs which picture the various processes of manufacture and show each of the products full sized in color.

Another division might be made according to the class of buyer, whether wholesaler, retailer or consumer.

16. **Where buyer seeks seller and vice versa.**—Then, we may make a classification depending on whether the buyer goes to the seller, or the seller goes to the buyer. Broadly speaking, most retail selling would fall into the first classification and most wholesale and specialty sell-
ing into the second. There are exceptions to this rule, however. It is not uncommon in the case of a specialty for the buyer to take the initiative and go to the seller. Progressive retailers of food stuffs frequently take the initiative these days in going to the buyer by soliciting orders over the telephone. Buyers of women’s apparel go to the seller when they make their yearly visits to Paris for their importations. New York lace houses have salesmen traveling over the country calling on lace buyers. Twice a year, however, these salesmen are called into New York for a month to meet these same buyers who have come to New York to look over what the metropolis has to offer and to put in, their spring or fall fashions. As a matter of fact, it is at this time that the largest part of the business is done. The intermediate visits of the salesman merely serve to keep the buyers stocked up and supplied with new styles between his visits to New York.

17. Single versus repeated sales.—A better defined division depends upon whether the salesman sells a man once or sells him repeatedly and regularly. A salesman handling store fixtures would come under the first division, while a grocery salesman calling upon his trade regularly would come under the second. It is quite possible, of course, that the fixture man might make sales to the same man on two different occasions, but these sales would be irregular and at long intervals. He is under the necessity of seeing new people constantly in order to keep going.

This classification is more important than the previous ones, because it is one that may well be considered by the salesman in making a connection. Where one sells a man but once, it is important to get his
friendship and confidence quickly, which means that the salesman must have a personality that works quickly. The most important thing in calling on trade regularly is that he shall have a personality with lasting qualities. Whether he can "get under a man's skin" quickly is of secondary importance. Salesmen and sales managers might well bear this distinction in mind.

18. Staples and specialties.—By far the most important classification of selling is that based on the nature of the commodity sold; namely, whether it be a staple or a specialty. A staple may be defined as a commodity necessary to carry on the primary functions of living, under existing standards. Sugar, coffee, cotton goods and shoes are staples. Since there is a universal demand for such commodities as these, it is not required of the salesman to create a demand before the sale can be made.

A specialty may be defined as an article for which there may exist a potential demand or for which it is possible to create a demand, but which has not been generally incorporated into the people's standard of living. Phonographs, conducted tours and automobiles are examples of specialties. People must be educated to demand these things and a desire for them must be created in each individual sale.

19. Selling specialties.—As the definitions would indicate, the bulk of the expenditures of the country's households are for staples. Many households and individuals, however, have a surplus left after they have satisfied their requirements for staple goods. With the advance of prosperity, this surplus grows larger.

The sellers of specialties compete keenly for this surplus. The competition is not only between two similar specialties, such as two different makes of player-pianos,
but between different kinds of specialties as well; if the surplus is spent for an automobile, consideration of the player-piano will be put off for a year. Because of this double competition and because of the necessity of creating a compelling desire and making a strong close in each individual case, the specialty salesman is of a high type and earns a large remuneration.

20. Specialties become staples.—A great many of the staples of today were the specialties of yesterday. Adam Smith says that in 1775 both men and women in England wore shoes; in Scotland, only men wore them; and in France, neither men nor women wore shoes. In England, then, shoes were a staple commodity; in Scotland, they were staple among men, but a specialty among women; and in France, they were a specialty for both men and women. That is, there existed no demand for them among the women of Scotland, nor among the men or women of France. The people had to be educated to their use; a fairly general desire for shoes had to be created. Even such common articles as tooth brushes, soap and underclothing have not always been staples, and they are staples today only in the more civilized countries. Their introduction in some foreign parts is only beginning.

There may be those who will maintain that goods are not manufactured prior to a demand for them, but are produced only in response to a very definite demand. Those who have studied the history of selling, however, realize that the demand has to be manufactured just as surely as do the goods. For a long time railroad men laughed at Westinghouse and his air-brakes with which he proposed to stop trains with wind. A Boston mob destroyed the first sewing machine on the ground that it would throw the people out of work. It took a long
campaign of education to convince people that Edison's electric lights were safe, practical, and better than gas. Only recently has it become the rule to equip newly built houses for electric lighting. The struggle of the telephone for recognition is still fresh in the minds of men of this generation. No business man can now imagine how he could get along without a telephone, but it took real salesmen to convince him in the early days that there was any advantage in them. It is said that one of the first Chicago firms to instal telephones subsequently had them removed because the frequent 'phone calls from customers disturbed the clerks.

The same process by which a specialty becomes staple still goes on. In the next few years we may expect to see the vacuum cleaner just as common as is the sewing machine today. The low price automobile, too, bids fair to become a staple product. The milestones of civilization are marked by the conversion of specialties into staples through the educating work of salesmen and advertising. The degree of civilization in two countries may be compared by noting to what extent things which have become staples in the one are still specialties in the other.

21. Branded staples.—In the classification, according to the nature of the product sold, which we are now discussing, there is a third class of commodity to be considered, the branded staple. The branded staple may be defined as a staple commodity, put up in a standard package, under a distinctive brand name, usually sold at a standard price, carrying a guarantee of quality, and widely advertised. Not so many years ago, the corner grocer bought his oatmeal and other cereals in bulk and scooped them from a bin under his counter for his customers. Today he hands the customer a
sanitary package. Formerly he bought his crackers by the barrel. Today the National Biscuit Company has largely wiped out the sale of crackers in bulk and instituted the sale of crackers in sealed packages. Flour, too, was formerly weighed out from the grocer's bin. Today it is handed to the customer in the bags in which the grocer receives it, branded with the maker's name. Lubricating oil is generally regarded as a staple, but years ago the Galena-Signal Oil Company removed it from the ranks of the simple staple when they put it up in a special can and guaranteed its quality and quantity.

This tendency toward the production of branded staples is one of the most marked features of modern business. Coffee, though still largely sold in bulk, is fast being put into the branded staple class by the Arbuckles and others. The American Sugar Refining Company has made popular the sale and assured the prestige of both block and granulated sugar in packages. Men no longer ask for socks; they call for Holeproof Hosiery or Onyx or some other brand. They ask for shirts under a brand name that assures their fullness, cut and quality. Clothing, shoes and hats are fast coming to be bought in the same way. The cause of the branded staple was given a new impetus when, at the outbreak of the European war, the price of nearly every bulk product was raised, while not a single branded staple raised its established price.

22. The branded staple and the salesman.—Although the principal credit for the prestige of the branded staple must be given to national advertising, branded staples give rise to some interesting problems of personal selling. The brand imparts to what has been a purely staple product something of the nature of a specialty. New brands must compete with other brands which have
been established previously, with jobbers' private brands, and with the old bulk goods, which have the advantage of price. In the face of this, the new brand must be established by the joint work of advertising and personal salesmanship. The advertising aims to divert the existing demand of the ultimate consumer to this particular brand. The salesman is depended upon to win and educate the jobber and the retailer. As it is important that the brand get fair distribution in order to profit by the advertising, and as the jobber and retailer are loath to stock up until they have felt the actual demand, a high order of selling ability is necessary in the early stages.

Sometimes the need for creative salesmanship is lessened as a brand becomes established with the public. A constant public demand kept alive by national advertising makes it necessary for jobbers and retailers to carry the branded staple and it keeps moving more or less automatically through the channels of trade. The distribution efforts are likely to be confined largely to advertising which reaches beyond the jobber and retailer to the ultimate user of the goods. The man selling such an established branded staple must watch himself carefully lest he deteriorate into a mere taker of orders.

23. Selling staples.—The difficulty of specialty selling and the problems to be met in selling branded staples have been discussed, and it has been shown that the selling of pure staples is likely to be simpler. It should be borne in mind, however, that staple selling now requires more real salesmanship than in former days when competition was less keen. Let us take the wholesale grocery salesman as a typical distributor of staple products. A generation ago, retail grocers in most communities were called upon by the representatives of not
more than two or three wholesale grocery firms. The retailer divided his business among these three competitors and kept them all happy. Moreover, in case of a pinch, the wholesale grocery salesman was usually able to offer price concessions. Today that same retailer is called upon by twenty or thirty grocery salesmen. They all sell about the same product at about the same prices and price cutting is fairly well eliminated. This is fairly typical of the tendency in all staple lines. To get business in paying quantities under these conditions, and to increase that business from year to year, requires selling ability of a high order.

24. *Factors in a sale.*—There are three factors in every sale: the buyer; the seller; and the commodity. Having seen into what classes the commodity may fall, we are ready to consider methods of reaching and appealing to the buyer; to analyze the seller and determine what qualifications he must possess and acquire if he is to be successful; and to consider ways of building an effective selling talk and demonstration for the particular commodity he is to sell.
CHAPTER III

THE SELLING PROCESS—PRELIMINARY TO THE INTERVIEW

25. Definition of a sale.—From a legal point of view, to sell is to transfer property to another, or to contract so to do, for a valuable consideration, especially money. From a business point of view, the sale should, in addition, represent a profit to the owner of the goods. Not much salesmanship is required to give goods away or to sell below cost.

There is still another requisite. A sale, as a legitimate phase of commerce, should represent a profit or an advantage to the buyer. Some treatises on selling would lead one to believe that the average buyer is a putty-minded person before whom the scientifically instructed salesman makes a few mysterious passes and goes through certain occult moves, and thus simply hypnotizes him into signing an order whether he can use the commodity to advantage or not. The reminiscences of some salesmen would lead one to believe that most of their sales were made by a system of legerdemain that gave no consideration whatever to whether or not the buyer could use the goods to advantage. One wonders how men who were so easily persuaded to make disadvantageous purchases ever become sufficiently successful to be able to buy. Of course, the truth of the matter is that the salesman has really taken the buyer’s point of view, and, consciously or unconsciously, has made the buyer see that it is to his advantage to buy.
It is recognized today to be both poor ethics and bad business to sell one anything that he cannot use to advantage; and most salesmen realize that to overstock a dealer, although it may show fine powers of persuasion, will do no permanent good, to himself, his house, or his customer. A true sale, then, is one in which there is a profit three ways: to the house, to the buyer, and to the seller.

26. Developments of a sale.—In the meeting of one mind with another in the selling process there are four distinct developments. First, the salesman must secure the prospect's undivided attention. Second, this attention must be sustained and developed into interest. Third, this interest must be ripened into desire. And fourth, all lingering doubts must be removed from the prospect's mind and there must be implanted there an impelling resolution to buy; in other words, the sale must be closed. In every successful sale there is a fifth element, confidence. Unlike the four elements previously mentioned, confidence does not develop into another distinct stage of the selling process. It is rather a slender thread which, beginning in the early part of the interview, widens to a broad stream upon which the two minds meet and move toward the completed sale.

Before a sale is possible, the buyer must be approached. The approach, then, though not an integral part of the selling process, is a necessary and difficult preliminary. It may be divided into two parts: preparation for the interview by securing a knowledge of the prospect; and getting in to see the prospect. Keeping these various elements in mind is necessary to an intelligent study of the subject of salesmanship. It is even more important to the actual making of a sale.

27. Preparation for the interview.—Many interviews
are opened smoothly by approaching a prospect on his "blind side"; that is, by talking to him of something in which he is deeply interested. Even though a salesman has a standard presentation, he will find it advantageous to modify it or add to it in such a manner as to tie his proposition closely to the prospect's interests. In other words, the salesman's talk must be suited to the prospect. This means, that he should know as much as possible about the prospect before approaching him. Oftentimes, a great part of his knowledge must be secured by scrutinizing his man as he crosses the office floor. He will secure some knowledge during the interview by getting the prospect to talk. The astute salesman gathers a great deal of valuable information before he ever faces his prospect, just as the general provides himself with topographical maps of the country over which his army is to operate.

28. Studying the prospect.—Some men are opposed to change; others welcome new things. The college graduate looks at things differently from the self-made man. Some prospects will be young and ambitious to progress; others will be getting old and thinking of retiring. Some are wealthy and live modestly; others own a large house and drive a car. One plays golf; another is a tennis enthusiast or a baseball "fan." The nature of your individual business will dictate just what particular information you most desire. Bear in mind that after it is secured it will, in nine cases out of ten, be better not to use the information openly, but to draw it out by having the prospect tell it to you; or at least, to use it only indirectly.

Let us take a few examples. A representative of a New York publishing house was sent to induce the president of a great university to write a book. He imme-
diately read the last book written by the educator. His opening remark then, when he called, was: "It is a pleasure to meet you. I have just completed the reading of your latest book." That put the interview upon a favorable footing immediately.

A salesman calling upon an advertising manager whose firm's initial page in the Saturday Evening Post had appeared two weeks previously, immediately proceeded to congratulate the advertising manager upon having broken into the Post and commented upon the forcefulness of the copy used. It goes without saying that an advertising manager is proud of his first $4,000 page.

An insurance man had learned two things about one of his prospects; he was hostile to insurance and he had a son and a daughter at college. By talking specifically of the financial future of that particular son and daughter, instead of generally of the necessity of providing for one's family, he was able to remove the hostility.

A high class salesman who does business with railroad presidents makes it a point to be thoroughly familiar with the railroad's last annual report and especially with the features of it that show marked gains.

A man who places exclusive agencies for a hardware specialty makes a practice of buying a key ring in each of the three or four hardware stores in a town. While he is being waited upon, he has an opportunity of looking around and getting a pretty definite impression. He then returns to the store that impresses him as best and offers the agency.

29. Gathering information.—The human mind is so constituted that it hesitates to center itself upon a new subject unless that subject is manifestly one of selfish, personal interest. Previous knowledge of a prospect
enables the salesman to inject this element of personal interest. His information is garnered from many sources. Other salesmen can give him a great deal. In small towns, the hotel clerks are able to tell him much. Men to whom he has sold can tell him much about the men he is going to see. This is a favorite method with specialty men, some of whom make it a rule to question every man they call upon concerning some other man or business in town. The man who buys staples generally knows the men who carry the same line in adjoining towns and, as they are not competitors, can give unbiased information concerning them. Newspapers frequently contain valuable references to the business men of a community. The telephone and general directories are unfailing sources of information. The salesman should consider this gathering of information as an important part of his work. He should be continually on the lookout for anything that will enable him to get a favorable opening, that will be a buffer against the shock of contact of two minds, or that will establish a point of contact with his prospect.

30. Using a card index.—What has been said applies primarily to the salesman who sees his customer for the first time. Unless he sees his customers regularly and at short intervals, however, they are likely to assume something of the nature of new prospects every time he calls upon them. A salesman who calls upon his customer only once in three or four months and depends upon his memory, is likely to forget more or less important details. For that reason, many salesmen keep a simple card index of their customers. Upon each card is kept a record of the man's financial standing, the business done with him on previous occasions, and various items of personal information gained during the
first and succeeding interviews. These cards are gone over before each call.

31. Getting to see the buyer.—A salesman who had sent his name in to a large buyer received the reply that the buyer did not wish to see him. "Tell your boss," he quickly instructed the office boy, "that I already knew he didn't want to see me; it is I who wish to see him"; and the story goes that he saw the buyer. If he did, he accomplished quite an important thing; for it is not until the salesman has been able to get face to face with his prospect, that his appearance, personality, knowledge of his goods or the best talking point he may have at his tongue's end, can do the least good.

There is little trouble, of course, in seeing the proprietor of the small retail store. It is seldom that any difficulty is experienced in getting to see any man in the average manufacturing concerns in the smaller cities. A great many of the largest concerns and largest men, too, make it a point to see that every salesman is received courteously and given an audience. The United Cigar Stores Company have issued specific orders to this effect in their general offices in New York. The Chalmers Motor Company have displayed in their reception room a large sign, apologizing for any delay that may occur in granting the salesman an audience and inviting him, meanwhile, to peruse the papers from his own home town or to use their telephone. Both things are provided. In a great many cases where the formality of giving your name to an office boy or telephone operator must be gone through, the invariable answer to the operator's "Mr. Blank to see you" is "Tell him to come right in." The average man's natural curiosity, coupled with his aversion to walking outside to see you, will prompt that. Let us recognize, then, that
the salesman sometimes conjures in his mind's eye difficulties of getting in which do not exist. The salesman should not recognize the possibility of any difficulty in this connection until it actually arises.

32. Men hard to see.—Many business men, however, whose various interviews during the day make great inroads on their time, and who must provide for other matters, feel obliged to hedge themselves about with guards of one kind or another—to erect barriers against those who would intrude upon their time. This should not be taken to indicate that they have no desire to look into a worth-while proposition. They expect the salesman with a proposition worthy of their attention to be big enough and ingenious enough to make his way past these obstacles. If the salesman asking for an interview is not firmly convinced that his proposition is in that class he has no right to be there.

Now, there are a few men—a very few—who are very hard to see. A salesman must then apply himself to finding a way of getting in instead of sitting back and proving to himself that it is impossible. Should he finally decide that it cannot be done, he may be obliged to see some other fellow in the same line come along, get in, and make the sale. It should be remembered, always, that there are some men who are getting in; there are some men from whom the prospect is buying. Be one of them.

33. Tactics to be avoided.—It is important that the salesman not only secure his audience, but that he secure it on a right basis. A busy man could be dragged out of an important directors' meeting by a sufficiently urgent message; but if, having come out, he discovers that his caller's business is not of the immediate importance to him that the message indicated, he will resent
the occurrence so much that to do business with him will be an impossibility.

The hackneyed and overworked "personal matter" method should be avoided. No matter is personal from the point of view of the prospective purchaser. The simple, dignified formula: "Tell Mr. Jones that Mr. Brown is here to see him" is probably the best, as a usual thing. Then, if the nature of the business is asked for, several avenues are open. A very successful salesman uses the method of asking the telephone operator to connect him with the man he wishes to see. He is thus enabled to get in a short, pithy talk ending with "Now I just want to get in there for a few minutes. May I?"

A young fellow soliciting advertising for a lumber journal used to work out original ways of stating his business by writing a message on his card. In response to the request of a large hardware store's advertising manager to know his business, he wrote: "Do you know how much crayon the Southern Lumber Mills use every month to mark lumber?" He was prepared, of course, to show the advertising manager that the concern's sales of crayon alone would warrant the advertising. A man can be original in stating his business; or he may get around having to state it; but directly to mislead his prospect concerning it or to exaggerate its importance will not start him on the road toward a sale.

34. Use of telephone and business card.—Courteous persistence gets many an interview on a favorable basis. The average prospect feels rather conscience stricken and ashamed of continually turning a man down without a hearing. Very often, it is possible to reach a man over the telephone, when he cannot be reached in person in his office. If he can be gotten on the 'phone, a short, effective canvass for a definite appointment should be
made. The telephone is a sort of last resort, however, and should never be used when it is possible to reach the prospect in person. It is much easier for the man being called to turn the salesman down over the 'phone than it would be if they were face to face. Some houses instruct their salesmen never to do business over the 'phone because of the disadvantage at which it places them.

As a usual thing, it is unwise to send a card in by an office boy, or to hand it over to the operator to be read over the 'phone. We go back here to the principle that the human mind is adverse to considering any subject unless there is something of personal interest in it. There can be little of personal interest to the prospect in a statement of a man’s business on his card, and there is less to arouse a healthy curiosity. The prospect reads the card, comes to an adverse decision and determines not to see the salesman. The same principle applies here as to a telephone talk; it is much easier for a prospect to turn down a salesman when he knows the latter’s business and they are not face to face. For the same reason, if the man is out or unable to see the salesman, it is not usually a good plan to leave behind any statement of business. It is to the salesman’s advantage to have a clear field on his next call. These things depend, to some extent of course, upon the individual product sold.

85. Dignified bearing in outer office.—The salesman, in giving his name to the office boy, telephone operator, or the guardian at the outer gates of a large plant, should be just as careful of his methods as though he were in the presence of the big man he is endeavoring to see. For there is but one answer to that oft-repeated question, “How can I get by these people?” and that
is, "calibre." These people each day are seeing a large number of callers who wish to meet some member of the organization. Most of them are ordinary fellows who do not seem to demand much deference and consequently do not get it. It is the real salesman's duty to impress them as someone whose dignity and importance entitle him to an audience. That makes a difference in the tone in which they announce him, if not in the actual words. It makes a great deal of difference whether the announcement is: "There is a man here to see you"; or, "A gentleman, Mr. Blank, is here to see you."

36. Securing favorable conditions for interview.—In the sale of most commodities, the salesman should realize that he has not accomplished his task of getting at the buyer, if the latter merely comes out and talks to him as both stand in the reception room. A man standing up feels uncomfortable and is scarcely in a position to give his best attention. Furthermore, the handling of any equipment the salesman may carry is likely to be awkward. After a few terse remarks, calculated to arouse the prospect's interest, the direct positive suggestion should be made: "Now, let us step in, sit down at your desk and go over this briefly."

It is to the salesman's advantage to discover whether or not there is any best time to see his prospect and, if possible, to call at that time. Some concerns have regular hours for seeing salesmen in certain lines. It is politic to call in those hours, unless there is some good reason for calling at another time. There is an encyclopedia salesman in Chicago, who upon getting inquiries from men at their home addresses, endeavors by calling to secure the prospect's business address. Failing in that, he calls on these home address prospects on a holi-
day, when he is reasonably sure of finding them in and ready to listen.

37. Using cooperation to see the prospect.—There is nothing more valuable to the salesman than cooperation—cooperation of customers, friends and even of other salesmen. It is especially valuable in the matter of getting interviews. It makes the securing of an interview under favorable auspices a simple matter even with those who are most difficult to see. The prospect is prepared to give an interested hearing to the salesman’s whole story out of courtesy to the friend who sent him. The fact that he has come recommended has likewise created confidence in him.

The live salesman, particularly in specialty lines, is continually on the lookout for helps of this sort, for they represent to him the lines of least resistance. As he goes from town to town, he picks up here and there a card of introduction from some brother salesman to one of that salesman’s particularly intimate customers. He secures letters of introduction and of commendation of his proposition from one town to another and from one man to another. He secures from every man to whom he sells the names of some friends who are, for example, likely to be interested prospects. The best possible source of prospects for an automobile salesman is the man who has bought a car, is enthusiastic about it, has been boosting it to his friends, and is sufficiently friendly to the salesman to tell him who among them are thinking of cars or can afford them. He then secures definite permission to use the customer’s name with these new prospects. This gives him a strong entering wedge: “I interested your friend, Mr. Brown, in my proposition yesterday and he asked me to make it a point to see you before I left town.” He uses another angle on
this by getting the man he has just sold to telephone any friends who are possible prospects and tell them that he is coming. He is careful, in using this latter method, to make sure that his man does not endeavor to give the friend a selling talk over the 'phone, but merely announces that the salesman is going to drop in. Cooperation of this kind enables the salesman to occupy his time in interviewing and not in seeking interviews.

38. Individuality in announcing oneself.—The large department stores of New York and Chicago have very rigid rules as to how salesmen shall announce themselves and at what time they shall be seen. As practically every house in every line has one of its men call on these stores, the number of salesmen in and out during the day is enormous. A rather arbitrary selection is made of those who will be seen and comparatively few reach the buyers of their lines. The question of how to proceed to secure an audience under these circumstances was frequently brought up in the authors' lecture courses by salesmen who were meeting these conditions every day. As a result, the merchandising man of one of the largest New York department stores was interviewed in collecting the material for this Text. In his house, the salesman is obliged to give his name and his line and this information a girl writes on a regular form.

There seems little chance for individuality here. When asked as to that, however, the merchandising man said: "Oh, yes, a few of the salesmen who come in show considerable ingenuity. For example, I received a slip one day which the salesman had evidently taken away from the girl and upon which he had written 'the first day it was on the floor, Marshall Field sold twenty-five of the models I want to show you now.' You may be sure he got in," he concluded. It is quite nat-
ural that the busiest buyer imaginable would have time for a proposition like that.

The same merchandising man brought out another point. A friend of his was selling cloaks and suits, and had the usual trouble reaching buyers of the large department stores. "Your house sells mourning goods," he advised. "The cloak and suit salesmen who call on us are legion. There are very few calling on us with a line of mourning goods. Instead of the 'cloaks and suits' on your card now, place 'mourning goods.' So few men sell mourning goods that you will almost invariably be seen. After you have secured an audience on your specialty, there is nothing to prevent your talking cloaks and suits, also." It would seem, then, that the obstacles to seeing a large department store buyer are not insurmountable to the salesman of some ingenuity and originality.

39. The approach proper.—Let us suppose, now, that the salesman is in. He is crossing the space between the office door and the prospect's desk. The prospect, at this point, is sizing up the salesman, just as the salesman is sizing up the prospect. Here is the place of first impressions. The salesman decides, in those few seconds, whether he can take advantage of a good first impression or will have a bad one to fight. He is deciding whether the prospect will devote the first few moments of the interview to an endeavor to shunt him off or to an effort to make him feel at home. To a certain extent, he is deciding whether he shall dominate or be dominated. There must be no attitude of servility or idea that he is really trespassing upon the prospect's time. There must be a sincere feeling of equality and dignity and a realization of the importance of his mission. The confident man with a mission is known the minute he steps into a room.
CHAPTER IV
SELLING PROCESS—THE INTERVIEW

40. Attention; its nature.—Psychologists tell us that the mind is under a continual bombardment of ideas, all trying to make an impression upon it. The activities of a man’s business going on about him; the people around him; the ideas that he has in mind to work out; the train of thought started by some object on which his vision rests; to say nothing of such commonplace things as his morning mail, papers on his desk and his telephone; all constantly clamor for his attention. And what is more, one or several of these things insistently command that attention. The prospect, therefore, does not sit around with his mind a blank, calmly waiting for someone or something to capture his attention without a struggle. The salesman enters a field already well occupied and must fight for the undivided attention which is essential to a successful sale. He must, by his personality, his proposition, and especially by his opening remarks, eliminate all competitors for that attention and hold the field alone.

41. Conditions favorable to attention.—Since it is so elusive, the salesman should not seek the prospect’s attention at a time when other strong claims are pressing upon it. If the prospect is really too busy to give his attention, it is to the salesman’s advantage to make a definite appointment and call again. If he is waiting to attend to some important business, the salesman should avoid being granted a short five or ten minutes of
his time, for the prospect will find it impossible to give him any serious attention, since that will already have been claimed. It goes without saying, of course, that the salesman should be convinced of the sincerity of the prospect and should not allow himself to be put off with mere excuses.

The astute salesman will never break in upon a retailer when he is engaged with a customer. Nor will he stand waiting for any length of time where the retailer may be disturbed by his presence. To the man in business, selling is more interesting always than buying. In the case of men who usually transact business sitting at a desk, it is a distinct disadvantage for the salesman to present the proposition while he stands. When the prospect is comfortably seated in his chair, his body will cease its clamor and competition with the salesman's idea for his attention. A positive suggestion to sit down at his desk should be made as indicated in the last chapter. The presence of others close to the prospect should be avoided if possible, because those about him will distract his attention; and furthermore, most men are rather shy about being persuaded to buy anything in the presence of friends.

A salesman should never attempt to talk to a man who is not listening, who is writing a letter, or occupying himself in any other way. He should not attempt to compel attention by loud, fast or feverish talking. One of the best specialty salesmen in the country, when he met a situation of this kind, was wont to sit back and ask in a very dignified way, "Does this interest you, Mr. Prospect?" The answer almost invariably was an apologetic "Yes." His idea was that in order to be successful, he would have to dominate the interview at every point. He preferred to lose the sale in a clean battle for the
domination of the interview, rather than to allow the prospect to dominate him and give him but a scant measure of attention.

The ideal conditions under which to secure a prospect's undivided attention are, to be alone with the prospect, to have him comfortable and to have absolute quiet.

42. The card and the handshake.—It might be well to digress here for a moment to discuss two small but important items. It is not well to hand a man a business card when endeavoring to get his attention. The prospect cannot look at the salesman and at his card at the same time. The salesman should tell the prospect who he is and what his business is, and thus take the opportunity of impressing the prospect with his personality and secure undivided attention.

Then, there is the much discussed question of whether the salesman should offer to shake hands with the prospect when introducing himself. Some salesmen always do it; others, never. There is a middle course. Good judgment should dictate to the salesman whether or not he should offer to shake hands in each individual case. The custom in the particular territory will largely govern. Handshaking is not the usual thing in New York or Chicago. In the South and West the salesman would run the danger of appearing cold by not offering to shake hands. Then, too, buyers, purchasing agents and others who see a great many salesmen sometimes have an aversion to shaking miscellaneous assortments of hands during the day. Some salesmen have the ability to influence the prospect to take the initiative in offering his hand, and if this can be done, the prospect feels that in shaking hands, he is merely carrying out the common custom of all friendly people. Wherever the handshake is given, a salesman should see to it that it is hearty,
red-blooded and sincere. Probably the best general rule that could be laid down is that the prospect be allowed to take the initiative in the manner of salutation and the salesman in leave-taking.

43. Character analysis.—There is another subject that might be mentioned at this point—character analysis. Naturally, the salesman learns to size up his prospect and after a time becomes very adept at it. He will discern whether the prospect is slow and deliberate, or quick and impetuous; serious-minded or inclined to be humorous; austere or approachable; calm or excitable; courteous or rude. He will naturally endeavor to adapt himself to the prospect's temperament. He will talk quickly to the quick-spoken or nervous man; more slowly, but no less emphatically, to the phlegmatic one. He will gently but firmly insist upon courtesy from the ill-mannered one. This ability to size up the man is instinctive, however, and it is doubtful if there is any system that will take the place of intuition and long experience in teaching the salesman how to do it.

44. Transferring attention to goods.—The first attention that a salesman secures will be directed to himself. It is a peculiar psychological fact that any impression, favorable or unfavorable, that the salesman makes upon the prospect in his approach will be transferred to the goods, when attention is diverted to them. Without thinking much about it the prospect assumes that a reliable house will not be represented by a poorly dressed or careless salesman. The article of good quality would seem to call for a man of quality. The converse, then, is also true; the big-calibred salesman will suggest a reliable house; the man of quality will suggest an article of quality.

The salesman must divert the prospect's attention
Selling from himself to his goods if the sale is to progress. Any exaggeration of dress or manner, a loud voice or violent gestures will make this difficult. A gentlemanly, low-voiced salesman with an easy manner can easily divert his prospect’s attention to the goods by placing them before him or making some strong, positive statement regarding them.

Any unnaturalness of speech or manner is likely to delay this diversion of the prospect’s attention. The salesman who uses a standard presentation and has not made it his own so that he can deliver it naturally, will find it difficult to get his prospect’s attention to the article sold. A great many of the so-called clever openings have this same defect.

Strange as it may seem, the man who talks easily and well is likely to meet the same difficulty. It is not uncommon for a prospect to become wary of the smooth talker who calls upon him for the evident purpose of getting an order. A mild gray-haired man who was after a large machinery order said very early in his interview with the company’s president: “I’m not much of a salesman; you see, I have been on the buying end nearly all my life and I find myself constantly taking the buyer’s point of view.” It was not until he walked out with the order in his pocket that those who had heard him began to realize just how much of a salesman he really was.

45. The opening talk.—The opening remarks of a salesman should be conservative. No superlatives should be used. The first statements should be immediately substantiated. Any over-emphasis or seeming exaggeration at this point will cause the prospect to become wary and possibly to close his mind against the proposition. Neither should the salesman attempt to pay the prospect
any but the most subtle compliment at this point. While praise may gratify him, the least doubt as to the salesman’s sincerity or suspicion as to his motives will make it impossible to secure the prospect’s confidence.

There is, however, a more subtle appeal to the prospect’s vanity than the compliments that may safely be used in the opening talk. The average man dislikes to feel that he does not measure up to a proposition. Any implication of doubt as to his concern’s being able to dispose of a certain quality of goods, or of his being able to take advantage of a service designed for progressive business men, will cause him to concentrate his mind on proving that the implication is unjust. If the implication is too strong, or is in an offensive form, his antagonism will be aroused as well. It should be faint, therefore; just enough to arouse a desire to prove that he is handling a higher grade of goods or doing a larger business than is thought.

46. An interest provoking question. An adroitly framed question can make this appeal to a man’s vanity and get his attention. To quote Mr. William Maxwell, vice president of Thomas A. Edison, Inc.:

Suppose you are selling saws. If they are high-priced saws, ask this question the instant you get your man to look you in the eye: “Have you an organization that can sell a very high-grade saw?” There is no possible answer he can make which will put you on the defensive until he yields you his attention and invites you to talk, which is what you are there for. Let us construct some answers a buyer might make to such a question:

First

Buyer—We’re doing it now.

Salesman—I guess I don’t make clear to you the kind of saw I mean.

Buyer—Well, what kind do you mean?
BUYER—What we've got satisfies us.

SALESMAN—But could your organization sell a high-grade saw?—which brings the buyer back to where he was in the first place.

If a saw salesman asks the question: "Have you an organization that can sell a very high-grade saw?" and his rejoinders to the buyer's are a polite but emphatic reiteration of the original thought, the buyer must finally invite an elucidation of that thought.

Any similar question will serve. Please fix this point in your mind: You haven't properly analyzed your goods if you can't frame an inoffensive, attention-getting question for use in your approach. The other day I was talking to a man who sells prints to shirt-waist manufacturers. He said, as nearly every salesman will say: "My line is different from any other." He also said: "There is no question I could ask a manufacturer of shirt waists, except to request him to look at my samples."

I asked him to name the chief talking point about his goods.

"The prettiest Parisian patterns in advance of competitors," he replied.

Then I suggested: "Suppose you said to a manufacturer: 'Have you any trade that would appreciate a pattern that is a positive craze in Paris right now—not yesterday but today?' What would the manufacturer say to that?"

"Why he'd say: 'Let's see it,'" was the answer.

"Isn't that what you want him to say?" I inquired.

47. Attention through curiosity.—Curiosity is a strong incentive to giving a proposition undivided attention. The opening remarks of a great many able salesmen are framed to arouse a healthy curiosity in the prospect. The exclusive agency man referred to in the last chapter would return to the store that he had picked for his agency and, approaching the proprietor, would
ask: "Do you remember me?" "Yes," would come the answer, "I sold you a key ring this morning." Thereupon the salesman would remark that the key ring business had been pretty good in that town, and holding out his hand, would display those he had bought. The proprietor would naturally want to know if he was making a collection. "No," would be his reply, "my firm sent me here with your name as that of the representative merchant in this town. My key ring experiment has substantiated that information."

From that point he would use another strong lever for the getting of attention. "I am here," he would continue, "to secure your opinion of our new merchandising plan, which is of particular interest to live hardware merchants. I should appreciate your going over our proposition and telling me what you think of it." A prospect finds it very hard to refuse to listen to a salesman's story if all that is desired at the end is a candid opinion. It is needless to say that this opinion is usually favorable and is voiced by the prospect's putting his name on the dotted line.

Returning to the motive of curiosity in securing attention; a salesman one day stepped into the office of the general manager of a large Western telephone company. "Mr. Manager," said he, "supposing I were to come to you with a pencil"—drawing one from his pocket—"with which your clerk could write down numbers"—and suit-ing the action to the word, he wrote down several numbers of four figures each—"and after doing so, could find the total of those numbers right here at the top of the pencil. That would be a wonderful pencil, would it not?" The manager had to admit that it would. "Well," resumed the salesman, "I haven't a pencil that will do that, but here is a writing machine that will."
And forthwith he produced from his case a typewriter with an adding attachment and proceeded with a demonstration.

48. *Dramatic means of getting attention.*—Actions often speak louder than words in getting attention. A salesman selling a line of lamp chimneys, one of the strong points of which was that they were hard to break, would walk to the doorway of a store that did not carry his line and, taking one of his chimneys, would roll it, none too gently, across the uneven floor until it met an obstruction and bounded back. "I'll bet you haven't a chimney in stock that you could do that with," he would then challenge the proprietor. This was rather a spectacular method of getting attention, surely, but certainly an effective one.

A variation of this is to attract attention directly and forcibly to an article to be sold, the first thing. A new city salesman was employed by a specialty house that sold patented mouse-traps to retail dealers. The new man knew only the stereotyped forms of introduction, and he approached every buyer with the same formula: "Good morning, Mr. Smith. I am Mr. Brown, representing the Great Northern Specialty Company. I have an article," but in the majority of cases he got no further, because he had wholly failed to secure the busy merchant's attention. He reported his difficulty to the sales manager who resolved to go out with him and see where-in the trouble lay.

The sales manager witnessed one of the salesman's ineffectual attempts to secure a hearing, and he determined to make the next approach himself, while the salesman observed his methods. In the next store, the sales manager approached the buyer, and without a word of introduction, simply placed the mouse-trap in his hands.
It was an ingenious contrivance, and that fact, together with the unusual method of presenting the proposition, immediately secured the customer's attention. A brief statement of prices and profits was all that was necessary to close the sale. The most cynical buyer cannot avoid a feeling of interest in any object that is placed in his hands.

49. Prospect's participation in sale.—This brings us to the point of the buyer's participation in the sale. Handling an attractive thing creates not only interest in it, but also a desire to own it or to handle it for resale. This is especially true of mechanical devices. There is a fascination for the prospect in being able to push down the keys of the cash register, have the bell ring, the electric light flash up, and the cash drawer open. There is a satisfying click when the lever of an adding machine is pulled down. It is great fun to put letters through a fast-running mailometer. It is interesting to be able to type numbers on a typewriter and see the totals appear. The automobile salesman realizes the value of letting the prospect whom he has taken for a demonstration ride, sit at the wheel.

Handling the commodity is not the only way in which a prospect can be made to participate. The selling talk should be so phrased as to draw him into conversation and get him to tell something about himself. The intelligent use of the information thus secured often enables the salesman to close the sale. At each stage of the selling talk, the prospect's agreement with the statements made by the salesman should be secured by the use of direct questions calling for an affirmative answer. Most of all, it is well to leave something to the imagination of the prospect and thus enable him to discover selling points for himself. Very often a cleverly con-
structed, sketchy and incomplete presentation will cause the prospect to fill in the gaps by using his imagination and by asking questions until he has completely sold himself. Or, if this be not easy, he should at least be encouraged to ask questions which will bring about a statement of these points. Most salesmen talk too much and allow their prospects to talk too little. There can be no more effective way to secure the true interest of the prospect than by getting him to participate in the presentation.

It must be always borne in mind, however, that the prospect's participation should be pertinent to the stage of the presentation which the salesman has reached. There is constant danger that the talk will become irrelevant. Many a salesman who called to sell an enthusiastic auditor a loose-leaf ledger or a card system has remained for the afternoon to admire the wonderful systems installed by the auditor who, in explaining them, has led the salesman so far from his subject that he cannot get back to the purpose of his call. The salesman must bear in mind at this point that he should be dominating the situation and directing the interview. He should direct the participation of the prospect in the sale.

50. Securing attention to a varied line.—Many of the principles laid down here will seem impossible to the jobber's salesman, who will probably state that he carries an extensive and varied line, whereas this talk concerning the securing of attention applies to the sale of some one specific article. It must be remembered, however, that the ordinary introductory remarks of the jobbing salesman: "I am representing Blank and Blank, and I want to see if I can't interest you in our line," never did much more than pick up a few orders that were waiting around to be taken. The jobbing salesman weakens his
approach by trying to tell his whole story and scatter his talk over every article in his line. The approach here should be based upon one specific article. After he has secured attention to this, securing attention to other articles in his line will be comparatively simple.

51. Trunk lines and sample rooms.—Let us discuss now, for a moment, the case of the salesman carrying a "trunk line"—to use the vernacular—a line which involves the carrying of one or more large trunks of samples. Securing the prospect's attention here, to the whole line at least, involves persuading him to visit the salesman's sample room at the hotel, unless the salesman desires to bring his sample trunks up to the door and can secure the prospect's consent. This is not usually practicable in small towns because the salesman will want several buyers to see his line, and because there is no space in most small stores where he could open his trunks. In the department stores in the larger cities it is not unusual for sample rooms to be provided where the salesman can display his line just as he would in a hotel sample room; but even here an appointment must be secured.

There are two great advantages in getting the buyer down to the hotel. First, the opportunities for displaying the line are likely to be better; and second, the buyer is away from his place of business and the possibility of interruption from his employés.

52. Making appointments.—Above all, if the salesman intends displaying in a sample room, he should secure one at the hotel the first thing and arrange his display before starting out to secure appointments. The salesman who takes a leading sample or two from his trunk in the baggage room at the railroad station, intending to secure a sample room only in the event of securing appointments, will half wish that he may not be
put to the trouble; and he will be loath to press the luke-
warm buyer for an appointment. The salesman who has
gone to the trouble of unpacking his trunk and arrang-
ing his line, on the other hand, will do everything in his
power to get someone to look at it.

The "trunk line" man should bear in mind that, while
it is to the prospect's advantage to look over every line,
it is probably impossible for him to do so. He is con-
tinually being asked to look over one line or another
without any particular reason being advanced as to why
he should do so. The real salesman will carry one or
two numbers of remarkable value or unique pattern to
impress his prospects with the unusualness of his goods.
He will paint a picture of the ease with which his goods
may be sold that will make the buyer see the advantage
of looking at them.

At that point, and not until then, he will drive hard
for an appointment. Then, if the prospect is a man who
keeps his business appointments with absolute punctual-
ity, all well and good. If there is the least doubt on
that score the salesman, a little before the time set, will
just happen to have to go by at that time and will wait
for the prospect so that they may walk down to the hotel
together.

53. Displaying samples attractively.—Once the pros-
ppect is in the sample room, the arrangement of samples
will have much to do with securing his favorable atten-
tion, arousing his interest and creating desire. The sales-
man should learn to be an artist in displaying his line.
Other things being equal, the salesman with the best
sense of the artistic will sell the most goods. The ordi-
nary sheeting provided by the hotel does not lend itself
to an effective arrangement. A suitable background
should be carried. For example, more cut glass will be
sold from a background of black velvet than from one of white sheeting. The unusually effective samples should, as a rule, be displayed with more ordinary ones surrounding them; placing all the leaders together, will put them in competition, the one with the other, and result in the selling of fewer of them than if they are separated and contrasted with the less attractive items.

Accessories to the goods themselves will enhance their attractiveness. The millinery salesman will arrange his ostrich plumes on a shape rather than display them separately. There is a successful shirt salesman who always displays his line with collars and harmonizing cravats attached.

54. The "you" attitude.—Above all, it must be remembered in getting attention, that the prospect is more interested in himself and his business than he is in the salesman or the salesman's business. The latter's opening, therefore, should always approach the proposition from the prospect's point of view. Any talk about the salesman or the salesman's house that fails to get the prospect into the story is going to leave him cold and uninterested. We said previously that salesmanship was the taking of the prospect's viewpoint and swinging him around to ours. The talk to a jobber should take him on an imaginary selling trip and picture him selling the commodity offered to his customers. To the retailer a picture of himself reselling the commodity over his counter at a profit, is bound to be interesting. The customer must be pictured as enjoying the article. The prospect for an automobile should see himself, in his mind's eye, speeding along in the sunshine to the admiration of his friends and acquaintances. By painting a picture and putting the prospect in it, the salesman stands the best chance of securing undivided attention.
55. **Talking customers, not telephones.**—There was a stage in the development of the telephone business when it was a simple matter to persuade a business man to install a telephone, but a different and more difficult thing to sell him an equipment that was adequate. There was, at that time, a department store in Illinois that had but one wire with two extensions, one on each floor of the store. The telephone people were convinced that this equipment was inadequate, but they had failed on several occasions to make the proprietor recognize that fact. Finally one of the big commercial men of the company came down from Chicago to see what he could do. His first words to the merchant were: “I have come to talk to you about the service you are giving to your customers.” He then proceeded to show how people who wanted to order goods over the 'phone, found it difficult to do so because they were kept waiting while others talked over the one wire. Many times, he pointed out, this delay caused a decision not to bother ordering by 'phone, but to buy later in person, with the possible result that the trade went to another store. If the customer were sufficiently patient to wait, she explained the object of her call to the clerk answering the 'phone on the first floor, explained it again when she connected on the second story extension, and, after holding the wire while the proper clerk was called, she was obliged to go over the whole matter a third time. Meanwhile the clerk downstairs had been called from his work, the first clerk who had answered the upstairs extension had been disturbed, and he or someone else had then to go after a clerk in the department to which the order belonged, and he probably had to travel the length of the floor to reach the telephone. All this time customers in the store were being neglected and kept waiting because the
clerk who should have been at a certain station was out of his department answering the telephone.

The principal theme in his talk was customers and not telephones. The customer was a subject in which the merchant was greatly interested, so he asked: "What would you suggest?" The telephone man suggested two trunk lines, a switchboard, an extension for each department, and an advertisement in the paper that they were especially well equipped to give the customer the best kind of service on telephone orders. The contract was signed immediately. Throughout the interview the salesman had taken the "You" attitude.

56. Interest.—Interest is attention sustained and developed. Attention is a yielding on the part of the prospect of a temporary interest which his mind challenges the salesman to hold. Interest, as understood in the development of a sale, means that the salesman has met that challenge and secured the involuntary mental concentration of the prospect.

Interest is developed very early in the sale. If the prospect can be induced to give more than momentary attention to a proposition, it is safe to assume that his interest has been aroused. In discussing the matter of attention we have gone into several things that have to do with interest. When we discuss the "you" attitude and methods of securing the prospect's participation in the sale, we are discussing ways and means of increasing interest and ripening it into desire.

The chief characteristic of the interest stage of the selling process centers in the presentation—a thorough talk on the proposition, especially in its relation to the prospect. This presentation may be a logical detailed description, or it may be a vivid appeal to the prospect's imagination. To one prospect the salesman may talk
price; to another, quality. With one he must pose as a final authority as to the statements he makes; with another, he will take the attitude of merely reminding the prospect of things which he already knows or of refreshing his memory of things forgotten. Whatever the dominant note of the presentation, however, it must be related as closely as possible to the prospect’s interests and should be couched in such language that not even a city editor could detect a superfluous word.

57. The salesman’s vocabulary.—Two men try to express the same idea. One flounders about, deals in vague generalities and ends by giving no clear idea of just what he is driving at. The other uses specific, homely, image-making words that drive the point home in a trice. The salesman’s vocabulary should be replete with the latter sort of words. It is only the learned man that can think in terms of abstract generalization; and even he more easily grasps specific thoughts, framed in telling phrases. The salesman should see that every dull, hackneyed word is kept out of his presentation; and that it is built up of strong, straightforward, specific, red-blooded words.¹

58. The law of mental domination.—Affirmation pure and simple, separated from all arguments and all proofs, is one of the surest means of impressing the prospect. It is a peculiar fact that an excess of logical arguments will give rise to the suspicion that the salesman is endeavoring to bolster up a weak case. The more concise the affirmation, the freer it is from all appearance of proof, the greater its authority. This may well be remembered in building the presentation.

¹The Modern Business Text on Correspondence, though it treats primarily of the written word, will be helpful to the salesman who desires to direct his efforts toward this end.
59. *Interruptions to the interview.*—Where the presentation of the proposition consumes any considerable length of time, the salesman is in constant danger of some interruption which may take the prospect's mind off the proposition and endanger the interest that has been created. The salesman should immediately prepare to resume the talk at the point of interruption in some forceful and interesting manner. The idea is to plunge the prospect immediately back into the state of mental concentration in which he was previously. The production of a new piece of equipment is an effective way of doing this. When the interruption has been more than momentary, the prospect should be reminded of the point where they left off by some such statement as: "When we were interrupted, we were discussing the mechanical features." If the interruption has been for as long as ten or fifteen minutes, the chances are that the prospect has grown cold and must be warmed up again. This is done by a concise review of the whole proposition up to the point at which the interruption occurred. The presentation proceeds as usual from that point on.

60. *The demonstration.*—If the commodity sold is such as to make it possible, a demonstration of its construction and usage is made a part of the presentation. This is a great opportunity for the salesman. An actual demonstration emphasizes points as no mere statement can. It brings up a constant procession of things of interest that the customer can see for himself, and makes the retaining of interest and the ripening of it into desire much easier.

So true is this that ingenious demonstration methods are often devised for a commodity that does not lend itself readily to demonstration. Witness the lamp
chimney demonstration described in this chapter. The Thermos bottle salesman, in handing his sample to the dealer at one stage of the presentation, lets it slip from his grasp and fall heavily to the floor, as though by accident. The dealer naturally expects to hear a loud report and to find the bottle wrecked. The fact that it is found to be uninjured impresses him with its sturdiness as nothing else would.

A young man carrying a new line of cast-iron, porcelain-enamed bath tubs and calling upon the plumbing trade, found it difficult to establish distribution because cast-iron bath tubs are likely to crack or graze unless manufactured by experienced people. To overcome this, the salesman carried with him a small bath tub and a heavy piece of lead. To impress the plumber with the fact that his was a good tub, he would throw the piece of lead violently into it. No more forceful method of meeting the "crack and graze" objection could be devised. It may be laid down as a principle that an actual demonstration should be worked into the presentation wherever the nature of the commodity permits.

61. Example of a demonstration.—Some years ago the Saturday Evening Post published a selling story which will not soon be forgotten by those who read it. It told of a powder salesman who built his appeal upon a remarkable demonstration or use of his selling equipment. The president of a company which was engaged in manufacturing a new explosive assigned his best salesman to the work of having it adopted by a mining concern which was a large user of explosives. The general manager of the concern, the buyer, was wedded to the use of an explosive he had used for years, and no one was able to move him. The salesman took an assistant and a supply of his powder and presented him-
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self to the general manager. The story continues as follows:

"I represent the Blank Powder Company, but I am not here to try to sell you any powder," said the salesman. "I came to ask a favor. As you know, our company has just turned out a very remarkable new powder. It's different from anything that has been made before—but I don't mean to take up your time telling about it. The point is, we have fired more than two thousand shots with this powder in quarries and in mines—in granite, bluestone, shale, coal and in zinc ores—but we've never seen just what it could do in a hard, tough ore of the sort you have here, and we'd like permission to load some holes at our own risk and expense to see just what we can do."

The general manager eyed the salesman up and down. "I don't see why we should drill holes into the rock to have you experiment with—do you? Suppose your powder misses fire, then I've got a batch of holes to draw—eh?"

Across the face of the salesman flitted the suggestion of a smile. "We are just two years beyond the experimental stage," he said. "If there are any missed holes I and my assistant—outside there—will draw them. We certainly would not expect you to take any chances."

"Where have you got this powder?"

"Right outside, in the back seat of a surrey—two hundred and forty pounds of it."

The general manager thought for a minute, though he looked bored and weary. Then he scribbled a note on a pad and handed it to the salesman. "Take that to the head house of shaft No. 6 and the superintendent will give you what you want," he said. And the salesman had scored his first point.

In the mine connected with shaft No. 6 there were thirty ten-foot holes to be fired just after the second shift's quitting time. The salesman turned his four hundred and eighty half-pound cartridges over to the superintendent.

"That's only enough for eight pounds to the hole, and we never use less than ten," the superintendent protested.
"If you'd put ten pounds of this powder into those holes you'd come near blowing the roof of your mine off," the salesman answered. "You'll find eight pounds of this stuff equal to twelve of the strength of dynamite you use." The salesman turned as if to go away, but came back, "I forgot," he said, "Just tell that blasting foreman below to forget he isn't handling dynamite. Tell him to load just as usual—wet holes, dry holes, or any old holes."

While the holes below were being loaded, the salesman and the superintendent adjourned to the blacksmith shop. "It's really interesting stuff all right," the salesman said, casually producing a baking powder can filled with loose powder. "It's the safest powder that chemistry will ever be able to devise. You simply can't make it go off unless by both percussion and fire, and then only when it's confined. Wait till I show you something." He set the can full of powder in a corner of the shop, drew a thirty-two calibre revolver and, before anyone could realize what he was up to, he had sent a bullet crashing through the explosive. "You wouldn't dare to do that with dynamite, would you?" He stuck a forefinger through the jagged bullet hole and scooped up some of the powder that had spilled on the floor. "Why you can take that stuff and pound it with a sledge, and it won't go off."

He placed a teaspoonful or so of the powder on the anvil and hammered it. "I'd pound up a whole cartridge of it like that, only I couldn't make you stay to look at it," he announced. He spoke without enthusiasm, as if stating a well-known fact—that you couldn't get hurt hammering so much table salt. "Light it with a match and it simply flares like so much flash-light powder—see! You wouldn't think it, but I could hurl a ton of that down one of your twelve-hundred-foot shafts and it would land and mush up like so much bran or Indian meal. Using that powder means that never again would you have a man injured by accidental explosion."

The circus stunt with the powder had drawn out the miners as no amount of mere talking could have done. The superin-
tendent, two blasting foremen and a couple of blasters stood in a circle eyeing samples of the mysterious grains, smelling them and rubbing them between their fingers, while they listened with the rapt attention of so many American District Telegraph messengers taking in the stunts of a street faker.

"The best of all is," the salesman mentioned casually, "the stuff is so cheap, we'll be able to undersell the strongest dynamite by $10 a ton; and as for strength—well, you'll see after they've fired down below."

The superintendent invited the salesman to the office near the head house and from there he called up the general manager on the telephone. "This new powder man up here has something you want to see for yourself. What? Yes; worth looking at all right. We are going to fire in about an hour."

When the general manager came the salesman had to repeat his experiment for his benefit; and finally, when the blast was fired, the men on top of the mine exchanged glances. The ground had lurchèd beneath their feet with a sharpness that was promising. Right after the blast the salesman and his assistant started for the bucket to inspect the execution; but the miners would not follow.

"You'll be overcome by the fumes," a blasting foreman warned.

"Not with this powder. It has no fumes to it—nothing but a thin, light smoke," the salesman answered; but not until he and his man reappeared would the others venture down. When they saw, they laughed, so satisfactory was the execution.

That evening the salesman let his assistant drive the surrey down the hill while he himself went home in the general manager's automobile, during which ride he spoke of prices, terms and discounts. Following dinner that night, the general manager came to the point.

"My present contract has another six weeks to run," he said.

"After that I think I'll use your powder. Send me one thousand pounds of it for further trial; and if it behaves as it did today, the contract is yours."
62. *Confidence three ways.*—The true salesman will have struck a note of confidence at the very outset of the interview. As has been explained, confidence must pervade the interview and grow as the sale develops. The prospect must be confident that the goods will measure up to the sample and must have confidence in the salesman's statements as to the unseen quality of his commodity. The salesman will have created and increased this confidence by reason of his personality, his knowledge of his business, his conservative statements, and by his dignity, simplicity, frankness, sincerity and earnestness. Before interest can be developed into desire, the buyer must have confidence in the salesman, in the goods, and in the house behind them.
CHAPTER V

THE SELLING PROCESS—AGREEMENT

63. Meeting objections.—During the progress of the selling talk, occasional doubts, questions or conditions, either reasoned or unreasoned, are practically certain to arise, and these must be removed before interest can be ripened into desire. The cause of salesmanship received a severe setback when these mental conditions on the part of the prospect were termed objections; and an even worse setback when the salesman's methods of meeting them were called arguments. The term used by psychologists to designate any gradation of mental condition which opposes a mental impulse to action is "inhibition" or "inhibiting thought." We shall use that term here to denote a mental condition which prevents a prospect from buying, for while the so-called objections of the prospect are sometimes decided objections to the proposition presented, they are more often honest questions and slight doubts which the prospect himself is confident the salesman will clear up. Argument suggests fight, but removing inhibitions is merely another case of swinging the prospect from his point of view to the salesman's—a small sale within the big one.

64. Antagonism or a friendly get-together.—J. K. Fraser, vice-president, Blackman-Ross Company, says in Printer's Ink:

The new salesman expects the buyer to oppose him. His attitude shows it. Consciously or unconsciously he puts a chip
on his shoulder. The prospective purchaser sees it. Our new salesman's talk then has a double burden—it must properly present the goods he is selling; it must overcome the antagonism created by his own fighting attitude. If the prospective buyer will talk at all in self-defense his talks are antagonistic. In the face of this our new salesman comes ahead with facts, figures and logic. They tell the story, but they don't change the attitude. Few men will buy until that attitude is changed. Almost invariably sales result from a friendly get-together. Arguments are necessary, but they are effective only so far as they harmonize with a friendly interview. If they are used to create a stand-off attitude they defeat themselves.

65. **Anticipating the objection.**—The best way to overcome an inhibition, objection or excuse—call it what you will—is to anticipate it and in this way, if possible, see that it never obtrudes into the sales talk at all. A thought that is expressed is harder to change than a silent thought because the prospect has put himself on record and will not like to recede from his position. This difficulty may readily be prevented. Through continual presenting of a particular proposition, the salesman, together with his colleagues in the same organization, will discover that certain points arise in practically every canvass. These are stock objections, so to speak. The salesman builds his presentation so as to anticipate them. Others, less common, are found to be peculiar to certain types of prospects. The salesman prepares effective answers to these and weaves them into his talk where he expects them to come up. By adroit questioning and by close analysis of the prospect's remarks during the interview, the salesman tries to discover any inhibiting thoughts in the prospect's mind as he proceeds with his presentation. It will be found that, with rare exceptions, objections to any specific proposition are not pe-
cular to the individual prospect. Usually they are old opponents whom the salesman looks for and is prepared to anticipate.

66. *When to mention price.*—Price, the most common and formidable inhibition in practically every line, is anticipated by avoiding all mention of price until the quality and worth of the article, or possible profits from its resale, are firmly established and very clear in the mind of the prospect. This is so important that price, except in rare instances, should not be mentioned early in the presentation even in response to the definite question of the prospect. The specialty salesman’s reply to that question, if it came up before he was ready for it, might be: “Let us decide whether you want this first. Then we will talk price. I think I can put it within your reach.” Then he would slip quickly back to his presentation. A salesman who presented a proposition for the handling of cigars in drug stores, which involved the buying of extensive fixtures, was often asked: “Well, what is the expense of all this?” His reply was: “This is not an expense at all, Mr. Prospect. You may expect a big increase in your profits from it.” This would forestall the price question until he was ready for it. The ideal time to mention price is when, after the presentation, the prospect’s desire is so strong that he asks the price.

67. *The unreasoned inhibition.*—It has been suggested that inhibitions may be unreasoned. That is, the prospect himself may have no clear idea of why he does not desire the salesman’s proposition. The salesman must manoeuvre here to make the prospect concentrate sufficiently to bring the inhibiting thought to a focus; and should endeavor to elicit from the prospect some expression that will give him a clue. It is possible to remove a conscious, reasoned inhibition but an unfor-
mulated one is often beyond the control of the salesman.

68. Tact in opposing the prospect.—Despite all that even the best salesman can do, doubts or excuses will sometimes be voiced. Then there is danger of killing the prospect's idea too quickly. It humiliates a man to have the props rudely kicked out from under a statement that he has advanced as sound. When the salesman wins such out-and-out argument or otherwise humiliates the prospect he usually loses a sale.

The salesman rather gets beside him, runs along with him for a while and then gradually swings him around; there is no head-on collision. He is glad the prospect mentioned that point. He hesitates—it is something new, something ingenious that the ordinary run of prospects would not think of. He can see that there may be something in it. And then he mildly wonders whether this point or that point which possibly the prospect may have overlooked, would not modify the point in question. And then the prospect begins to discover answers to his own objections and ends up by trying to prove to the salesman just why his original point was unsound. Every statement made, however, has been positive no matter how softly insinuated. The salesman has started first with statements with which the prospect must agree and has stopped just at the point where the prospect will begin to discover things for himself.

69. Faulty presentation creates inhibitions.—It is possible to create inhibitory thoughts in the mind of the prospect by the methods used or statements made during the presentation. A specialty salesman is likely to emphasize the big users of his product to such an extent that the small business man to whom he is talking will come to the conclusion that only big business men can use the
product to advantage. A staple salesman can make such a point of high quality with the grocer in an ordinary neighborhood that his prospect will come to the conclusion that the article would move only in wealthy communities. An automobile salesman, who endeavored to show his prospect that he had perfect control of his machine at high speed on crowded Fifth Avenue, was stopped by a traffic policeman and served with a summons to appear in court next morning on a charge of reckless speeding. The occurrence spoiled the sale.

The suggestion to buy a product because substantial men in the community have bought it will often be a strong incentive to action for the young fellow; to the man who values independence highly and who thinks he possesses individuality the suggestion may be obnoxious, unless very gradually introduced. Negative suggestions have no place in the selling talk.

70. Daring and independence.—Sometimes a bit of daring at this point is a short cut to the order. Hugh Chalmers tells how he was once sent to sell a cash register to a typical "hard customer." At the end of the selling talk, the prospect said, rising as though to end the interview: "Your proposition is all right but it costs too much money." Mr. Chalmers replied: "That is an objection we often hear. You know the selling policies of my company well enough to know that I have been supplied with more than fifty answers to that one objection and you have listened to me long enough to know that I know every one of those answers. They are so forceful that they would convince any man. Now, I can use these arguments here and get your order but it will take me two hours to do it. Your time is worth something, why not sign now?" This was clever and proved success-
ful in this particular case. It would be dangerous, however, unless the salesman were sure of his prospect.

An independent attitude, where it can be safely and effectively assumed, is a powerful weapon with which to make the prospect forget his doubts or excuses and lean the salesman's way. Our exclusive agency man of the key rings referred to in the previous chapter met most objections to his exclusive agency plan in somewhat this manner: "Now, Mr. Dealer, we don't argue this proposition at all. I am here merely to explain it to you, to answer any questions that may occur to you, to get your opinion, and, if the proposition as I describe it appeals to you, to allow you to have the exclusive agency in this town for these goods. If, when I am through, you don't care to accept the proposition, all well and good. I shall simply have to go over this ground again with one of the other hardware men." This courteously independent attitude, where it can be assumed, is just as effective as over-anxiety is weak.

71. Discussing competitors' goods.—There is an old saying to the effect that if your competitor talks about you, put him on your payroll. It matters little whether what he says is favorable or unfavorable, put him on anyhow. This would indicate that a salesman should avoid being drawn into controversy regarding his competitors' goods. He should know all about them, their strong points and their weak points, so that he may meet these things indirectly in his presentation. A successful drygoods man has this answer to remarks about competing lines: "The company I am with puts out the best line in this country. If I thought there was a better one, I should be carrying it—and with my record I should have no trouble making the change. Until I have changed you may be sure that I have been unable to locate a line
that is better than mine.” And he may go on to say a few things about his company and his methods that will clinch that idea in the mind of the prospect. It is best not to discuss competitors’ goods.

72. Minimizing objections.—After all is said and done, the salesman must realize that some criticisms are just idly voiced and will quickly fade from the mind of the prospect if the salesman merely ignores and forgets them. If, on the other hand, he makes a mountain out of a mole hill the prospect will undoubtedly do the same. The salesman will learn to discern the opinion in which the prospect himself does not really believe, and to treat it accordingly.

73. Desire.—Desire, as a development of the sale, means a want sufficiently strong on the part of the prospect to prompt the purchase—to own the goods. All through the interview there will have been running through the prospect’s mind some such sub-conscious question as, “Can I afford to spend the money for the value and advantages offered?” To create desire means to rouse in the prospect’s mind an emphatic answering “yes”—strong enough to develop the impulse to reach for a pen and sign the order, if that formality be necessary. This presupposes, of course, that all inhibiting thoughts have been removed or overcome.

A salesman may feel quite sure he is holding a man’s attention; he may say to himself, “I have his interest”; but who can say with any amount of assurance: “I have successfully removed every inhibiting factor and I have created desire”? We shall see that, long after we have begun our closing tactics, we are still testing for inhibiting factors: there is still a possibility of the prospect’s drawing back. He who could, in every case, sense the particular moment when desire has been created, would
indeed be a super-salesman, for this is the “psychological moment.”

74. Desire and the “you” attitude.—This does not mean that there are no well-defined methods of creating a desire upon the part of the prospect. Here again, we come to the importance of the “you” attitude. There is one great principle underlying the creation of desire from which special methods can be worked out in the case of any particular commodity; show the prospect how he will profit by the purchase; show just why he cannot afford not “to spend the money for the value and advantages offered.”

In applying this principle, the grocery or drygoods salesman, after he has interested his prospect in the quality of the goods and increased that interest by pointing out how readily they may be sold, will paint a picture of the rapidity with which the goods will move and will talk in terms of dollars and cents and profits. This will be so even though he is endeavoring to stock the dealer up with a branded staple on which the profit is smaller than on the line the prospect now carries. For here he will talk the indirect profit in handling the line—the fact that people will stop in for that particular thing and remain to make other purchases; or he may point out that while the profit per unit is smaller, the total profit is larger because of the quicker turnover.

A vacuum cleaner salesman had secured the attention and aroused the interest of both the housewife and her husband by discoursing on the superiority of vacuum cleaners, showing by an actual demonstration what the machine could do, and pointing out the convenience and superiority of his particular machine. He then abruptly put the machine aside, put away all literature as to its mechanical details, and, leaning forward, said: “Now,
Mrs. Brown, it is not really a vacuum cleaning machine that I am asking you to buy. I am asking you to buy an hour a day for the rest of your life. I am asking you to buy the time to get out afternoons—to take in a matinée on Wednesday—and still keep your home just as neat and clean as it is now.” And then he got in a master stroke. Turning to the husband, he said: “And you can throw aside your irksome old whisk broom, too, and go out each morning brushed by vacuum.” This, in addition to showing the advantages, was such a vivid appeal to the imagination, that he created a desire, not for the machine itself, but for that hour a day and for the privilege of being brushed by vacuum.

A writer on diversified scientific and business subjects was telling why he had bought a children’s pictorial encyclopaedia. Even though he had no children, he had been interested in the salesman’s presentation in a detached sort of way. Then, the salesman switched to a talk on the advantages of depicting scientific phenomena and business processes by pictures and short, easily understood descriptions, rather than by the long and involved descriptions common to the ordinary “grown-ups” encyclopedia. Wouldn’t it be easy, he wanted to know, for the writer to get information quickly in this manner for his own articles? He clinched his argument by showing the entire steel industry, from the digging of the ore to the rolling of steel rails, pictorially described. The author said that after running over these pictures with the salesman, he understood the different processes in the manufacture of steel more clearly than ever before; and right there he decided that the encyclopedia would be a big advantage to him. It will be seen that the salesman created desire by the same old formula of showing the prospect how he would profit by buying.
There is a time-worn but still very effective saying that when a man needs a thing he pays for it whether he buys it or not; and this can be applied to almost any proposition. The adding typewriter salesman proves it by figuring the higher cost of making out bills by the present method. The branded staple man shows the dealer that he will pay in lost sales if he does not stock up. The exclusive agency man shows that the dealer will lose profits that will go to his competitor. The advertising solicitor shows that the merchant who needs advertising will pay for it many times over in trade that passes by his door. The life insurance solicitor will intimate that the family of the man who needs insurance and does not take it, pays the premium after he is gone. These are but variations of the "self-interest" principle.

75. Desire indicated.—Desire may be indicated by the prospect's asking the price of the commodity offered; and if, in addition, he inquires as to terms of payments, he is evincing a most healthy desire. Most salesmen, particularly on specialty propositions, adjust their presentations so as to bring out this price question at the point at which they calculate desire will have been created. Whatever the manifestation, however, the instant the salesman has reached the climax of his "advantage" talk is the time to take the hazard on the closing tactics.

76. The close.—We now come to the crux of the whole sale—in fact, the crux of all salesmanship. It is the point, too, at which most of our failures become apparent, at least to ourselves. We may sit at the close of each day and plan the work for the next; we may burn the midnight oil studying our goods; we may rack our brains in an effort to clothe the uninterest-
ing details with a garment of imaginative appeal; we may spend eight hours a day painting beautiful word pictures to numerous prospects; but our work will be largely wasted, or at least will not bring us the results it should, if the selling talk does not have a courageous, compelling close.

If attention has been developed into interest, and if interest has given place to desire, the time to close—that oft-mentioned psychological moment—has arrived. For this psychological moment marks the maximum force of the buying impulse—all inhibiting thoughts have been subjugated and desire is then at its crest. Its presence is sensed by some more readily than others, and sensed by all more easily in some cases than in others. Some profess to know in every case just when it arrives, but to do this would require reading the human mind as an open book and never making a mistake in closing, and no salesman closes all the sales he endeavors to close.

When we say that the psychological moment has passed, we mean that there has been in the sale a time when all inhibiting thoughts were removed, desire created and the man made ready for closing, but that by clumsy closing tactics, an awkward delay, or by talking beyond the point, the prospect has been given an opportunity to create a new set of inhibitions. As one writer has put it, he has recovered his shield of doubt and sword of disagreement and put the salesman to rout.

77. Securing decision.—Whether the psychological moment has been sensed, or, on the other hand, the salesman merely feels that he may have created desire, there are certain closing tactics to be gone through. These consist largely of what may be termed the mechanics of closing; and these mechanics are based on the law of positive suggestion.
In this connection it might be well to remind the reader once again that at no point does this text book view the prospect as a victim to be played upon by the salesmen against his better interests. And we are not abandoning that attitude now. It is a peculiar fact that nearly all men, except perhaps the biggest of business executives, are cursed, to some extent at least, with indecision and procrastination. They gather all the essential points on some proposition, weigh them pro and con—and then put the whole thing over until the morrow. They want to "think it over." There is a constant danger of over-selling certain merchants, and the salesman should scrupulously avoid this. There are more merchants, however, who do not see or take advantage of their merchandising opportunities and who greatly under-buy. Because the salesman's time is valuable, and because the prospect will never see the advantages of the proposition more clearly than when the whole proposition is fresh in his mind and the salesman is with him, the man who has been convinced must be forced to act—and to act at once.

Except in extremely rare and isolated cases, the salesman need not fear that his closing tactics, no matter how strong or clever they may be, will land an order if his prospect is not convinced—will persuade a man to sign who has not been carried through the other stages, including desire. The real point is that many who have been carried through these previous stages slip away. They desire to "think it over." Even the strongest salesmen do not close every sale where they have brought the prospect to the point of desire. A prospect carried thus far is a distinct asset and the salesman should endeavor to close him.

78. Courage and positive suggestion.—Courage is one
of the big requisites at the close. The new salesman, fearing what the prospect may think of him, comes to an awkward pause after he has stated prices and terms. He knows that the next thing he ought to do is to assume that the prospect is going to buy and to use the mechanics of the close, but he lacks the nerve to do it. As a matter of fact, he could well dismiss all fear as to what the prospect is thinking of him, for in nine cases out of ten—and this is especially true if he has dominated the interview—the prospect is too busy wondering what the salesman thinks of him to think anything himself about the salesman. At any rate, the salesman goes through the mechanics of the close so often that after a time they become commonplace to him and courage is thus ingrained in his nature.

The successful salesman assumes quite naturally that the prospect is going to buy. He has kept him interested all through the talk; the prospect has agreed with him during the various stages of the presentation that each part of his proposition is good; the prospect has acquiesced in the advantages of the proposition. Why not expect the prospect to do the logical thing—buy? And, sincerely expecting him to buy, why not write out the order, or go after his decision in some other way? He has worked the prospect adroitly, though with absolute fairness, into a position where it is harder to check the salesman than to go on and complete the sale. To buy is logical; not to do so, illogical.

79. The "decision on a minor point" principle.—We said that even at this point, we are still testing to find whether this desire has really been created. Because of his doubt on this point, the salesman cannot risk a point blank question, "Do you want the goods?" that might bring an equally point blank reply, "No," and close the
interview. The salesman plays, either for a favorable decision or for an opportunity to discover and use his reserve talk on any inhibiting thought that may exist. He works, therefore, for a decision, not on the main issue, but on some minor point.

When the retail salesman has centered the attention of the prospect on one particular suit of clothes and feels that desire has been created, he suggests the possibility of making certain slight alterations and, if there is no objection voiced, he calls the fitter. Very often, he calls the fitter merely to find out whether or not any alteration will be necessary, merely as a subterfuge to take advantage of this "minor point" principle.

The staple salesman makes a tentative suggestion as to an assortment or asks the prospect how he would prefer to have the goods shipped, and immediately follows up that question with a positive suggestion as to a good way to ship those goods. If the prospect voices approval of his suggestion, it will be seen that his decision on the main issue has virtually been clinched by asking his decision on a minor point. Of course, he may remark that he hasn't said that he wanted it yet, but in that case, the salesman can express surprise, beg his pardon, ask him why and strive for desire again, with his reserve talk.

The vacuum cleaner man mentioned previously, immediately after making the statement quoted, drew out his regular order blank and said: "The cost of this machine is $84. I presume that you would prefer to give me your check for the whole amount and have it over with."

"How else can I pay for it?" asked the man who was to be brushed by vacuum—and the decision had been secured! Signing the order blank and arranging for delivery became mere matters of detail.

80. "Writing out the order" close.—Probably the
best closing manoeuvre, because it is most positive in its suggestion, is actually writing out the order blank. Let us go back once again to the exclusive agency man. He closes with: “Now, to start in on this proposition, you’ll only need”—and begins to write down on his order form what the dealer will need, discoursing on the virtues of the goods as he writes. The drygoods salesman begins writing a tentative order, including the numbers which have particularly interested the buyer in such quantities as the salesman thinks the buyer could use them. For some reason, it is very difficult for the average man to interrupt the salesman while he is writing. There seems, too, to be a certain fascination about the proceeding, that keeps the prospect’s mind following your pencil and clinches his decision to buy.

Specialty men are usually adept at this “writing the order” form of closing the sale. A very successful and high class insurance man, when he thinks the psychological moment has arrived, spreads his application on the prospect’s desk, leans over, takes the prospect’s pen, dips it in the prospect’s ink and hurriedly writes in on the form of application the form of policy that the prospect is going to take. Then, “Now, sir, what are your initials?” Few men will refuse to give their initials. It is so hard to do so without appearing discourteous.

“Let’s see, you’re treasurer here, are you not?” and then, without waiting for an answer, “Yes, treasurer,” and down goes the word treasurer and the name of the company.

“Now, where shall I send the doctor to examine you? Here or to your residence?” and without waiting for a reply, “I should suggest right here. It will only take a few minutes—say tomorrow at two?” And down goes the memorandum of the hour of the appointment.
“Now, sir, you can make your check for the premium payable to the company and I shall pin it right to this application. I’ll give you a copy of this application, by the way.” And he proceeds to fill out a duplicate application as the prospect reaches for his check book.

The strong points about this close are, that the salesman takes it for granted that the prospect is going to apply for insurance; he secures the active cooperation of the prospect in filling out the application; he does not ask the prospect to do any writing until the decision has been made—by the salesman, you will notice—and then the first thing he has to write is his check; answers to the questions which might cause deliberation or hesitation on the part of the prospect are not waited for—decisions are made for him by the salesman. Probably the most important thing to be noticed about it is the assurance and poise it takes to use the method.

81. Turning points of decision.—A slight difference in a salesman’s tactics at this point in the sale is likely to make a large difference in the effect of his talk. A well known sales manager who was coaching a new salesman in field work, found it necessary to write a special clause into one particular contract in order to remove an objection on the part of a prospect. He wrote the clause into the contract, read it over carefully to the prospect and said: “I guess that fixes you all right on that point, doesn’t it?” The prospect answered promptly enough, and enthusiastically enough, too, “Yes, I think it does.” The sales manager thereupon handed the prospect his fountain pen and said, “Just sign your name on this line, please.” The prospect took the pen, held it above the contract for a moment—and then put it down. Nothing that the manager had in his reserve talk could get him to take it up again. The psychological moment had
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passed. When the two got outside, the sales manager turned to the beginner and said: "Now, how do you suppose I lost that sale?" "If you will allow a suggestion," said the new salesman, "I should say that if after you secured his agreement to the special clause, instead of giving him the pen and telling him where to sign, you had drawn the contract to you and asked, 'Now, how shall we route the shipment, Mr. Prospect? I think he would have come through.'" The sales manager who told this story said that the new salesman was undoubtedly right. The psychological moment is an unstable mental state, and the salesman must be alert to see that the decision swings his way.

82. Mechanical schemes.—There are a number of mechanical tricks that can be worked out as aids in closing and that frequently prove quite effective. There is a very successful salesman in the South who carries an enormous fountain pen that resembles somewhat a war club. Any writing that a salesman does is a positive suggestion to the prospect and creates a desire, faint though it may be, on the part of the prospect to write also. This salesman claims, however, that the desire to try out that unusual looking pen is well-nigh irresistible. He has no trouble in getting the prospect to take it in hand and try it out—on the dotted line. It is hard to say how true this may be, and in this particular case there is not the least doubt that the salesman would get big results without any pen at all.

A story is told of a salesman selling a specialty to retailers, who would stand at one of the old style slanting desks and, after he had told his prospect where to sign, would toss his pencil carelessly upon the desk. Immediately it would begin to roll down to the floor, but he would make not the least effort to stop it. What more natural
than that the prospect himself should stop it? And lo! there he was with the pencil in his hand and ready to sign.

It should be understood that these are mere tricks; that possibly, if they were done the least bit awkwardly, they would cheapen the salesman in the eye of the prospect; and that most high-class salesmen get along very well without them.

No salesman gets along well, however, without strong closing tactics of some sort and without certain definite mechanical moves for securing the prospect’s immediate decision. This whole matter of the close may be summed up in one basic principle: make decisions—do not merely expect them.
CHAPTER VI

ROUNDING OUT THE SALE

83. Concurrence of buyer and seller.—Throughout this discussion of the selling process, we have kept two things constantly in mind: the words and actions of the salesman, and the reaction of the buyer to these words and actions. Let us endeavor to chart these two phases of the selling process and show their concurrence.

The upper half of the accompanying diagram represents the buyer; the lower half the salesman. The sales-
man's approach and introductory remarks secure the
prospect's attention. As he proceeds with his present-
tation and demonstration, attention changes to ever-
increasing interest. The good salesman will have ap-
proached his subject from the prospect's standpoint
right from the start. He will return to this "you" atti-
tude more strongly than ever, however, at the end of his
presentation and demonstration. Interest will thereby
be ripened into desire. Confidence, starting very early
in the interview, increases during its progress until, at
the point of desire, it entirely bridges the gap between
the buyer's and seller's mind and blends them har-
moniously. From this point the salesman drives
sharply—albeit fairly—for the close, and the minds
of buyer and seller meet at the point of completed
sale.

84. Persistence of the right kind.—Too many sales-
men lack the right kind of persistence. They present
their proposition in a more or less stereotyped fashion,
and, because the prospect does not respond immediately
with his signature, become discouraged and leave him,
when a little more endeavor, a little more judicious
"working" would secure an order and, in some cases,
create a permanent customer. There are still more sales-
men whose persistence bores and tires their prospects
without getting the salesmen anywhere. The trouble
here is that usually the salesman has allowed the pro-
spect to come to a definite, adverse decision and is bat-
tling to change it. The really astute salesman plans his
talk in such a manner as to prevent an outright adverse
decision. He tests out to discover whether inhibition
has been removed and desire created. He then leads
up to the close. If at this point he finds some inhibiting
thought still in the prospect's mind, he strives once
again to create desire. In other words, he finds that the psychological moment has not quite arrived. When he again thinks that the prospect is ready, he leads back to the close on a new tack. And, unless he sees quite clearly that further persistence at that particular time would not result in an order and might destroy all chance of securing one in the future, he continues to manoeuvre until his efforts are crowned with success or his reserve talk is exhausted. That is persistence of the right kind.

85. Ill-humor unsportsmanlike.—Above all, any display of peevishness or temper at the close on the part of the salesman is unpardonable. The prospect is a reasonable being, presumably possessed of sound judgment. He must be credited with the ability to decide for himself and with clear knowledge of just what he wants. To tell him that his judgment is extremely bad may ease the disappointed salesman’s mind, but it is not to be expected that the prospect will agree with any such criticism.

Furthermore, selling is a clean, fascinating game, in which the mind of salesman and prospect move and counter move for supremacy. Any display of ill-humor is just as unsportsmanlike as it would be at tennis or baseball or polo. A salesman who was trying to rent booths for an exposition was canvassing a firm which had placed an exhibit at a previous, smaller exposition. The firm’s representative had been fair enough to tell the salesman that the firm’s exhibit at the previous exposition had been due entirely to a desire to lend its support to a new movement and had not shown a profit. He further pointed out that the class of people who would be attracted to this new exposition, was not that to which his concern’s goods appealed. For these two
sound reasons the decision was adverse. "Oh, well," the salesman flared up, "of course, if you're foolish enough to spend money on an exhibit at a dinky exposition like that last one and then refuse to sign up for this, why I'm sorry for you. That's all I can say."

Poor sportsmanship as well as poor salesmanship. All chance of changing that prospect's mind as well as all chance of getting any cooperation from him was then lost. There may have been some very good reason why that firm would have done well to exhibit, but the salesman made no attempt to make that reason clear. The salesman should always bear in mind that the prospect's source of information about the proposition is the salesman himself. If he remains cold or lukewarm therefore, the salesman should take the blame to himself and endeavor to change the attitude.

86. After the sale.—Very often after the sale has been made, the order signed and the salesman gone, a reaction occurs in the buyer's mind. In the very nature of things, he bought at the highest point of enthusiasm. With that enthusiasm dying down and the domination of the salesman removed, the old objections arise and confront him once more. The salesman's replies to these objections have lost some of their force. In short, he begins to doubt the wisdom of his purchase. He needs strong reassurance or there is danger of a cancellation. If one of his big objections to buying was that he was overstocked on the particular line of goods offered, the salesman after the order is taken should recapitulate to him the plans proposed for moving it. If an exclusive agency has been taken or if a piece of real estate has been bought, the remembrance that another party was after it and stood ready to sign if an opportunity offered, will do much to reassure the wavering
purchaser. If there is literature which describes the proposition, the salesman should leave it with the buyer. Once the buyer has undergone this reaction and emerged from it reassured, it is a psychological fact that there is very little chance of a subsequent change in his attitude.

87. Furnishing helpful details.—Furthermore, there is a great deal of detailed information which the buyer should have about whatever he bought but which would seriously confuse the presentation. The time to go into these matters is after the order has been closed and it should then be done fully. Of course, when an article is to be resold, a great deal of explanation will be needed. The dealer must know why he bought so that he may know how to sell. Most of this explanation can be saved to advantage until the sale is concluded. It may seem to the man who has never sold that no intelligent person will buy before he knows all about the purchase. The fact remains, however, that practical men of business do so. Very often they buy on nothing more than a general outline of the proposition offered coupled with confidence in the salesman.

Here, too, is the point at which the salesman, especially if he deals in a specialty line, gets that valuable cooperation which leads him to the buyer's friends who are the best possible prospects for him. This is the point, too, at which the retail salesman adroitly draws the buyer's attention to other things and effects further sales.

88. The right impression at leaving.—The salesman should always leave the buyer with the assurance that he, personally, will give the order attention as far as possible; and will drop in to see that the goods have come promptly and in good condition. In short, to leave a right impression is quite as important as to gain an audience.
Whether or not a sale has been made, the matter of making a dignified exit is important—and also difficult. The salesman’s methods of handling his samples or his equipment should be such that within a very short space of time after the interview has terminated, he will be packed and prepared to leave. The man who has turned the salesman down and is anxious to get at other things but who is too courteous to do so until the salesman has taken his leave, is disconcerting as he sits with his hands on the arms of his chair, watching the salesman fumble for different pieces of his equipment. This is almost as true where a sale has been made. The salesman, therefore, should have a definite plan, that will enable him to get away the moment he terminates the interview.

This brings up another point. A very successful business man said recently that he had made it a rule of his life always to terminate the interview; to be the first to rise when negotiations were concluded or an interview had accomplished its purpose; and invariably to dismiss the other fellow before the other fellow dismissed him. Remembering this will do much to make the salesman’s exit a dignified one.

89. *The “bill starter.”*—A big wholesale dry goods salesman said recently: “Whenever I have a buyer in my sample room out on the road, I lead him immediately to the article for which he asks or which I know he needs. That starts the bill. It seems an easy matter to get other items on the order once the ice is broken.

“When a man comes into the house and asks for a particular article, however, I show him that article last. I lead him to the article for which he has asked in a roundabout way, stopping casually to show him things and quoting prices as we go along through. Many
times, I have a half dozen items on the bill before we have arrived at the particular thing that he asked for when he came in. The idea here is, that if he were led immediately to the item he came in to buy, he would buy it and, deciding that his errand had been accomplished, he would leave without looking at other things in stock."

In discussing the subject of attention we said that the man handling a varied line should make his approach on one particular commodity. He should stick to that particular commodity until he has either sold the prospect or discovered that he absolutely will not buy. In other words, the making of a sale right at the start will make the addition of items to the order easier and more rapid.

90. Getting the price.—This brings us to the question of getting the price that shows a profit. In many lines the salesman is given wide discretion in the making of prices. In the selling of special machinery, for example, it is impossible to provide the salesman with fixed prices. He is sometimes obliged to make his estimate and quote a price in the first interview. A great many wholesale dry goods and grocery salesmen are allowed to quote reduced prices, though this practice is becoming less common. Some salesmen are price getters. They have no trouble in winning over lower priced competition. Howell von Blarcom, district sales manager of the Westinghouse Machine Company, tells an amusing story of a salesman of his who always managed to get top price and who one day added twenty-five dollars to the maximum price on a small machine order because the purchaser had kept him waiting. Other salesmen are confirmed price cutters. They boast that they can sell goods if the price is right. They are easily
browbeaten into believing that their competitors are quoting prices lower than theirs. Trust them with the cost figures of their goods and they will sell on a margin too narrow to pay their traveling expenses.

The salesman should always remember that worthwhile merchandise always costs something to produce. It is only fair to assume that the house he is working for is producing economically and getting a fair margin of profit. If he meets with the statement that his competitors are quoting lower prices for the same goods, he should have the moral courage to assert that the goods could not be the same at a price lower than his. Nine times out of ten, this lower price is one of the little fictions of the purchasing agent.

91. Emphasize service and quality.—More and more, service and quality are overshadowing price. The salesman who can talk service and quality convincingly when lower prices are mentioned will cause those lower prices to be forgotten. Some time ago a large printing order was to be given out by a firm in New York. A number of dummies were made up and sent to different printers for their estimates. A salesman from one of the printing houses came in to get a dummy. When he received his copy he turned to the man who was to place the order:

"Mr. Buyer, if you are going to award this job to the lowest bidder, I'm beaten now and I won't start. As a matter of fact, however, it is not a low price that you're after. You think too much of quality for that. What you really want is a combination of high quality and reasonable price; and if you place this job on that basis I am going to win."
"The biggest variable in printing is 'make-ready,' the adjustment of the plates in the press so that they will print evenly. The printers who submit the lowest bids to you will slap the plates into the press and make the run without any 'make-ready.' Those who bid slightly higher may fuss around for an hour or two making ready and then hit or miss, will make the run anyhow. My company will keep a press standing idle a day if necessary in order to get the 'make-ready' perfect. We won't start to run until we are assured of turning out a quality job.

"Now, Mr. Buyer, we are the lowest priced quality printers in New York. If you want the lowest price compatible with the highest quality and will award this job on that basis, I am going to win."

When bids began to come, their variations in amount were startling; yet this talk had made such an impression that this man's house, though its bid was much nearer the top than the bottom, was awarded the job. There is probably no trade in which the price competition is more severe than in printing. Despite that, this salesman by a sincere, convincing "quality" talk was able to make price assume only secondary importance in the mind of his prospect.

The matter of special discounts, approaching advances in price, possible restriction of supply and like inducements may also be mentioned. If the salesman can truthfully advance any such arguments as a reason for the prospect's signing up at once, they will be of material aid in closing. They are not, however, necessary to a good salesman.

92, "Think it over."—The only sales that pay are the
sales that are closed. The salesman is paid for the orders he secures and not for the prospects that he has lined up. The “think it over” and the “call back again” are not, therefore, particularly encouraging things for the salesman to hear at the close of an interview.

The prospects who give these answers fall into two classes: Those who are naturally conservative and deliberate, who never make a decision without sleeping on it, who want to make further investigations—in short, those who sincerely intend to think it over; and those suave individuals who merely take this polite method of turning the salesman down. The salesman must learn to distinguish carefully between these two classes, or those in the latter class will keep him running around in a circle, chasing will-o’-the-wisps and so prevent him from seeing a sufficient number of new people.

“Think it over,” unless the nature of a salesman’s proposition is such that a sale on first interview is impossible, is born of a presentation that lacks enthusiasm, that is void of a strong appeal to the imagination, that does not take the “you” attitude, or that comes to a chill dead stop at the close when all the salesman’s strength should be in action.

No matter what the line, any number of arguments can be marshalled against the “think it over” attitude; and the best of salesmen occasionally allows the interview to get to the point where he has to use these arguments.

More often the salesman forestalls these arguments. For there is, after all, a very slight difference between the sincere “think it over” and the signed order. Just a little new enthusiasm, a little more snap in the presentation, a few terse stories to illustrate points, a little more of the “you” attitude and a slightly stronger close
will work wonders for the salesman who is getting a large percentage of delayed decisions.

93. The call-back.—This brings us to the “call-back.” The man selling staples and calling on his regular trade is continually calling back. “Let that go over now and see me on your next trip,” is familiar to his ears. There is, of course, no question of the advisability of his calling back. He will always call on people who handle his line whether they buy or not. The specialty man is slightly different. He can call back or not as he thinks best, and specialty men are divided as to whether or not it pays to call back. One of the well-known specialty salesmen of the country says: “I seldom call back. The realization when I am talking to my man that this is absolutely my last chance at him—that I won’t call back—makes me try my best to close him at that sitting.” The salesman who knows when he is making his presentation that he will call back if necessary, is likely to weaken at the close and get the “call-back” habit. Most specialty men, however, while they emphasize the necessity of endeavoring to close the sale on first interview, agree that it does pay to call back in the case of those prospects who are thought to be sincere.

The one great principle to be remembered in connection with calling back—and this applies to staple lines as well as specialty products—is that an entirely new presentation should be given from an entirely new angle. The “call-back” is to all intents and purposes a new prospect. The question: “Well, what decision have you come to on my proposition?” will, with few exceptions, elicit the answer: “I have been thinking that matter over, and I have come to the conclusion that I won’t go in on that—for the present at least. Perhaps
at some future time—" and so on. The probability is that he has not given the salesman’s proposition a single moment’s thought since the salesman’s previous call and that he does not want to do so now. The salesman should find an entirely new presentation for call-back purposes and should get his proposition before the “call-back” prospect from a new standpoint before allowing him to voice a decision.

94. Creative salesmanship.—At times it is quite possible to divert a prospect’s thought from the proposition he has in mind to one that is at once more advantageous to him and more advantageous to the salesman. A short time ago a new addition to a plant was being erected in Rhode Island. The installation of machinery was to be heavy, and as a consequence, every machinery concern in the East had a salesman on the ground. Blue-prints, showing the installation, had been distributed and each salesman had the estimate of his house ready to present on a certain date. One of the salesmen, when he carried the blue-print away, thought he saw a chance for changes both in lay-out and in type of machines which would materially increase the output and cut costs. He took the matter up with the engineers at his company’s home office and got out an entirely new set of drawings showing the new installation which he proposed. On the day set for the submission of bids every machinery salesman but this one submitted a bid on the installation as originally planned. This salesman, however, when his turn came, spread his new plans before the board of directors, explained the changes and improvements proposed, showed how costs would be cut and output increased, and won them over to the new arrangement. Both because there was not time to get out new blue-prints and secure new bids and be-
cause the directors sincerely felt that the concern which discovered the opportunity should have the business, the contract to make the new installation was closed immediately.

Let us look at an example of this same sort of ability in a different field of selling. The mail-order man in a big Chicago house had telephoned an office equipment concern for a new section of filing cabinets to take care of his expanding lists. "Never mind coming in," he said, "just send it along and mail me your bill." "Oh, that's all right," replied the salesman, "I shall be passing your place and I shall just drop in anyhow." He called later, secured the order for the new section, and was apparently just preparing to leave when he said: "Say, have you seen these new filing desks?" and without waiting for an answer, he drew out a special catalog and began pointing out casually just how filing desks could be used to better advantage than filing cabinets under the very conditions existing in the mail-order man's department. Before he got through, the mail-order man had cancelled the order for the section of filing cabinets and had ordered two filing desks to replace cabinets in taking care of his lists. Then he introduced his friend, the filing desk man, to the head of the collection department and strongly recommended that the desks be tried there, too. Result: another order for a filing desk. The salesman came in ostensibly to get an order for eleven dollars' worth of filing equipment—and left with $120.00 worth of business.

These are instances of creative salesmanship at its best. Opportunities for it are numerous in practically every line.
CHAPTER VII

HUMAN APPEALS THAT SELL

95. *Warm friendship versus cold science.*—While we have used the scientific method in discovering the principles of salesmanship, it should be borne in mind constantly that a sale is not a coldly scientific process. It is a friendly, red-blooded, man-to-man transaction. It cannot be accomplished by any scientific formula that neglects the human element—the most important factor in a sale. If one were to take the trouble to investigate he would no doubt discover that certain definite principles might be followed by an aspirant for social position, but no one would expect to become a social lion by adhering strictly to a set of coldly calculated rules. This same principle holds true of selling. In fact, there is a great deal of the social in successful selling.

There are certain definite methods of securing a prospect’s friendly consideration, however; and there are a number of fundamental purchasing motives to which appeal may be made; and these can be used effectively by the salesman who is sincere in their use.

96. *Securing prospect’s respect and admiration.*—The attitude of the average man, when a caller is announced, tends toward indifference. Except for his resolve not to give more time than is necessary, he is not antagonistic. On the other hand, unless there is some definite reason for it, he is not over-friendly. The moment a salesman appears, therefore, he sways the balance for or against himself. There are some men who are easy to turn down
—to shunt off without a hearing. They seem to belittle their propositions no matter how important these may be. There are others to whom even the confirmed "grouch" accords a courteous reception. They dignify their propositions. The reason for the difference? We must give here the same answer that we have given previously in a different connection: calibre, personality. We shall assume that the salesman is clean shaven, well dressed and well groomed. In addition to this, the salesman who would command the respect of the businessman must strive to attain in as great a degree as possible the characteristics given in the next chapter as essential. The development of a man's intellect, his tastes, and the things to which he devotes himself aside from business, do much to determine his manner, expression, voice and actions. The surest way for one to improve one's salesmanship is to improve one's self.

Once the approach has been made and the interview secured, there should be something in the poise, evident culture, well-modulated voice, thoughtful and courteous manner and well-groomed appearance of the salesman which will excite the admiration of the prospect. It is essential that the salesman sell himself to the prospect before he has much chance of selling his goods.

97. Securing the prospect's friendship.—The salesman is not satisfied merely with the respect and admiration of the prospect. A man may be respected and even admired and still be disliked. He wants an atmosphere of warm friendliness to pervade the entire interview. So much has been said of courage as a requisite of successful salesmanship, that the natural inclination on the part of the salesman, especially the young salesman, is to set his mouth in a grim, straight line and prepare to fight his prospect for an interview. Instead of doing so he
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should ask himself when approaching his prospect: "Now, what is there about this man that I can sincerely like and admire?" The austerity with which most men meet salesmen is usually a shell beneath which there is a smiling good nature. The crustiest individual improves upon acquaintance and usually gives evidence of noble qualities. There is no prospect so grouchy that he is not loved by some people and sincerely liked by a great many others. Cheerfulness begets cheerfulness, and a sincere liking, though nothing may be said, will manifest itself and enable the salesman to "get under the prospect's skin," so to speak. The only way to handle men, to influence men, and to sell men, is to love them; and that love must be sincere; it cannot be successfully counterfeited. The real salesman likes people, both collectively and individually.

This same principle applies to the town in which the salesman is working. The young salesman out on his first trip sits down at the writing desk in the small town hotel and writes long letters to his friends, telling what an awful town he has struck and concluding with the observation that he has small chance of doing business in such a slow place. The grizzled star salesman can tell you the good points of every town he has been in. If its citizens are the least bit progressive, you may be sure he knows it and praises them accordingly. If the town is small, he will be able to point out that it is growing and has more paved streets and a better lighting system than most towns of its kind. If its industries are small, they are efficient. He is not at all surprised that able business men have picked the town to live and work in and he does not wonder how they ever manage to remain there. It is absolutely essential that the salesman get in harmony with his environment and learn to
like the town and appreciate the spirit of its citizens if he is to do big business there.

98. *The sincere compliment.*—If we will but think back we shall realize that, in many instances, the chief reason for our liking some people is that they like us. If we will recall the foremost characteristics of men, salesmen and others, who have won our confidence and friendship in business, we shall discover that their chief characteristic was interest in us—interest in us and our business. While the compliment, however sincere, that comes early in the interview may arouse suspicion, the fact remains that pride in himself, in his business, in his achievements, and in the opinion that others hold of him is common to every man. Why not, then, in the course of the interview, compliment your prospect sincerely on his firmness, his affability or his judgment, as the case may be? Why not remark admiringly upon the individual touches that make his business stand out from others? Why not congratulate him upon his achievements, business and otherwise? Why not mention the high regard in which he is held by his townspeople? We all like to hear these things about ourselves. We are all convinced that there is that about us that can be sincerely liked and admired. It is perfectly evident, then, that the same must be true of the other man—of the prospect. We recognize these things in others, but somehow fail to mention them. The good salesman is a student of human nature, understands these things and does manage to mention them in the interview. One of the biggest elements of success in salesmanship is the ability to see and tactfully to acknowledge the good qualities of the prospective customer.

99. *Appealing to self-esteem.*—The exclusive agency man who asks the dealer for his opinion of the plan is
merely making a more subtle appeal to his prospect's self-esteem. The story is told of a man who came out of the southwest a few years ago to promote and secure financial backing for a development company, the profits of which would be large and almost certain. He felt that if he could get the name of just one big man in Wall Street as a subscriber to his stock, the rest would be easy. He was not known in the financial district, however, and he knew that he would never get beyond his introductory remarks if it became apparent that he was trying to sell stock in a new promotion.

He managed to sit beside a big financier at a club one evening. "Mr. Brown," he said, "I am going to ask a favor of you. I have rather a large proposition that I wish to submit. The trouble is that I am a practical man. I can swing the operating end after a company has been organized, but I am rather green about the financial end. Now, I don't know any of the big men down in the Street, but I have read and heard much about you and your enterprises. I wonder if you would give me a little advice." The big man leaned forward, smoothed out a scowl that had begun to form, and prepared to listen. Give him advice? Why, of course he would. He had thought at first, though, that this man had intended trying to get him to subscribe to some stock. Simply discussing the thing as one man of business might with another was entirely different.

The promoter unfolded his story, casually producing maps and reading here and there from the reports of experts. The financier showed more and more interest as the talk proceeded, asked a number of questions, and examined minutely the several documents produced.

"Why, man alive," he broke in, "that's a first-rate proposition. Anyone will listen to you on that. Of
course, what you need first of all is money. I'll tell you what I'll do. Just put me down for a $25,000 block of that stock now. You don't need much advice on how to handle this thing. Just use my name to get in to see some of the fellows and tell them your story just as you told it to me.”

Calling upon a man merely to get his advice or his cooperation and friendship, or for some other such motive, is a good way of paying him a compliment that will put the interview on a friendly footing.

100. Acquisitiveness and desire for profit.—The necessity of taking the “you” attitude, of appealing to the prospect’s self-interest, of showing him clearly how he will be benefited, has been emphasized previously in these pages. The salesman who thinks principally of himself and his house during the interview, probably will not make the sale; he will do well to forget his interests and think of the prospect’s interests. In the last analysis we are all selfish and self-centered; we buy from selfish motives, and the salesman who can satisfy this desire for gain on the part of his prospect is bringing into action the most deep-seated of all buying motives.

This appeal rests not alone upon the desire to get but the desire to retain. Some years ago a collection of battle pictures of the Civil War, reproduced from famous paintings, was put on the market. The price for the series was fixed at twenty-five dollars. At the end of six months, close to sixty thousand dollars had been spent for advertising and the receipts amounted to less than one thousand dollars. It was decided to cut the price to two dollars in order to sell out the edition and recover part of the loss. The original plan was to spend no more money but simply to announce the reduction to
the trade. However, a clever advertising man who was called into consultation, conceived the plan of sending circular letters to the members of the Grand Army of the Republic and to the Sons of Veterans, enclosing a receipt for three dollars, made out in the name of the member and signed by the publishers, to apply on the purchase of the pictures. The price of the pictures, the circular stated, was five dollars, but the publishers wanted every member of these organizations to have them, hence the receipt which, accompanied by two dollars, would entitle the member to the pictures.

Here was something of value with which it was difficult to part. A signed receipt for three dollars is not easily thrown away. The result was that a great many of these men used their receipts either to send for the pictures themselves or to secure them for a friend as a special favor.

The imitation dollar bill which is to be clipped from the newspaper, the coupon which must be presented at the time of purchase, the photographer's receipt entitling one to pictures at a reduced price, all have this same idea in view. Their success is based upon the average person's inability to part easily with anything of value. This same appeal to acquisitiveness can be made in personal salesmanship. The dealer who is offered an exclusive agency feels that he has within his grasp something of value which he must relinquish if he does not sign up; the special price which will not be offered again is a strong incentive to immediate purchase. A limited supply which necessitates restricting an offer to a favored few, prompts that favored few to take advantage of the opportunity. The special arrangement of a wide assortment in small lots, which the salesman will make for today only, is tempting. Acquisitiveness may be defined as
that quality in the human being which makes it difficult to relinquish anything of potential value.

Closely allied with this is the tendency of the average person to reach out eagerly for anything that is held back. The salesman who can create the impression that he is not especially anxious to sell can create in the prospect an anxiety to buy. There is something in human nature which makes us want that which is not easy to get.

101. Love of home and family.—Business men may calculate to the last penny where their business is concerned, but ninety-nine out of every hundred are generous when it comes to the home and the comforts of the family circle. The average man will make all sorts of sacrifices, put forth extra effort and spend much time on trains, in order to provide a suburban home which he rarely has an opportunity to enjoy by daylight, solely that his wife and children may be comfortable. The piano salesman, when he learns that the prospect has a daughter, does not tell of the high grade finish or the fact that this instrument is thirty dollars cheaper than a competitor's, but how with a piano in the home the daughter will be happy and contented. The automobile dealer talks to the husband and father in terms of health and enjoyment for his wife and children and he will buy if it is at all possible. The retail salesman's suggestion that one does not want to be anything but generous in the home is sufficient to influence the purchase of higher priced clothing or better quality furniture. The love of home and family and the desire to do everything possible for their comfort and happiness is innate in every man.

102. Imitation.—Imitation is a powerful force behind advancement and progress. Children learn by
imitating their elders. Their elders learn by imitating their betters. From childhood up, education consists to a great extent of imitating the actions of others. Despite all this, most people resent being asked to imitate another. The suggestion that they take a certain action solely because someone else has taken it, renders them antagonistic. Every salesman, at one time or another, has had a prospect say to him: “I don’t care what these other fellows are doing. I don’t care who has bought your proposition or who hasn’t. Show me what it is and what it will do for me.” The salesman’s appeal to this buying motive must, generally speaking, be veiled and subordinated to some more direct appeal.

There are two distinct kinds of imitation, conscious and subconscious. In the case of a young man occupying a subordinate position, the salesman may successfully suggest that he imitate a big executive in the town. Or a salesman may persuade a dealer to stock up with a certain article just because big stores in other towns have done so. In either of these cases, the buyer would be consciously imitating another. If, on the other hand, a specialty salesman makes a certain point in favor of his proposition by using an endorsement letter from a prominent man; or relates a story which incidentally brings out the fact that some well-known individual has bought his proposition; or in closing, states the terms on which several of the prospect’s friends are paying and suggests that the prospect will doubtless wish to go in on the same terms; his principal object will be to create in the prospect’s mind an impulse unconsciously to imitate these great men and friends. The imitating is done unconsciously. At most the prospect feels that the calibre of the other buyers has tended merely to strengthen his decision.
The names of prominent people who have bought homes in a residence park will influence further sales. The business man joins an organization or supports a public movement because other prominent business men have pledged themselves. The fact that big concerns have installed a certain office device will cause less prominent concerns to do the same. In the sale of almost any commodity or service the names of those who have bought will create in the prospect an impulse to imitation. The measure of the impulse will be the regard in which the prospect holds previous buyers.

103. Various appeals possible.—The appeals which have so far been discussed—friendship, desire for goods and profits, love of home and family, and imitation—are merely four of the various springs of human action. Others are: the desire for food, often referred to as the instinct of nutrition; self-assertion, the wish to dominate; constructiveness, the desire to feel oneself as a cause bringing things to pass; curiosity, according to which one likes to take a chance; emulation, the desire to excel others; pleasure, seeking enjoyment and avoiding pain; and intelligence, the claims of which are satisfied by doing reasonable things. These are all powerful motives impelling men to act. The salesman consequently as a skilled workman should consider them his tools, employing first one, then another, or combining them according to the particular situation at hand. As deftness and certainty are thus acquired in the use of his various tools, the salesman acquires power and selling becomes a joy.

104. Two avenues of appeal.—There are two distinct methods by which a salesman may get the prospect’s favorable decision. He may, by pure logic and sound argument, appeal to the prospect’s reason—to his
intellect. Or he may, by positive suggestion and vivid word pictures, appeal to the prospect's imagination—to his emotions.

105. *Are we moved by reason or suggestion?*—We are prone to look upon man as a purely reasoning creature who comes to a decision by carefully weighing all arguments pro and con and deliberately deciding whether to do, or not to do, the thing under consideration. We are inclined to explain our own actions after this fashion, either because we thoroughly believe it or because we try to hide what we consider to have been our weakness in coming to a decision without having gone through this reasoning process. For, until recently at least, to allow the emotions to sway one even in an unimportant decision, was considered either childish or hysterical. If this were the truth of the matter, the logical appeal to the intellect would be the only one to use as a means of influencing intelligent people.

As a matter of fact, most of us seldom or never decide things by the purely reasoning process. The man who decides even a majority of things that way is indeed rare. Nor is it true that the best men are the most logical men. In fact, the logical individual is likely to be rather cold and austere. The imaginative man who is ruled by his emotions rather than by his intellect is usually most successful in handling men and inspiring enthusiasm and loyalty in those about him. There was nothing very logical, for example, in the German Kaiser's order to keep forever green the grave of the soldier who met his death planting the first German flag on the ramparts of Liège. To invite men to go ahead and get killed so that their graves may be kept green is not logical. This did, however, inspire the German army to heroism and deeds
of valor, which was the Kaiser's principal "sales" problem at that time.

It is by no means intended to intimate that logic, argument and sound reasoning are not essential and even vital in most, if not in all, sales talks. The best sales talks are, as a rule, a skilful blending of intellectual and emotional appeals.

106. Appeal to the intellect.—Arguing or reasoning with a prospect, that is, appealing to his intellect, causes deliberation and consequently delay. He considers the advisability of buying or not buying—whether to give in to the salesman's arguments or to resist them. He will weigh pro and con the qualities of the salesman's goods as compared with others. The possibility of not buying is always kept in mind, and there is a feeling, conscious or subconscious, that the particular goods in question are not the only ones to be considered.

If, by cold logic and direct argument, the salesman has convinced the prospect that he ought to buy, it is possible that he will have created an antagonism which renders the closing of the sale impossible. Yet here again, we do not want to get the impression that the intellectual appeal has no place in selling. The salesman who has not studied his article until he can produce reason after reason why a logical man should buy it, is not likely to succeed. Argument must be used to a great extent at least in introducing a new commodity or a new variety of an old one. It is effective also when an article has especially strong talking points, such as low price, extraordinarily high quality or an unusual method of packing. The professional purchasing agent and the department store buyer have competitors' goods in mind and will buy from the salesman not because his proposition is a good one, but because it is a better one. Hence
argument is necessary in selling to trained buyers. In selling scientific goods, their ability to do the work for which they are designed and do it well must be demonstrated. Even in these cases, however, suggestion and the imaginative appeal are used at the close. The department store buyer must imagine the goods moving rapidly. The scientific man must picture himself using the article. As salesmen we should realize that, while the appeal to the intellect has its place, cold logic and abstract arguments of themselves close few sales. They must be accompanied by some imaginative appeal which will create in the prospect's mind a mental picture of his condition and needs and convert conviction into an impulse to buy.

107. The imaginative appeal.—A prominent and well-to-do lawyer in a New England town, had in his office a veritable rattle-trap of a typewriter on which the type was badly broken and out of alignment. A typewriter salesman had made several ineffectual attempts to get him to buy a new machine. The salesman pointed out that the machine would not last much longer anyhow and that it was not in keeping with the dignity of the office, but all to no avail. The lawyer clung to the old machine. Then one day the salesman sat down in his office and typed a page of legal cap on a disreputable old machine that he had taken in exchange; the typing was blotchy, broken and out of alignment. Next, he typed a similar page with one of the newest and best machines in stock.

With this material in hand, he called upon the lawyer: "Mr. Lawyer," he began, "when you go before a jury you are particular as to your dress. You make sure that your clothes are carefully pressed; that your shoes are polished; you are immaculate as to your linen; and you
would never think of appearing in court with your face unshaven. Why? You would be just as good a lawyer in one garb as another. Your arguments would be just as forceful—and just as forcefully put. You are afraid a poor appearance might lessen others' opinion of your ability—create a bad impression, in other words. Mr. Lawyer, you don't always get an opportunity to present your cases in person. Sometimes you are asked to submit briefs. How are you dressing your briefs? Like this (showing the poorly typed sheet) so that their slovenly appearance detracts from the forcefulness of their arguments? Or like this (showing the neatly typed sheet) in immaculate and pleasing dress so that they appeal even before they are read?" This appeal to the imagination put the whole matter in a new light. The lawyer in his mind's eye saw the judge pick up his slovenly brief and frown as he glanced at it. He doubtless recalled close decisions where he had lost, when to his mind, his masterly brief had entitled him to win. The sale was effected.

By the imaginative appeal is meant the introduction into the prospect's mind of some suggestion around which the prospect constructs a mental picture with himself as the central figure. The result of the appeal to the intellect is analytical in its nature. The result of the imaginative appeal, on the other hand, is synthesis—the relating of one thought to another and the building of the picture in the mind of the prospect. The salesman furnishing a stimulus for this synthesis is said to be appealing to the imagination.

An examination of most selling talks will reveal the fact that they are aimed at the emotions. The vacuum cleaner salesman previously referred to caused one of his prospects to picture herself going to the matinée and
the other to picture himself sallying forth each morning brushed by vacuum. The telephone man whose work has been described, painted for the merchant a vivid picture of clerks wasting time and a more pleasant one of efficient service to customers. There is a builder of suburban homes in New York who goes to considerable expense furnishing one of his newly constructed houses with fine rugs, period furniture, tapestry and expensive pictures. All prospects are taken first into this model home so that they may imagine themselves living there. Then, and not until then, they are shown the other houses; and they picture every one furnished like the model. This same man has instructed his salesmen never to use the word "houses," but always "homes," because the latter has the greater and more pleasurable appeal to the imagination.

When we study the great achievements of history, the great inventions of man and the great discoveries of science, we find imagination to be the foundation of them all. In selling, the imaginative appeal is effective because it brings up no thought of comparison or of criticism and, unlike the intellectual appeal, tends to secure immediate action.

108. Positive suggestion.—The imagination appeal is made by introducing into the prospect's mind suggestions calculated to form other associations. When President Wilson once said that the business depression in the early part of nineteen fourteen was purely psychological, he voiced an extremely valuable explanation. All depressions are psychological to the extent that "hard times" and "tight money" talk will suggest hoarding, curtailment and retrenchment to the business man and banker, and this attitude does much to increase the proportions of any depression there may be. In the
same way an order blank spread squarely in front of the prospect is a positive suggestion to him to sign. For this reason most salesmen, if their business requires a contract, place it before the prospect before they start closing tactics. The pen, too, is handed to the prospect. Some salesmen prefer to reach for the prospect’s pen, dip it into the ink and hand it to him. Either is a positive suggestion to write—to sign.

That these suggestions can have any appreciable effect is difficult to believe until one recalls some more marked results of positive suggestion. Someone coughing in an assemblage starts countless other coughs. A person sitting opposite another in a street car yawns, and lo! the observer is yawning, too. This will nearly always be so even though the observer has consciously and firmly set his mind against accepting the suggestion to yawn. One person looking intently upward will cause everyone who sees him to follow his gaze. If the staring one perseveres, it will be but a few minutes until he is surrounded by a curious crowd, gazing intently upward.

109. Positive versus negative suggestions.—A salesman who can remain in a happy mood and maintain a cheerful, smiling countenance before a prospect who is inclined to be cranky and crabbed, will eventually suggest cheerfulness and a happy mood to the customer and, before long, will get an answering smile because of the power of positive suggestion.

The form of a question can be made to suggest the answer. “This is a great proposition, don’t you think so?” is a positive suggestion which will bring an affirmative answer. “Do you think this is a good proposition?” is neutral and may be answered in either the affirmative or negative. “You don’t think this is a good proposition?” is a negative suggestion that will bring a negative
answer. In retail selling; "We have just secured some new neckwear that will harmonize with that shirt you have just purchased; I am sure you will be interested in looking at it," is a positive suggestion, while "Is there nothing else I can do for you today?" suggests the answer, "Nothing else, thank you."

A garment salesman picking up his sample, scrutinizing one of the seams closely, and putting it down without a word, will cause his prospect to imitate the action. The prospect will discover nothing but a remarkably well finished seam, which is exactly what the salesman wanted him to discover. Throughout the selling talk the salesman says: "You will get this," and "You will get that," and "these goods will start to move off your shelves the moment you get them in," instead of prefixing his remarks with "if you buy" because the positive assertion creates a positive suggestion that the prospect is going to buy.

It will be noted that two distinct kinds of positive suggestions have been discussed: The positive suggestion to act, which is, in a great many cases, a suggestion to imitate an action; and the positive suggestion introduced into the mind, which gives rise to a train of thought and a mental picture. The latter has been made sufficiently clear by the examples given in the section on the imaginative appeal. The efficacy of the suggestion is dependent upon the impulsive and dynamic nature of ideas. Every idea or suggestion introduced into the mind will result in the associating with it of other ideas or, unless impeded mentally or physically, in an action.

110. Use of motives and appeals.—A great pianist running his fingers over the keyboard strikes a key here and a key there and creates a beautiful melody, and then, with sureness born of a thorough knowledge of his
instrument, strikes the keys for a grand harmonious chord. Another might go through exactly the same motions, might strike the same number of keys, might prepare for the chord in quite the same way, but, lacking the musician's fine knowledge of the instrument, would produce nothing but discordant sounds. The salesman, too, is a musician and his instrument the most difficult of all to master—man. He, too, by ceaseless study, by constant practice, and by the same love of his work that animates the musician, must learn to play upon the heart-strings of his prospects, picking a note here and a note there and striking full harmonious chords. He must not only master the technique of his profession but, actuated by a keen interest and a sincere love for humanity, he acquires a knowledge of human nature that enables him with sure strokes to touch upon the motives that move men to action, to reach their intellects with sound logic or to stir their emotions with forceful images. Here, then, is the real difference between the young salesman who, starting out with a thorough knowledge of the theory of selling, gets a few orders, and the big regularly-producing star of the sales force—a knowledge of human nature.
CHAPTER VIII

ESSENTIAL QUALIFICATIONS OF A SALESMAN

111. *Thought, study and work.*—Curiously enough only one of the qualifications essential to good salesmanship refers directly to the goods to be sold; the others have to do with the salesman personally. The professional back-slapper type of salesman has given place to the keen analyst and student of human nature. It is not surprising, therefore, that the qualities of the successful salesmen of today closely resemble those which distinguish successful men in general. The salesman, however, must possess to a higher degree, a pleasing personality and a keen sympathy for others so that he may establish in a short time that confidence and esteem, the cultivation of which men in other walks may leave to time.

Any list of the qualifications essential to salesmanship must be more or less arbitrary. Probably no two sales managers would give exactly the same answer when asked what qualities they looked for in salesmen. A close study of various answers to this question, however, reveals the fact that the differences are largely matters of definition. The list here given is the result of the experience of many successful salesmen and sales managers.

The lack of some of the qualities enumerated need by no means discourage the new salesman. There are few who have all these qualities even fairly well developed. There are fewer who have no negative qualities offsetting their positive ones. The man who has all these
qualifications developed to the highest possible extent does not exist. On the other hand, there are few salesmen who have not some of these qualities at least fairly well developed. The old theory that some of the qualities enumerated were inherent and incapable of development is fast giving way to a realization that, while the acquisition of some may be more difficult than others, education, training, favorable environment and constant endeavor will enable most of us to rout out negative qualities and develop the strong, positive ones to a satisfactory degree. Successful salesmanship is largely a matter of this constant endeavor to improve oneself. In this there are three fundamental requirements. However sales managers may differ as to the qualities they require in salesmen, there are three that all will agree upon: the habits of intelligent thought, constant study and hard work.

112. Native ability.—Native ability is the quality which makes one man naturally dull; one man quick-witted, and another slow-witted or with no wit at all. It includes aptitude—the faculty of grasping facts quickly. It includes intuition—the ability to sense instinctively the true status of a given situation. It includes initiative—the ability to originate, to plan and to carry out the plan. It includes adaptability—the power to fit one's self into changing environments and conditions. It includes resourcefulness—the ability to make a move dictated by the circumstances and to oppose the counter moves of others.

While this quality has been termed inherent, and while it must be admitted that a good mental equipment is essential to salesmanship, native ability can be developed to some extent. Aptitude can be developed by study. Intuition is, to some extent, an in-
terpretation of previous experience. Initiative, the ability to originate and plan, is dependent to a great extent upon knowledge. Adaptability can be developed by throwing one's self into changing environments and by seeking the society of those from whom we can learn.

Some men are more brilliant than others. Some, by reason of temperament and past environment, are better fitted for one occupation than another. Native ability, however, can be directed along selling lines as well as along others, and any individual possessing a fair amount of native ability can be trained to sell.

113. Health.—In many walks of life some men, by reason of indomitable will, have succeeded in spite of bodily illness. They are the exceptions that prove the rule, however, and we can only speculate as to how much greater they might have been had bodily vigor been added to their mental attainments. It is more common to hear of men like Theodore Roosevelt, who, by a strict system of right living, right breathing, right eating and right exercise have built for themselves a strong body.

A salesman, probably more than anyone else, requires a good strong, healthy mind and body. He will find it difficult to influence and dominate strong and healthy people unless he himself is in the best of condition both mentally and physically—and one's physical condition has much to do with one's mental attitude especially as regards optimism and cheerfulness. The salesman's arduous duties require a large daily supply of strength and vitality and it is just as much a part of his duties to himself and to his house to see that this vitality is renewed as it is to know his goods.

A salesman should not be satisfied merely because he
is not actually sick in bed. Many a sallow cheek could have color in it. Many a blurred eye could be clear and bright. A little more fitness for the fray would put spring into many a dragging step. The salesman should be satisfied with nothing less than an attitude, an appearance and a carriage that indicates the top notch of bodily vigor.

Emerson says: "Physical exuberance, surcharge of arterial blood, a strong heart and a bounding pulse—these are the basis of the powers that make men and nations great. In the last analysis great human achievements rest on perfect physical health."

114. Preparedness.—Two salesmen were talking together in the lobby of a large hotel. One of them, who had been selling paint successfully for one concern for fifteen years, confided to the other that he had not done a stroke of business on the trip he was then making and announced his intention of going back to his headquarters in Cleveland and resigning. The other, who was a salesman of the new school, having ascertained that this man's paint concern was an old but little-known establishment, began to ply the older man with questions as to what points of superiority his paints had over others, how they compared in price with better-known paints, what reasons there were in his mind for buying his paint in preference to the more widely advertised brands. Our paint man was unable to answer any one of these questions! He did not know! He had just been dropping around on the dealers in that section for the last fifteen years and had sold them paint, and now he suddenly found himself unable to sell them any more. That was all he knew. Before the conversation ended he had made a note of the suggestions and had decided to go back to his concern, not to re-
sign, but to get the answers, and take another swing around the circuit.

That man was unprepared. Senator Beveridge, who was once a salesman, says that preparedness is the secret of most successes in this world; fate seldom makes league with the unequipped. To succeed in selling anything, the salesman must prepare himself by first acquiring a knowledge of the principles of his craft and then mastering the details of his proposition. He must have his selling points marshalled and under full control. He must be prepared to answer any questions that may arise. The fact that a salesman may start with a good preparation does not mean that his study ceases when he begins to work, any more than one would expect a good lawyer to stop reading law after starting practice. Knowledge of goods and of selling points do not come by intuition or inspiration, but by study and application.

Nor should his study stop at the selling points. When a salesman is not traveling, he should take time to study the goods he is selling. If he has not come up through the manufacturing department and is not familiar with it, he would do well to spend some of his time in the plant. There was once a salesman who sold a line of toys for five years before he learned that great care was taken in the factory to keep the coloring matter free from poison. A knowledge of the stock-room, of how orders are handled, packed and shipped and of how collections are made, will enable the salesmen to discover whether or not a customer's last order was shipped promptly before he calls on him for another; and whether or not he paid for it.

One would suppose that no salesman ever did neglect these things. Buyers in various lines will testify, how-
ever, that the number of salesmen who call upon them unprepared—without a proper knowledge of their goods—is legion. Buyers in department stores say that it is quite common for a salesman to call for a second order before the first has been shipped. Instead of being fully informed of the facts, the salesman is surprised to learn from the buyer that there has been a delay.

The question: "What kind of salesman secures your friendship and your business?" asked of numerous buyers invariably brings the response: "Show me the man who knows his business and who can tell me something new about his business and bring me new ideas about mine." This seems to be especially true of highly competitive lines and points the way to success for the salesmen who must compete with others on price, quality and service on an even basis. There are any number of men soliciting orders for printing, but there are comparatively few among them who know enough about printing to furnish ideas or to originate plans for the buyer. The printing buyer, nine times out of ten, does not know as much as he should about printing and, therefore, welcomes the man who broadens his information. He shows his appreciation by giving such a man his business sometimes even at a higher price. The engraving salesman who knows his business and can correctly interpret the buyer's ideas in the finished cut is as successful as he is rare.

The salesman should go back further than this. He should know what raw materials enter into the product he is selling, the history of those raw materials, and of the processes they go through. The retail lace salesman can weave a veritable romance about lace if he will but read up on laces. The grocery salesman who can
talk about growing and canning processes is an interesting man to the dealer. The clothing salesman who knows something of long and short staple wool, the processes in the making of fine worsteds, dyeing in the piece and in the thread and the small details that make for quality in a garment, can interest the buyer and, incidentally, point out some of the superior qualities of the garment he is selling.

Most sales managers today provide a more or less thorough and systematic training for salesmen joining their organizations, give them a fair working knowledge of the selling point of the goods they are to sell, and provide them with the plan of a selling talk that has proved successful in practice. If the salesman is employed by a house that does not do these things, or is selling for himself, he must be his own sales manager to the extent of picking the selling points of his goods and planning an effective selling talk. In this connection, that portion of Part III of this text treating of the training of salesmen, the building of a sales manual, the picking of selling points and the planning of a selling talk should be read.

115. Ambition and application.—Some men dream of success, others will frankly admit that they are ambitious. Real ambition, however, is linked fast to application. The men who will go forth and struggle unceasingly to satisfy their ambition are few and far between. Yet this kind of ambition is a prime requisite of salesmanship. Salesmen should take ambition for their running mate and be imbued with a steadfast purpose of achieving something worthwhile. New methods of increasing sales, new avenues of approach, new uses for the product, are, in many cases, discovered through the salesman’s ambition to
make a record. Complacency, on the other hand, never discovered anything, bettered anything, or increased a business. When self-satisfaction in the salesman becomes indifference and indolence he is on the road to dismal failure.

The spur of ambition should continually urge the salesman forward. Did he have a good volume of sales today? Make tomorrow's better. Did he secure some particularly large single orders? How can he make the next ones larger? Has he discovered a new class of prospects for his goods? Are there any that he has missed? The reason most men achieve so little is because they attempt so little. The more one accomplishes, on the other hand, the more one becomes capable of accomplishing. In order to expand capacity, therefore, ambition need only be connected with application.

As the term is here used, application includes determination to carry things through; a capacity for hard work; stick-to-it-iveness; perseverance and energy. A great deal of the difference between success and failure in any line is found in the degree of application. There is, perhaps, no profession where this is more apparent than in salesmanship. A man of fair intelligence and great energy will succeed in the selling field, whereas a man of brilliant mind and little energy is likely to fail miserably. One of the foremost requisites in selling goods is a capacity and willingness for hard work. Salesmen innumerable have schemed and dreamed, but as yet no satisfactory substitute has been found for work.

116. Observation.—A salesman arrives in a town, climbs onto a bus, and is driven to his hotel. He immediately gets out his sample case and walks up the street
to his first prospect. He should have observed something in that time which will enable him to say something good of the town if necessary. From the moment he gets into his prospect's place of business, or in the case of a retail salesman, the moment the prospect approaches the counter, signals are flashed at him in various ways. He should train his powers of observation to see and interpret these signals. He should be able to make a quick mental note of the surroundings, of the prospect's appearance and the conditions in which he finds him. He should be able to determine whether the circumstances are auspicious for a favorable approach. He should observe the tone of his prospect's voice, the expression of his eye and his general bearing, for these things will indicate to the salesman his method of procedure. The rapid estimate of a prospect will enable him to adjust himself to the situation without delay. Above all, he should strive to be quick to observe and take advantage of all indications that the prospect has reached a favorable decision and is ready to have the sale closed. This power of quick observation can be acquired and developed by practice.

117. Tact.—Such observation as has just been mentioned is closely associated with another important quality—tact. A salesman traveling for a clothing house approached one of the partners of a firm that had been handling his line in previous years. He was met with a volley of abuse of both himself and his goods. While he stood there half divining that the outburst had no foundation other than the customer's state of mind, and waiting for some definite complaint on which to hang an offer of adjustment, the speaker ended abruptly with: "Besides, I'm not buying that line any more. My partner has taken over the management of that department."
The salesman, seeing the partner in the front part of the store, hurriedly excused himself with the statement that he would adjust the matter, approached the other partner and said: "Mr. Brown, your partner tells me that you are buying men's clothing this year. Shall I bring my trunks in here, or do you want to walk across the street to the hotel with me now where I have them all opened up?" "Oh," replied the partner, "I guess I'll walk over to the hotel with you."

That was tact. The salesman divined that the attitude of the first man was due to the fact that he had not shown a satisfactory profit the previous year and not to any fault of the goods themselves, so he said nothing about adjustment. He further decided that to show his goods in the store where the other partner might interfere would endanger the sale, so he threw into his question a strong positive suggestion to the prospect to go over to the hotel with him.

Tact is defined as the ready power of appreciating and doing what is required by circumstances. It is really the outward expression of intuition. It is the attribute that enables a man to deal with others without friction, that enables him to adapt himself to circumstances and do the right thing in the right place. The tactful salesman humors his customers' opinions when they are not antagonistic to his goods; he conforms in his manner and speech to the known peculiarities of the man with whom he is dealing. He bases his selling talks on his customer's likes and dislikes. He avoids such topics of conversation with his customer as politics and religion. Tact, in short, is a sort of sixth sense, a combination of wisdom and good judgment, which enables the salesman at a glance to size up the man and the situation in which he finds him and take the right steps to secure
an immediate order and establish future cordial relations.

A great sales manager has said that there are three kinds of salesmen: Men who always say the right thing at the right time and know their reasons for so doing—they are big steady producers; men who occasionally say the right thing at the right time, but who have no definite reason for saying it; they are spasmodic producers; men who never say the right thing at the right time because they have neither intuition nor tact—the few sales they make are made by main strength.

Some fortunate people are born with tact highly developed; others have it but allow it to fall into disuse; still more must acquire it; and there are a few who find this impossible. Lack of tact, however, is largely a matter of thoughtlessness and selfishness—of being so self-centered as to be unable to get the other's point of view.

It may be said that tact should be cultivated because it is as essential to success as is knowledge; without tact a great deal of knowledge goes for nothing. A simple, practical and effective rule for developing tact and the personal magnetism that goes with it is for the salesman to strive to do or say something in each interview that will leave the prospect feeling better for having met him and prepared to give him a warm, friendly reception on his next visit.

118. Concentration.—The sun's rays do not burn until they are brought to a focus. Success results not so much from effort as from an intelligent direction of effort which in turn presupposes concentration; concentration on the habits the salesman is endeavoring to acquire, concentration on the planning of work, concentration on the goods he is selling and concentration on the individ-
ual sale. This is a quality that must be acquired by constant practice. David Graham Phillips, a close student of human nature, said: "Most of us cannot concentrate at all; any slight distraction suffices to disrupt and destroy the whole train of thought. A good many can concentrate for a few hours, for a week or so, for two or three months; but there comes a small achievement and they are satisfied; or a small discouragement, and they are disheartened. Only to the rare few is given the power to concentrate steadily, year in and year out, through good and evil events or reports." Concentration, or singleness of purpose, is a distinguishing characteristic of success in selling or in any other field.

Most propositions are big enough and of sufficient importance to justify a salesman's entire time and attention and only by freely giving both can he reach the highest degree of efficiency. Many men could reach at least a fair measure of success if they would but develop the power of continuous concentration. Because they do not develop that power, because they hammer all around the nail instead of hitting it on the head, they continue to sell their services for just enough to eke out an existence. The salesman who would be successful today, must learn to concentrate all his thoughts upon the work in hand. As John D. Rockefeller says: "If you are in earnest to the innermost fibre of your body, there is no power that can hold you back from the object you strive to attain."

119. **Courage.**—It takes courage to be honest under all circumstances; to apply the whip of ambition relentlessly; to look the tenth man in the face with a smile after having been turned down by the preceding nine—not with a smile that ends at the teeth but with one that extends right to the heart; to persist in the face of diffi-
culty; to refrain from overindulgence that will mean a breakdown in health; to force oneself to work at top speed; and to refuse to let the mentality slumber during working hours. Courage in this connection is synonymous with a determined will—a will akin to audacity, that is fearless to the verge of recklessness, that will not yield to seemingly insurmountable difficulties.

Want of courage—fear—mars the first moment of the interview; makes the voice shake, when it should be round and full; droops the mouth at the corners when it should be smiling; and robs the handshake of its grip. Fear of the prospect will cause the salesman instinctively to dislike him; prevent him from carrying out carefully laid plans; and greatly weaken the close. Most young salesmen have this fear at the start. They can be successful only in so far as they overcome it; and just as soon as they overcome it entirely, they will join the ranks of the big producers. No salesman should allow a lack of courage to stand between him and big business success. Courage is one of the salesman's most valuable assets.

120. Honesty.—As a business proposition, it pays to be honest— with oneself first of all, and then with one's firm and one's customers. Modern business has raised the standard of business ethics and made honesty popular and profitable. The salesman in asking himself whether or not he is an honest man—and we should always remember that the only true answer to that question must come from within—should bear in mind that there are various grades of dishonesty. It takes a desperate man to actually misappropriate his concern's funds; and a small man to pad an expense account. That man is dishonest as well who knowingly oversells a customer; who makes loose promises to secure an or-
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...der; who fails to check a misunderstanding for fear of jeopardizing an order; who fails to get a sample room when it is to the best interest of his house to do so; who waits over a train or two to have the company of a fellow salesman to the next stop—or so as not to break up a congenial card party; who carries a side line; or who spends his spare time in such a manner as to give his house below-par service. A salesman cannot do any of these things and retain his self-respect and the confidence and esteem of his concern and his customers.

There are some salesmen who are known as "one-trippers." Their first trip to a territory results in a fine volume of business. Eventually, however, there comes a cancellation because of overselling, a protest that the salesman's promise of an exclusive agency was not kept, and from everywhere complaints of shady dealings. The salesman is not in a position to go over the territory again and the chances of future business for the concern are doubtful. These offenses are not tolerated by the right kind of employers—and any other sort cannot buy the services of self-respecting men.

The truly honest salesman gives his house the best that is in him, tells nothing but the truth about his goods, never oversells, and can go over his territory again and again, gathering an increasing host of friends for himself and his concern on each trip. He is a "repeater."

Above all, no one should sell a proposition that is not strictly honest in every particular. The demand for able salesmen to sell honest propositions so far exceeds the supply that there is no reason for a man's soiling his hands with a dishonest business. A man cannot sell a proposition in which he does not believe and retain his self-respect and the esteem of his fellow men. Fur-
thermore, dishonest success must always be counted a failure. It is not overstating the matter to say that a salesman's selling honor is his best selling asset.

121. Confidence.—A salesman consequently should have confidence in himself, in his house and in his proposition. Before a sale can be made the prospect must be imbued with confidence in the salesman, the firm and the proposition. To inspire that confidence in others the salesman must first possess it himself. The salesman's success will be in direct proportion to his estimate of his own ability, his belief in the firm he represents and his faith in his goods.

A man who makes a conscientious study of his own physical, moral and mental characteristics with a firm determination to correct his faults and to develop his efficiency, and who is at all successful in carrying out that determination, thereby acquires justifiable confidence in himself which enables him to take up any proposition with reasonable assurance of his ability to carry it through to success. Careful distinction should be made between confidence and conceit. Conceit is rooted in ignorance and a misapprehension of the facts. It thinks it can, but it really cannot. Confidence is intelligent faith based on facts. It believes it can and the results demonstrate the truth of that belief. There is but little hope, however, for the salesman who does not believe in himself. The salesman who is easily discouraged when turned aside will never win. Half the giant's strength is in the conviction that he is a giant.

Confidence in the proposition is not an easy thing to maintain. The salesman usually starts out with absolute confidence in his line as his principal selling asset. A glance into a competitor's sample room reveals virtues in the competing line which he does not see in his
own; a few buyers inform him of the superiority and lower prices of still other lines; and before long we find him writing in to the house about the shortcomings of his line and the superiority of the competing lines that he has to fight. Or, if he be a specialty salesman, a few of his prospects begin to ridicule the idea of his proposition being a necessity for them and his confidence begins to weaken—ever so little at first, but eventually sufficient to throw him into a despondent state and send him out half-whipped every day.

A great many salesmen begin each working day by "selling themselves" before they present their propositions to anyone else. They go over every selling advantage of their goods, they present their proposition to themselves just as they would to the most obstinate buyer, and they prove to themselves absolutely that their propositions are the best ones on the market, that their houses are the best in the business, and that no one is so capable of selling their lines as they are themselves. This refreshes the salesman's memory regarding the essential points of his selling talk, vitalizes him for the day's work and rekindles confidence in himself, in his line and in his house.

Confidence in the house that employs him, in its financial conditions, in its ability to keep its promises, in the character and the ideals of the men at its head, and in its desire to deal honestly with everybody, is an immensely valuable asset for the salesman. It increases his respect and liking for his employer, it promotes satisfaction and contentment, it gives him assurance of solid backing, and it adds dignity to his work. Furthermore, if he realizes that these are the men who have put out his line and put their money and reputations
behind it, he will realize that his goods are right despite the alluring appearance of other lines.

122. Enthusiasm.—Enthusiasm is confidence in action; every big achievement in the world’s history has been due to it; nothing great was ever done without it. In the salesman it is the white heat which fuses all the other qualities of which we are talking here into one effective whole. Enthusiasm needs only direction to turn it into success; and no matter how big the setback may have been, any place can be regained if enthusiasm is not lost. Enthusiasm is the life of the interview. The salesman who has it talks as if he meant what he said because he does mean it. He is working for the love of the game. Just then he would rather be selling these goods than doing anything else. He is fired with an intense desire to impart his enthusiasm to others. Enthusiasm makes a salesman “talk shop” whenever there is the slightest chance of influencing a sale. It enables him to forget disappointments and failures and to start afresh with renewed determination to succeed.

The salesman’s enthusiasm must be imparted to the prospect or there will be no sale. It may be suppressed, but it must be there. "Enthusiasm is the force that grips the attention of the customer, that impresses him with the salesman’s sincerity, that makes him forget inhibiting thoughts, and carries the sale past all obstacles to a successful consummation."

Enthusiasm is the quality more than all others that makes a salesman oblivious to difficulties, that makes vital his selling efforts, makes him forceful and optimistic, turns apparent defeat into success, creates a bond of sympathy between buyer and salesman, changes apathy to interest, and makes personal salesmanship
the vital factor that it is in the distribution of the world's goods.

123. **Loyalty.**—Closely associated with honesty, confidence and enthusiasm is a fourth quality, a higher product, which develops when men associate in groups together. It should be pointed out that the salesman should be loyal to both his house and his customer. The one is not incompatible with the other and, as he stands between the two, he should look after the best interests of both. Loyalty is something more than this, however. A concern which is today firmly and successfully established had to ask its salesmen early in its career to go without any compensation for a period of almost six months. In other words, it asked them to stay on the firing line selling goods and support themselves without the company's aid. Eighty per cent of the men stayed and worked without any loss of confidence or enthusiasm under those conditions. That was an example of loyalty at its best. The twenty per cent who quit were doubtless honest, probably had confidence in the goods and were enthusiastic. It would seem, therefore, that loyalty is something higher than any of these. Loyalty begets loyalty and the salesman who is loyal to his house and to his customers will find that they are also loyal to him.

124. **Optimism.**—There are two kinds of optimists—the man who absolutely refuses to recognize that anything is wrong in the world; and the man who recognizing that lots of things are wrong has a cheerful faith that they will be made right and that he can be a power in helping toward that end. The first is the ostrich type—a false optimist. The second is a true optimist.

Lack of ambition, indifference, laziness and satisfaction with ease and quiet are not optimism. To sit still
and be content to see other men forge ahead—that is false optimism. To know that only effort can bring improvement, that all progress is attained only through struggle, and through glory in the struggle—that is real optimism.

In its practical application, optimism carries a spirit of cheer, good feeling and good times to the prospect. Enthusiasm presupposes optimism and optimism does much to generate enthusiasm. Some one has said that a green man can learn to sell goods, but a blue man cannot. The general passenger agent of the Lackawanna Railroad showed his appreciation of optimism and cheerfulness when he issued to his ticket sellers the order: “A smile with every ticket.”

125. *Imagination.*—Two men see a picture of one of the famous German siege guns. To one it is just a great, cumbersome gun. To the other it conjures a picture of the assassination of the Austrian Grand Duke; ultimatums between European nations; mobilization of armies; the German dash across Belgium; and the hundred-mile battle line on the French frontier. He sees devastated towns, homeless peasants, and ruined cathedrals. The first man possesses no imagination. The second has imagination of great range and intensity. The former would never make a salesman. All things must be pictured in the mind before they are realized and if the salesman would appeal to the prospect’s imagination, he must first be able to picture himself doing so and then be able to get a clear picture in his own mind of the picture he intends to point for the prospect. Without imagination himself, the salesman cannot hope to appeal to the prospect’s imagination.

126. *Education.*—The selling of a commodity appealing to highly cultured, well-educated people calls for a
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salesman of culture and some book learning. The selling of a technical appliance usually calls for a technically trained mind. A man of little or no polish and small book learning may sell a reasonable volume of an ordinary article. The salesman in any line, however, must be an educated man. For education in its broadest sense means a knowledge of natural forces, of human nature, of things that are going on about us in the world, together with the power to interpret them. In this sense, many a man who has never had more than a grammar school training is highly educated. Keen observation and native ability have enabled him to broaden so that he is big enough to find points of contact with most men. A person who will think seriously over the qualifications that have been enumerated in this chapter, and who will make a determined and fairly successful effort to acquire them, will have received a liberal education in the process, though he have had but little previous schooling.

127. **Voice and appearance.**—A loud, strident voice and harsh manner are likely to turn a prospect against the salesman; they will certainly repel one of finer sensibilities. A low, clear, full, soothing voice will do much to predispose the prospect toward the salesman. No man who must speak should neglect the cultivation of his voice. He should be particularly careful to keep it low.

There are many exercises which will train and cultivate the voice. One that is known to produce satisfactory results is to read poems aloud. Another, of course, is to take lessons from a vocal instructor. The sympathetic tone of voice should be particularly cultivated by salesmen. The salesman should learn to speak largely with his teeth and lips, since these will enable
him to throw his voice everywhere and at the same time prevent his getting what is known as "speaker's throat." The large amount of speaking that is required on the part of the salesman causes a dry throat and a rasping expression unless this injunction be observed.

It goes without saying that a salesman should always be well dressed and well groomed. Slovenliness prejudices a prospect against him and his proposition. His clothing should be freshly pressed and his linen immaculate; his shoes should be of good quality, well shined, and have straight heels. The salesman must be careful of his teeth, his hair and his finger nails and should not appear before his prospects with a day's growth of beard on his face.

The keynote of the salesman's dress should be unobtrusiveness. Any exaggeration in his costume is detrimental. The finest kind of French plate glass is so clear that when standing near it one is not aware of the glass before his vision. So, too, the best dressed man is he whose apparel attracts no attention to itself.

128. Personality.—Personality is that indefinable something which makes the presence of one man welcome and the presence of another unwelcome. Combined with sympathy and the ability to see the other fellow's point of view, it is the prime factor in the quick creation of confidence. Personality is that quality which characterizes and distinguishes one person from another, not by his nature, nor by the way his features are molded, but by his expression, actions and manner. It includes poise, that mysterious quality which is more than mere calm or assurance and which enables its possessor to appear to advantage, be at ease in any circumstance.

It is doubtful whether anyone should ever try to ac-
quire a personality. Personality is the sum total of one's habits of thought, mentality, education, experience and qualifications. If the salesman will but devote his attention to acquiring the other qualifications set down in this chapter, he will be building a forceful, pleasing personality.

129. Self-analysis and improvement.—The ability to sit down at the end of the day, carefully review the day's work and decide just where and how he has been weaker than he should have been, is a most necessary quality for the salesman. There is some reason for the loss of every sale. It may not be his fault, but it is safer for him to assume that it is and to endeavor to put his finger upon his mistake. He should also run over the list of essential qualifications of a salesman and decide in which of them he is lacking. During this period of introspection, the salesman should be thoroughly honest with himself. The man who has too much self-conceit to admit himself at fault, cannot perform this task of introspection and should keep away from selling as an occupation. It is only by discovering and overcoming his negative qualities and by strengthening his positive ones, that the salesman can expect to grow. So that the salesman may carry on a particularly complete, thorough and systematic investigation of himself at regular intervals, a prominent New York firm has devised a self-analysis chart which is reproduced on pages 348 and 349.
SELF-ANALYSIS CHART

Analyze yourself by making your own standing with regard to each of the qualities listed below. For convenience use the following scale:

1. Nearly perfect.
2. Good.
3. Above the average.
4. Average.
5. Below the average.
6. Deficient.
7. Almost wholly lacking.

Obviously the qualities listed are not all equally important. Their relative importance depends, in part, on the work you are doing or for which you are being considered.

Your analysis, when completed, should show a few "1's," a large number of "2's" and "3's," a smaller number of "4's," very few "5's," and no "6's" or "7's." Remember that one or two striking defects, no matter how excellent a man's other qualities may be, are often enough to disqualify him for a high grade of duties. You should endeavor as quickly as possible to remove the "5's," "6's" and "7's" from your analysis.

I. Physical Qualities.

(a) Chiefly inherent—subject, however, to some cultivation.
1. Proper size and structure of body.
2. Correct conformation of face and head.
3. Physical vitality.
4. Correct age (depending on position).

(b) Chiefly acquired and subject to cultivation.
5. General good health.
7. Impressive and pleasing facial expression.
8. Pleasing voice and enunciation.
10. Appropriate dress and pleasing appearance.
11. Bodily control (e. g., ability to sit quietly and absence of nervousness).
12. Quickness of bodily movements.

II. Mental Qualities.

(a) Chiefly inherent.
13. Quickness of thought.
15. Good memory.
16. Reasoning ability.

(b) Chiefly acquired.
17. Good elementary education.
20. Special education in salesmanship.
21. Habits of thought and study.
22. Office experience.
23. Selling experience.
24. Executive experience.
25. Correct conception of the proposition.
26. Detailed knowledge of the proposition.
27. Accuracy of observation.
28. Concentration.
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29. Sound judgment
30. Resourcefulness
31. Ability to talk well
32. Ability to write well
33. Organizing ability
34. Attention to details
35. Habits of punctuality
36. Ability to develop
37. Breadth of view
38. Fair-mindedness

III. Temperamental Qualities.
(a) Chiefly inherent.
39. Will power
40. Energy
41. Liking for your work

(b) Chiefly acquired.
42. Courtesy
43. Tact
44. Truthfulness
45. Integrity
46. Loyalty
47. Enthusiasm
48. Industry
49. Self-control
50. Self-confidence
51. Stability
52. Courage
53. Aggressiveness
54. Ambition
55. Sincerity
56. Cheerfulness
57. Good business habits
58. Good personal habits
59. Poise
60. Helpfulness
61. Initiative
62. Discretion
63. Willingness to accept suggestions
64. Power to dominate
65. Persuasiveness
66. Fixity of purpose
67. Sympathy
130. A salesman's responsibility.—The salesman on the road is, to a great extent, a business executive and master of his own time. While a sales manager may be able to check him up by his reports, by the volume of his business, and by previous records in the territory, it is quite possible for the salesman to pass muster without having given his best efforts to his house. Probably nothing separates the business executive from the subordinate more sharply than the fact that the average subordinate has an inclination to shirk and that he needs supervision, while the executive has a natural inclination to put forth his best efforts and not to quit at the first opportunity. The salesman should be proud of being in the executive class and should shoulder cheerfully the responsibility it entails. He is on his honor; and be it known that the vast majority of salesmen, though under the constant temptation to loaf on the job, do shoulder the responsibility cheerfully and warrant the trust that is placed in them.

Very often a salesman working under straight commission feels that he has a perfect right to stop work for a day or even more if he so desires. "My compensation stops when I stop," he argues; "why should the house kick if I am satisfied?" Commission men are coming more and more to realize, however, that while they may have a legal right to do this, they certainly have no moral right. For the house, in expectation of the business
they are going to bring in by working every day, has provided certain facilities in the factory for producing the commodity sold and in the office for handling the salesmen's orders. If the anticipated number of orders do not come in, the expenses are not automatically reduced; they go on about the same as before. The cost of handling the individual order is higher and the net profit is reduced. If any number of the sales force took it into their minds to rest up for a couple of days, it is quite possible that the house would suffer an actual loss. Commission men are beginning to see things in this light and to assume the responsibility.

In this connection, Hugh Chalmers tells of the standard he set for himself when he was selling on straight commission. He paid his own expenses, of course, and he set out to earn these expenses for the entire month during the first twelve days. This was an incentive to hustle the first part of the month so as not to run over the allotted time for covering expenses. His commission during the rest of the month, then, was clear profit. This was an incentive to hustle during the last half of the month so that the month's profits might be as large as possible. On the last day of the month he strove to close as much business as possible, since every sale that was closed counted on the profits of the month, whereas, if it were delayed a day, the commission had to go toward the expenses of the next month. This love of playing a game is inherent in all of us and the salesman who would work to maximum efficiency would do well to set some such standards for himself and play up to them.

131. Salesman's time and its use in business.—The salesman can well apply some of the principles of efficient management to his selling work. There is no other phase of business in which there is so much waste motion as in
Selling. When a product is started through a factory it is routed. The number of operations that it will go through is determined beforehand and some sort of ticket or card is made out for each operation. Then the material goes through in a straight line. It does not zigzag back and forth in the plant in an aimless fashion from one operation to another, and it does not travel a half mile between one department and another. If these things happened in a factory, the cost of manufacture would doubtless be doubled or trebled.

The salesman might well ask himself whether he is properly routed every day; and, if not, what it is costing him to manufacture his commodity, the sale. Are his prospects laid out in a straight line? Or is he zigzagging back and forth through town, now at one end and now at the other—chasing one lone prospect at each end? Are his prospects picked out as close together as possible? Or is he wasting valuable presentation-making time and energy covering long distances between his interviews? Has he routed himself between towns so as to reduce to a minimum the time lost on trains and in waiting over between trains?

Let us look first at his routing between towns. This is not of great importance unless the salesman is making towns at the rate of more than one a day. The route should be laid out in so far as practicable in a straight line. Peculiar train schedules, however, may make it advantageous to skip a town and double back. A new salesman will always find men who have been covering the route for some time and who know all the tricks that can be played with the time table.

132. Organizing a town.—Let us look now at the planning of the work within a town. We shall assume that the salesman is visiting a town for the first time.
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His first duty, then, will be to get as good a knowledge of the town as possible in the time which he can spare for that purpose. If his proposition is such that he will be in town for a week or ten days or more, it may pay him to spend a half day or in some cases a whole day in merely looking about the town and gauging its possibilities. The second step will be to make a card list of all possible prospects. These will be secured from the general telephone directory or from such other sources as the nature of the particular business may dictate. Quite possibly the salesman's house may have provided him with prospect cards, but no matter how thoroughly this work has been done, it is probable that some names have been left out, and the salesman should be careful to see that they are included. If the salesman has visited the town previously, of course, a good deal of this work has been done, and, if he carries a line that enables him to sell to the same customers over and over again, he probably has a set of data cards giving him full information.

It should be mentioned in passing that the salesman will find much valuable information and, in some lines, the names of possible prospects in the local papers. He should make it a point to read them if he intends staying in the town any time or intends revisiting it at frequent periods. One of the best specialty salesmen in the country makes it a point always to send for the town papers for at least a week back just as soon as he arrives at the hotel.

The rule of laying out work in a straight line cannot be strictly followed, for there may be more important things to be taken into consideration. A specialty salesman might desire to see two or three of his most prominent prospects the very first thing, irrespective of their locations in the town. During his stay in the town he will,
of course, call upon prospects recommended to him by customers rather than upon those that are nearest, but on whom he would have to make an unintroduced call. A staple salesman might quite naturally desire to start off with the most progressive store and work down. Even in that case, however, it is advisable to plan and lay out the day’s work carefully.

133. **Planning the day’s work.**—Now the work for the day is planned with the aid of a map of the town. The number of prospects to be visited will depend on the number of presentations the particular proposition makes possible in a day, and on the percentage of prospects usually found to be out, inaccessible or too busy. It is better to lay out too many than too few. In the latter case an unusual number of prospects out or otherwise engaged may cause the salesman to run out of prospects before the day is over. Many salesmen make it a point to spend some time on Sunday in planning their work for the coming week. Then each evening they select from the week’s prospects those to be seen next day.

Immediately after the close of the day’s field work, the salesman should sit down and prepare the day’s orders for forwarding. Then, while the events of the day are still fresh in his mind, he should make out his daily report, at the same time carefully reviewing the day’s work and picking out the mistakes that have been made. It is of extreme importance that this period of retrospection come at this time rather than later when the salesman’s ardor has cooled and some of the finer points of the day’s happenings will be forgotten.

134. **Preparing for the next day.**—Immediately afterward the next day’s work should be laid out. The thinking out of a plan for the next day’s work cannot be done while in the field. Moreover, if this planning is post-
poned, the enjoyment of the evening's recreation is likely to be marred because the salesman cannot throw off the feeling that there is unfinished business to be attended to. When he finally gets to it, at eleven o'clock or later, he is cold toward his proposition and his energy is at a low ebb. In other words, he has allowed his mind to slip out of the selling groove and he finds it hard to bring it back.

Possibly the loss would not be serious, if he actually sat down at eleven o'clock and did the planning, but usually he does not. He decides that it is too late that night and that he will get up an hour earlier in the morning and work at it. He does not, however, and as a result he starts an unproductive day. Breakfast is eaten with a nervous sense of hurry and something extra to do, a sure way to prevent proper digestion. Hastily picking out his first three or four prospects and trusting to luck and to a survey of his prospect cards between visits to point out subsequent ones, he hurries out half-prepared.

135. Percentage of efficiency.—Mention has been made of the wasting of valuable presentation-making time and energy in covering long distances between interviews. The salesman might well make it a practice during the period of retrospection following the day's work, to set down the number of hours actually spent in the field and divide it into the number of hours actually spent in the presence of prospects. He would find the percentage of efficiency startlingly low, possibly not higher than thirty or forty per cent. That would mean that sixty or seventy per cent of the entire time spent in the field was spent in traveling from one prospect to another, or in waiting in outer offices. Careful planning and careful watching on the part of the salesman will do much to better this percentage. One hundred per cent
is, of course, impossible of attainment, but sixty or seventy-five per cent should not be.

136. Getting in a full day's work.—The salesman cannot afford to spend his time cataloging the hours at which it may be inconvenient for buyers to see him. If he happens to know the prospect's habits, it will, of course, be advantageous for him to call at the time which best suits the prospect's convenience. In other cases he must take his chance and, if he fails to see him, lose no time in passing on to the next prospect. This is well discussed in a little message from a sales manager to his men on the road:

There are four begging little devils that haunt our salesmen. Their food is prospect-seeing time. One hungry little devil is about o' mornings. He mounts the shoulder of the Peerless One and whispers: "No use trying to see your first man before nine-thirty—got to give him time to open his mail." And if you so much as waver for an instant, he straightway devours the front-end of your precious morning.

The next little begging devil’s idea of a dainty morsel is a toothsome mid-day. "It is now a quarter to twelve," he adroitly starts. "If you see a man now he is likely to go to lunch any minute and he'll hustle you through to get rid of you and get out." If you agree to this proposition, he waits until he gets you comfortably seated at luncheon, or in a hotel lobby, and then suggests: "You can't see him before two o'clock now—they won't be back from lunch." And before your very eyes he gnaws two and one quarter perfectly good hours right out of the middle of your priceless day. And maybe, too, he nibbles off the half-hour between two and two-thirty, by way of dessert, before he leaves.

At the first suspicion of shadow that crosses the afternoon light of these autumn days, a third little devil, lean and ravenous, accosts you. "It is getting dark," he mournfully chants, "you can't start a new talk now. It's getting dark. Your
man won’t be in a mood to listen.” And before you know it, he has gobbled the entire end off your afternoon.

Before these three little begging devils are satisfied, your working hours are from twelve to one, with an hour for lunch, or rather, from twelve to two, with two hours for lunch!

The fourth little devil feeds only after long intervals, after the manner of a snake; and then, like a snake, he gorges himself. His food is Saturdays. “You can’t do anything on Saturdays,” he says. “It’s a short day and they’re too busy to listen.” And so, without even allowing you to start out, he swallows your Saturday whole.

And the terrible part of it is that they’re such plausible little devils.

If you don’t watch out you’ll find yourself accepting their say-so as the gospel truth. And they can find for you every single hour of the day a seemingly good reason why you should not work just then.

But they’re liars—every one.

If you want to prove it, just sally forth some bright morning and find out how many men get down to their offices at eight or eight-thirty. Progressive business men cannot transact their business in a few fag ends of hours in a day, any more than you can. And if a man is at his office at eight or eight-thirty in the morning, it’s the best indication in the world that he’s a good prospect for you. He’s a hustler. He’s a “get there” man.

And he can be turned aside from his mail by something that interests him, as well as he can be turned aside from anything else—and furthermore, progressive business men are not cluttering themselves up these days with the opening of a routine mail.

Then just try going after a few prospects between twelve and two. You may find a man or two of them out, of course. But all you have to do in that event is to go on to the next fellow. If you find him in, it will prove a splendid time for a thorough and uninterrupted presentation. A man is always ready,
between twelve and two, to relax and let up on his work if an excuse to do so is presented. And your proposition is a grand little excuse. Callers between twelve and two are few and far between, and your chances of not being interrupted are much better than any other time of the day.

You can see them before two. If you found a man out between twelve and one o'clock you may be sure that you will find him in between one and two. And you'll be finding him after he's had a good comfortable meal and is in a mood to sit back, comfort himself with his after-dinner cigar and listen.

That dusk argument needs no disproving. A man who has been busy in his office all day—and the men that you will sell are all busy men—doesn't know whether it's dark or light outside. And the chances are that he has been using artificial light all day, anyhow. As for that "Saturday" devil, he hasn't a leg to stand on. Just you go out and try it.

The salesman should have nothing to do in the morning but pick up his equipment and go to his first prospect. No detail work left over from the night before should sap his first energy. He should get out early in the morning while his brain is still fresh and his prospect is still in good trim from a night's rest. A man can always talk more intelligently right after a good night's sleep than he can after he has become partly fagged out later in the day. The man who sees his first prospect at eight-thirty, very often has his sales for the day started at nine o'clock.

137. Rainy day work.—With few exceptions, there is no reason why a salesman should be idle on rainy days. A rainy day is a good day for business if the salesman himself only feels right. The prospect is very likely to look at it as a sort of comfortable day. He sits at his desk, not inclined to do a great deal, looks out at the rain and feels glad he does not have to be out in it. It is a day when he does not feel busy and when he is in the mood to give a caller all the time that the latter wishes
to take and when there are not many callers to claim that time. Retailers can be talked to without much interruption. Specialty men whose prospects are near together, can plan their work so as to spend the whole day in one office building and get the business dry-shod.

138. The law of averages.—The salesman should hold clearly in mind the fact that it is not enough simply to land an order no matter how long it takes. He must get orders quickly, for only in that way can he do a satisfactory volume of business. A new salesman on a specialty proposition, speaking to the organization’s star salesman one day, said: “I’ve been following your advice of finding out all about my man before going to see him, planning my talk so that it will fit him exactly, and not going to see him unless I feel absolutely fit, and it works fine. Why I talked to only six people all last week and I landed two of them. That is thirty-three and one-third per cent sales to interviews.” The star salesman said afterward that he sat back and wondered if he were really responsible for that attitude. He certainly did not intend to advocate the use of any part of the prospect-seeing hours of the day for anything other than the seeing of prospects.

A high percentage of sales to interviews is much to be desired, but the work of acquiring the ability to get it should be done by lamplight. It should always be remembered that the ability to close a high percentage is a good supplement to hard work, but not a substitute for it. The day should be devoted entirely to seeing the people. If that is done, although percentages may be low, the salesman’s sales and income will be large.

The law of averages, as the salesman understands it, is that out of a given number of people seen, a fairly definite percentage will ordinarily buy. The more peo-
people seen, therefore, the larger the volume of sales. Even if the percentage falls, the actual results of seeing a large number of people will be larger. Ten per cent closes on fifty interviews in a week gives the commission man two and one-half times as much as thirty-three per cent closes on six calls. Time—hours, minutes, seconds—is one of the salesman's greatest assets. The way to make that asset pay cash dividends is to see the prospects, every one that the salesman can, every day in the week.

The salesman owes this not only to himself, but to his house. One idea of being busy is trying to do on the last day of the week the things that have been neglected the other five. A house is entitled to a certain volume of business out of a territory each year. If that business is not secured this year, the salesman cannot make up for it next year. For the house would be entitled to the next year's business in any case. In the same way, the salesman cannot waste time four days of the week and make it up the other two, for the house is entitled to his best efforts all six days.

139. The salesman's attitude toward territory.—Human nature is very much the same the world over and, as a natural consequence, one territory is not so different from another. The salesman should resist the thought that his territory is the most difficult one to work and that there are much better territories to be had in other parts of the country. Most top-notch salesmen agree that selling is nine-tenths man and one-tenth territory.

The salesman should realize that territory is an asset of the house. He should work it intensively and systematically, always remembering that it is most enervating for him to admit defeat in any town. The towns that are most difficult to open up are often the best fields, for
they have been left in disgust by the weaker salesmen and when better salesmen come they reap a big harvest.

It is noteworthy how many "croakers" there are about a town waiting to tell salesmen that the place is dead and that other salesmen did no business there. A salesman can get plenty of that kind of advice in any town in the country. If it were heeded, business would be at a standstill, of course. The salesman should bear in mind that his house has produced a notable article, that it can be sold, and that he is there to sell it. These "croakers" are not favorable prospects, it is true; but there are plenty of other people in the town saying less but acting more and becoming prosperous.

140. Salesman's time and its use—outside of business hours.—The business world has pretty generally abandoned the idea that there is no connection between what a man does at eleven o'clock at night and what he does at eleven o'clock the next morning. The old-time hit or miss method of selling concerned itself little with these things. If the salesman turned in a fair volume of sales, his personal faults and excesses were condoned. That is not the attitude of the sales manager of to-day. He is not satisfied with a portion of a salesman's efficiency. He demands maximum results and the salesman who remains in his employ must take precaution to conserve every ounce of energy he possesses. No man can be intemperate in anything and expect to develop himself to the utmost. The keen, aggressive, successful salesman of to-day is clear-eyed and clear-brained. He achieves the result he sets out to accomplish because he is absolute master of himself, and mastery of self gives him mastery over others.

The day of the heavy drinking salesman has passed. It is no longer necessary to drink to influence trade.
The business goes today to the salesman who is most useful to his customer. A salesman’s days of usefulness are numbered if befuddled mornings follow dissipated nights, and the sales manager and the credit man unite to refuse business influenced by whiskey diplomacy.

No man, on the other hand, can work one hundred per cent of the time and be more than fifty per cent efficient. If the salesman would make the best of his time, he must devote a part of it to healthful recreation. The mind must be diverted from business so that it may return to better thinking. Recreation does much to keep the salesman cheerful and optimistic. The things that a salesman does outside of business hours—the hobbies he rides—the books he reads—will have much to do with what he is able to accomplish within business hours.

Recreation, then, should be a servant to the salesman’s business; not the salesman a slave to his recreation. And above all, recreation should never be allowed to encroach upon prospect-seeing time, nor should it ever interfere with the salesman’s preparation for his next day’s work. The test of the efficiency of the salesman’s recreation is whether or not it returns him to his work more efficient and more cheerful. Hard, conscientious work is the proper preparation for recreation. The sense of work well done will send the salesman to his play with a clear conscience and a happy mind; and there can be no recreation without these. The salesman should not confuse recreation with idleness. Recreation is simply the resting of wearied faculties by a change of occupation.
CHAPTER X

COOPERATION, INFLUENCE AND FRIENDSHIP

141. The meaning of cooperation.—The word cooperation embodies one of the biggest ideas in salesmanship. We have already had something to say about the value of cooperation in gaining an audience with the prospect. We shall look at it here in its broader aspects, for cooperation is the order of the day. The house cooperates with the salesman and with the customer and looks for their cooperation in return. The customer extends his cooperation to the house and more especially to the salesman. The salesman cooperates both with the house and with the customer.

Cooperation means working together with other men and having them work together with you, both for the purpose of helping them in their aims and having them help you in yours. For no man of his own unaided efforts can do much.

142. Salesman's cooperation with the house.—In Evansville, Indiana, on a river front street in a neighborhood frequented principally by river men and rousters, is a dingy windowed shop which, by courtesy of a few wisps of cloth and the fact that its proprietor devotes himself to the repairing and pressing of the commonest kind of clothing, is designated a custom tailoring establishment. There, in the midst of sordid surroundings, is a neat, bright sign proclaiming this place to be the exclusive agency in that town for a nationally advertised article of clothing. The salesman
who placed that exclusive agency was not cooperating with his house. He was not doing his honest best to make his company's enormous investment in advertising pay dividends. His half-hearted efforts to place the exclusive agency with a house worthy of it probably failed, and not wanting to admit the failure he hit upon this poor, makeshift method of making things look all right at the home office.

An honest salesman who is loyal and has a right conception of the meaning of cooperation, will do nothing that is not to the best interests of his house. He feels that, in a sense, he is a partner of the house. He travels about the country with no direct supervision, performing acts for which his principals are responsible and upon which their profits depend. He feels that he owes the house the same sort of cooperation that one partner would expect from another.

143. Securing valuable information.—In times gone by, salesmen felt that their following—those to whom they sold—was their chief asset. They jealously guarded the information they had concerning their customers. When they left one house to make a new connection, they switched their trade to the new house with them. All this has changed, and today, customers are considered the asset of the house rather than of the salesman. For the most part their trade remains with the house even though the salesmen in the territory have been changed. The salesman no longer withholds information concerning them. He secures all he can and passes it along to his house so that the house may cooperate with him most effectively in keeping and increasing trade in his territory.

This information will take many forms. A suggestion that a dealer's window display is poor will bring, in
the letter acknowledging the order, a suggestion as to the dollars and cents value of attractive window dressers, including definite suggestions. A report on his advertising will bring suggestions for improvement, and help in the way of advertising cuts.

144. Cooperating with credit man and advertising manager.—One of the most important things will be cooperation with the credit man. While the latter uses the usual credit information agencies, he must look to the salesman to supplement this if he is to handle credits with a minimum loss and a maximum volume of business. Ratings change more rapidly than credit books can be issued. Many of the smaller business men have a prejudice against disclosing their financial condition to Dun or Bradstreet. As a consequence, their ratings are lower than they should be. A man's financial standing, moreover, is not the only index to his reliability. A man of very limited capital but with large capacity to grow may be a better credit risk and may be better worth developing than one with a large capital whose business is beginning to suffer from dry rot. The credit man of today aims to know these things. He can have a knowledge of them in just two ways; either he must obtain the knowledge at first hand, or depend on the cooperation of the salesman.

The salesman should welcome an opportunity to cooperate in handling slow-paying customers and in adjusting complaints. While it is in most cases bad practice to have a salesman do any part of the routine collection work, it is highly desirable that he handle special cases. It is frequently the case that an account is in dispute, and the customer may rightfully feel that he is entitled to an allowance because of defects, delay in shipping, improper packing, or something of the sort.
Unless such matters as these are adjusted satisfactorily, a customer will be lost to the house. This same thing holds true of all complaints. The salesman should realize that the best sales practice is to make adjustment complete and satisfactory before trying to get further business from the disgruntled customer.

Probably one of the most difficult branches of the work in which to get the salesman's active cooperation is the advertising. A great many salesmen are prone to look askance at the virtues of advertising as applied to their particular products. This has been true of almost every big advertising campaign. A great many have failed for no other reason than the absence of the cooperation of the salesmen in turning inquiries into orders in cashing in on the general publicity. This cooperation is looked to as an important link in the chain in every advertising campaign. The salesman should feel obligated to follow out the instructions of the house regarding the advertising, should follow advertising leads immediately and report upon them promptly. He will be amply repaid for this cooperation in increased orders.

145. Relations to sales manager.—The salesman’s work in the field is arduous. Most sales managers carefully refrain from requiring any information from him that can be secured in any other way and are careful to reduce the salesman's clerical work to a minimum. There are some reports, however, which sales managers deem essential in order to keep in touch with their organizations. Expense accounts must be fairly detailed. Route slips must be made out. Formal information reports must sometimes accompany orders. If the salesman considers that any of this work does not properly belong to him or is taking up too great a portion of his
time, he should discuss the matter frankly with his sales manager. Many a good salesman has lost favor with those at the home office because he has been careless and neglected his reports. A salesman should consider himself a business man and his work should be organized, and carried out in the same orderly manner that work is carried on at the home office.

At times the house may desire to test the selling possibilities of a new article or to carry on some similar experiment. It may desire to push for an especially large sale of a particular commodity or reduce to a minimum the sale of an unprofitable one. Loyal cooperation demands that the salesman throw himself into these experiments or special campaigns with his whole heart and give his sales manager his best support in carrying them to a successful conclusion.

In entering foreign markets, the salesman may be of material assistance to his concern in providing for the safe and prompt handling of shipments, in seeing goods through the custom house, and making advantageous arrangements regarding collections.

Most houses publish a house organ for the benefit of the men in their selling organizations. A great many house organs are notable chiefly for their dearth of salesmen's contributions. This is distinctly a salesman's help and there is probably not a salesman who does not look forward eagerly to the arrival of his house organ, bringing him news of what the other fellows are doing and how they are doing it. He receives from it a great deal of helpful inspiration. He has a moral obligation to his house and to his fellow salesmen to contribute some inspiration to it as well. The salesman should cooperate with the house organ editor to make the paper a real clearing house for information.
Closely connected with this is his obligation to contribute for the benefit of the whole organization any new selling point that he may have worked out and put into effect. This may appear to be against his own best interests, especially if there is a prize contest of any sort in progress. No salesman will question, however, that the best interests of the house and himself are, in the long run, identical.

Something was said in the last chapter about methods of working a territory. The salesman is not cooperating with the house to the fullest extent unless he assumes a moral responsibility to get the best out of his territory at all times. It has been said that the salesman on the road keeps the plant going. He cannot do that unless he gives to it his best efforts for eight hours a day, six days a week. The house is entitled to the salesman's cooperation in keeping the office running at full capacity. He should make sure to send in at least one hundred per cent of the business to which the house is entitled from his territory.

146. Cooperation from the house.—The salesman has a perfect right to expect that all this cooperation he gives the house, every bit of information he furnishes regarding a customer or prospect, every report he turns in, will sooner or later return as help to him. If these things do not enable the house to cooperate with him in increasing business in his territory, they are not accomplishing their purpose. Under the right kind of sales manager, the salesman will have little real grievance on this score.

It might be mentioned in passing, that a great many salesmen ask for and expect a great deal of information and help which it is impossible to give, or which would be far too costly for the results it would achieve.
Also they sometimes make promises to the customer that cannot be carried out. The salesman should bear in mind that most of the cooperation the house can afford to give, has been systematized. When asking for special cooperation not provided for in the system, he should carefully consider the cost as compared with the expected results.

The cooperation given to the salesman by the house will be discussed in detail in the second section of this Text. The cooperation that the salesman may expect from the house is of two kinds: Cooperation in organizing territories, securing prospects and information concerning them; and the cultivation of customers to the end that he may get further and increased business from them.

147. Salesman's cooperation with customers.—A leading dry goods salesman tells a story of having worked strenuously all week to finish his last town on Friday afternoon and take a run home over the week end. He arrived on schedule late Friday afternoon and went to make an appointment with the big dry goods store proprietor for that evening. He found his prospect in the midst of hurried preparations for the big Saturday business. His window dresser had left him unexpectedly the day before. The salesman forgot all about the order for which he had come into town, and the pleasant week end he had planned. He took off his coat and dressed those store windows as they had never been dressed before. The window dresser had acted also as clerk, so the salesman stayed over to plunge into the Saturday selling. He did not get away from the town until the night train Saturday. It is easy to believe that the store proprietor did not readily forget that service. It is not diffi-
cuilt to picture him holding his business until the arrival of the friend who had dressed his windows. It is quite possible that he indirectly turned the business of other merchants toward the man who helped him in such an enterprising yet self-sacrificing way.

That is probably the exact result the salesman expected; nor was his help less sincere because he expected this result. A salesman expects to get cooperation from his customers and, in turn, stands ready to give all possible cooperation to them. It is significant in this connection that the Heinz Company some time ago issued instructions to its men not to attempt to sell anything on Saturdays, but to jump in behind the counter with one of the retail grocers in the town in which they happened to be and help sell goods for him.

148. Serving as a clearing house for information.—The traveling salesman covers a wide range of territory and accumulates a great deal of information regarding the best methods in the business of those on whom he is calling. He acts as a sort of clearing house for these ideas. He knows much about window trimming and effective display. He can tactfully correct the tendency of the small town store-keeper to overcrowd his windows. He can arrange a tempting array of things to catch the eye within the store. And who can blame him if, in doing so, he gives his own line a prominent place?

He knows the new styles. He is familiar with the lines that are moving most rapidly or of which the bigger buyers are laying in large quantities. If the dealer be overstocked, or has a line of goods that is slow in getting off the shelves, the salesman can give him suggestions for plans of special sales that will help him move them.

The salesman can help his customer with his adver-
tising problems, suggesting more effective copy and new, distinctive methods of arrangement. He can be of assistance in preparing lists for circular letters. In some cases, he can even go so far as to suggest and discuss better methods of financing the customer's business.

The salesman knows that a great many sales over the counter are lost because of the inefficiency of the retail clerk. He should be able to devise and suggest methods of training clerks to sell to a higher percentage of the people who enter the store and to sell a larger amount to each of them. In doing this it is probable that he will gain the friendship of the clerks and that, as a result, his line is likely to be among those that move quickly.

All this is just as true in principle for the specialty man, for he, too, meets business men with business problems and can help in their solution. The range of the possible cooperation that the retail clerk can render is more limited. Even here, however, there are opportunities for service and for appreciative suggestions.

149. Cultivating personal relations.—The opportunity for giving a personal touch to transactions with customers should not be overlooked. One salesman who handles an article on which he can get no future orders—that he can sell to a person only once in a lifetime—has a list of every man he has ever sold. At appropriate times during the year he sends every one of them cards of remembrance or some other little token that, as he expresses it, keeps his memory green. He takes the trouble to address them and write the message in his own handwriting so that there will be no mistake about its being a personal remembrance. As a result, though he may not have seen a man for two or three years, he is rated as an old friend and given valuable
cooperation in securing new business. The picture post card from Atlantic City which carries the message “Wish you were along,” is much appreciated by the salesman’s customer out in Ohio. Sending along some little thing in which the salesman knows the customer will be interested is a sincere personal touch. It goes without saying that the prospects who do not buy should not be slighted as to these little attentions. The salesman who increases the number of his friends increases the number and value of his assets.

150. Cooperation from customers.—A wag once said that success was largely a matter of dining with the right people. Certainly having the friendship and cooperation of the right people is the line of least resistance to success in selling. A high-class specialty salesman, handling a service for business men and government officials, planned a trip to the Philippine Islands, intending to stop off at Hawaii. He did not start from New York. He decided that the place from which to start that trip was Washington. From a high official in his concern he secured a letter of introduction to a prominent man in the Capitol. To this man the salesman explained his mission and secured further introductions. He left Washington a week later, armed with a letter from the Secretary of State to all the far eastern bureau chiefs, and letters from those in charge of insular affairs at Washington to the chief executives at Hawaii and in Manila.

At both these places, then, he was enabled immediately to get on a right footing in government circles. Letters of indorsement from those to whom he came enabled him to reach the lesser government officials effectively. It was not difficult to use the cooperation of his government friends in reaching the business men
of the community. Incidentally, in his travels he secured letters to Americans living at ports in China and Japan where he planned to stop. His whole successful trip, in short, was just one big plan of progressive cooperation.

In this particular case, the salesman in return for the wonderful cooperation received gave nothing but the warm sincere friendship of a man of remarkable personality. Those who used their influence to further his interests felt that they had been doing their friends a favor by directing the salesman to them. This is the best kind of cooperation as the specialty salesman sees it.

151. *The customer as a firm representative.*—A salesman who was being complimented on his wonderful record selling a new office device, replied that his record would be remarkable if he were the only representative his firm had in town. He was only the chief representative, it seemed. Every customer, he explained, was an assistant representative, operating under his direction and working up leads, cooperation and enthusiasm. Considering that he had one hundred and fifty representatives, he concluded, it was not so surprising that he was getting big results.

This man seldom asked directly for cooperation. He merely dropped in as he was passing to thank the customer for having directed him to a man who had purchased the day before; or he had discovered a magazine article in which he thought the customer would be interested; he had brought in a little book for which he had sent to New York because he knew the customer would be interested. Then as he was leaving, there would, in all probability, come the suggestion from his host: "I was talking to Brown yesterday about your
machine and he seems quite interested. I should suggest that you go and see him. Mention my name." Here again we find the "you" attitude effective. A great many specialty salesmen make the mistake of breaking in upon a customer's time merely to ask if he could suggest anyone who would be likely to buy.

Cooperation of this sort is valuable. It starts the interview off on a friendly footing, and it leads the salesman directly to a class of prospects in which the percentage of sales to interviews is high. In some circumstances such as where the man suggested is difficult to see, it might be well for the salesman to reply "All right, I shall be glad to see him. I wonder if you would mind getting him on the phone and telling him I am coming?" Or, if it seems preferable: "I wonder if you would mind giving me a few words of introduction to him on the back of your card?"

Staple salesmen very often overlook opportunities such as this for cooperation. Retail sales people do not get as much of it as they should. There is a large number of salesmen in the men's clothing, women's cloaks and suits, furniture and rug departments of the big retail stores, however, who have a large following of customers who are continually sending friends to them.

152. Letters of indorsement.—The use of letters of indorsement as a part of a salesmen's equipment is becoming more and more common. Those received from especially influential men or important concerns are valuable sales material in any part of the country. The same thing is true in only a slightly less degree of letters from unknown people. Much more valuable than either are the local letters of indorsement that the sales-
man gets through the cooperation of the more prominent customers.

It is an art to secure from a customer the exact sort of letter of indorsement that the salesman desires. In a few cases, the customer will allow the salesman to dictate the letter, and then, of course, the matter is simple. In a much larger number of cases, however, the customer will desire to say what he pleases and to say it in his own way. The danger here is that the letter may be too long, too general and possibly clothed in such extravagant language as to seem an exaggeration.

The salesman, then, must draw the customer out on particular points, and, when he has secured two or three specific statements in good forceful language, he can suggest: "Mr. Customer, you have made three strong points for my proposition and you have made them in exceptionally forceful language. I wonder if you would mind giving me a letter, making just those three points. I know you would be willing to indorse the whole proposition if I asked you to, but I am going to be satisfied if you will just give me three or four paragraphs, making those three points." The salesman will know what kind of an indorsement letter he desires and he must secure it by strong, positive suggestions.

153. Value of customer cooperation.—A large concern selling filing equipment had so much territory allotted to each salesman that he was able to see only the principal prospects in each town. From the occasional inquiries coming in from smaller concerns, the company decided that they might be worth working. With that end in view they reapportioned the territory and gave each salesman only as much as could be worked intensively. The results were gratifying beyond expectation. The fact that the salesman could name large com-
panies in town who were using the equipment had great influence on the smaller concerns. Furthermore, office men in large concerns talked to those in smaller ones about the equipment and were very glad to recommend it when the occasion required. The influence and cooperation thus secured made selling to the smaller concerns an easy matter. This principle holds true all through selling.

The fact that certain big dry goods concerns have stocked up on a certain line will influence the smaller dealer to do the same. A president buying a certain article will influence the vice-president to buy it; the department heads will be influenced by the president and the vice-president. The names of the prominent people of the town on a list of purchasers, has a dollars and cents value. The general principle is to start at the top and work down; to secure first the business of that individual or that concern that will influence further business.

The salesman, then, should be loyal to the house and loyal to the customer. He should cooperate with the house and with the customer. Loyalty begets loyalty and cooperation begets cooperation. The salesman who satisfies the customer; who gets business in the right way; and who brings his customer helpful, business-building suggestions is cooperating with him in the best sense of the word. Influence and friendship govern almost every act of humanity. Unless the salesman can create influence, cooperation and friendship for his house and himself he will meet with untold difficulty and discouragement. He who can do these things will find both pleasure and profit in practicing the art of salesmanship.
PART III: SALES MANAGEMENT

CHAPTER I

THE SALES MANAGER—HIS QUALIFICATIONS AND DUTIES

154. The necessity for efficient sales management.—Sales management is distinctly a present-day problem. Not so many years ago the principal business houses of the country were distributors of staples. They sold goods for which there was an existing demand and the area in which they could sell was, to a great extent, limited by shipping facilities. Within these confines, they felt themselves entitled to a fair share of the business. The salesman was looked upon, therefore, as a man who merely called upon dealers and, by a system of back-slapping, story telling and general good fellowship, secured the orders that the dealer had to place. Furthermore, it was not realized that the methods of handling the salesmen from headquarters had much to do with the volume of business turned in by the selling force.

As a result, the sales department was looked upon as a sort of necessary evil, and the members of the selling force were likely to be considered more or less irresponsible personages, unfitted for the other, more serious departments of business, who had capitalized a roaming disposition and a pleasing personality. Their supervision was oftentimes left, either to the proprietor's promis-
ing young son, whose activities in this direction consisted principally of letters of carping criticism, or to the trusted bookkeeper who assumed charge of the selling force as a kind of side line and confined his supervision almost entirely to criticism of the expense accounts.

It remained for the sellers of specialties to show what could be done by an efficient and properly managed sales organization. Enthusiastic and properly trained selling forces, under the direction of men with a proper conception of the meaning and importance of sales management, have created markets for their products out of nothing—have succeeded in fields where it was necessary not only to make the sale but to educate the consumer and create the demand as well—have changed the antagonism of prospects into active co-operation—and have evinced a loyalty for their houses previously unknown in staple lines.

Andrew Carnegie is reported as having said at one time that if his business were taken from him, but his organization were left to him, it would be a comparatively simple matter to build up a new business; but to leave him his business and take away his organization would be a much more serious matter, as without the organization the business would inevitably fail and the building of a new organization, except by a gradual process extending over a long period, would be an impossibility. There is no phase of business in which this principle holds so true as in the selling end. The selling organization which is making a success of one product could, as a general rule, make just as large a success if transferred to another. To build a loyal and efficient selling force, and to create in it a proper spirit, is the work of months and even years.

The old order of management, only slightly modified,
still obtains in a great many staple houses. The small minority of staple houses which have applied specialty methods to their sales management, however, have been remarkably successful. As a result, the idea is fast gaining ground that, as production is, with few exceptions, unrestricted, the growth of a business is dependent on how much it can sell. This, in turn, is dependent upon the organization, training and management of the selling force. It is being realized more and more that the methods of managing the men in the field will determine, to a large extent, the volume of business they will turn in, the measure of their loyalty and enthusiasm, and the length of time the best of them will remain with the organization. This will have everything to do, too, with the extent to which new men of the right calibre are attracted to the organization. It can be set down as the first principle in the organization and maintenance of a successful selling force, that selling should be recognized as the most important part of the business.

155. The object of present-day sales management.—The first effect of the awakening to the possibilities of the new methods of sales management was the adoption of so-called "ginger up" methods. The sales manager installed was either a "good fellow," brought in off the road, who could "get the boys coming"; or a writer of "ginger" letters and "punchy" literature secured outside of the organization. For immediate results, these methods were probably as good as any. Enthusiasm, loyalty and the ability to make large sales, to be lasting, however, must have a more solid foundation. Enthusiastic letters and a house organ that will make the organization a closely-knit unit have their places, but they do not constitute the whole of sales management. The sales manager who would make a lasting success to-
day must have other abilities. His efforts will be directed to get, not the most, but the best out of his men.

156. Qualifications of the sales manager—rank and experience.—What then are the qualifications that the successful sales manager should have? If salesmen are difficult to find, sales managers are more so. First of all, he must have all the qualifications enumerated in Part II of this text as essential to the salesman. It is to these that the qualifications essential for a sales manager must be added.

It is desirable, though not essential, that the sales manager be an important officer of the firm; one with the title and authority of an executive officer is to be preferred. This insures close personal supervision of the sales department and, in addition, puts the department on a high plane of dignity. All of the sales department members will take more pride in their work and in their organization, and larger calibred men will be attracted to it than will be the case if the sales manager is purely a salaried man. This does not mean that the latter cannot be successful; it does mean, however, that he will be working at a disadvantage. This is true unless the man installed as sales manager has been a member of the selling organization and the members like and admire him and admit his superior qualifications.

It is better that the sales manager shall have had selling experience, preferably with the organization of which he has become the head. In the selling of important products of high value where the members of the selling force will be men of brain and capacity, previous selling experience may be considered essential. In the sale of less important, lower-priced products many sales managers who are lacking in selling experience have achieved success.
157. *Love of his men.*—We have previously said that the only way to handle men is to love them. This holds just as true for the sales manager handling his men as it does for the salesman selling the goods. And here, also, the love must be genuine; it cannot be counterfeited. Closely connected with this, the sales manager should be a keen student of human nature. He should know the foibles and short-comings of his men as well as their strong points. He should strive, without sarcasm, criticism or impatience, to eradicate the one and visibly appreciate the other. The successful sales manager will have the confidence of his men not only in matters of business, but in their personal and home relations also. He will visit the salesmen at their homes and will know the wives and families of the organization almost as well as he does the men themselves.

It is here that his selling experience will prove helpful. The man who has experienced the hard work, discouragement and grief incidental to selling understands the troubles of his men as no man can who knows these things only by hearsay. He will have a keen sympathy for the man in a "slump" that would otherwise be impossible. It is not even desirable that he shall have been uniformly successful in the field. One of the greatest reasons that the best salesmen do not ofttime make the best sales managers is that their uniform success makes them impatient and critical of the salesman who is meeting set-backs and who, therefore, most needs the help of the sales manager.

A sales manager cannot be autocratic. He will make a mistake if he attempts to put himself on a higher plane than the men in his organization. He will do well to remember that, while he is leading his organization, he must also be a part of it; for what he is looking for is team work. If he expects the men to be of the greatest
possible help to him, he is not through when he sees that they are properly compensated, no matter how liberal he may be in this particular. He should fraternize with his men and study them with the idea of bringing out their individual abilities and getting their best efforts.

158. Loyalty to men.—The good sales manager acts always as a buffer between his men and the other executives of the company, who are likely to be more calculating, less sympathetic and more critical. This is not a criticism of the other executives. It merely means that the sales manager, being closer to his men, and more keenly realizing the difficulties of their work, can make these things clear to the other executives in a way to soften their feelings toward the salesman who has just sent in a harsh criticism of the production department, who has protested against shipping or collection methods, or who has fallen off sharply in the volume of his sales. A great many sales managers talk about loyalty from the men and all of them expect it. They should realize that the men in the field look for loyalty from the sales manager. The sales manager who is loyal to his men will have loyal men about him.

159. Ability to maintain discipline.—While the sales manager must rule through love and not through fear, he must be able to maintain discipline in his organization. Otherwise, he will have men routing themselves through their territories in a haphazard manner, making any arrangements they please with their customers, going outside the bounds of their territories for business, or running into the house for trivial reasons when they should be out selling. The sales manager's chair, however, is no place for the martinet. Good salesmen do not necessarily need many instructions. They resent being hedged about with too many restrictions. They
question the wisdom of the sales manager's directing their work too minutely. The sales manager should as much as possible throw the men on their own resources and hold them responsible for results. Rules should be few and not too stringent. Under broad-gauged supervision this gives a freedom of action that encourages self-reliance, develops strong men and weeds out weak ones. The successful sales manager never has to drive his men; they stand ready to fight for him to the last ditch at any time.

160. Organizing ability.—The sales manager must in a large degree have a "teacher's mind." He must not only be able to select with great care men who can successfully sell his proposition, but he must labor continuously with the organization and with each individual salesman, giving instructions and showing how sales can be made. This is a difficult and tedious task, requiring infinite patience and continuous tactful effort.

Furthermore, the sales manager must be a man overflowing with ideas and possessing the talent to use the ideas of others. His desk should be a clearing house for selling ideas and arguments. He should have a knowledge of the goods sold, probably superior to that of any other man in the organization.

The sales manager must be able not only to develop men for the outside work of selling, but he must have a thorough grasp of the detail of his department and be able to develop under him in the office capable assistants. He should encourage those under him to exercise intelligent initiative and take the detail work off his shoulders. Otherwise, he will find himself without the time and energy to devote to the larger problems of his department.

161. Broad-gauged knowledge of business necessary. —The sales manager's influence on the product of his
house should be large, for it is he, who, by sifting the suggestions sent in by the salesmen, knows best what will sell. In like manner, he should be able to discuss advertising with the advertising man and, if necessary, to direct the advertising of his firm. He should be able to discuss finances with the financial man, and in this connection, should be able to give a close estimate of the amount of business that can be counted on for a given period. This estimate will be based upon an analysis of his selling force, man by man, considering their past performances and present momentum, and of general business conditions existing in the various territories where his men are operating. The latter indicates that he should have a sufficiently broad knowledge of economics, money and banking and trade conditions to read the financial signs of the times. In addition, he should have a knowledge of the fundamental principles of accounting sufficient to enable him to discuss financial statements with the auditor.

162. The true test of his efficiency.—Lastly, and probably most important, the sales manager should realize that his one purpose of being a sales manager is to get business. His one duty above all others is to keep his men in the right frame of mind so that they can give the best that is in them to the house. Sitting at a desk in an office, it is all too easy to lose sight of the difficulties of the men on the road. It is easy to get out of patience and become critical. When it becomes necessary to admonish a salesman, it is easy to dictate a sarcastic and "clever" letter. Every communication that goes out to the salesmen and every conference that the sales manager has with any of his men should be gauged by the question: "Will this put the salesman in a frame of
mind to get business?” If the answer is not an emphatic “yes” the communication should be destroyed, for that is the only true test of its efficiency.

163. Necessity of inter-departmental cooperation.—The sale of goods at a profit is the ultimate purpose of every organization, whether its primary purpose is the production of such goods, or whether it is concerned simply with the distribution of articles that are produced by others. Accordingly, the efficiency of the sales department is a matter of great importance to every other department of the business. This efficiency cannot reach its highest development unless every department cooperates with the selling organization to bring about the most economical and successful administration of the selling activities.

Selling does not, of itself, create value; it does not of itself produce the kind of article that customers want; it does not of itself insure prompt delivery, harmonious credit relations, or the right kind of service to the customer. All of these things and many others must be secured through the cooperation of the other departments of the business. To secure this cooperation is just as much a part of the sales manager’s work as to manage his men.

164. The advertising department.—The department most closely associated with the sales department is the advertising department. In some cases the man in charge of the advertising is subordinate to the sales manager and the advertising is handled in the sales department. In rare instances, the sales manager receives his orders from the advertising manager. The most common form of organization, however, is to have the sales and advertising handled by two separate departments directed by heads of equal rank. It is in the lat-
ter case that cooperation and harmony become necessary. Advertising and salesmanship are the chief factors in distribution and they should dovetail the one with the other.

Advertising is used generally to pave the way for the salesman, to facilitate his efforts and to supplement his work. It is obvious, therefore, that the advertising plan should not run counter to the selling plan. It goes without saying that such cooperation should not be one-sided. The advertising manager will often have a good idea of conditions in the field and suggestions for bettering them. The sales department should extend to the advertising department the same cooperation that is expected from it. This means above all else that the advertising plans, once launched, should have the ardent and sincere support of the selling organization, both in the office and in the field. The sales and advertising departments, in other words, should strive for team work that shall be to the best interest of the house.

165. The production department.—There are few times during the year when the orders produced by the sales department and the goods produced by the manufacturing end are exactly equal. The fact that the sales department has allowed the product to pile up during slack seasons causes the production men to become impatient with the sales department’s demand for increased output in rush times. The sales manager should endeavor to eliminate this lack of sympathy. All matters affecting output should be considered from the selling standpoint as well as from that of production, and the sales manager should see that the production men acquire the selling point of view.

Standardization is one of the best means of reducing production costs. Carried too far, however, it is likely
to reduce sales also. The sales manager should curb this
tendency toward over-standardization. He should know
sufficient about production, however, to realize the ben-
efits of standardization and to work in harmony with the
production manager toward the keeping down of costs.

It is quite a common tendency for a concern which
has built its reputation and sales by putting out a su-
perior product gradually to reduce the quality of the
goods. The sales manager realizes, probably better than
any one else, that if the house is to continue to secure an
increasing volume of business, it must hold up the qual-
ity of its goods. Any other tendency on the part of the
production end should be combated.

It may seem a far cry from the volume of sales to the
labor policy of the firm. The sales manager, however,
will realize that the labor policy is closely related to the
question of quality. If the policy of the house toward
its employees is a liberal one, there will be a spirit of per-
sonal interest, care and loyalty and a desire to turn out
the best product possible that will be lacking otherwise.
A house with a dissatisfied or frequently changing or-
ganization will find it difficult to keep up the quality of
its product.

166. The credit department.—While a settled policy
regarding payments and methods of handling credits
and collections is desirable, the sales department will be
seriously handicapped and a great deal of its work will
be nullified by a too rigid enforcement of credit rules.
The sales manager should see to it that the credit man
deviates from his rules in cases where it seems expedient.
It is very often the best kind of business to build up a
customer by extending a line of credit to a man of small
capital but large ability. It is frequently expedient to
help out with more goods a slow-paying, but apparently
reliable customer. It is important from the sales manager’s point of view that collection methods be softened so that customers shall not be lost in the process of getting in the money. While the final decision on these things must be left to the credit man, the credit man’s action on them has much to do with both the present and future volume of the concern’s sales. The credit department can be made a strong ally in increasing this volume.

Here, too, cooperation should work both ways. If the sales manager expects to have a credit department that shall work with him in increasing sales and a collection department that shall not kill sales, he must see that his men cooperate with these departments. It is upon the men in the field that the credit manager often must rely for information concerning the moral risk on purchasers of small capital. While the sales manager should jealously guard against his men’s time being taken up to too great an extent by work in other departments and work which is likely to destroy their selling opportunities, he should have the salesman handle all cases where the reason given for non-payment is that the goods or service was unsatisfactory.

167. Handling of complaints.—Those who handle complaints must have the selling point of view if they are to be handled with the care and breadth of vision they require. There is a constant danger that already existing trouble between the house and the customer will be made worse. Improper handling may totally break both confidence and business relations between the house and the customer. The sales manager should see that the house adopts a liberal and rational policy toward complaints. He should impress upon the handler of complaints that it is often better to acknowledge the cus-
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tomer right than to endeavor to prove him wrong. A liberal policy toward complaints is a great sales builder.

168. The service department.—Sometimes the salesmen are given more than goods to sell. They sell goods plus the service of the house to the customer. Usually, however, the securing of the orders is left to the sales department while the performing of the service is placed in the hands of a separate department created for that purpose. The service may take the form of repairs, replacement and prompt supply of extra parts, or it may take the form of counsel to the customer as to how best to use the goods, all depending upon the nature of the business. In many lines the service department opens its relations with the customer by acknowledging the order. Service is in many cases one of the salesman’s strongest talking points. The automobile buyer, for example, will always look into the service behind the car. Most makers of office appliances lay particular stress on the nature of the service that goes with their machines. The makers of the Ingersoll dollar watch are going a step farther and are organizing a service which has for its sole object the bettering of its customers’ merchandising methods. This improvement is not confined to their merchandising of Ingersoll watches. It is expected that the general improvement will have a favorable effect on the number of watches sold. The A. B. Kirschbaum Company is doing very much the same thing in the clothing line.

It is imperative that the members of the service department have the selling point of view. A service that falls short of the customer’s expectations is much worse than no service at all. The sales manager should see to it that a spirit of real helpfulness and sincerity pervades the service department. The service may be made
up of many little things that add to the comfort, pleasure, convenience, profit or safety of the customer, but do not cost the house much money or effort. Those in charge of the service should be made to see that it is the little things that create a feeling of friendliness in the customer and make him a booster for the house. This is an age of service and a house with a spirit of real service to its customers is built on a foundation that insures increased sales.

169. *Finances.*—A great many houses sell their wares on a deferred periodical payment basis, and almost all extend credit to their customers on more or less liberal terms. In all except a strictly cash business, it is imperative that the financial management look ahead and provide for the financing of every order produced by the sales department. That is, raw materials must be paid for in most cases before the finished product is sold, or, in trading companies the product sold must be paid for before payment from its customers are due. Where the volume of business produced by the sales department is fairly stationary and collections are ordinarily good, these expenditures will be taken care of by collections. With a rapidly increasing volume of sales, on the other hand, an ever increasing working capital must be provided if orders are to be filled promptly and the business kept in sound condition. This means that there should be close harmony and cooperation and a thorough understanding between the sales manager and the financial man.

170. *How cooperation is secured.*—The development of this cooperation between selling and other departments of a business cannot be left to chance. Unless an organization is composed of exceptional individuals, it seems to be natural for many of the employés to work
at cross purposes. Each department naturally is concerned chiefly with its own interests. Its members are prone to magnify the importance of their department and underestimate the importance of other departments. Inter-departmental jealousy and lack of cooperation are unfortunately characteristic of many establishments even when their organizations are highly developed and they have attained a large measure of success.

The problem then is largely one of human nature, and wherever this factor is met, the solution cannot be found by a resort to any merely mechanical methods. The function of system in business is to secure the greatest results with the least expenditure of time and energy. But no system, however well planned it may be or however carefully installed, can be effective in accomplishing its purpose unless those who are affected by it are in sympathy with it and are willing to cooperate with all fellow workers concerned with its operation. The human factor must always be considered; and no mechanical means will ever be devised that will take the place of tact in the equipment of the successful sales manager. There are too many sales managers who though tactful in handling their men and in dealing with other executives, often throw diplomacy to the winds in their dealings with other department heads and inside employés, and who allow a spirit of antagonism toward other departments to exist in those under them. Whatever other methods may be employed to secure departmental cooperation they must always be made effective by the exercise of tact on the part of the sales manager.

In addition to seeing to the establishment of systems that will keep him closely in touch with the progress of orders through the office and with any delays, complaints, or disagreements that may occur, the sales man-
ager should make it a point to tie other department heads and the general body of employés so closely to him that they will accord him their hearty cooperation just as do the men in the field.

171. The committee system.—Close friendly contact with the other men in the business is essential to the securing of the best cooperation. One form of this is frequent, informal conferences between the sales manager and other department heads. Another is the formal committee system by which each department is governed by a committee of which the active head is chairman, these committees reporting to a managing or executive committee of the officers. In this case, it is imperative that the sales department be represented on every committee, by the sales manager himself on the more important committees, and by one of his principal assistants on those of lesser importance. While it is not uncommon to allow outside representation on the sales committee, representation of other committees is secured and the sales department is given a commanding position by making the sales committee comprise the sales manager and all other sales department members of other committees.

The various advantages and disadvantages of the committee system of management need not be discussed here. Whether or not the committee system is in vogue, an inclusive committee of the principal employés, department heads and officers has been found an effective method of securing close cooperation with the sales department. The meetings of this committee may be irregular and their chief object will be to instil in the members the idea that individual success can be achieved only by cooperative efforts toward the success of the business as whole.

The sales manager who does not succeed in securing
this cooperation from all other departments will be fighting for business against heavy odds and will get but a fraction of the business to which the ability of his selling force entitles him. While salesmanship counts for much, and an efficient selling organization is essential to the success of the business, salesmanship without this cooperation in back of it cannot withstand salesmanship as good or nearly as good backed by prompt shipments, high quality and a satisfactory service to the customer. The sales manager who does secure this cooperation will be showing loyalty to his men in the highest sense of the word. He will find that it does much toward helping him keep a permanent force of high-class men; toward keeping those men working at the top notch of efficiency; and toward securing an ever-increasing number of satisfied customers for the house.
CHAPTER II
BUILDING AN ORGANIZATION—SELECTING MEN

172. Planning the selling campaign.—Before any steps can be taken toward the building of a selling organization, the plan of the selling campaign must have previously been mapped out and the trade channels selected in accordance with the principles laid down in the section of this text treating of Marketing Methods. Not until this has been done, can it be decided what type of salesmen will be needed. Calling upon small town dealers and taking orders for case lots will require one type of salesman and the selling of the same goods in carload lots to jobbers, another. The man who could place exclusive dealer agencies for a specialty would be of little use in a campaign requiring salesmen to go direct to the consumer with the same specialty. A man who is at home in the mining camps of the West would be out of place in a mining company’s executive offices in the East, although his mission in either case might be to secure a contract for blasting powder. This distinction works both ways. That a man can sell carload lots to jobbers, does not indicate that he would be successful in selling case lots to dealers. The successful specialty salesman might be a failure at placing exclusive agencies. The chances are that the salesman who was liked in the mining company’s executive offices would not get a spark of interest from the mine superintendent. The general principle to be observed is that the
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salesman should fit his territory and feel at home with the class of prospects upon whom he is going to call. He should be of at least equal calibre with his prospects, must know something of their ways and characteristics and should enjoy calling upon them.

173. Testing out selling methods.—In the case of a new proposition, the most important thing in developing the sales organization is to secure a few men who can test out the details of the selling plan previously determined upon, make such changes in it as may be necessary, suggest proper equipment, work out an effective selling talk and devise the details of personal selling methods; and who can, above all, set a pace and show what can be done in the way of sales.

This will be true in staple lines as well, because even here field methods must be worked out if the new proposition is to compete successfully with older lines. For example, a hardware concern, putting out a newly invented and ingenious knife sharpener, met with but little success in the way of sales by merely turning the proposition over to their regular salesmen as another item in the line. One of the best men was put on the proposition to make a study of it and work out successful selling methods. He found that in the few cases where sales had been made the knife sharpener had not moved from the dealer's counter. He worked out a method of taking the knives of the dealer and his clerks and sharpening them with a few deft moves. When he had aroused their interest, he encouraged them to try it on his knife. He then secured a good-natured but sincere promise from the dealer and his clerks to make at least twenty-four demonstrations to each dozen of the sharpeners. His second visit to the dealers a week later revealed the fact that the sharpeners moved rapidly un-
der the new method and that the dealers, as a consequence, were ready to reorder. This method, passed on to the other salesmen of the concern, resulted in every one of them being able to make large sales of the sharpener. A great many sales opportunities are missed because special selling methods of this sort are not worked out.

174. Pacemaker and new men.—A man of the type described can be very helpful in studying the product, helping devise sales literature, and preparing the material with which to train other men. His experimenting is so important that the sales manager developing sales for a new commodity can well afford to spend some time with him in the field. In that way only will the sales manager be able to strengthen the weak points in his planned campaign. It is better and more conservative to give this salesman time to get into the producing class before trying to put on other men.

The new men engaged will be at first of the same mature and able type as the pacemaker. And in some cases this testing out for the best selling methods extends over a long period of time. As the article becomes established, however, the selling methods become more or less fixed and the methods of training new men become thorough and well established. When this point is reached, the type of the men required to sell the proposition gradually changes. They can be less mature. They do not ordinarily need to be so well compensated at the start. Men with no previous selling experience can be trained and developed. Eventually the type of men desired is definitely determined and the methods of their selection also become more or less well defined.

175. Sources from which salesmen are secured—advertisements.—The first method that one thinks of for
getting into touch with recruits for the sales force is advertising. It is possible to get some very good material this way. Sales managers are divided as to whether it pays to use the classified columns of the newspapers. Some hold that applicants from this source are usually unfitted for the work. Some very good results have been obtained from high-class papers, however, and especially from such sources as the "Blue List" of the New York Evening Mail. Trade papers are often used because they secure applicants who are trained in the particular line for which salesmen are desired. A particularly wide awake and ambitious class of men are secured from classified advertisements in such mediums as *Printers' Ink*, *System* and *Advertising and Selling*. The fact that they read such mediums marks them as especially good material.

Care should be taken with the wording of the advertisement, especially if it is run in a newspaper. It is possible to eliminate undesirable applicants by stating the qualifications expected in the salesman, by stating the minimum expected earnings of the man desired, or by playing up the dignity of the connection. The American Can Company in recruiting its adding machine sales force found that a classified advertisement, stating that it wanted salesmen on a commission basis, brought a very poor class of applicants, whereas a later ad in two New York papers, mentioning that a small salary would be paid while learning, brought a larger number of inquiries of a higher order.

The Buck Stove and Range Company some time ago ran the following advertisement in newspapers in various parts of the country:

"Attorneys wanted as traveling salesmen. If not satisfied with your profession, why not enter the com-
mercial field? We desire the services of several educated men of good appearance and address. A splendid opportunity for energetic, ambitious men."

The company explained this advertisement by saying that a great many bright young attorneys found it difficult to get along in their profession and that the company, if given men with trained thinking powers, could make high grade salesmen of them.

176. Securing salesmen from the inside organization. —The selection of sales material from within an organization insures the recruit knowing a great deal about the product he is to sell: For this reason this is a good plan in the sale of intricate or technical commodities. One large mechanical specialty house follows this plan almost entirely. The sales manager picks the likely men from various parts of the organization, calls them into his office, tells them that they are being trained for the selling organization and then puts them to work in the shop for a course of training.

Sales Manager Taylor of the American Steel and Wire Company makes the statement:

"We hire our office boys with a view to their becoming salesmen and then develop them in the office. In picking the boy, we get those of big stature, coming from good families and having a grammar school education. By promoting our men from office boys to salesmen, step after step, we find that they stay with us and feel that the experience they have in our office is a reason for making their future with us."

The Sherwin Williams Company of Cleveland also recruits its selling force largely from the inside ranks. The sales manager of the Winton Motor Car Company of Cleveland states that many of his best salesmen were
developed from chauffeurs and mechanics who understood both the car they were selling and human nature.

177. From competing organizations.—Unless the salesman comes to the sales manager of his own initiative, this is rather an unsatisfactory method of recruiting the sales force both because its ethics may well be questioned, and because the salesman who shows disloyalty to one house by going over to a competitor, may show disloyalty to another. There are exceptions to this, however, and the probable value of a man secured by this method may be more or less accurately gauged.

178. From non-competing organizations.—A good recruiting ground is the non-competing selling organization which for some reason or other is not doing sufficient business to hold its good men. For example, when, at the opening of the European War, the stock exchanges were closed and the bottom fell out of the bond market, the Addressograph Company of Chicago got in touch with a number of men selling bonds on commission, and secured a number of good men. The bond salesmen, being accustomed to meet men of prominence, took readily to selling addressographs to large users.

One of the most successful sales managers in the automobile business recruited his sales force in the early stages of the industry by sending inquiries regarding specialties, such as safes, typewriters or adding machines and having the salesmen call upon him. If, in the course of the presentation, he saw the ear marks of a real salesman, he would offer the salesman a connection.

Mr. J. K. Fraser, who had a good deal to do with the early success of Sapolio, used to make it a point to ask friendly customers about the men who called upon them from competing houses, or houses in other lines, and quite often he picked men in this way.
A large eastern concern has but recently devised a plan that promises big results. Publications such as the Saturday Evening Post, The Ladies Home Journal and Current Opinion publish the names and sometimes the photographs of those young men who are most successful in selling subscriptions while working their way through college. The concern mentioned feels that these are young men of good character and proven selling ability and is writing to them offering a selling connection.

179. Through missionary work of the salesmen.—If the members of an organization are loyal and proud of their connection, they will continually be on the lookout for recruits among the men they meet on the road selling other articles, among clerks or others whom they meet in the course of their work, and among their friends. In many lines, considerable experience has indicated this to be the best method of getting new members of the selling force. It also allows of a gradual, unforced and therefore healthy, growth. To quote Mr. J. K. Fraser again:

"I think it is safe to say that in most cases the best men recruited through the missionary work of the selling organization. The best men we get come from the recommendations of our salesmen and are in most cases their personal friends, attracted by the success they are meeting in selling our line. On the assumption that 'birds of a feather flock together,' we find it pays when we get one strong salesman to look up his friends. In most cases they are of the same calibre and have the same qualifications, so that when they are employed they make equally good salesmen."

The National Biscuit Company finds some of its best men in the grocery stores where its products are sold
over the counter, and their salesmen are instructed to keep a weather eye open for good selling timber. The plan enables the company to get men who will work hard to make good because they feel that they are stepping upward. Most of them, too, are satisfied to make their future with the organization or, at least, will stay with it a good many years.

Some specialty houses requiring a particularly high grade of salesmen, offer the members of their forces a bonus for securing a salesman who makes good.

180. College men.—Some concerns for one reason or another desire college men on their sales forces. With this end in view, advertisements are placed in college papers such as are published at most of the large universities and read both by the students and alumni. College secretaries are written to and asked to put the firm touch with recent graduates, especially men who worked their way through college. One large firm requiring salesmen possessed of a broad-gauged knowledge of business, keeps in close touch with the employment bureaus at the various university schools of commerce throughout the country. Another concern sends the university year books put out by the student bodies and containing pictures and biographies of the members of the graduating classes. These pictures and the biographies furnish a basis for selecting those to whom a selling connection will be offered.

181. Necessity of previous selling experience.—Naturally men recruited from the colleges in this way can have had little or no previous selling experience, except possibly in the sale of small specialties during vacations. Men selected from inside the organization will have had no previous selling experience. The lawyers selected by the Buck Stove and Range Company will have had
no previous experience in selling other than practicing the art of persuasion in courts of law. To insist upon previous selling experience was formerly a hard and fast rule in many concerns and still is in some. A great many progressive houses, on the other hand, have come to look upon lack of previous selling experience as an advantage rather than a drawback. There are no false ideas or mistaken impressions to be routed out before the recruit can be instilled with the ideas, ideals and policies of the house. His mind is virgin soil. The man trained to sell one thing and who has never sold any other is not likely to jump from one organization to another as is the man whose varied experience gives him confidence in his ability to sell any commodity. Finally, and most important, the firm that trains the man of no previous selling experience gets his first loyalty and enthusiasm. It is the exception where the salesman can give loyalty and enthusiasm that is as high and as steadfast to any other than his first proposition.

182. Methods of selection.—If the sales force is to be kept fairly permanent and the turn-over necessary to keep its ranks full is to be low, and if the training process is not to be wasted on poor material, great care must be taken in the selection of new salesmen. Just as there are those who claim that the salesman may determine what manner of man his prospect is by observing the contour and profile of his face and the shape of his head, there are some who claim that salesmanship may be detected by a species of character analysis. A man who has been very successful in the selection of salesmen has a theory that long tapering fingers with plenty of "back action" are indicative of tact and diplomacy, and that a head thrust well forward denotes keen observation. One of the largest automobile companies in the
country is basing the selection of its salesmen to some extent on an observation of the nerve centers of the hand. A number of such theories and systems for the selection of men exist and are more or less systematically followed by some sales managers in their selections. President Cottingham of the Sherwin-Williams Company says, on the other hand, that no hard and fast rules can be laid down in hiring the successful salesman. All one can do, he continues, is to come as close as possible relying on common horse-sense to steer him straight. And a large majority of the ablest sales managers agree with him.

This does not mean that the applicant cannot be measured with great care against the essential qualifications for a salesman laid down in the section of this text on Selling, nor does it mean that there are not certain definite methods of securing information on which a sound judgment may be based.

183. How does he sell his own services?—There is probably no better way of finding out what ability a man may have as a salesman than to observe him closely in his efforts to sell his services. What sort of a presentation does he make? Are his facts well marshalled and his selling points well stated? Sales managers are adopting this more and more as one of their most important methods in selecting men. The sales manager will make a mental note of the applicant’s first impression upon him. He will, in the course of the interview, endeavor to discourage the applicant’s aspiration to join the organization. Then he will observe closely just how the applicant acts under this discouragement. A manager for a big life insurance company tests a man’s determination and self-confidence by picturing to him the darkest side of selling life insurance. He tells the man of the countless hundreds who fail, of the rebuffs
he will meet and the discourtesy he must face. If the applicant appears discouraged by this recital, he shows his unfitness for life insurance work.

Another sales manager who places ambition high among the essential qualifications of the man who is to join his force, uses a carefully chosen list of questions. The most important one is that asking the applicant why he thinks he can sell the commodity in question. The answer does much to reveal the man's attitude toward salesmanship and leads into an unguarded discussion of the applicant's ambitions.

184. Preliminary correspondence.—It is usually advisable to have some preliminary correspondence with a prospective salesman. If the applicant lives at a distance, the formal application which the prospective salesman is to fill out should follow. The correspondence and the application will serve to determine whether the sales manager is justified in going to the expense of inviting the applicant into the office for a personal interview. When the applicant is situated where he can reach the sales manager's office with little or no expense, the invitation to call may follow the first letter. Then the formal application will be turned over to the applicant after the first interview with the request that he either send it in or bring it in person.

185. Interviewing the applicant.—The first interview should be a friendly, disarming one and should be interspersed with such questions as have been indicated and others of a similar nature. The applicant should be encouraged to give an accurate account of his business life and the sales manager should take care to observe that no lapses of time are left unaccounted for. The question as to whether or not the applicant stands ready to furnish a bond is a good one, irrespective of whether or
not a bond is required. The reason that a man gives for wishing to make a change will furnish an interesting side light on his character and show up any deceit that may be in him. The truthfulness of his answers can be gauged by their straightforwardness. To quote Mr. Cottingham again:

"In selecting salesmen I endeavor to find out whether the applicant is dead in earnest in seeking a position with us. I try to find out if he has a consuming desire to make a success of himself in the world or if he is merely looking for a job. I want to know if our business and the position he seeks, appeal to him as the right place to work out a business career."

The applicant's resourcefulness may be tested by placing before him some situation commonly met in the field and asking him how he would handle it. For example, the Addressograph Company selects some dealers in the trade with which the applicant is familiar. An imaginary solicitation is described, carrying the applicant up to the point where the dealer makes some such statement as: "I can fully appreciate the value of your proposition, but I have been in this business now for forty years, and as you see, have the best business in town. I have never advertised at all, yet my competitor down the street spends a great deal for publicity of all kinds and does about half as much business. So you see, I would not consider it, and even if I were inclined toward advertising, my clerks can do the addressing in their spare time." The applicant is then asked how he would handle this situation. His answer, though it is not expected that it will be a finished one, will show how resourceful he is.

The sales manager should have the applicant come
back to his office several times on one pretext or another to discover whether or not he "wears well." This is especially important if the line is a staple one where customers are sold repeatedly, for here the personality with lasting qualities—with the capacity for making and holding friends—is of vital importance. It goes without saying that the specialty salesman, too, should have qualities that wear well. It is a good idea to introduce the applicant around the office and pass him from one to another for short friendly chats so that their impressions may be added to those of the sales manager.

186. References.—Just as soon as the formal application has been turned in, the references given by the salesman should be written to. There is a great diversity of opinion as to the value of commendatory letters from those to whom the applicant refers the sales manager. It is contended that there are but few people who will give any but a favorable reference in such a case. It is true that most references will not contain a bald statement of any bad qualities that the applicant may possess. They will be for the most part good, but there are different degrees of good. The sales manager will have no trouble in distinguishing between the genial letter which condemns by faint praise and the sincerely enthusiastic letter that indicates a good opinion. Furthermore, the character of the references given will do something toward showing the applicant's standing or lack of standing in his community.

187. Application blanks.—A form of application for prospective salesmen which is in use in the sales department of a highly successful specialty organization is here given and recommended for use with such changes as the individual business may make necessary.
PROSPECTIVE SALESMAN'S RECORD BLANK

(Ordinarily this blank should be accompanied by a letter setting forth more fully your experience, aims and personal characteristics.)

Name in full ............................................................................
Temporary address (how long) ..................................................
Permanent address ..................................................................
Age .............. Height .............. Weight.................................
Married or single ...... Nationality...........................................
Present occupation ..................................................................
Name and line of business of concern you are with ..............
Where and in what way have you been employed during your last five positions?

(Give the last place on the first line and work backward)

<table>
<thead>
<tr>
<th>Date</th>
<th>Employer</th>
<th>Business</th>
<th>Address</th>
<th>Position</th>
<th>Salary</th>
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<tr>
<td>5</td>
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Give reasons for leaving each employer. Answer each separately and specifically

5 .........................................................
4 .........................................................
3 .........................................................
2 .........................................................
1 .........................................................

Can you furnish a bond? .........................................................

Education .................................................................

What have you studied since leaving school and how much?

What do you read regularly? .............................................

How do you use your spare time? ......................................
Business experience .................................................. 
Give three references ................................................ 
Have you ever had a serious illness? ............................. 
What is the state of your health at present? .................... 
Are you an occasional user of alcoholic beverages? ........... 
What and how much? .................................................. 
Are you a member of any club or society? ....................... Specify. 
Average earnings per week for last year ....................... For last two years ......................... For last five years ................... 
How much income must you have to meet your necessary living expenses? ..................................................... 
What amount of earnings would satisfy you? .................... 
Do you believe in saving any surplus? ............................ 
Reasons for changing occupation .................................. 
Why are you a salesman or why do you desire to become a salesman? .......................................................... 
What do you consider your strongest qualifications in selling? 
What do you think you lack? ........................................ 
Reasons for wishing to connect with this concern ................ 
How soon could you actively take up our work? ................ 
Territory preferred ..................................................

188. Young men preferred.—Taking into consideration the maturity and calibre of the men that may be required to sell a certain proposition, young men are to be preferred as recruits. Young men have a longer period of service with the firm in front of them. They have greater possibilities for improvement and development than older, more set men. The money invested training a man twenty-seven years old is much better spent than the same amount would be in training a fifty-year-old man who could turn in the same amount of business per month. Furthermore, there is always a chance that an applicant who has not made a good connection before he is thirty or thirty-five years of
age, may have some qualifications that go toward making him a disloyal salesman or a drifter. The drifter may be a good salesman and may be doing himself good in his drifting, but no sales manager wants to turn his organization into a training school. Other things being equal, recruits should be picked whose futures are before them and who are willing to cast their lots with the house.

This matter of selecting men for the selling organization is one that may well take some of the sales manager's valuable time and best energy. Every man who comes into the organization, takes the training provided and starts out for his territory, represents an investment of actual dollars and cents. Every time a salesman leaves the organization the money invested goes with him. Then, too, it costs just as much to pay the expenses of a mediocre or unsuccessful salesman as it does a successful one, and the overhead properly chargeable against his handling from the office is often larger. Furthermore, territory and prospects are distinct assets to any house. Few houses can afford to have their prospects worked over and over or to have their advertising backed up by any but the best salesmen obtainable.
189. The need for training methods.—A sales manager for a cotton print house who had been ridiculing the idea of spending time and money to give new salesmen a definite training course, stated when questioned that on an average one in ten of the men he added to his selling organization eventually made good. Contrasted with this, the sales manager of a high grade specialty business, whose training methods were under discussion, was able to point to a class of twenty men turned out six months before, all the members of which were still with the concern and producing business. There was a time when a man with more or less natural selling ability was hired, given a sample case and started for his territory with a few parting instructions. This method is recognized today as being wasteful, both of salesmanship, material and territory. The salesman as well as the sales manager realizes the advantages of formal training preparatory to field work and, with few exceptions, the able salesman joining a new organization will welcome the opportunity to enter the training class.

190. The man in charge of training.—Too great emphasis cannot be laid on the necessity of having in charge of the training class a man who will command the respect and friendship of its members. He should be a man who has seen active service in selling the company’s product. He should have a thorough knowledge of that product, a thorough knowledge of the best selling methods as worked out by the men in the field, and a
thorough knowledge of the fundamental principles of salesmanship. Added to this broad knowledge, should be a teacher’s mind and the ability to lay out comprehensive and interesting lectures. If the sales manager cannot find an assistant who measures up to these requirements, the training class is of sufficient importance for him to take charge of it personally.

191. Divisions of training.—There should be two main divisions of the course of training: instruction at the home office, and coaching in field work. The house instruction may be further divided into a study of the fundamental principles of salesmanship and a study of the selling methods of the particular product in question, the house policies, and any special subject a knowledge of which may have been found essential to the selling of the product. The coaching in the field may also have two subdivisions; the making of presentations to actual prospects by the recruit and having them criticized by the coacher; and watching the coacher make presentations and close business.

Little need be said here of the training in the principles of salesmanship. A course of instruction can be planned from the material on the subject contained in this textbook. The methods of handling the other portions of the house training and of handling the field training, we shall look into in some detail.

192. House training; preparing recruits for class work.—The general practice is to convene training classes at certain times of the year. The prospect of a busy season or the planning of an extensive campaign will in some cases dictate the time. It is obviously bad to complete the training of the new men during a period when business is dull or sales are difficult. For example, the month of July is a low-peak month in
specialty selling, and placing new salesmen in their territories at this time might discourage and spoil good men. A vast experience has proved that the best results will be obtained by bringing the new men into the annual sales convention and convening the training class immediately after. The enthusiasm and knowledge gained at the convention will thus supplement that secured in the training class. New men handled in this manner get started much more quickly and do a larger volume of business than men trained at other periods of the year.

Usually the men who are to be trained are picked out at least a month prior to the date set for the convening of the class. From that time forth, the new men should get letters from the house daily just as do the old men, and should receive the house organ regularly. In addition, the instructor will save a great deal of valuable time by giving the students during this month a preliminary course of instruction. Each day a piece of the house literature will be sent accompanied by a warm, friendly letter pointing out the strong selling points it contains. It is made plain that quizzes on each of these pieces of literature will be held during the house training. If a standard presentation is to be committed to memory verbatim, this should be sent out.

Then the equipment which the salesman will carry with him into the field should be sent piece by piece. Its use will already have been explained in the standard presentation. One concern, in order to give this procedure an imaginative appeal, sends first the leather bag in which the equipment is carried and then gradually fills the bag. The letters accompanying the various pieces emphasize this "filling the bag" idea. The prospective salesman should have his complete equipment at
least two weeks before coming into the class, so that he may practice his delivery of the standard presentation with the equipment, producing and handling each piece at the proper time and in the proper manner.

If the salesman is to be required to give this talk verbatim before going into the field, it will be well to insure his getting an early start on it by making his ability to deliver it satisfactorily an entrance examination to the sales training class. He should be requested to call upon the instructor several days before for this examination. If this is not done, the prospective salesman will delay committing his talk to memory. Then either one of three things will happen; his entrance upon field work will be delayed, he will go to his territory only half prepared, or the nerves of both student and instructor will be worn to a frazzle by forced study.

The National Cash Register Company, instead of selecting untried men for their training classes, invite only those to come to Dayton at the expense of the Company to attend the sales school, who have made good selling cash registers under the direction of a district manager or a sales agent for a period of six months. Where this method is followed, a great deal of this preliminary work will be unnecessary. This applies also where new members for the sales force are secured from within the organization.

193. *Opening the training class.*—After the man who is to have charge of the class has given a brief talk outlining the ground to be covered, there should be a speech of welcome by the sales manager and a talk on opportunity and house ideals by the biggest company executive available. Throughout the training course, the men in charge of the various departments should address the class. There should be a talk by the head of the service
department, promising to cooperate with the men in the building of sales. The credit man should discuss credit risks and point out ways in which the salesman can cooperate with him. The man in charge of the advertising should explain how the salesman may take the utmost advantage of the house's publicity. It will be found advantageous to make arrangements for executive officers and department heads to have lunch with the members of the class. At these luncheons informal discussions arise, friendships are formed and the new men get on a friendly footing with those in the organization who will handle their business. The spirit of loyalty which is engendered in the new men and the knowledge of house spirit and house ideals that he gains in this way are among the most valuable things that he can carry into the field with him.

194. Special instruction in different lines.—There will be some special subjects related to the product in which the new salesman will need instruction. The nature of this instruction will depend entirely on the nature of the product. For example, men selling loose-leaf devices will be instructed in accounting principles and be given at least a talking knowledge of loose-leaf accounting systems. The National Cash Register Company men are shown how to investigate and analyze different types of business with the idea of introducing cash register systems. The training system of the Willys-Overland Company provides for the student's spending half of each day during the month's training in the shop or laboratory, studying construction, engine details and tensile and torsional strengths of axles and other steel parts. The necessity for a knowledge of such related subjects should not be overlooked in the training course.
195. *Studying selling methods.*—Under this head methods of organizing and working territory should be discussed. The best sales plan and selling talks worked out by the salesmen in the field should be taught. The usual objections met should be brought up and the best answers to them given. The appeals that have proven most successful with special classes of prospects should be gone into. If these matters have been put into a selling manual, as will usually be the case, this manual may be used as a text book for this portion of the course.

During the week each member of the class will be required to make at least two complete presentations of his proposition to one of the other class members. When each presentation is finished, the man who has made it is given the first opportunity to criticize. Then the man in charge of the class, who has made notes during the presentation, gives his criticisms. Then there follows an open discussion on the presentation, all members taking part.

196. *A talk from the star salesman.*—One or two of the best salesmen—men who have been responsible for the working out of some of the selling methods and who are big producers—should be brought in to address the men. Care should be taken that these be men who will be able to impart information to others and who are capable of giving strong, enthusiastic talks to the new men. If such men as these are available, their instructions to the men on how to sell will carry far more weight than those of the instructor or even of the sales manager.

197. *Length of course and size of class.*—The length of the course of house training differs widely with different companies. A week is probably the most usual duration of the course. When highly technical knowledge must be imparted or when the recruit is picked
from inside the organization and put through a course of training which carries him into every department of the shop, the period will be much longer. The general tendency is to spend all the time that may be necessary to equip the men thoroughly before they go to their territories.

The class may vary in size considerably. Experience has proven twelve to be a good number for a training class. When the class gets larger than this it begins to get unwieldy. A class of this size, on the other hand, is just as easily handled as one not so large.

On the last day of the house training, the sales manager should call each of the class members into his office for an individual consultation. The class is then formally closed by an address by the sales manager or other executives of the company. Following this, if feasible, it will add a fine touch to call a meeting of the entire inside organization in honor of the new men. During the meeting each of the new men will be called upon to talk; and the office organization will wish them godspeed and assure them of hearty cooperation.

198. Field training.—In organizations having local managers in various territories, the common practice is to depend upon them to give the training school graduate his field coaching. This method is usually satisfactory because the local branch managers are generally good salesmen, good teachers and men who insist upon the rules of the house being observed.

199. Essential qualifications of the coach.—Great care should be taken in selecting a coach for new men. He should be a man who can be depended upon to secure a satisfactory volume of business. He will have to be able to secure this business with the new man sitting behind him during the interview. A great many
men who can take business are unable to do it under these unusual conditions. It is also necessary that his business be taken according to the methods taught by the house. The man who sells almost entirely by reason of a wonderful personality can do the new man but little good as a coach. The man who has worked out methods other than those of the house, will only confuse the new man. It is important that the coach be a regular, systematic hard worker; otherwise the opportunity to inculcate habits of hard work at the outset will be lost. He should be a man who will pay strict attention to the rules and policies of the house and insist on the new man's doing the same.

200. *Various methods of coaching.*—In many instances, the salesmen who originally worked out the selling methods for the product are used to train the new men. Quite often, however, these men may not be suited to this work for one of the reasons enumerated above. Some houses have men who do nothing but coach. When they are not breaking in new men they visit around among any of the older salesmen who may be running a little low in volume of sales. Where such a man can be kept busy, this is a good method. A man who is suited to the work can be picked and can then be given considerable experience in it. The inherent disadvantage of the plan is that, in the putting out of a class of ten or twelve men it will be impossible for one or even two or three men to coach them all within a reasonable time.

201. *Using salesman in territory as coach.*—A method more widely followed is to distribute the new men around among the better salesmen in the field. The new man stays with the older salesman for a week. The man in the territory receives extra compensation for giv-
ing this training. For example, in high class specialty lines, the older salesman is paid a fixed sum in addition to his commission for a week's coaching. While this method has worked satisfactorily, it is likely to have some disadvantages. The salesman to whom the new man is sent may not work hard, regularly, or systematically, and thus will not instil proper habits in the new man. He may be careless about carrying out little instructions of the house. He may sell on personality or by different methods from those taught the new man. He may not be able to sell with a third man present, or may dislike having to do it. Furthermore, the average salesman is unable to sit calmly by while a cub practices on a good prospect.

202. Group methods of field training.—Under the right kind of leadership, it is possible to coach the class in a body. A town, or closely-knit territory containing a sufficient number of prospects to keep a dozen men busy for a week, is selected. The assistant sales manager or possibly the sales manager himself will take charge of the body and should call at least one other good salesman from the field to assist him in the coaching work.

Arrangements should be made to have the party reach the territory Saturday evening or Sunday morning, thus making the point with each individual salesman that he should always plan to reach a town at a time that will allow him to do the necessary preliminary organization work without the loss of any prospect-seeing time. The territory is organized just as the individual salesman will be expected to organize his territory when he reaches it. Names of prospects are secured from the general directory, the telephone directory and other sources, and put on prospect cards. In some lines the
coach will secure a file of local newspapers for at least two weeks back and instruct his charges to read several of them so as to get into the environment of the town and to give them a knowledge of its activities and its people. Sometimes, too, a reading of the newspapers will result in definite leads, or will give additional information on those secured from other sources.

203. Laying out the field.—A map of the town should be cut up according to districts, the prospects secured laid out according to these districts, and each man assigned a district. A map of his district is given to each man so that no time will be lost in getting acquainted with the geography of the town and no long distances will be traveled between prospects. All of this preliminary organization work can be finished by Sunday afternoon and the party will be ready to go out in several different groups to get a knowledge of the territory by actual observation.

The whole party will thus be ready to start work without delay the first thing Monday morning. The assistant sales manager and the salesman who is assisting him will each take one of the new men for the day. Each subsequent day they will take different men. Then, so far as is practicable, the man who has spent a day with one should be given the advantage of a half day with the other. The men who are not working with the assistant sales manager or the other coach, will work without assistance.

204. The week’s program.—The members of the party should be instructed to make out their daily reports at the close of each day just as soon as they return to headquarters. Then, while they are still warmed up, they should plan their work for the following day. A half serious rule that no man be allowed to get to the
dinner table until he has performed this work will be found effective. The idea here is to insist from the start on business-like habits that make for success. A standard for a day's work may be set, thus forming the habit of hard, consistent work six days a week. After dinner, an informal discussion of the day's work should be held.

During the week, each new man will have had an opportunity to see business taken by one or the other of the coaches, and most of them will themselves have taken business. They go to their respective territories at the close of the week, therefore, seasoned men. Probably the biggest thing in this method of training is the spirit created. Under the leadership of a man who can fraternize with the members of the class, it will be a week not only of hard work but of good fellowship and harmony. At parting there will be promises to remember always the week spent together. The members of the class will promise to correspond with one another. Small organizations of the different training classes may be formed and the new one pitted against the record of those which have gone before. A spirit of friendly rivalry between members of the groups may be engendered. Above all, a group of men will go forth thoroughly trained to business-like habits and to house rules.

In a great many lines, this group method of coaching is not feasible because of the great area over which prospects are spread. In the case of a specialty organization where individual sales are difficult, there is always the grave danger of the coaches failing to make sales with the new men behind them, in which case the whole class will be affected disadvantageously. When the new men are spread around, on the other hand, the failure of one coach would affect only a single man. The
group method has the further advantage of being considerably cheaper than individual coaching where fifty dollars is the fee for the week.

205. Principles of coaching.—The new man is coached by being brought right into the prospect's place of business and allowed to listen to the coach make an actual presentation. The coach, after having greeted the prospect and introduced himself, should introduce the beginner. He will have previously given the beginner instructions to get into the background immediately after the introduction, preferably somewhere behind the prospect where he will not be seen during the interview. The coach then proceeds just as though the beginner were not with him. He must become adept at forgetting that the third man is present.

It is a fundamental principle of coaching that the coach should stay with the new man until he has produced satisfactory business and made some headway in opening the territory. For this reason, it is not well to set a definite limit on the time for coaching a man. The coach's task is not, however, merely to take business in front of the new man. It is just as important to allow the new man to make presentations and endeavor to close business. After each of these presentations, the coach should criticize the beginner's methods and make suggestions for their improvement. The beginner, too, if possible should have taken business before the coach leaves him.

Usually the work of the coach either makes the one who is coached enthusiastic and develops him into a producer, or it discourages him and leaves him a non-producer. The coach consequently should guard against such possible ill-effect and should endeavor to instil into the new man habits of hard work and loyalty, as well as
of thought and study, especially of the commodity that is being sold.

206. *Cost versus results.*—The cost of putting each individual salesman into the field under the training that has been described, is much higher than under the former method of sending the salesman out the same day he was engaged. The results warrant the outlay, however. Under the old methods, only a small fraction made good and showed a profit for the house; the carefully selected man who fails to become a producer under the new method is an exception. The money spent on equipping and starting the nine out of ten men who failed under the old method, was a dead expense. The money spent training men as they are trained today is an investment—and an investment which pays large dividends.
CHAPTER IV
THE TRAINING OF RETAIL SALESMEN

207. "The salesman is the store."—When you stop to consider that there are approximately fifty thousand sales people in the department stores of New York City alone, it is evident what possibilities there are in the training of the young man or young woman behind the counter to represent more effectively and more truly the merchants themselves. Add to New York all the cities of the nation and then all the retail selling organizations of whatever nature, from the general store at the country cross roads to the chain store organizations, such as the United Cigar Stores Company with their thousand stores at strategic points; then add such groups of department stores as those affiliated with the Claflin interests or with Marshall Field, wholesale and retail; and you get some idea of the hundreds of thousands engaged in retail selling in the United States. They make or break the store; yet how strange that the opportunity to help them "make" the store has been so long overlooked, or at best handled in such desultory fashion by the great majority of retailers.

True, there have been noted exceptions, particularly during the last decade or two; and true also that in every such case, striking success has followed. One of the most evident examples is that of the United Cigar Stores Company. Everyone knows how their business has been built in a decade into one reaching practically every large city in the United States. That which more
than anything else accomplished this was their system of training their salesmen. That the same methods are fundamental to all retail selling and just as applicable to one as to another is evidenced by the fact that the United Cigar Store system of training retail salesmen is now being applied to the one hundred stores of the Riker-Hegeman Drug Company and is producing just as striking results.

208. The same principles of salesmanship.—What are these methods? Simply the application of the usual pedagogical principles to the instruction of sales people, with due allowance for differences in local conditions. The material of instructions is identical in large part with that used in the training of specialty salesmen; for the fundamental principles of selling are identical, whether the product be safety pins or steel rails, and whether the sales person be an eight-dollar a week girl just out of public school or an eight-thousand dollar traveling salesman.

The task is worthy of the best thought and effort of some man of broad training who holds a position of standing in the organization and who at the same time has actual teaching ability. In the United Cigar Stores Company it is under the immediate direction of the Vice-President in charge of sales; in the department store of Wm. Filene’s Sons, of Boston, Mr. A. L. Filene gives it his personal attention; in Wanamaker’s one of the assistant general managers gives a large part of his time to the work. The difficulties of the task are proportionate to the possibilities in the work; so it cannot be entrusted to a novice.

¹Some account of this is given in the lecture in the Modern Business Course and Service on Retail Store Management by Mr. H. S. Collins, who was the Vice-President in charge of sales.
209. *The department store as an example.*—The department store will probably serve as the best general type. Here the training begins immediately after the details of employment have been arranged. At that time the educational record card is made out, and with that in hand, the new clerk reports to the educational department. Figure A is the form used at Filene's in Boston and may be considered typical.

210. *Explaining the store policy.*—A group of new sales people are collected in one of the instruction class rooms by the person in charge of the educational work or by one of his assistants, and a general lecture on the history and policy of the store follows. Here is the first big opportunity; for the successful salesman must be first of all an enthusiastic believer in the store of which he is a part and in the merchandise he offers for sale, as well as in that hard-to-define something which we call the policy of the company. One of the notable recent department store failures was said to be largely due to the fact that the selling force had lost faith in their own store and literally drove trade away.

At Gimbel's New York store the slogan is, "Courtesü is the watchword of this store." The Marshall Field and Company Idea states concisely the policy of that store in the following words:

"To do the right thing, at the right time, in the right way; to do some things better than they were ever done before; to eliminate errors; to know both sides of the question; to be courteous; to be an example; to work for the love of the working; to anticipate requirements; to develop resources; to recognize no impediments; to master circumstances; to act from reason rather than from rule; to be satisfied with nothing short of perfection."
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<th>Positions in Store</th>
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Classes Attended Outside of Store
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211. *A salesman's creed.*—At Wanamaker’s the policy has been summarized in what is known as the “Wanamaker Creed,” which reads as follows:

A CREED
for the
SALESMEN AND WOMEN
of the
WANAMAKER STORE, NEW YORK

I BELIEVE
in the Golden Rule, “Do unto others as you would have them do unto you.”

I BELIEVE
it should govern our conduct between business associates as well as among friends.

I BELIEVE
that its daily application and observance would make all other rules and regulations unnecessary for me.

BECAUSE
I would begin the day by being punctual. Would waste no time—be cheerful and alert—scrupulously clean in person and mind—willing to give a full measure of time, effort and attention as my part of the day’s product.

BECAUSE
I would read our advertisements and remember what I read; then tell my customers, and by tactful suggestion, sympathetic interest and correct service secure their confidence in our merchandise and store.

BECAUSE
I would consider selling my primary purpose and first duty, and hold all other tasks as secondary.

BECAUSE
I would not allow my stockwork to subtract from my attention to customers, but would be ready and willing to serve the public promptly, regardless of other duties.
BECAUSE
I would know my stock thoroughly and keep it in perfect order, and as complete as possible. Would always report stock shortage and conscientiously strive to secure what was asked for, maintaining a follow-up record to insure my customers against disappointment.

BECAUSE
I would remember the importance of attention to the details of completing and recording a sale, and insure against disappointment and complaint by securing the correct name, complete address, and shipping instructions, and confirming these by repeating them carefully and audibly—by legible writing and figures, always in the correct place—by shunning abbreviations—by making no rash promises, and by referring all requests for special deliveries to the Floor Manager—by being fully informed concerning our wagon delivery schedule—by being very careful in directing customers, always securing the correct information when in doubt—by announcing the amount of cash received and counting the amount of change returned in a manner to guard against errors or subsequent disputes.

BECAUSE
I would look upon all visitors as guests and customers, serving them with cheerful attention; always remembering that they may be heavy purchasers in other sections of the business, although my particular merchandise may not interest them at the time.

BECAUSE
I would guard against misrepresentation or misleading statements—would be truthful in my recommendations, and hold the customer's interest jointly sacred with the interests of the business.

BECAUSE
I would always welcome my friends and encourage them to patronize the store, but courteously explain to those who tarried to visit that my time was so occupied that they must excuse me.
BECAUSE
I would cheerfully serve a customer returning goods for exchange or credit, and strive to offset their disappointment by refraining from any discussion of the merits of the merchandise returned, preferring to interest them in something else rather than to attempt to convince them of the error of their judgment in a matter of which they evidently have a fixed opinion, and I would be qualified to do this by knowing my merchandise thoroughly, fabrics, texture, suitability and probable service.

BECAUSE
I would welcome the call to assist in other and busier departments than my own, and profit by the opportunity to broaden my knowledge of merchandise and service instead of considering my prestige tarnished by the temporary transfer.

BECAUSE
I would let it be known that disloyalty or dishonesty would not be passively countenanced by me; that the onus of such would not be shared by me through failure to report it.

BECAUSE
I would not let trifles or petty jealousies sour my temper, or distort my vision of the realities of life, always remembering that strong, well-poised minds refuse them recognition, while weak natures endow them with superlative importance.

BECAUSE
I would always speak well of the store, holding loyalty on a par with honesty; recognizing that my progress is of my own making, I would hitch my wagon to the star of persistent, patient industry, always busy, cheerfully busy, but never too busy to be considerate of my fellow employés, deserving their good-will by tactful conduct and square dealing—by assisting and encouraging the beginners, helping them to see the importance of the details
of system and understand the need and purpose of store regulations and restrictions.

BECAUSE
I would discourage pernicious gossip, thoughtless criticism of the store management, organization or merchandise, and idle and unkind speculation about my store associates; by defending the absent and spurning the scandal monger; by advocating good-fellowship, and a unity of purpose to be free from worry and the taint of discontent.

All of which can be summed up in the first profession of belief of this Creed:

"DO UNTO OTHERS AS YOU WOULD HAVE THEM DO UNTO YOU."

212. Teaching the store system.—Having become thoroughly imbued with the spirit of the store and impressed with the importance of courtesy and real service to customers as invited guests, as they really are, the new sales clerk is ready to learn the routine system. The instructor takes up the sales slip or "schedule," as it is frequently called, and explains how it is made out under varying conditions. Then, as would be expected, the new clerk is quizzed to test his ability to follow instructions. The same methods apply to the making out of the various other forms, such as "hold tickets," "work tickets," "transfers," special delivery slips and the like. But great care must be exercised to avoid taking up too much at one meeting, for it is very easy to confuse the new clerk with a mass of forms. For that reason instruction should be spread over several meetings on different dates. A stereopticon, especially of the reflecting type, has been found at Wanamaker's almost indispensable in instructing large groups in the store system.

Instruction is also given in the care of stock and in
various other details of a sales person's duties. If, however, they are special employés engaged for a single sale, the whole course in the store system must be condensed into one meeting. A store manual is provided for each sales person and becomes a part of his permanent equipment.

In many stores the lower prices in the basement necessitate simpler systems and likewise a different and briefer course of training in the store system. Generally this work can be condensed into one or two meetings, which are preceded also by a special discussion of the basement policy. Tests are required here as in the main selling sections. A special basement manual is also provided.

213. The principles of salesmanship.—Next comes the first lesson in salesmanship. A complete but concise series of talks are prepared, which are discussed in the classroom. The following talk on the general subject of "The Question of Price" will show one of the more advanced lessons as used by a large New England store which has been strikingly successful in its educational work. Of course the work begins with very elementary topics, such as how to meet the customer; and only one or two points are taken up in any one meeting, as the sales people easily become confused if too many topics are considered during a session. This is even more true than is the case with the store system, as the principles of salesmanship seem more abstract to the novice.

214. The technique of selling.

The Question of Price

"Would you like to see something cheaper?" This expression is being used by salespeople very generally throughout the store. We are asked to drop it entirely from our vocabulary.
We can do this with less difficulty and with much more promptness if we realize that by suggesting "something cheaper" (1) we are conveying a wrong idea to customers, and (2) we are showing a lack of skill as salespeople.

(1) "Something cheaper" suggests an inferior quality of merchandise, a quality which the management does not allow to be offered for sale in the store. We do not carry cheap materials; we do have different qualities differing in price.

(2) A generally accepted first principle of selling is that of showing the customer medium-priced merchandise first. Thus showing later either higher or lower-priced materials, as the customer wishes, is made simple and more natural. Whether the customer wishes to have the higher or lower priced materials can usually be learned by some clue which the skilled salesperson can usually detect.

As a rule we display lack of skill, if we do not discover without mention of price, what priced article the customer wants.

The expression, "Would you like to see something cheaper?" may have another meaning. One who uses it has really condemned herself as a person unwilling to show merchandise—or at least to show enough to discover in which direction her customer's mind is tending.

Not only because we have been asked to drop the suggestion of "something cheaper" but also because the words misrepresent the kind of merchandise we carry and label us as unskilled workers—should we wish to leave the expression out of our vocabulary.

215. Demonstration.—In order to make the classroom work as practical as possible, demonstrations of selling should be given from the very start. At first the instructor will act as the salesman, and will center the attention on the principle under discussion, with review attention on any previously developed. Soon the new sales people can begin to take part. After each demonstration the sales person should be carefully graded, and at the conclusion of the course, a complete
sale will be marked and served as a proficiency test in the salesmanship division of the training course. The following schedule is the result of careful analysis by Mr. James W. Fisk, manager of the Training School for Teachers of Retail Selling, maintained by the *Dry Goods Economist*:

**Steps in the Sale**

<table>
<thead>
<tr>
<th>Step</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Attracting Attention</td>
<td>20%</td>
</tr>
<tr>
<td>Arousing Interest</td>
<td>20%</td>
</tr>
<tr>
<td>Creating Desire</td>
<td>15%</td>
</tr>
<tr>
<td>Closing the Sale</td>
<td>20%</td>
</tr>
<tr>
<td>Introducing Other Goods</td>
<td>10%</td>
</tr>
<tr>
<td>Securing Good Will</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Mr. Fisk further subdivides these main divisions in order to obtain exact grades on each demonstration. In his own class room work he takes up each point and after discussion allows a majority vote to determine the grade to be allowed. His subdivisions are as follows:

216. *Analysis of steps in a sale.*

**Attracting Attention—Total 20 Points**

1. Promptness ........ (4) Alertness, watchfulness ........ 1
   Discontinuing other work ........ 1
   Rapidity of advance ........ 1
   Point at which customer is met .... 1

2. Attitude ........... (4) Showing recognition ........ 1
   Showing expectancy and deference ........ 1
   Appearing energetic ........ 1
   Self-confident bearing ........ 1
3. Facial expression.. (2) Pleasant ........................................ 1  
                    Expectant ........................................ 1  
4. Attentiveness ..... (2) Unexpected service....................... 1  
                    Catch customer’s first words... 1  
5. Form of speech... (4) Courteous ........................................ 1  
                    Suited to customer................................. 1  
                    Offering services immediately............. 1  
                    Using customer’s name......................... 1  
6. Tone of voice..... (4) Audible, distinct .......................... 1  
                    Sincere ........................................... 1  
                    Rhythmical ......................................... 1  
                    Suited to customer ............................... 1  

Total .......................................................... 20

AROUSING INTEREST—Total 20 Points

1. First words regarding merchandise. (7) Definite information........ 3  
                    Most vital selling point............. 2  
                    Positive statement..................... 1  
                    Referring to purpose of purchase ......... 1  

2. First actions in showing goods.. (13) Promptness in showing ........ 2  
                    Bringing goods to customer... 2  
                    Placing goods in reach.............. 2  
                    Displaying to best advantage.... 4  
                    Use—Color—Form.  
                    Removal of objectionable features  
                    Handling to enhance value........ 1  
                    Showing right goods............. 2  
                    (Noticing implied preference)  

Total .......................................................... 20
CREATING DESIRE—Total 15 Points

1. By words. .......... (10) Following up interest .......... 1
   Adapting to customers’ suggestions .................... 1
   Adapting to customers’ actions ........ 1
   Supplying new ideas as needed ........ 1
   Answering questions readily .................. 1
   Anticipating objections ........ 1
   Using most vital selling points .......... 1
   Citing personal experience .................. 1
   Using evidence of other purchases or authorities .... 1
   Getting customer to agree .................. 1

2. By actions. .......... (5) Showing right quantities .......... 1
   Displaying to best advantage ........ 1
   Showing points of superiority .......... 1
   Appealing to the senses ........ 1
   Comparison with other goods .......... 1

Total .................... 15

CLOSING THE SALE—Total 20 Points

1. Recognizing best time to close ........ (5) ............................ 5
   Finding reasons for delay ........ 2

2. By words. .......... (9) Overcoming expressed objections ............ 2
   Referring to customers’ approval .................. 1
   Showing advantage of immediate buying ........ 2
   Suggesting that decision is made .................. 1
   Getting customers’ consent ........ 1
3. By actions ...... (6)  
   | Eliminating other goods ..... 1  
   +---------------------------+-------------------------+  
   | Overcoming expressed objec- | Demonstrating approval merits 1 |  
   | tions .......................... 2 |  
   | Suggesting that decision is |  
   | made ........................... 2 |  
   | Total ......................... 20 |  

**INTRODUCING OTHER GOODS—Total 10 Points**

1. Merchandise ...... (6)  
   | Allied lines .............. 1  
   +---------------------------+-------------------------+  
   | In own department .......... 1 |  
   | In other departments ...... 1 |  
   | Inferred preference ....... 1 |  
   | Advertised articles ....... 1 |  
   | New goods ................. 1 |  

2. Form of speech ... (4)  
   | Service instead of selling |  
   | Suggesting further wants ... 1 |  
   | Tone of voice ............. 1 |  
   | Suggesting future purchases ... 1 |  
   | Total ....................... 10 |  

**SECURING CUSTOMERS’ GOODWILL—Total 15 Points**

1. During the sale ... (6)  
   | By prompt service ......... 1 |  
   | By attentiveness ........... 1 |  
   | By courtesy ................ 1 |  
   | By merchandise knowledge .. 1 |  
   | By unexpected service ...... 2 |  

*2. After the sale ... (9)  
   | By continued interest ...... 4 |  
   | By expression of gratitude .. 2 |  
   | By invitation to call again ... 1 |  
   | By invitation to take advantage of special service features ... 1 |  
   | By accompanying to depart- |  
   | ment limits on departure .... 1 |  
   | Total ........................ 15 |
217. Beginning actual selling.—Immediately after the first lesson in salesmanship the new recruit can begin selling, for the instructions will continue at regular intervals for several months at least. He is put into what is known in one store as the “Contingent Force.” This is a group of new sales people, averaging several hundred in the busy seasons, who are detailed from one department to another as there may be need of extra sales people on account of special sales. The novice is assigned to an experienced salesperson under whose guidance he works. Then when he has demonstrated his ability and proficiency, he will be transferred to the regular force of some department, and begin duty as a junior salesman. At this time a complete record for the first year will be started by the educational director. On page 439 is a typical form used in one large store. As will be noticed, record of errors will also be maintained—for every error of the new employé is reported to the educational department and there taken up in person with the salesman. In some stores, as for instance that of Stix, Baer and Fuller Company, of St. Louis, a premium day in the form of a half holiday bi-monthly is given those who keep down their errors to a certain minimum.

In addition to this, the staff of the educational department includes a number of “shoppers” who visit the new sales people at their work and watch them sell, later to
# SALESPEOPLE'S RECORD

<table>
<thead>
<tr>
<th>Name</th>
<th>No.</th>
<th>Date Entered Store</th>
<th>Age When Entered</th>
<th>Nationality</th>
<th>Home Conditions</th>
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## Previous Experience

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<td>Wage</td>
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## Salesmanship Record

<table>
<thead>
<tr>
<th>First Six Months</th>
<th>Rating</th>
<th>Second Six Months</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Knowledge of Stock</td>
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<tr>
<td>Care of Stock</td>
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<td>Approach to Customer</td>
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<tr>
<td>Closing the Sale</td>
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<tr>
<td>Service to Customers</td>
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<tr>
<td>G. U. M. etc.</td>
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<tr>
<td>Fundamental Characteristics</td>
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<tr>
<td>Appearance</td>
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<tr>
<td>Interest in Store</td>
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<td>Leadership</td>
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<td>Health</td>
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</table>
offer suggestions for improvement as well as to compliment them on their good work. At Strawbridge and Clothier's, in Philadelphia, a special attempt is made to clear their conversation of errors of speech in addition to training them in policy system and salesmanship. Likewise training in penmanship is frequently necessary. For regular people the course of instruction lasts ten weeks, with two meetings a week. Basement people, and those engaged for special reasons on sales, can be given only an abbreviated course.

218. Special and general bulletins.—From time to time special bulletins, called by one store "Efficiency Bulletins," are necessary. These are planned for the whole store force. Sometimes they are of inspirational character such as No. 139; sometimes they are explanatory of a special sale, as is the case with No. 151.

EFFICIENCY BULLETIN
No. 139 October 30, 1912

COOPERATIVE SERVICE
A Series of Ten Daily Bulletins

7—MAKING BUSINESS A PROFESSION

By Seeing the Value of Every Detail

The business world has been slow to demand special training of men and women who do its work. In the store field boys and girls have become bundle wrappers or stock people or office help and have depended upon experience and their own initiative to place them, in time, in positions of responsibility. As business management has become more specialized, this kind of training alone is not considered enough.

Our own business requires the young people entering its employ to be of a certain specified age and to have had experience and education. This has brought into stock and selling
positions in our store young men and women of thorough education, many of whom regard a knowledge of all the details of the business important.

Furthermore, schools especially fitted to teach young people the technique of business management and selling are being established to give training preparatory to entering business. The management of business and selling are thus becoming professions.

As business becomes more and more a profession, ignorance of the best business methods will be less and less tolerated. Those who fail to know their part of the work will be considered unfit to carry it on.

One important part is knowing the material with which we deal. The other day a customer wished to know whether a certain piece of jewelry was washed with gold over sterling silver. The salesperson did not know. Another salesperson was asked if the article she was showing was real leather or imitation and she could not tell. She said it seemed to her like imitation. Another was asked if the material of a suit was all wool and she answered that she did not know but she thought it was part cotton.

Customers are not going to be persuaded of the value of what we sell if we know so little as this about it. In just so far as we are ignorant are we going to fail as storekeepers.

REMEMBER WE ARE PARTNERS, and as such we should not be satisfied until we know absolutely every part of the particular branch of the business we are handling. The successful and thorough handling of such details determines the success of the whole undertaking.

EFFICIENCY BULLETIN

No. 151 January 11, 1918

THE GROSS AND STRAUSS SALE

The biggest sale of the year comes on next Monday—January the 13th—a sale which is held each year to celebrate the pur-
chase, a number of years ago, of all the merchandise of the firm of Gross & Strauss, of Boston.

Many of our salespeople, because they are new, have not had the experience of this “biggest sale.” Our regular salespeople, however, have stood hard tests and can be depended upon at this time. Those who successfully met the demands upon them of our opening weeks in the new store, can feel prepared to meet the big demands of Monday.

On that day, however, we cannot depend upon our experienced salespeople alone to do the great business which will undoubtedly be done. We must leave considerable trade in inexperienced hands. About 500 new salespeople will be entered on Saturday, preparatory for the Monday sale. They are to come the day before so that they may get the necessary instruction in our system. They also should become acquainted with the merchandise they are to sell.

Most of the instruction will fall upon the salespeople in the various departments throughout the store. The success of Monday depends, in great part, upon how well these new people are trained in the work they are to do. The dependence which is placed on our regular people means seeing that “specials” do not in any way detract from the reputation for good service which our store holds.

If each one of us will take upon himself the responsibility of helping ONE NEW PERSON, there is no reason why this day should not go on record as the greatest of its kind in the history of our business. WE SHALL IN THIS WAY PROVE, NOT ONLY THE WORTH OF OUR ORGANIZATION, BUT ALSO OUR REAL INTEREST IN THE BUSINESS.

These bulletins are sent to the floor superintendents or aisle managers in each section, by whom they are handled. Each salesperson reads them and signs as a record of his reading. Later the subject is discussed under the floor men’s leadership. The purpose of this is
to go into more detail regarding the topics under discussion, and incidentally to make the “we are partners” more than so much verbiage. The floor man then sends in a report to the educational office on some such form as is illustrated.

M..............................................................

Did you hold a conference this week on Efficiency Bulletin No. .... regarding..................................................
Was there a general discussion?.................................
Was bulletin handled in other respects according to Store Manager's order No. 1729?.................................
What was the result of your observation on the bulletin this week? ..........................................................
Please note the remarks which were made....................

219. *Studying merchandise.*—When it comes to the study of merchandise itself, the task must devolve upon the buyer. He should hold regular conferences with his sales force to educate them thoroughly in materials and methods of manufacture. This is specially true in the case of new lines of merchandise. His report to the management will be contained on such a form as this.

M..............................................................

REPORT OF BUYERS' CONFERENCE WITH SALESPEOPLE

Held by ....................................................
When .....................................................
Departments .............................................
Number present ........................................
Length of meeting .....................................
Topics .....................................................
It must be added, however, that only a few stores have as yet worked out the problem of giving their salespeople the knowledge of merchandise they should have. It is a far more difficult one than to teach system, policy or salesmanship, because salespeople are moved so frequently from department to department, and because it is difficult to get the buyers to work up a satisfactory course of instruction and then carry it out. But the study of merchandise is coming to be regarded as equally important with that of system and salesmanship and before many years it will have its place. In fact, as will be noted later, it has already reached that place in the courses for juniors.

At Marshall Field's, in Chicago, educational motion pictures, made by the company in some of their own factories, are used in teaching merchandise, particularly cottons and laces. They have been found very successful. The University of Wisconsin is also using such pictures in its extension courses, and they find that manufacturers are quite willing to provide the films without expense. This is particularly true of makers of well known branded goods who realize what an excellent form of dealer cooperation it offers.

220. More extensive course.—Somewhat more extensive than this is the system in vogue at Strawbridge and Clothier's, in Philadelphia. There they have first of all a brief, required course for all just entering the store or taking up selling for the first time. In addition to this they maintain a two year course called their "Commercial Efficiency Course." In discussing it before The National Association of Corporation Schools at their Philadelphia meeting in June, 1914, Mr. H. J. Tily, General Manager, commented thus:
This is a serious course of study for young people who intend to make merchandising a life work and involves considerable outside study, even though the topics may seem elementary. It must be open to all selling employees, and so must be adjusted to a most cosmopolitan body; for many who have been long engaged in selling may feel that they have mastered the art; others, knowing that they were obliged to go to work at an early age, are so conscious of their lack of general education that they fear they will be embarrassed by attending classes. Consequently the topics of study must be carefully selected and modified to suit different groups. In addition there must be proper follow-up work in both the department and the home.

In general the course covers, during the first year, a review of oral and written English, penmanship, arithmetic, and especially rapid mental calculation. During the second year there is an intensive study of merchandise, in 1913-14 the work being limited to textiles. In addition there is spread over the two years a variety of other topics including such as physiology and hygiene, psychology, topics relating to character, one's relation to his work and to his fellow-men, as well as practical business problems. Discussions lasting three-quarters of an hour are held weekly in the class-room, after which students write up the subject, introducing as far as possible original ideas and illustrations.

In addition to this there are many more forms of educational work, including special lectures before groups by store officers and prominent educators, special forms of dealer-cooperation in certain departments, as corsets or gloves, demonstration sales, cultural studies, musical organizations, athletic and gymnastic associations, and the like.

Marshall Field and Company give over a large part of their tenth floor to the exclusive use of their employés. Two reading rooms are provided, one for men and one for women. Here may be had all the daily papers, and a selection of the most interesting magazines. A branch
of the Chicago Public Library, with a librarian in charge, is included, and five thousand or more books are circulated monthly. It is interesting to note that over 75 per cent of the books withdrawn are of the solid sort —books on textiles, on economics and salesmanship and the like. Music and rest rooms as well as various other welfare features are associated with their educational work. This welfare work, generally in charge of another department, must not be overlooked, as it is a more or less silent means of training for selling efficiency, though welfare work is not educational work nor is it a substitute for it.

That the whole movement is proving successful is evident as much from the demand of salespeople of many years' experience that they be admitted to such courses as from the tangible results themselves. In fact, in one middle west store, that of Rike-Kumler Company, in Dayton, Ohio, the result of the first course of instruction was so striking as to bring the following remark from the educational director: "One great step which has been obtained is the awakened attitude of employés toward education. At first the older employés asked to be excused, but now they are beginning to realize the value of the school-work."

221. Junior courses.—In addition to such a course of educational training for the selling forces of to-day, a similar course must be provided for training of the salesmen and saleswomen of to-morrow, composed now of messenger boys and cash girls. Every large store has several hundred of these boys and girls between fourteen and seventeen or eighteen years of age. In most cases they left school at the first legal moment, after having completed at best only the grammar school, and in a large per cent of cases only six or seven grades. For
them some sort of continuation school must be organized. That at Wanamaker’s, called the John Wanamaker Commercial Institute may be considered typical. Regular class-room instruction under competent teachers is given on store time and occupies about four hours a week. The subjects are such as are needed to continue the previous education, beginning at the point it was discontinued, and to supplement it along lines most advantageous to one starting a mercantile career by including a study of the materials and methods of merchandising. The boy instinct is also developed by military and gymnastic drills, boy scout exercises and the like.

222. Other methods of solution.—Similar to this is the work being carried out under the guidance of the Department Store Educational Association. One of these schools has been started in Lord and Taylor’s, New York, and others are to follow. The distinctive notion is that while the necessary standing on one’s feet all day in a store is not injurious to a healthy person, unless aggravated by bad air or other bad conditions, yet it does make necessary judicious exercise to strengthen the muscles, as well as correct posture, comfortable shoes, and various other things which are usually neglected. The result is that in most stores girls do get tired and worn out before the day is over. So, contrary to the usual method of beginning with talks on policy, system and salesmanship, the first item in the educational program is health.

223. Cooperating with the public schools.—In some cities a concerted movement has been started to get the public schools of the city to give some of this elementary training for mercantile life. In Winnipeg a group of club women made an investigation into the conditions
surrounding the young girls working in department stores of the city, and as a result of it offered two recommendations. One was directed toward better living conditions by encouraging the opening of semi-philanthropic boarding houses for working girls living away from home; and the other, the more important, urging the board of education of the city to revise the course of study in the public schools, and to add special continuation courses so that these girls might enter store work with a better chance to earn and command a living wage. Several American cities, particularly Cincinnati and Milwaukee, have added continuation schools such as the club women of Winnipeg recommended and other cities are seriously considering it.

More advanced work of the same sort is being done by the extension teaching department of several state universities, notably Wisconsin, Minnesota and Kansas. In addition to correspondence courses in retail selling and similar topics, open to any resident of the state, they are giving through traveling instructors a series of lectures and demonstrations at various points in the state. Class meetings are held weekly, and afford the same kind of instruction that is given in a large city department store which can maintain a complete educational department.

224. Training the non-selling employés.—To complete the educational system of a department store it would be necessary to make some mention of the training courses in the non-selling departments; but these are outside the present discussion. More closely associated, perhaps, are the weekly meetings of buyers to discuss policies and methods, and similarly of other groups, as that of floor superintendents and aisle-managers. In fact, even buyers and floor men must complete a system
of training similar in many ways to that required of a new salesperson.

225. Applying department store methods to other retail stores.—The same principles which apply to the training of the department store salesperson apply with equal force to those of any retail store, though the necessity for the training is not so great on account of the constant contact with the merchant himself. But when it comes to a chain store, the necessity is equally great, for the same conditions obtain. The problems of the manager of a group of small dry goods stores, for instance, is very similar to that of the manager of the group housed under one roof and labeled a department store. Nor does the problem of the sales manager of a chain of cigar stores differ from that of the man directing a chain of drug stores, as Mr. Herbert S. Collins tells us in Printers' Ink of July 9, 1914, he found to be the case when he went from the United Cigar Stores Company to the Riker-Hegeman Company. The details of the problem do differ, however, from that of the department store manager because of the difference in the type of sales force; likewise the means differ in that it is impossible to gather together large groups of workers from various stores, perhaps in distant cities, for class instruction. Hence direct instruction must generally be given by the executive in the central meetings to the store managers, and by them in turn to the forces of their respective stores.

226. The store manual.—As a starting basis there should be a store manual. Then the next thing is for the sales manager to train personally the store managers; for upon them depends to a large extent the success of the store. Mr. Collins comments on the function of the store manager thus:
If the manager of a store will do all he can towards building up the men under him, says the manual, he will do much toward maintaining good service and increasing the business of the store.

... A store manager who can produce competent men for building his business is much more valuable than the man who can just hold down the job of managing a store. A good store manager will do all he can to help each man under him, help by pointing out his weak points and suggesting how to overcome them, help by encouraging each man by recognizing good work, help by reporting good work to the district manager or those in charge.

The Company has great need of every man that can be produced in its stores, and no other person can do so much toward building men as the store manager. When you can produce men competent to run stores you are competent to run several stores; always remember that.

The actual instruction of the sales force now devolves largely on the store manager; but not entirely so. The sales manager sends his message through the house organ, and even more personally yet, through weekly or even daily form letters sent directly to each salesman. The following letter, quoted from *Printers' Ink* of July 9, 1914, will show the nature and purpose of this method of training salesmen.

I have recently become associated with the management of "Riker's"; in effect, a fellow-worker with you in this enterprise. It will be my privilege to say something to you from time to time, necessarily by letter. I would much prefer to talk face to face, but this is not possible in a business of this size. However, I hope we will come to know each other very well by letter. Perhaps it will be worth something to you, it may even mean a good deal to you, to know that there is someone up in the front
office in "Riker's" who is there to think of you, one who knows that "Riker's" cannot grow big unless you grow, too.

I'm not going to hand you a fine line of conversation nor make you any promises, but I feel that I can help you. I know how hard it is to meet the public daily and grow constantly in the estimation and good will of the public, so you see I know the difficulties of your position.

I shall try in these letters to tell you how most of these difficulties may be overcome.

If I talked to you in a hundred letters, I could not give you any real idea of how badly we need to have you grow. We need you as you are but we are actually starving for you, and hundreds of others, who are growing. The only way you can grow is to keep doing it a little better all the time. "It" is merely taking promptly, pleasantly and politely the money that people bring into your store to leave there.

227. The relation of training to employment and welfare.—Of course the whole subject of training retail salesmen is closely allied with the problem of selecting proper people in the first place and in cooperating with them for their welfare afterward. The ideal arrangement is to co-ordinate employment, education and welfare under one official of the company, and that is being done in a number of progressive mercantile organizations. But no matter how important the selection of people may be, a good trainer can make a fair salesman out of pretty poor material. The really serious situation is where the welfare and educational work is confused. No matter how much training is given in personal hygiene and gymnastic exercises, that alone will not make efficient sales people; and after all the salaries are paid for selling goods, and must remain proportionate to the actual selling ability.

After having carefully selected the new recruit and
arranged to look after his physical and moral welfare, it is necessary to train him for his job; and only a thorough grounding in the policy and system of the store, in the merchandise he is to sell, and in the principles of salesmanship can make him a capable retail salesman. If he fails, the store must fail; if he succeeds, his work will go far toward making the store a success. With the pioneer work which has been done by such highly successful merchants as those noted in this chapter, always available to anyone interested, the organization of training courses for retail sales people is one of the aids to successful merchandising which no merchant, be he the owner of a modest store of only a few clerks or the proprietor of a store requiring thousands of sales people, can afford to overlook.
CHAPTER VI
SELLING METHODS—EQUIPMENT—THE SALES MANUAL

228. Constant necessity for new methods.—Just as the sales manager expects that the men under him will continue studying after they have graduated from the training class, so he should himself continue to look for new selling talks and new selling methods after the first field experiments have resulted in working out methods that sell the goods. Constant study is necessary, not only because improved methods will result in increased sales, but because methods used over and over again become stale to the average salesman and he loses his effectiveness in using them. New methods, even though they be no better than those discarded, will usually result in increased business for the salesman. Later he may go back to the discarded methods and, because they again seem fresh to him, use them with old time effectiveness.

229. Source of new selling suggestions.—There is only one source from which new selling talks can be secured—the men in the field. That does not mean that the sales manager or his assistants may not go into the field, test certain theories and finding them satisfactory, pass them on to the organization as the results of experience. If the ideas of the house are not tested in this manner, they should be passed on to a few of the best salesmen with the request that they be tried out in field work. For example, the salesman in an organization which had just inaugurated its first advertising campaign complained that the prospects who inquired, as a
result of the advertising, knew all about the proposition from the literature sent them in response to the inquiry and that the salesmen consequently had little to talk about. The sales manager's theory was that this knowledge on the part of the prospect was an advantage and, by relieving the salesman of the necessity of going into details, gave him an opportunity to talk in terms of advantages and results. What was needed, he decided, was a method of presentation entirely different from that necessary for the prospect who had no previous knowledge of the product. Several of the best men in the field were communicated with and a tentative presentation sent them with the request that they try it out. When the theory had proved workable in practice, the new method was given to all the men as the result of the experience of the best salesmen.

In every organization, there are some salesmen who are appreciably stronger with some one class of prospects than they are with any other. The sales manager should ascertain the reasons for this, discover the methods used and pass them on for the benefit of the other men in the organization. One mechanical device salesman may have particularly natural and effective methods of introducing and impressing the prospect with certain points. Another may have devised subtle methods for securing the prospect's participation in the sale. The salesman for advertised goods may have worked out methods of showing what advertising is being done or to be done, or of otherwise linking up the advertising campaign to secure an order. The salesman selling to dealers may be particularly strong in showing the dealer that the goods will move or he may have definite plans to suggest for moving them, such, for example, as the demonstration plan for moving knife sharpeners,
which has been described. One member of the organization will have a new way of handling equipment, another new selling points or new methods of presenting old ones. Another will work up strong reserve talks to be used where the prospect is not closed by the main body of the presentation. Still another will have effective ways of anticipating and removing the usual objections. Again, a salesman may have an entirely new presentation to be used where it is necessary to call back on a prospect. The nature of the information desired will be dictated by the particular line of business. It is one of the sales manager's most important duties to see that these selling talks and methods that have proved successful in practice are passed on for the benefit of every member of his organization.

230. Methods of securing suggestions.—Much of this information will be secured in informal talks between the sales manager and his men. Some of it will be given in the salesmen's daily letters to him. A salesman who has secured a good order should be encouraged to go into detail as to how it was done. He may do this by writing a formal article for publication in the house organ, or he may be encouraged to write a letter to the sales manager who can then edit it for the house organ. The latter is probably the better method.

Stenographic notes should be made of every talk made by a salesman before a training class or at a convention. If one of the best salesmen is in off the road, it may be well to encourage salesmen from nearby territories to run in for an hour's talk with him. Small, informal meetings such as these have been found most inspiring and helpful to salesmen. If the organization is working with a proper spirit, two members of it cannot get together without exchanging ideas and methods that
will be valuable to both. This getting together should be encouraged. Where the salesmen are dispersed over a large area, correspondence between them should be promoted.

This securing of selling suggestions is one of those phases of sales department work which show that loyalty is not only a name. The salesman who is disloyal or who is a member of an organization lacking in the proper spirit, will hug his methods of getting business to himself, with the result that there will be no profiting by the experience of other salesmen. The loyal member of an enthusiastic organization will pass suggestions along without reserve for the benefit of his house, his sales manager and his brother salesmen.

231. The standard selling talk.—These selling points and selling methods may or may not be put into the shape of a standard presentation. The standard presentation is a well worked out talk and method of handling equipment. It is generally a composite of the best selling practice. The presentation will include both a verbatim speech and instructions for the handling of equipment during the talk. Sales managers are divided as to the usefulness of a verbatim method of presenting a proposition. The National Cash Register Company which originated the standard presentation and at one time insisted upon their salesmen learning one verbatim have now abandoned the method. Their present instructions to their salesmen are to have a thorough knowledge of their product and its selling points, but never to make up their minds before they are face to face with the prospects as to what they intend saying to him—to let the circumstances govern their opening remarks and selling talk.

It is true that nothing will destroy a man's initiative
more quickly than speaking a set piece over and over every day and approaching every prospect in exactly the same way. Furthermore, it is difficult for men of varying personalities to make a talk that they have learned verbatim sound like their own. The words that fit into the personality of one man sound strange coming from another. The standard talk is useless if the prospect is able to discern that it is a set talk which the salesman has learned by heart. It is true, also, that merely giving a standard talk will secure but few orders. Even where a standard talk is used, additions must be made to tie up the proposition with the prospect's interests; and possibly, certain parts may have to be left out with other prospects. Both sales manager and salesman should keep in mind the fact that the men who are principally responsible for the working out of the selling talk and methods embodied in the presentation are alert-minded, big producers who would not be likely to allow themselves to fall into the rut of saying exactly the same thing over and over again.

232. Flexible use of the standard presentation.—It may be laid down as a good general rule that a standard presentation should be worked out. In the same way, standard reserve talks and answers to objections should be devised. Ample footnotes should be added as a commentary on the talk. Sometimes, these footnotes will be more voluminous than the presentation itself and possibly more important. A thorough explanation of why certain things are said and done at certain stages of the presentation will make it much easier to persuade the salesman of the usefulness of the standard presentation and, more important, may suggest to him other methods of accomplishing the same object which are more effective or better fit his personality.
There was a time not very long ago when a great many houses insisted on all their salesmen, old and new alike, studying a standard presentation and giving it verbatim. It is generally recognized to-day that there can be no advantage in insisting upon this as regards salesmen experienced in the line. Whether or not the new men should be required to learn the presentation word for word will depend upon the intricacy of the proposition to be sold. On the more simple propositions it may only be necessary for the salesman to get an idea of the general outline and sequence of ideas and put the actual selling talk in his own words. On propositions requiring an elaborate explanation or necessitating a certain amount of educational work right in the canvass, it has been found that the early success of new men is generally in proportion to the accuracy of their knowledge of a standard presentation and their ability to use it effectively.

It may be laid down as a general principle that the new salesman should study the standard presentation thoroughly and be able to give it word for word. It should be impressed upon him, however, that he is not to use indefinitely this standard method of presenting his proposition. It is merely a clear-cut method of presentation to be used until such time as he develops methods of his own. When that stage is reached, it will furnish him with a track to run upon in making his talk and will give him something to say on those days which come to most salesmen, when he cannot be original. In short, the new salesman should be instructed to learn the standard presentation thoroughly—and then gradually forget it.

233. Equipment.—The term equipment includes everything that the salesman carries to aid him in mak-
ing the sale even down to the personal cards with which he is furnished by the house. From a different point of view, it includes aids to selling, ranging all the way from the cold, figure-ridden prospectus of the bond salesman to the fifteen or twenty trunks of the general dry goods man. Much as the salesman's equipment may vary in different lines, there are certain definite principles that may be profitably followed in regard to it and many suggestions that may lead to its improve-ment both as to convenience of form and force of selling appeal.

Special care should be taken not to overload the sales-
man. When the salesman carries his equipment it should be put up so that it may be carried conveniently and should not be so heavy as to tire him and sap his energy early in the day. This carrying about of a heavy equip-
ment has a great deal more to do with a man's volume of sales than most sales managers realize. If the equip-
ment consists of samples carried in trunks, care should be taken lest the individual pieces exceed the weight that may be carried as baggage over the railroads. Whether or not there will be facilities for handling a large trunk line in the town to be visited has to be con-
sidered. For example, a Cleveland blanket manufac-
turing concern which usually equips its salesmen with several large trunks has recently started a salesman in an automobile making small towns off the railroad. It has been necessary to cut down his equipment to one trunk and to show the balance of the line by catalog and samples of material.

Trunks or other carriers of equipment should be de-
signed with a view to accessibility. Wardrobe trunks are largely used now for clothing lines. Some goods will lend themselves to an effective display fastened in
the trays of a trunk. Shoes and millinery might be displayed in this manner. The sales manager will make a mistake to slight these considerations on the ground that the salesman has plenty of time to arrange his display evenings and to pack between trains. The salesman has just so much energy and as much of that as is possible should be devoted to the actual selling of goods.

234. Equipment with an imaginative appeal.—The equipment should be designed, if possible, to appeal to the imagination. The salesmen selling apple growing lands in a Montana tract are equipped with a small case in which to carry samples of the apples grown. These are renewed frequently, of course. A story is told of a grocery salesman who set out to market a large consignment of prunes. He secured a number of pictures of the Santa Clara Valley in California where the prunes were grown. He sent for pictures of the Loire Valley in France whence came the slips from which his prunes were grown. He then carried samples of imported French prunes and of the prunes he was selling. As part of his demonstration he would cut one of each variety of prune and with the aid of a magnifying glass show that the texture of his domestic prune was just as fine as that of the imported variety which was much higher priced.

Facsimile letters of indorsement are being favored more and more in lines of selling where their use is practicable. These letters are valuable not only for the definite statements made in regard to the product, but also to show the class of buyers. Great care should be taken to have the reproduced letter look as much as possible like the original, for the effectiveness of the facsimile letter depends to a great extent on the quality of the work.
235. Visualizing the product.—The equipment may be such as to visualize the product. When samples can be carried this is simple. Working models of reduced size are sometimes used. There is a salesman selling dog collars who carries with him a pedigreed brindle bull dog on which to display his wares. A large New York concern has put out a folding stereoscope and is maintaining a service whereby appropriate pictures to be shown in it can be made. Some houses are providing their salesmen with this folding stereoscope and pictures that can be used with it in explaining the goods to the prospect.

The moving picture in a great many cases bids fair to supersede these other means of visualizing the product. A small projecting machine which the salesman can carry with him has been devised. Concerns have been organized whose business it is to prepare commercial films for the use of salesmen. Machinery is now being shown in operation by this method. Explosives are being demonstrated by moving pictures. A concern making automobile tires is showing by moving pictures taken at its plants the process of manufacture and the rigid tests to which the tires are put. Styles are also being demonstrated in this manner on living models.

236. Equipment without salesmen.—A large shoe manufacturing company has at the present time perfected a system by which a sample trunk is circulated among its customers unaccompanied by a salesman. The trunk is consigned to the dealer who, upon making his selections from it, delivers it to the express company consigned to the next dealer on the route. This method is used to supplement the work of the salesman between visits. A large machinery manufacturer is working on a plan to route moving picture films of his machinery in
much the same manner, making arrangements with local moving picture houses to show them privately before the prospect. This method is capable of application in many lines.

237. Keeping the equipment fresh.—Irrespective of the particular type of equipment, its attractiveness should be considered. The morocco wallet of the bond salesman lends a dignity to his proposition. Good, substantial trunks give a suggestion of stability that transfers itself to the house. The heterogeneous mass of catalogs that are carried by many office furniture or general stationery salesmen can be made attractive by being put into uniform leather covers. Possibly the whole may be put into a leather case of good quality.

The sales manager should always see to it that the salesman's equipment is kept in the pink of condition. Equipment gets old and dog-eared so gradually that the salesman is likely to overlook its dinginess. Many sales managers set aside one evening a week during which the salesman is to go over his equipment and send in requisitions for replenishments. In some lines, cloaks and suits, clothing or men's hats, for example, it is impossible to duplicate samples because only one of a kind is made up for each salesman and work is not started on the regular line until after all orders have been received. In this case the salesman should be impressed with the importance of keeping samples clean and in good condition and provision should be made to make this easy.

238. Arrangement and use of equipment.—A place for everything and everything in its place applies with especial force in the matter of equipment. The salesman should be able to lay his hands on any single piece of it without the slightest delay. A break in the selling talk due to the salesman's inability to find a particular
piece of equipment or to locate a certain indorsement letter is likely to break the chain of the prospect's interest and destroy the possibility of a sale. The repacking of the equipment should be done in such a manner that the salesman will have his equipment ready for the next presentation without any re-arrangement.

Above all, the sales manager should impress upon his salesmen the important fact that the equipment is used to illustrate the salesmen's selling talk and not the talk to explain the equipment.

239. The sales manual.—It is not unusual to embody in a sales manual all information on selling talks and sales methods, the handling of equipment, appeals to special classes of prospects, reserve talk and answers to objections. If a standard selling talk has been devised, this with its footnotes will occupy a prominent place in the manual. Even though no standard presentation is included, the best tested methods of approach, demonstration and closing will be given and the various selling points of the product enumerated, so that the salesman thoroughly familiar with the manual may present his proposition in interesting and convincing fashion and have at his command answers to questions and objections.

The manual should also contain information concerning such office procedure and house policies as is necessary for the salesman. It may contain a history of the house and of the development of the product. Nor are articles of a purely inspirational nature by any means out of place.

240. Manual should provide information and inspiration.—The sales manual should be written not only with the idea of serving as a textbook for new men, but as a source of information and inspiration to the older
men of the force. The sales-manager should encourage the men in the field to read it frequently so that they may be reminded of good selling points and good selling talks which they may have forgotten. The writing of the sales manual is a task worthy of the best talent. It should be inspirational in tone and intensely interesting.

241. Form of the sales manual.—It is not necessary that the sales manual be elaborate in order to fulfill these functions. The form is secondary in importance to the contents. It is not necessary nor is it good business to have a printed manual where the force is small. Multigraphed sheets will serve as well. It is a good idea to have the sales manual in loose-leaf form, since this allows for necessary changes and additions and provides for the making up of slightly different manuals to suit different classes of representatives. For example, certain things included in the sales manuals of branch managers can be omitted from that of salesmen or dealers.

242. Sources of material for the manual.—The stenographic reports of talks made in the training class and stenographic reports of the proceedings of the annual sales conventions will serve as the backbone of the sales manual. This will be supplemented by information gathered from the men in the field. We have already discussed methods of securing information from the salesmen. It is not unusual to go about gathering this information for the sales manual more formally. All of the men may be requested to help get up the manual by contributing their best talks. They may further be asked to state the objections they find most difficult to overcome. The objections will then be compared and classified according to vocations. Next, the men who
are strongest in selling these various vocations will be asked to give their best arguments for overcoming the objections in question. They may be asked as well for a statement of the methods they use in approaching and handling prospects in their favorite fields.

A manual prepared in this way meets with favor among the men because they feel that they have helped to write it and that it contains a digest of all the methods of the best men on the proposition. That is most important. A theoretical or office-made manual—or what amounts to the same thing, one that is considered so by the men—is seldom if ever either satisfactory or effective. The sales manual in its final form should represent the successful experience of the most capable men in the field.
CHAPTER VII

COMPENSATION—TERRITORY—RECORDS—STATISTICS

243. *What a plan of compensation should accomplish.* —The objects to be considered in fixing the amount of compensation and the manner in which it shall be paid are: securing the type of men desired; keeping them working at maximum efficiency; and retaining them in the organization. In this connection, it should be remembered that in the beginning of most concerns a strong type of specialty salesman is needed and only that type will succeed. Such men require and are entitled to fairly large incomes. As the proposition becomes better known and better advertised it gradually becomes easier to sell, and then a slightly different type of salesmen may reasonably be expected to succeed. With training methods fairly well established, younger men and men without previous selling experience may be added to the organization. It is not necessary to provide large remuneration for these men at the start. The average cost of making a sale, therefore, can be reduced. This should not be understood to mean that an effort should be made to reduce the incomes of those men who have sold the proposition in its earlier stages. The progress of a salesman who has made good should always be in the other direction. It applies only to new men being added to the organization.

244. *Salary and expenses.* —Salary and expenses is the oldest and probably the most prevalent method of paying salesmen. It affords the sales manager almost
perfect control over his men. They can be routed from
town to town, instructed how long to stay in a town
and whom to see while there. They can be required to
make out any reports that the sales manager may deem
necessary and be instructed to do work other than sell-
ing if emergency requires it. If the house deems it
advisable to make small, isolated towns where the sales
will be few, and is willing to pay the salesman's salary
for doing so, that is the business of the house and not
the salesman. The same thing applies to the doing of
missionary work where no immediate sales are probable.
A firm advertising nationally to create a consumers' de-
mand, and therefore desiring almost perfect distribu-
tion will do well to use the salary and expense basis of
remuneration.

It has, however, at least one great disadvantage.
There is no immediate incentive to strive unceasingly
after big business. Of course, the salesman's salary is
usually fixed by adding his salary and expenses and de-
termining what percentage of his gross sales they consti-
tute, and raises are made on this basis at the end of the
year. This would seem to have the effect of stimulating
the men to greater effort but most sales managers would
testify that it rather has the effect of causing the sales-
man to slow down when he is producing sufficient busi-
ness to warrant his present salary. This is probably fur-
ther accentuated by reason of the fact that most houses
seem averse to allowing a salesman's salary to reach too
large a figure, even though the volume of his sales would
seem to warrant it.

245. Salary and commission.—To combine the advan-
tage of control and direction of the man afforded by
the salary basis and the advantage of supplying an in-
centive to big sales which is inherent in the straight com-
mission plan, many houses base their compensation on a combination of salary and commission. The salary is, of course, smaller than if it were the only remuneration and the rate of commission must be about half or even less than half of that which could be allowed on the straight commission plan. Under this plan the salesman's expenses may or may not be paid by the house. Some houses, in order to strengthen their control over the man, agree to pay his railroad expenses while traveling at the direction of the house.

There are almost countless varieties of the salary and commission plans of payment. Quite a usual provision is to pay no commission in addition to the salary if the salesman takes less than a prescribed amount of business in any period. For an amount of business above his minimum and up to a certain higher amount, a small rate of commission will be paid. Beyond this, the rate of commission gradually increases for increasing amounts of business. In lines where the salesman is allowed leeway in quoting prices, he may be supplied with the cost of each article and his commission figured as a certain percentage of the price he secures over and above this cost figure. This is, of course, a strong incentive to the salesman to hold up prices.

As a general rule it will be found that seasoned salesmen, particularly in specialty lines, will prefer to work on a straight commission basis. The promising young fellow who has never done any selling, however, is loath to try his hand on a straight commission basis even after a thorough training. The salary and commission basis has the advantage over the straight commission plan of attracting this class of new material to the organization.

Increases in the salesman's compensation under this plan may be made either by increasing his salary and
allowing his rates of commission to remain stationary, or by allowing the salary to remain stationary and increasing the rates of commission. The former will be found the most feasible method to adopt in case the house has a varied line and a wide range of commission rates on individual items.

246. *Straight commission.*—It is often argued that the house knows what percentage of sales it can afford to pay out in selling expenses and that it will try to avoid paying more than that figure. In its effort to do so, it often pays considerably less and in the last analysis the salesman's compensation will always be fixed on a percentage of sales basis. Why not then pay this percentage out as commission in the first place? It furnishes the salesman with a direct incentive inasmuch as the result of a week's good work is shown immediately in the size of the salesman's weekly remittance. It virtually makes the salesman a partner of the house, the salesman investing his energy and expenses against the house's capital. Doubling his energy, doubles the salesman's earnings. Increases in compensation are taken care of automatically. The house, too, has the advantage of knowing definitely just what its selling expense is going to be. It pays out nothing to the salesman unless orders are actually received.

This plan, too, has its disadvantages. The control of the house over the salesman is weakened. He feels that he is paid a commission for getting business and does not feel under obligation to make out reports. Even if he allows the house to direct his movements within his territory, he will be sure to blame lack of business upon such direction. Usually he will insist that as his earnings are dependent upon his good judgment, he should be allowed to assume full direction of his own work. It
is doubtful if it is ever possible to direct the sales-
man to the same extent as under a salary arrangement.

There is danger, furthermore, of the salesman’s feel-
ing that he is under no obligation to work constantly; his money stops when he stops, so whether he works or
not is entirely his own affair. It has previously been
pointed out that this attitude is likely to cause fluctua-
tions in the amount of business and variations in the
expense of handling it at the house. The chances are
that territory will not be worked as thoroughly as the
sales manager would like to have it worked. In some
lines, the commission salesman may more readily over-
sell a dealer than would the salesman on a salary. It
should be mentioned here that loyalty and a proper esprit
de corps in the organization will eliminate, to some ex-
tent at least, certain of the disadvantages enumerated.

247. The drawing account.—Some houses allow a
drawing account in connection with the straight com-
mision plan of compensation. A salesman starting in
and having a family to support or other obligations to
meet is likely to desire a drawing account to guard
against any unexpected delay in reaching a satisfactory
volume of sales. Another may wish to equalize his in-
come by taking a stipulated amount each week in place
of widely varying commission checks. And it must be
confessed that some salesmen expect to be in debt to
their concerns constantly. There was a time when draw-
ing accounts were pretty freely granted and it was not
unusual for an unscrupulous individual to be receiving
drawing accounts from several different sources. Most
houses today, where a drawing account is allowed,
insist upon its being regarded strictly as money bor-
rowed which must be repaid at the first opportunity.
Overdrafts are held down not only because the sales
manager does not wish to place himself in a position where the salesman's leaving will cause a heavy loss to the concern—for overdrafts which are paid up after the salesman leaves are the exception—but because overdrafts represent a reduction of the concern's cash resources.

In a few exceptional cases a drawing account will be guaranteed. That is, a certain amount of money will be paid to salesmen periodically for a stipulated time, and will be deducted from the salesman's earned commissions; but he will be under no obligation to pay back any money in case his commissions fall short of the guaranteed amount. In general, it may be said that the practice of allowing drawing accounts is being much curtailed.

248. Blocking out territory.—Territory is a distinct asset to the house. The sales manager should have a clear idea of the value of this asset and the returns to be expected from it. A territory that is too small will discourage the salesman and prevent his producing a large volume of sales. A territory which is too large will be skimmed; and the house, therefore, will not get all the business to which it is entitled. In the early stages of a proposition, the territory seems large and the number of salesmen available small. The house can be liberal with territory. Eventually there comes a time, however, when territory must be worked intensively if the house is to continue to grow. If, when the house has covered as large an area in search of business as the nature of its products will permit, territories are twice as large as they should be, the house will be doing but half the business that would be possible if territories were divided and the force of salesmen doubled.

Figures showing territorial conditions may come from the United States Census, governmental reports and
trade journals; previous experience and records of the firm's personal investigations made by the sales manager, his assistants or field representatives; and from listing and directory concerns whose business it is to compile this sort of information.

The sales manager will know what classes of people or businesses are possible prospects. From one of the sources enumerated, the number of prospects in the area to be covered should be ascertained by subdivisions. For example, if the whole United States is to be covered the number of prospects by counties may be the basis of apportioning territories. In the case of a jobbing house serving a more limited area, the number of prospects in each town can be tabulated. Next, the number of prospects that a salesman can call upon and dispose of daily should be determined. Then it should be decided how often a territory must be thoroughly worked. The wholesale grocery house will have its salesman call upon its customers every two weeks. The dry-goods salesman will probably call about four times during the year. In the case of some specialties where a man is sold but once, it may be well to allow a considerable lapse of time between workings of a particular town or county. With the information indicated in hand, it will be possible in most lines, by multiplying the number of prospects that can be seen in a day by the number of days that should elapse between workings of a territory, to estimate the number of prospects that should be contained in the ideal territory.

Each territory should then be laid out as nearly as possible with a view to making all parts easily accessible from some central starting point. This will diminish the amount of railroad fares and enable the salesman to get to his headquarters more frequently. This is
especially important when the salesman has a family. It will be seen that territories in the East will be fairly compact while those in sparsely settled districts in the West may cover a considerable area and necessitate much traveling. This will tend to cut down the number of prospects in an ideal territory in the West and increase the number in eastern territories.

249. Apportioning city territory.—In handling a product prospects for which are fairly numerous, it will often be found necessary to have more than one salesman stationed in large cities. The city may then be districted or it may be found advantageous to apportion certain classes of prospects to each salesman irrespective of the prospect’s location in the city.

250. Minimum business and guaranteed territory.—It is well to determine the minimum volume of business that should be expected from a certain territory and to make it incumbent upon the salesman to produce that amount of business or relinquish the territory for one less desirable. This estimate will be based to some extent upon the past performances and the ability of the salesman but principally upon the possibilities of the territory.

It is quite common for houses to guarantee territory. That is, a salesman will be paid a commission or given credit for business coming from his territory even though he may not have directly influenced the particular sale. Sometimes full commission or credit is given but more often a salesman receives only a percentage of that to which he would have been entitled had he taken the business personally. Usually a salesman is started with a concern without guaranteed territory and later granted it as a form of reward for increased business or length of service.

251. Records of work in territory.—The practice of
having permanent records of work done by the salesmen in the several territories varies with different concerns and in different lines of business. Where full information is desired, the territory can be carded with the name of each individual prospect. Duplicate cards can then be forwarded to the salesman at about the time that he should call upon the prospects. The salesman, after he has made his call, reports the result of the interview on the card. A certain limit for the returning of these reports may be set and a tickler system installed to see that reports are made. The salesman calling upon new prospects of his own initiative may report on blank cards furnished for that purpose. These are but the general outlines of one of many systems that may be provided to keep track of the thoroughness with which territory is worked. Thorough records of this nature when they are not too expensive will do much to point out opportunities for increased business.

252. Sales department records and statistics.—It is not our purpose here to give detailed descriptions of the various systems in use in the sales departments of various concerns throughout the country nor to give any directions for the handling of the purely clerical records, but rather to indicate the nature of the information that a sales manager should have constantly before him or at least quickly available. Nor should it be understood that all of the records and statistics enumerated are necessary in every case. It is obviously unnecessary to spend money making records of things that are easily remembered. Records necessary to keep in constant touch with a sales force of one hundred would be in great part unnecessary in handling a force of ten. The records necessary depend further upon the nature of the business. It is left to the reader to decide the particu-
lar kind of information that should be available in his business. As a general rule, the house selling a large number of items will require more detailed information and a greater variety of statistics than that handling but one product.

Sales department records and statistics will be compiled from orders received, from special analyses of field conditions and from reports sent in by the salesmen. In this connection it should be constantly borne in mind that the salesman should not be loaded up with too large an amount of purely clerical work. The salesman is easily disgusted and discouraged by having to spend a considerable portion of his evenings filling out different reports. Nevertheless, there are certain reports that only he can furnish. His diligence in this respect should be as greatly appreciated and as adequately rewarded as his ability to get business.

253. *Salesman's daily report.*—The salesman should be required to send in a daily report showing the prospects or customers upon whom he has called and the results of the interviews. This report should show his day's work and the conditions of trade in the territory as reflected by that day's work. In every case where no sale has been made, a definite reason should be insisted upon. The salesman should not be required to report on the same prospects on two different forms if that can be avoided. For example, if he reports the results of an interview on a prospect card furnished by the house, he should not be required to give the same information a second time on another form. This should be considered in determining the form of daily report. If it is necessary to have two records it will be found cheaper to employ clerical help to make the second one in the office.

254. *Salesman's daily letter.*—While the daily letter
which the salesman writes to the sales manager cannot be termed a record in the true sense of the word, it is the most important single thing that the salesman sends into the sales manager. The salesman should be encouraged to write long, intimate letters. Without them, the sales manager cannot keep in the closest possible touch with the salesman's work nor be of the greatest possible help to him. The regularity with which salesmen write such letters to their sales manager—or, in some cases, the frequency with which they neglect to do so—will go a great way toward indicating the frame of mind of the individual and the spirit of the organization.

255. Tabulations of sales.—The sales manager should have constantly before him in some graphic, instantly readable form a tabulation of each individual's daily sales for the current month and monthly sales for the current year. Similar records for previous years should also be instantly available. Where the line is varied, the tabulation should show the volume of sales by items or classes of goods. Similar records for the organization as a whole should also be available. The totals on the daily individual record will frequently serve the latter purpose. In connection with the individual record, the salesman's percentage of quota, if one has been assigned, or his standing in any contest that may be running should be indicated. It should never be overlooked that these records can be used by the sales manager or his assistants in writing to the salesmen daily letters that will be stimulating and helpful and contain food for thought.

If there are branch offices, reports should be required from them daily. It may be that the individual salesman will be handled by the branch manager, in which case a great deal of the detailed information will be
kept at the branch offices. Many sales managers who are establishing branch selling offices, however, find that it is best to keep in touch with each individual salesman directly from the home office and in such cases full detailed information will be kept there and each individual salesman written to each day.

256. **Salesman's route card.**—If the salesman is moving rapidly from place to place and his route has not been settled definitely before the start of the trip, the sales manager should be kept in constant touch with his movements by means of daily or weekly route cards showing the towns in which he will be on certain dates and the hotels at which he may be reached. It may be found advantageous to have this card of a size convenient for filing.

257. **Reports on customers.**—It may be found advisable to have the salesman report on each individual customer called upon, either as a supplement to or a substitute for his daily report. In the selling of a varied line, for example, the sales manager will want to know as to each class of goods whether the customer still has a large proportion of the previous order on his shelves, whether he has been sold on the trip or is a future prospect; whether he has been stocked by a competitor, and if so, when he will again be in the market.

In other cases, it may be found necessary to have the salesman supplement the work of the credit department by reporting on the financial standing of the customer, the class of his trade and the general condition of his store and stock. The report on the individual customer will be found a valuable record for the service department both in acknowledging the initial order and in writing subsequent letters. The correspondents will be enabled to write letters on specific topics affecting the cus-
customer's individual interests and omit generalities. The customer's report will also enable the house to give the salesman at any future time specific information as to previous purchases.

258. Maps,—A nest of maps—a cabinet consisting of shallow drawers in which the maps are pasted—is essential. In the case of the house selling a product nationally, maps of each state should be provided. When a concern covers a more limited territory, there should be provided maps of the individual counties contained in the area in which the company operates. On these maps, the territories of the individual salesmen should be indicated by being outlined either with tacks and a string or with colored crayon. The city in which the salesman has his headquarters may be indicated by suitable marking. Branch offices, dealers or agencies may be indicated. The salesman's progress on a trip through his territory may be shown by driving a tack in each town visited and stringing a colored cord from one to the other. A refinement of this is to show various trips during the year in different colored cords.

When the information noted on the map is to be fairly stable, the use of colored crayon will be found much simpler and more satisfactory than the use of tacks and string. The latter are in constant danger of becoming disarranged. Even in cases where the information recorded changes rapidly it is an easy matter to use colored crayons and have the marked-up maps replaced frequently with fresh ones.

259. Monthly tabulations of sales.—Each month there should be tabulated for the sales manager a record of the number of sales, the volume of sales, the classes of goods sold, and if it be practicable, the terms on which sales were made. This will enable him to see at
a glance the goods which are moving rapidly, to plan for the pushing of goods showing a larger profit, to forecast the future volume of sales in each line, and to compare the results with those of previous periods.

260. Other possible information.—The statistical records that may be compiled from the information available will vary with different lines of business. They should be sufficient to enable the sales manager to make all necessary comparisons. It may be found advantageous to have charts showing the relations of sales to prospects; the relation of cost to sales; and relations of sales in one section to those of another. The sales manager may find it advantageous to subscribe to one of the reporting services which make a business of furnishing information on which to base judgment of business conditions and selling opportunities in various parts of the country.

Too many records, however, are almost as confusing as too few and cost money to prepare. It should be borne in mind constantly that sales records and statistics have two general purposes: first, to enable the sales manager to gauge the business that the organization should secure, and to see what percentage of this it is securing, so that he may put his finger on the weak spots; to show him what classes of goods sell best and why, and to indicate the producing ability of each salesman; and, secondly, to furnish the salesman with the greatest possible measure of assistance and cooperation in the field.
CHAPTER VIII

GETTING THE BEST OUT OF THE MEN

261. The biggest thing in sales management.—Here is the sales manager’s real task, the end of all sales management—getting the best out of the men in the field. Some sales managers claim that this is the only thing they should be called upon to do, and some houses insist that the energies of their sales managers be directed to this end to the exclusion of all other duties. With the proviso that in order to accomplish this object the sales manager must be a broad-gauge, all-round business man and that his authority and activities should have the wide scope indicated in previous chapters, this is sound doctrine. The sales manager should be careful to delegate to others all routine work and as much detail as is practicable, so that he shall have ample time, thought, and energy to devote to his most important object of getting the best out of every individual member of his organization.

262. “Ginger” versus cooperation.—A sales manager once sent out to each of his men a letter reading in part as follows: “Why did you fall down in making the sale? For your own benefit and ours, write me frankly.” He was rather startled to receive from one of his men this reply: “Because I did not know my goods. You have been filling us so full of ‘ginger’ and ‘boost’ that we have not had a chance to learn anything about the goods.”

There would seem to be two distinct classes
of sales managers, one with the pure "ginger" idea of stirring the men up and getting the most from them; and the other with the idea of really giving the men an opportunity to know their goods, of helping them over the rough spots, and of giving them real assistance in the upbuilding of their characters and capacities and the realizing of their ambitions.

Salesmen do not take as kindly to being "gingered" continually as some sales managers fondly imagine. It is true that salesmen, as well as all other men, like a game and take kindly to the introduction of the game spirit into their work, but it must be realized that they are capable, intelligent and ambitious men. They demand that much of common sense be mixed with the game if it is to be successful. From the sales manager's point of view, pure "ginger" methods are inefficient because the enthusiasm they generate is not lasting. The "ginger" idea has a place in sales management only when it has for its foundation a profound love for the men of the organization, a keen realization of their problems and difficulties, and a sincere desire to give them real cooperation.

With these considerations in mind, let us consider the various tested methods of getting the best from the members of the selling organization.

263. Visiting the men in the field.—When the salesmen get into the house but once or twice a year, or have headquarters in their territories and see the home office only at convention time, the sales manager will do well to arrange one or two trips annually during which he will visit and possibly work with each member of his organization. Those whom he may be unable to see should be visited by his principal assistant. When the sales manager and his assistant can each make two trips
a year, those visited by the assistant on the first trip should be visited by the sales manager on the second, and vice versa. There is nothing that will put the sales manager closer to his men, and secure a greater measure of their loyalty and enthusiastic support, than to sit down with them in their own headquarters, discuss territory conditions, and get acquainted with their wives and families.

In the case of a general sales manager having control of a number of district offices, this will have to be confined to visits to the district managers, but the district manager should, in turn, keep in touch with the individual men. A variation of this is the calling of individual men to the home office for conference regarding their work and conditions in their territories.

264. Daily letters.—The average salesman is sensitive, highly strung and temperamental. If he were not, he would be but an indifferent salesman. Each rebuff, each discouragement, each discourtesy to a man of this nature is likely to take just a little of the edge from his enthusiasm. This enthusiasm must be renewed from some source and, with few exceptions, salesmen will not find the source within themselves. The only source then is contact with the men from the home office. For that reason the sales manager, or in the case of a large force his principal assistant, should write every day to each individual member of the organization a stimulating, friendly letter. So important are such letters that nothing should be allowed to stand in the way of getting them out. If necessary, a hard and fast rule should be made that all dictation of this nature be in the mails before the sales department force goes home. It may even be well to schedule the mailing so that the letter reach the salesman at the time when it will be most
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effective—in the morning just before he goes forth to meet his first prospect. Great care should be taken to mail the letter to the proper town; a salesman who is looking forward to an inspiring message from his sales manager will not be one hundred per cent efficient if it fails to arrive. Furthermore, two or three letters reaching a man at the same time will not generate the same amount of enthusiasm as will those same letters reaching him on separate days.

In this connection, it should be remembered that a holiday when no letters are written from the home office, will cause the salesman to be without his daily letter on a later working day. To take care of this, it may be well to get out a double amount of letters on the day preceding and delegate some member of the office force to mail them on the holiday. In lieu of this, the sales manager may get out a post card containing some timely message in multigraphed form or send to each man in the organization an ordinary picture post card on which he has written some personal message. The latter course can profitably be followed too, when the sales manager or his assistant is out on the road. In the latter case, the salesman will receive the personal card in addition to his usual daily letter.

265. Contents of daily letter.—In these letters the salesmen should be thanked sincerely for the orders received from them that day or for contributions to the house organ. They should be complimented upon any good work they may have been doing and should receive sound advice from the sales manager on any deals that may be before them. The message will, in general, be based upon the letter received that morning from the salesman.

All criticism should, in so far as it is possible, be kept
out of these letters. If any is absolutely necessary, it should be given in a manner calculated to increase rather than decrease the salesman's efficiency. A salesman who has been doing his best, but for some reason has not been producing normal results, needs friendly encouragement and sound suggestions rather than criticism. Nothing will so effectively destroy the producing power of a loyal salesman as a sharp, fault-finding letter from the sales manager. If the salesman has been derelict and it is necessary for the sake of discipline that he be reprimanded, the language in which the reprimand is couched should be given careful consideration. There is no phase of the sales manager's duty in which he is called upon to exercise more tact and real executive ability than in his letters to his men. His one purpose is to increase sales, and in every letter he should have in mind the ultimate effect upon the productiveness of the salesman.

266. *Special paragraphs.*—There should be included in this daily letter some one inspiring thought, helpful suggestion, or piece of news. This part of the letter will be applicable to all men in the organization and will therefore be written each morning in the form of special paragraphs, to be typed either preceding or following the purely personal dictation. No attempt is made to hide from the salesman the fact that these paragraphs are included in the letters to the other men in the organization. These are, however, worded so that it is sometimes difficult for the salesman to determine just where the personal dictation leaves off and the special paragraphs begin. In the event of no letter having been received from the salesman or there being nothing of importance to communicate to him that day, the special paragraphs may be sent to him unaccompanied by personal dictation.
This form paragraph may convey some information regarding changes of house policies or prices, some piece of good news concerning the house, or some purely inspirational thought or suggestion as to a new method of selling that the salesman may carry into the field with him that day. Much depends upon the nature of the business, much depends also upon the type of sales manager and salesmen. The following represent the more inspirational type of paragraph:

267. Special paragraphs illustrated.

ON CLOSING THE INTERVIEW

How many of your prospects do you lose because you give them up too easily? Every salesman loses business by becoming too easily discouraged. Oftentimes a prospect will tell you "no" when he really does not mean it. He is waiting for some further reason, advanced by you, in order to satisfy himself thoroughly that he should take up our proposition.

As long as there is a flicker of interest in your prospect you have no right to leave him. Be persistent, but at the same time diplomatic. Come back at him from another angle and hammer along those lines that you know are of greatest interest to your prospect. You leave lots of men who are almost persuaded; a little more thought on your part, a little more persistency, and a little more diplomacy will close many an order that otherwise is lost.

Work up a fighting spirit—that "never-say-die" spirit will carry you through and turn your failures into success.

ON QUOTAS

There are eight more days in February and so far you have fallen short of the quota that I had hoped you would reach. Won't you put forth an extra effort for the remaining few days of the month so that your own earnings will be somewhere near what you should be making?

I realize the difficulties that you are up against in the field;
I have been through the mill myself; but whenever business did not come for me in satisfactory quantities, I always made a self-analysis, and ninety-nine times out of a hundred I found that I was to blame. Some days I felt tired; business suffered. Other days I saw the people and mechanically told them my message; still business suffered. Usually when Thursday came I would awaken to the fact that I needed the business and the money that the business brought me; then I would get out and work along the right lines—and I always made sales.

You are not differently constituted from any other salesman, and if you will stop for a few minutes to make a self-analysis, you will come to the conclusion, just as I used to, that you are really to blame. There is some reason for your getting business one week and falling down the next. The prospects are practically the same. The product you are selling is better as each week follows, and it always resolves itself into this: Concentrated effort systematically put forward, plus enthusiasm, will always bring results.

I am not writing this letter in the form of a criticism but, if there is one suggestion in it that will set you thinking, I have done my duty by you and by the company. Get busy for the next eight days and send in enough business to make February a profitable month both to yourself and to the house.

268. Paragraphs and training.—Many sales managers wish to keep their men constantly in training on the principles of salesmanship and on the best methods of selling the individual line. A salesman may fail to return answer papers to formal courses of selling instruction; he may neglect to read a course of instruction published in the house organ; but there is not a salesman in any organization who will fail to read his daily letter through with care and absorb any suggestions as to better selling methods that it may contain. The special paragraphs, then, may frequently be devoted to suggestions as to better selling methods.
269. Mottos and indorsements.—It is the practice of one very successful sales manager to include with his daily letter some sort of inspirational motto or quotation on a card of convenient size. Another manager encloses every day a copy of some letter of indorsement of the goods written by a customer.

270. House organs.—The term house organ as used here is not intended to include publications put out by different houses for circulation among their customers, dealers or prospects. These are more or less commercial in nature while the publication of which we here speak is rather of a confidential nature, the circulation being confined to the salesmen of the house.

These house organs are of two general styles; the newspaper type and the magazine type. That is, some are put out in the general form of newspapers and the articles are written in newspaper style with newsy headings and sub-heads, while others partake more of the nature of a magazine both in form and in contents.

Some are published weekly and others monthly, while a few large organizations publish theirs daily. For the majority of organizations, the weekly house organ will be found most practicable and most effective.

In the mechanical make-up, a considerable difference prevails among concerns. Many house organs are printed more or less elaborately, a number of them carrying artistic three-colored covers and being profusely illustrated with half-tone cuts. Others are prepared in the firm's office by means of some duplicating device and the occasional illustrations run are printed outside as inserts. For the concern whose house organ will have a limited circulation—which will go to an organization, of let us say, from twenty-five to one hundred men—
the latter is by far the less costly method and will be found quite as effective.

271. *Name and contents.*— Probably the most important thing to be kept in mind in selecting a name for the house organ is to secure one which suggests not the "ginger" idea so much as information and cooperation.

Although much depends upon the nature of the particular business, the size of the publication, the number within the organization and the intimacy and good fellowship existing among them, in general the house organ will contain the standings in any sales contest that may be under way, contributions from the men in the field, personal notices concerning the members of the sales organization, important announcements regarding advertising, house policies, new contests, quota prizes, conventions, and the like, articles on selling and on sales methods, and articles which are purely inspirational in nature.

The house organ may be used as a vehicle for a formal study course in salesmanship. The proceedings of the annual sales convention or speeches made to the training class may be run serially. The cooperative idea can be fostered by encouraging the heads of other departments to contribute articles that will help the salesmen and that will secure cooperation from them. It is usually well to bind the house and field organizations together by devoting a page or two to inside organization matters, both of a business and a social nature.

272. *Object of the house organ.*— Some of the objects of the house organ have been indicated in the previous paragraphs. In general, the house organ should keep the whole organization, both outside and inside, bound closely together; should keep the salesmen informed as to one another, keep them up-to-date as to house news,
information concerning their goods and trade possibilities, should stimulate them to continued loyalty and enthusiasm and, with all this, should strike a sincere note of helpfulness and cooperation.

273. Securing contributions to the house organ.—To secure contributions from the members of the inside organization will usually be a simple matter. The sales manager decides what sort of articles he wants, picks those whom he desires to write them, and keeps diplomatically after the proposed authors until he secures their contributions. Requests from other department heads that the sales manager give his men certain instructions regarding cooperation with these departments can be met with the suggestion that these department heads write an article on the subject for the house organ. By continued insistence upon a fraternizing tone in such articles, he will be able to avoid any critical or dictatorial attitude that might antagonize the men in the field.

The absence of contributions from the salesmen themselves is noticeable in most house organs. In the measure that this is so, the effectiveness of the house organ will be impaired. The absence of salesmen's contributions is usually due to the fact that the editor expects long, special articles from the men and, where he is fortunate enough to get them, because he applies the editorial blue pencil and changes the form of the articles so extensively as to anger and discourage the writers.

274. Getting salesmen to contribute.—Quite a usual method of securing salesmen's articles is to offer prizes for the best one. The subject on which the articles submitted are to be written may be named by the editor or the salesmen may be left to select their own subjects. Some house organ editors, recognizing the aversion to
writing formal articles entertained by most salesmen; require from them only rough outlines of their ideas. The editor then fills in the outline, writes the article in his own words and gives the salesman credit for it.

By far the best way to secure house organ contributions from salesmen is to cull them from the letters the men write to the sales manager. Under the daily letter system described, the salesman will be encouraged to write long, interesting and chummy letters. Enthusiastic portions of these, sometimes including references to orders sent in or descriptions of how orders were taken, may be selected and run in the house organ under special heads written for each one individually, or under such a general head as "FROM THE MEN ON THE FIRING LINE."

When a man has put over an especially good deal, a request from the sales manager to write him a letter telling how it was done will bring an enthusiastic, unstudied story that will make fine reading in the house organ. That the salesman suspects it will be used in the house organ will make little difference. The fact that he is telling his story in a letter addressed to the sales manager makes it easy for him. If a salesman shows unusual success with a particular class of prospects, he should be requested to write the sales manager a description of the methods he uses in getting that class of business. Unless there is some good reason to the contrary, the salesman's name should always be signed to the contributions thus secured.

275. The house organ editor.—The editor of the house organ and the sales manager have been spoken of here as though they were two different people. Except in rare instances, however, the sales manager should edit the house organ. Only by so doing can he be sure that
the right articles find their way to its pages. Articles which may be all right from other points of view are not always advantageous from a sales standpoint. An article, the subject matter of which may be acceptable, may be written in a tone that would antagonize the whole sales force. Many house organs are filled in with a plethora of irrelevant material because their editors, lacking the sales point of view, are unable to fill their pages with material that is relevant. The editing of the house organ by the sales manager will insure contents which are right from the selling standpoint and helpful to the men in the field.
CHAPTER IX

GETTING THE BEST OUT OF THE MEN—Concluded

276. Contests.—The love of a game is innate in human nature, and in a closely knit, harmonious selling organization anything is welcomed that makes a game out of business and enables its members to indulge in friendly rivalry. The sales contest satisfies that love of a game, sets a standard for the salesman to attain, sets a pace for him and thus promotes his selling efficiency.

Contests may be announced at the opening of a year, at the annual convention for example, and may run throughout the entire year. Others may be for monthly or quarterly periods and may be announced in the house organ. A contest extending over the months of June, July and August may be planned to keep the members of the selling organization going at maximum efficiency during these ordinarily off months. One big concern doing a national business fought off "dull times" talk in the early part of 1914 by announcing that the board of directors had come to the conclusion that the time was right for a rapid expansion of the company's business, and by inaugurating a series of contests for prizes to be awarded in accordance with percentages of increase over corresponding months of previous years.

277. Giving all a chance to win.—It might be set down as a fundamental principle of sales contest planning, that every man in the organization be given more than a fighting chance to win. The rules should
be such that every salesman in the organization, regardless of the volume of his production, will start out sanguine of his chances of coming out at the top. A contest which by its rules is confined to a few top-notch producers in the organization will attract little attention and create no enthusiasm in the rank and file of the organization. That means that the contest will not be an incentive to them to increase their sales.

Calculating standing by the percentage of increase over a previous period is one method of giving every salesman a chance to win. This has the disadvantage, however, of allowing the poorest producer of a previous period the best chance of winning. This may be guarded against to some degree by establishing a minimum upon which increases will be calculated. In order that the top-notch producers of a previous period may have an opportunity of winning a prize also, there should be in addition to the increase prizes one or two prizes for total sales.

The principle here is the same as that which governs handicapping in athletic events. Just as a crack runner would win easily without putting forth his best efforts if he were unhandicapped, so the big producer in a selling organization, if he is not handicapped, will carry off the honors without a struggle. The men may be handicapped by assigning quotas, and determining standing in the contest by the percentage of quota which has been attained. It will thus be possible for salesmen whose respective volumes of business vary widely to have the same percentages and consequently identical standings in the contest. If the contest standing is figured on a point basis, which ordinarily means that a certain amount in sales shall equal one point, the amount which shall constitute a point may be made to
vary according to different men or different territories. Consistency may be recognized by rewarding those who take orders on most days, irrespective of the total of orders taken.

278. Making quality of business count.—The quality as well as the quantity of business taken should enter into the figuring of standings in the contest. Different totals of sales of different articles may be made to represent a point if the contest be figured on a point basis. One point may be allowed for every five dollars in sales of an article showing the larger profit or which it is desired to push, while a sale of ten dollars or even fifteen dollars will be necessary to earn a point in another class of goods. Articles may be weighted by assigning them various numbers indicating their importance. Then the points allowed on each class of goods will be multiplied by the weight numbers, the results added, and the total divided by the total of the weight numbers.

Separate points may be allowed for the terms secured on orders. For example, fifteen additional points might be allowed for every $100 of business taken for cash in ten days, ten points for every $100 in business due in thirty days and five points for every $100 due in sixty days. If the business is such that collections are made with the order, an additional tenth of a point may be allowed for each dollar collected and sent in with the order. These principles of figuring contest standings so that every member of the organization will have an equal chance, and so that quality as well as quantity of business will be taken into consideration, will vary in different lines.

279. Prizes.—It is a curious fact that salesmen will respond much more readily and much more enthusiastically to an appeal to their pride and desire to win a place
of honor than they will to an appeal to their pocket-books. They will strive hard for a prize the value of which put up in money would leave them unmoved. It may be laid down as a general rule, therefore, that, unless money prizes are of such size as to appeal sufficiently to a salesman on a strictly cash basis, contest prizes should be other than money and should preferably be of a nature to allow of a suitable inscription indicating that they are prizes. Some of the most successful contests have been waged for mere pieces of paper, cloth pennants, inexpensive buttons, the honor of seeing one's picture in the house organ, or for a cup or banner to be displayed in the district office or in the salesman's home.

Furthermore, the salesman will respond to an appeal to help others quite as readily as he will to an appeal to increase his own earnings or win a prize for himself. Some concerns, for example, set aside different months in the year during which the business taken will be considered a tribute to different executives of the company. Salesman will forge ahead and pile up a big business for a well-liked man although they get nothing from it themselves other than the satisfaction of having contributed to a big month in his honor. An appeal to pile up a record month during the absence of the sales manager so as to surprise him on his return, if not overdone, will bring a ready response. The board of directors of one large concern set the business they expected to secure in a certain year as the sales manager's quota and offered to present him with an automobile if his organization were successful in producing that amount. In this contest, the score makers got nothing but the glory of having contributed a large or small number of parts toward the sales manager's automobile.

280. Plans of contests.—There are such a wide va-
variety of contests that no comprehensive list could be given. A few that have been successful and that have had a strong imaginative appeal may be mentioned, however.

One large organization has what is known as a "One Hundred Point Club." Only those who average one hundred points per month in sales over an entire year are eligible to membership the following year. In this case, one point represents twenty-five dollars in sales. The first man to reach twelve hundred points is president of the club for the following year, the second man vice-president and so on. In addition to the honor, all members of the club are brought to the factory for a short sojourn. The membership of the club is, of course, widely advertised through the house organ and in other ways.

Advantage may be taken of timely events in the staging of the contest. Much ingenuity has been shown in the planning of baseball contests during the summer by pitting district offices or different sections of the country of equal strength against one another; and where the organization is large enough leagues have even been formed. In one case, a bogie team has been pitted against the players of the organization. Orders according to their size are made to represent one base hits, two baggers and home runs. While the comparisons are far fetched, the contests are generally successful. The football season is taken advantage of in the same way.

One concern took an ingenious advantage of a timely event by putting on a contest for the election of a president during a presidential campaign. The simple plan was adopted of allowing each salesman to register one vote for his favorite candidate for each twenty-five dollars' worth of business secured. The contest closed on
the last day of October thereby allowing the organization to elect the president a week before the country at large had an opportunity to do so.

A large New York organization, while it may have small contests running for short periods during the year, has one contest that runs throughout the entire year. Standings are figured on a point basis, taking both quantity and quality of business into consideration. The first prize for the greatest number of points is a watch or other article, suitably inscribed, costing not less than $300. The second prize for the second largest number of points is a similar article costing not less than $150. In addition, there are three prizes for individual increase of business over the previous year; the first to cost not less than $150, the second not less than $100 and the third not less than $50. A minimum of 1,000 points is set as the basis on which increases must be figured, both for those who made less than 1,000 points during the previous year and for those who are new in the organization. While the prizes for the greatest number of points have been won by the same three or four men in the four years that the contest has been running, the increase prizes have gone to different men each year.

It may be desired to pit part of the organization against another part to the exclusion of other organization members. For example, a concern with salesmen all over the country but with only two city organizations, one in New York and one in Chicago, inaugurated what was called a "big cities" contest. Two sets of theatre tickets, the tickets desired to be chosen by the winners, were offered as prizes. It became the object of each of the city organizations to take both sets of tickets in the same month and, as a result, rivalry be-
came keen. Standings were shown in each of the offices by listing the names of the contestants in the order of their standing, New York men in red and Chicago men in black.

281. Methods of showing standings.—Much of the incentive of a contest depends upon the way the standings are announced and, although the method employed varies widely, a few suggestions will be given here. In the first place, in the "big cities" contest just described, records were posted each week in each of the offices, showing the total of last year's business for that district, the total of the last month's business, the total of the last week's business and the totals for corresponding periods of the previous year. This furnished a continual incentive to better the last year's figures at all points.

One or two of the concerns running baseball and football contests even went so far as to get out special pink sporting extras of the house organ to announce the standings. In the case of the sales manager's automobile, the usual number of parts in an automobile was divided into the business that would be necessary to secure it and the quotient was taken as the unit of sales that would provide one part. Then, weekly announcements of the number of parts provided by each of the individual men were made and an automobile gradually being assembled was pictured.

One concern pictures each month in the house organ the leading salesman at the top of a ladder. Another house has both in its home office and in its house organ a dial with three hands, one pointing to the last year's sales record, the second to the mark set for the current year, and the third showing the progress of the current year's sales. Balloons marked with the contestants' names and with the number of points secured may be shown rising
each week. The thermometer is often used. One organization which runs contests in its various district offices has in each office a large board on which are drawn a number of thermometers and at the base of each one where the mercury would ordinarily be is a glass globe of red paint. Each individual salesman's standing is shown by extending a red line up the thermometer.

In the conduct of any of these contests, it is a question whether the names of the individual salesmen should be divulged. In a number of cases the names are withheld and the standings shown by numbers known only to the sales manager and to the individual salesmen bearing them. Fanciful names which are kept secret in the same manner are also used. The idea of this secrecy is to save those in the low places from discouraging humiliation. Other concerns publish the names of the contestants on the ground that this furnishes a strong incentive to strive for a big change in standing between publications.

282. Quotas.—Quotas are of two kinds: First, the minimum amount of business that will be expected from a certain territory; and second, the volume of business set by the sales manager for each individual salesman, which will entitle the salesman to the distinction and honor of having attained or beaten his quota for a certain period and which will entitle him to a prize if one has been offered. It is with the latter class that we are concerned here. Competing for prizes under the quota plan differs from the contests previously described in that each man competes, not against his brother salesmen, but against himself and his quota. The contest, no matter how carefully planned, will be discouraging to some in the organization who will decide at the outset that they have no chance to win the prizes. Providing
a salesman's quota is properly determined, it is a poor man indeed who will become discouraged and fail to make an effort to attain it.

283. Method of determining quotas.—The setting of the quota is a more or less arbitrary matter. The sales manager will consider past results in the salesman's territory, present local conditions that might affect sales, and any selling and advertising plan that may have a bearing on the business to be expected during the quota period; but more particularly, he will consider the past performances of the individual salesman and this will have the greatest weight in determining the quota. Special care should be taken not to place the quota too high. It is much less serious to set it too low. It may be set down as a fundamental principle in handling salesmen that a quota should never be given which is impossible or even difficult to reach. The quota set should be such that with good, consistent work, it will be easy of attainment. A quota that the salesman is able to beat and does beat strengthens him, gives him confidence and puts him in a position to assume a little larger quota the following month. A quota that is beyond the salesman's reach, on the other hand, discourages him and tends to confirm him in the habit of failure. Some sales managers allow each salesman to set his own quota and then cut it down, if they think he has placed it too high.

284. Examples of quota prizes.—Quota prizes may be offered for periods of a month or longer. Some firms make it a point to set quotas and offer prizes each month; others, while they may set quotas each month, offer prizes only occasionally. Still more keep the quota prize a novelty by setting quotas and offering prizes intermittently.
A sales manager, in order to keep the July sales up offered as a prize to each member of the organization who attained a quota, a handsome, perfectly marked snakewood cane. While the stick itself was valuable, the sales manager laid particular stress on a mental picture of the stick winners marching down Broadway in a body when they came to New York for the annual convention in December. Frequent references were made during the month to the "Snakewood Brigade." What salesman would be unconcerned about being left out of such a triumphant company?

For attaining their quotas for the four months immediately preceding their convention, another house offered its salesmen a genuine walrus traveling bag adorned with their initials in gold. The sales manager announced that he wanted to make this quota contest unique in that he wanted to have the pleasure of presenting every single man in the organization with a walrus bag in the convention hall and, with that end in view, had set the quotas particularly low. With few exceptions the salesmen won their bags and, as evidence that the quotas were really set low, several of them attained the required amount of business in little more than half the time. To keep the interest of these men alive, new quotas were set on the attainment of which they were presented with toilet sets to go into the bags. A few months after the convention, new quotas were set and a folding umbrella that could be carried in the walrus bag was offered.

Another house, for the attainment of a quota set for the months of June, July and August, offered a prize of a folding typewriter which the salesman could carry with him in his travels and which would save him a great
deal of trouble in making out reports and sending the necessary correspondence.

To prevent any tendency towards slowness in getting started, after an annual convention another sales manager set quotas for the month of January and offered a gold penknife as a prize. After the convention, a class of a dozen men were trained and started out in their territories on January 15th. To insure these men getting started quickly the sales manager allowed them to compete for the gold knives and gave them nominal quotas. It will be readily appreciated that the pride of these men in winning a quota prize in their first half month's work made them better salesmen.

All the quota prizes previously referred to were suitably inscribed. On the umbrella and cane, the inscription, was on the silver mounting. In the case of the typewriter, a special plate was provided. This is a point that may well be borne in mind in connection with quota prizes. The pride of the salesman in possessing and being able to show the various quota prizes of his house is a strong incentive to him to strive for them.

285. Conventions.—Annual sales conventions are widely used by selling organizations whose members work in widely separated territories and do not come into frequent contact with one another or with the sales manager. Where possible, the entire organization is called together for a three or four days' conference either at the factory, the home office or at some centrally located point. The factory or office is preferable. It is one of the penalties of growth that eventually the selling organization becomes so large that it is impossible to get together in one place or, in fact, to have all its members attend a convention of any sort.

Some concerns hold a convention of their eastern rep-
representatives at New York and, at its close, the principal officers of the company travel to Chicago and meet the western organization. Companies which are still larger have several of their officers hold conventions in various centrally located cities, the salesmen, sales agents and district managers from the surrounding territory being called in. The National Cash Register Company holds a number of such conventions, some of which are presided over by the president and others by the sales manager. Considerable equipment in the way of charts and bulletin boards is carried. The Burroughs Adding Machine Company applies the convention idea by calling its district managers and salesmen into Detroit in groups of between twenty-five and fifty.

The practice varies in regard to bearing the expense of bringing men to conventions. A great many concerns pay all expenses including railroad fares and hotel bills. Others pay railroad fares but expect the men to defray their own hotel expense. Others make the coming of the salesmen to the convention at the company's expense dependent upon the volume of the salesman's business.

286. Preparations for the convention.—A convention represents considerable money spent. If that money is to be an investment and not an expense, everything must be done to make the convention accomplish the purpose for which it is intended. It should be played up beforehand in the house organ and in the daily letters to the men. For months before, the salesman should be reminded at intervals that the time for the annual convention is drawing near and that they will want to have a creditable record to boast of when they come in. This should secure a spurt from every man in the organization for the grand wind-up of the year's business.
The men in the field should be asked for suggestions as to topics to be discussed during the convention and they should be told something of what will be expected of them in the way of participation.

Competent committees should be appointed to take care of the several phases of the convention. The usual committees will be those on the conventional hall, on entertainment, on hotel and food and on the program. The chairman of each of these committees should be an executive officer.

287. The program.—The program should be arranged to bring up in the limited time at the disposal of the convention, all the really important problems of the house and the salesmen. All others should be eliminated. Care should be taken to have the presiding officer of the first session of the convention give a strong inspiring talk that will strike the keynote of the entire gathering. The chairmen of the subsequent sessions should be company executives who are familiar with the particular matters under discussion, who are strong enough to hold the convention to the program, and sufficiently interesting to keep the sessions livened up. In addition to the man presiding, there should be chosen leaders for the general discussion that will follow the opening address of the presiding officer at each session. These leaders also should be men who will stick to the matter in hand and lead the discussion along profitable lines.

288. Typical program.—A tentative program for a three days’ convention might include a “get together” session on the morning of the first day. This will allow the salesmen to shake hands with one another, to renew acquaintances with members of the inside organization, who will mix in the “get together” session, and en-
able the gathering to settle down for the more serious work to come. On the afternoon of the first day, the sales records of the year just ending might be discussed with the sales manager presiding. Announcements of prize winners and presentation of prizes will be made at this session. Announcements of contests and prizes for the coming year may follow. The session may close with three minute inspirational talks from each of the salesmen.

The morning of the second day might be given over to a discussion of improvements in the product, and the afternoon session to sales-building plans for the coming year, including methods of handling territory and training new men, plans for the development of new territory, office cooperation and advertising.

The morning of the third day might be devoted to improvements in the presentation and selling talk, and the afternoon to improvements in samples and equipment and to actual selling talks given by star salesmen.

289. Securing maximum benefit from the convention. —Every minute of the time spent in convention is valuable and none of it should be wasted by rambling talks, fruitless discussions or too much emphasis on relatively unimportant matters. This matter lies largely in the hands of the presiding officer. Definite methods for avoiding these things should be devised, however. In the first place, a firm stand should be taken against coming in late to the convention sessions. It should be made plain to the salesman that this is an act of discourtesy toward the presiding officer, the speaker and the other salesmen. It should be insisted upon that men who talk have something really important to say. Every man who is given the floor should be limited to a certain time determined by the importance of the subject under discussion. The
chairman should have a bell to ring when the speaker’s time is up. This rather arbitrary method will be softened if the bell is first rung on a high official who has purposely exceeded his time.

No rival conventions of three or four men in the rear of the hall should be allowed, for nothing is more distracting to the speaker or to the other salesmen. These minor discussions can be broken up courteously and effectively by drawing one of the men engaged into the main discussion.

These are all exceedingly difficult matters upon which to insist and still retain the spirit of enthusiasm and goodfellowship which must pervade the entire convention if it is to be a success. Too much emphasis on the necessity of being brief will prevent men with ideas from expressing them. Too much leniency in allowing men to ramble on will use up valuable time and weary the other salesmen. The chairman of the various sessions must be sufficiently diplomatic to encourage the one, stifle the other, keep discipline and conserve time, and through it all, maintain an ardent and loyal spirit in the convention.

290. Bringing in the men.—Just as much of an occasion as possible should be made of the coming in of the men. If all the western men can be gathered at St. Louis and Chicago and brought on from that point in a special car, so much the better. Accommodations should be secured at an official hotel and rooms assigned to the salesmen. They may be met at the train by a delegation of the inside organization and escorted first to the hotel and later to the convention hall.

291. Entertainment.—It should be remembered that when men from all over the country are brought into a big city they expect a certain amount of entertainment.
This desire on their part should not be opposed but made a valuable part of the convention itself. Informal luncheons may be provided for the men on the days of the convention. These should be attended by the principal members of the inside organization, as well as the salesmen. A reception to meet the various executives and department heads and directors of the organizations might be arranged. This may be followed by an informal "get together" dinner. A theatre party could possibly be planned for the second evening.

Great care should be taken in arranging the entertainment with which the convention is closed on the evening of the last day. It is important that there be an especially strong spirit of good fellowship pervading this feature. This session, usually a banquet, should lead up gradually to a climax of some sort and care should be taken to have the convention break up at the highest point of enthusiasm. Arrangements should have been made to get the men off for their territory immediately. Returning to the office the next day when it has settled back into its every day routine is depressing, and for the salesman to remain in the city several days on pleasure bent deadens the enthusiasm he has acquired at the convention without his having had a chance to apply it in the field.

292. The convention hall.—The convention hall need not be so pretentious as the name would seem to indicate. It should, however, be well ventilated, suitably decorated, and may contain exhibits showing the growth of the business or the making of the product. Just enough chairs should be provided for the number who will be present. Many empty chairs or a hall that is too large will have a depressing effect.

A stenographic report should be made of the pro-
ceedings of all the business sessions. This will be expensive, but it will be well worth while if the convention sticks to the program.

293. Results of the convention.—The convention is a combination of work and play. The play should not be allowed to encroach upon the work and there should be snap and enthusiasm in every session. If the convention has been properly handled, it will return its cost many times over in the increased enthusiasm, loyalty and knowledge of the field force, and in the new viewpoint it has given the inside organization. Recruits for the sales force who have had an opportunity to attend the session will enter the training class with an unquenchable enthusiasm.

294. Promotion.—Every salesman, especially if he be a good salesman, is ambitious. While his first goal is to increase his sales and his income as a salesman, he will usually have a latent ambition to one day assume more responsibility on the selling end of the business. It is not to be expected that the salesman will identify the interests of the house with his own unless provision is made for satisfying his ambition. With the sales manager of broad vision, this ambition of the salesman will be reciprocated. The sales manager will be just as anxious for the salesman to develop as the latter is, himself. The sales manager should see to it that in all reasonable ways his ambition for the salesman parallels the salesman’s ambition for himself.

The salesman should be tied to the house by being allowed to acquire an interest in the company. He should be encouraged to acquire and develop qualifications that will make him first a successful working manager of a territory and later manager of a district office. This should not be difficult. Ordinarily, a growing busi-
ness—and every business under the right management will be a growing business—can absorb men as fast as they are developed. New departments should be headed by men taken from and developed in the business. There will be no definite limit to the progress of a business directed by men developed in this way and by executives capable of developing such men. It is this vision of always having before him the opportunity of securing a position just as big as his ability entitles him to that will grapple the ambitious and able salesman to the house with hooks of steel.

295. Idealizing the business.—That methods such as have been described cost money cannot be denied. But that the money spent is returned many times over is evidenced by the big, rapidly growing concerns from whose experiences these facts and methods have been drawn. In reality, it costs more money to operate a lot of poorly trained men with little or no enthusiasm than it does to handle a well-trained, highly-efficient, enthusiastic organization.

That concern is to be congratulated whose salesmen refer to the house as "ours"—who consider themselves not distinct selling units but members of a big, growing family—who look upon their concern as the ideal of organization, square dealing and efficiency and upon its product as the best of its kind—who feel that their company is performing a highly useful service in the world and that they are privileged in being its representatives—and who, through this love and regard, cast their lot with the organization not for a day but for years.

This is not an extravagant statement. There are numberless concerns in which such a spirit pervades the selling organization from top to bottom. Few busi-
nesses are so big, so successful, or so independent, that they would not cease to grow, acquire dry rot and eventually crumble into decay if such a spirit were wholly lost to their sales forces.
QUIZ QUESTIONS

(The numbers refer to the numbered sections in the text.)

PART I: MARKETING METHODS

INTRODUCTION

1. What are the three phases of selling?
2. Why has the influence of trade relations assumed growing importance?
3. What is the difference between salesmanship and advertising? Do they both aim at the same end?
4. Upon what does profit ultimately depend?

CHAPTER I

5. Group the trade factors.
6. What is the fundamental basis for differences in marketing methods?
7. In studying the market what questions must be answered?
8. Why are typewriters usually sold direct to the user by the manufacturer?
9. Discuss some of the factors which have complicated the problem of distribution.
10. Are traditional trade channels generally respected today?
11. Where does the old chain of distribution still persist?
12. What has been the tendency in regard to methods of distribution?
13. Who of the following are consumers? A hotel keeper buying food? A store keeper buying paper to wrap bundles for his customers? The tailor who buys cloth? The miller who buys wheat? The housewife who buys tea?
14. Define the term “retailer.”
15. Originally what was the difference between jobber and wholesaler?
16. How does the manufacturer differ from the jobber or from the retailer?
17. Why is the marketing problem of the manufacturer more complicated than the jobber’s or retailer’s marketing problems?
18. What is a manufacturing jobber? A semi-jobber?
19. What are the characteristics of the agent?
20. Distinguish between the commission man and the agent.
21. Of what importance are brokers in the mercantile world?

CHAPTER II

22. How many retail stores are there in the United States?
23. Why is the retailer important to the manufacturer and the jobber?
24. Is selling at retail and being a retailer the same thing?
25. Who first controlled the merchandising which existed outside of the metropolitan centers?
26. Wherein lies the usefulness of the peddler?
27. How does the canvasser differ from the peddler?
28. What is the difference between the specialty sales-
man and the canvasser?
29. In selling what sort of goods is the specialty sales-
man useful?
30. Why does the retail store hold such a strong posi-
tion in the chain of distribution?
31. Which came first, the specialty store or the gen-
cral store?
32. What are the reasons for the growth of the de-
partment store?
33. Describe the two kinds of department stores.
34. The chain store system of retail selling.
35. What has made possible the development of sell-
ing by mail?
36. Justify the existence of the retail store.

CHAPTER III

37. What was the status of retailing before the Civil
War? Why?
38. How did the changed conditions after the War
affect retailing?
39. Has the increased competition in retailing tended
to raise its status?
40. What is the new basis of competition in retail-
ing?
41. In competing with the department store what is
the specialty store’s source of strength?
42. What is the weakness of the specialty shop?
43. How can the country general store hold trade?
44. Why does the general store lose trade?
45. Discuss the inherent advantages of the department store.

46. Are the actual economies in a department store as large as might be expected? Why?

47. Why is convenience to the public an important feature in the department store?

48. Does the department store have greater buying advantages than the specialty store?

49. In what ways does a department store’s size prove an advantage?

50. Wherein lies the weakness of the department store?

CHAPTER IV

51. What is the latest competitive factor in the retail selling field?

52. Why has this factor escaped general attention?

53. Name some of the best known examples of this factor?

54. Are there any examples in the dry goods field?

55. How are the Golden Rule stores organized?

56. To what factors does Mr. Whelan ascribe the success of the United Cigar Stores?

57. In general what are the inherent strong points of the chain store?

58. Enumerate the obstacles to chain store successes.

59. Is chain store competition insurmountable for the individual retailer?

60. Under what circumstances may the small retailer buy on a large scale?

61. Are cooperative chain stores an important factor in this country?

62. What is the main purpose of the cooperative store?
63. Why has not the cooperative movement gained the foothold in the United States that it has abroad? Upon what does the success of the cooperative store principally depend?

64. How have foreign cooperative stores built up their success?

65. Has this been characteristic of the American cooperative movement?

66. Why do not cooperative stores' savings always materialize?

CHAPTER V

67. Is the mail-order business the cause or result of the improvement in advertising?

68. What names does mail-order selling call to mind?

69. Do large houses control the mail-order business entirely?

70. Name the two kinds of mail sales.

71. Why are goods sold by mail?

72. Is there any basis for classifying over-the-counter dealers as legitimate and mail-order dealers as illegitimate dealers?

73. What is the justification of selling by mail?

74. Does the mail-order business render a service?

75. How does selling by mail create business?

76. Is the charge that mail-order houses stimulate overbuying a weighty one?

77. Give an illustration of better sales service rendered by a mail-order house.

78. Of what weaknesses in mail-order selling can retailers take advantage in competing with a mail-order house?

79. Name the inherent advantages of the mail-order house.
80. Is it true that a mail-order house can offer lower prices simply because it is a mail-order house?
81. Does the mail-order house have a much lower cost of doing business than the retail dealer?
82. What big advantage has the manufacturer who sells by mail?
83. Does the usual mail-order house possess the same advantage?
84. How are prices often lowered to mail-order houses?
85. What are “loss leaders”? Is their use confined to mail-order houses?
86. Why is it said that the mail-order house can usually undersell the local retail store?
87. Enumerate the strong points of the local store.
88. Why does the local dealer so often fail in competition with the mail-order house?
89. How can the local store extend its sphere of influence?
90. What do most retail competitive problems involve?

CHAPTER VI

91. Why has the buying problem become complex?
92. Upon what basis should the dealer make his buying connections?
93. How is the manufacturer remodelling trade channels?
94. What is national advertising? What is the effect of national advertising on the goods advertised?
95. What is a private brand?
96. What is the principal advantage of handling nationally advertised goods?
97. How does the manufacturer's advertising help the prestige of the local dealer who handles the manufacturer's goods?

98. If equal in all other respects which will do more business, the store handling nationally advertised goods or the one pushing its private brands?

99. Does handling advertised goods lower the selling cost?

100. Why may it be more profitable to handle a nationally advertised article yielding a small profit per sale than one not advertised yielding a larger profit?

101. What are the usual weaknesses of the manufacturer's selling aids?

102. Why is substitution a question of business policy?

103. How does an exclusive agency operate to the dealer's advantage?

104. Is it as profitable to handle advertised goods as unadvertised goods?

105. Is the handler of advertised products a mere machine?

106. What are your conclusions about the relation of national advertising to retail trade?

CHAPTER VII

107. Why is the jobber's service little understood?

108. Is the jobber's margin of profit high?

109. What is the first service rendered by the jobber to the manufacturer?

110. How does the jobber cut the manufacturer's selling expenses?

111. Why is the jobber able to cultivate the market more intensively than is the manufacturer?
112. How does the jobber save the manufacturer’s shipping and storing charges?
113. In what way does the jobber save in the cost of carrying accounts?
114. Does the manufacturer always use all the services which the jobber is prepared to render?
115. What would be the effect upon the retailer if jobbers were suddenly eliminated from the chain of distribution?
116. In what lines is the jobber essential in distributing goods?
117. How does the jobber serve the consumer?
118. Is the jobber’s function as a clearing house for goods efficient? What suggestions have been made for altering this function?
119. What new method is growing in importance in selling at wholesale?
120. What are the advantages of selling at wholesale by salesmen?
121. By mail?
122. Why are these methods combined?

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123. Is the jobber likely to be abolished?
124. How has the size of retail stores affected the jobber?
125. What has been the effect of cheap and quick transportation upon the jobber?
126. Does the jobber sometimes willingly leave the field?
127. How has national advertising affected the dealer’s status?
128. Under what conditions have jobbers entered the retail field?

129. How does the jobber justify price discrimination?

130. Under what two heads may the manufacturer's independence of the jobber be classified?

131. Why is the jobber unable to push any one line?

132. What has brought about the manufacturer's desire to keep close to the market?

133. How has advertising made it necessary for the manufacturer to get closer to the ultimate distribution of his product?

134. Why are some jobbers opposed to national advertising?

135. What has been the effect of the price maintenance policy on manufacturer-jobber relations?

136. How has the exclusive agency affected this relation?

137. How has the manufacturer of complete lines affected the jobber?

138. Why is the manufacturer sometimes forced into direct selling?

139. How does the nature of the commodity influence the method of distribution?

140. Why has the cost of direct selling become lower?

141. Is direct selling due to the individuals engaged in distribution or to a natural tendency?

CHAPTER IX

142. In what lines is the jobber more than merely a distributor?

143. What is the private brand problem? Is it the cause or the result of the changing status of the jobber?

144. Enumerate the various kinds of manufacturing
jobbers. Name some who advertise their brands to the general public.

145. From what standpoints should private brands be considered?

146. Is it true that the jobber's sole purpose in putting out private brands is to make more money irrespective of the quality of the product?

147. How does a private brand help the jobber to control his trade?

148. In what way does the private brand help to create business?

149. Distinguish between the four classes of manufacturers who are the source of private brand goods.

150. Who are opposed to private brands?

151. Why is the private brand unfair to manufacturers who sell through jobbers?

152. How can this unfairness be avoided?

153. What is the answer to the profit argument?

154. Does the jobber perform his true service if he does not handle advertised goods?

155. Does advertising increase the cost to the consumer?

156. Why should the manufacturer avoid selling his entire product to a jobber who uses his own private brand?

157. Would it help the consumer if each article was stamped with the manufacturer's name?

158. When is criticism of the private brander justified? Unjustified?

159. Is the elimination of the jobber an advantage to the consumer?

160. Why is the jobber likely to persist as long as we have competitive industry?
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161. Why is it important to have a definite selling plan?
162. What is the basis of a good plan?
163. What excuse is offered for failing to analyze the selling plan?
164. Why is the manufacturer's selling problem difficult?
165. In outlining a selling campaign what should be included?
166. When should the analysis of the campaign plan be made?
167. What should be the first step in analyzing the selling campaign?
168. Is the raw material an important factor? Why?
169. Why must plant capacity be investigated?
170. How is the labor supply related to the plan of campaign?
171. Why should the cost be definitely known?
172. What points should be considered in connection with the capital?
173-4. Why is the name and trade mark important? What points should be striven for in this connection?
175. Can the package be made a selling point?
176. How may the selling points of a product be charted?
177. What other factor aside from the product and the market must be studied?
178. Why is the nature of the demand important?
179. Will the selling plan be influenced by the classification of the product as a necessity or a luxury?
180. How does the classification of the product as a fad or a staple affect the sales plan?
181. Would the fact that the product was a "repeater" affect the campaign?
182. Summarize the points to be considered in planning the sale of a product.

CHAPTER XI

183. What is meant by the market?
184. Why should the market be studied?
185. Is it safe to confine the appeal to the person who pays for the product?
186. Discuss the factors which may locate the market.
187. To what extent must buying seasons be considered? How may seasonal buying be overcome?
188. What buying habits aside from seasonal buying must be considered?
189. Why should the consuming possibilities of the market be determined?
190. What would be the result of entering a saturated market?
191. Why should the manufacturer compare his production with the possible consumption?
192. What should the manufacturer know about his competitors?
193. How does the relative strength of the competitors affect the market for the manufacturer?
194. What is the most important point to know about competitors?
195. Summarize the points to be considered in studying the market.

CHAPTER XII

196. After studying the product and the market what is the next problem for the manufacturer to consider in
marketing his product? Why is this problem so difficult?

197. Outline the trade channels which are available.
198. Upon what does the choice of the trade channel or combination of trade channels depend?
199. What are the advantages of selling direct to the consumer? The disadvantages?
200. What considerations dictate sales direct to the retailer? What are the disadvantages of this method?
201. Why may it be advisable to sell direct through special representatives?
202. What must a manufacturer do before he can decide upon his own sales organization? Is it essential that trade channels be taken for granted?
203. Give examples where similar articles are marketed in widely different ways.
204. To what extent should custom be considered in choosing trade channels?
205. Distinguish between "shopping lines" and "convenience goods." What is the practical application of this distinction?
206. How does unfamiliarity of the product influence the marketing plan?
207. Why should complicated products be sold direct?
208. Discuss some of the general factors which may determine the selection of trade channels.
209. What points of sales policy must be determined after the marketing methods have been determined?
210. What marketing cost figures should be compiled before the campaign is started?
211. What is the next step in the marketing campaign after the trade channels have been selected, the
sales policies determined and the amount to be spent in marketing scheduled?

212. How can the salesmen and advertising be best coordinated?

213. How can the manufacturer assure himself of the dealers' cooperation?

214. Summarize the steps to be taken in reaching the market.

CHAPTER XIII

215. What is price maintenance?

216. To what may the movement for price maintenance be attributed?

217. How does price cutting affect the manufacturer?

218. What two methods have been tried to enforce price maintenance?

219. Analyze the property rights argument as applied to price maintenance.

220. Does fixing the resale price restrain trade?

221. Why is price maintenance not monopoly?

222. Wherein do fixed prices and conspiracy prices differ?

223. Does price maintenance result in higher prices to the consumer?

224. Is price maintenance fair to the dealer?

225. Group the arguments in favor of price maintenance under two heads.

226. How does price maintenance help the manufacturer?

227. Why should dealers support price maintenance?

228. Why does not the consumer benefit from price cutting in the long run?
229. How do standard prices affect competition? Why?

230. Does price maintenance mean the elimination of price competition?

CHAPTER XIV

231. What are some of the reasons which have been given for advancing prices?

232. Against what phase of marketing is criticism most often made?

233. How does retail store advertising make lower prices possible?

234-5. In what way does national advertising cut manufacturing costs?

236. Illustrate how advertising cuts the manufacturer's selling cost.

237. Is good advertising an unproductive burden on anybody? Why?

238. Wherein lies the extra value of advertised goods?

239. Do the principles of "who pays the cost" apply to personal salesmanship as they do to advertising?

240. Is advertising an economic waste?

241. Does the purpose of salesmanship differ from that of advertising?

242. Can advertising be indicted as illegitimate apart from the whole competitive system?

PART II: SELLING

CHAPTER I

1. What is the merchandising machine? Of what importance is it?
2. Who supplies the power for the merchandising machine?

3. What effect upon people’s wants has an advance in civilization? Illustrate.

4. For what reasons ought the salesman to be considered a great civilizing force?

5. Why is the salesman’s position one of honor and dignity?

6. What are the opportunities for employment in salesmanship?

7. Upon what depends the salesman’s compensation?

8. Describe the two types of retail salesmen. What opportunities does the retail salesman have?

9. In what fields is creative salesmanship prominent? What of its compensation?

10. Why are good salesmen usually very well paid?

11. What opportunities for learning does selling afford? How may these serve as a stepping stone to executive positions?

12. Show how everyone is really a salesman.

13. Can salesmanship be taught? Whence are its principles derived?

14. Of what advantage is it to study the principles of selling?

CHAPTER II

15. What classification of selling depends upon how the goods are used in making the sale? What upon the class of buyer?

16. What classification upon the respective attitude of buyer or seller?

17. In what lines are repeat orders common? In
which uncommon? Why should this be considered by salesmen?

18. Name several staples. Several specialties.
19. Which requires more skill to sell, staples or specialties? Why?
20. Show how specialties tend to become staples. Illustrate.
21. Define a branded staple. What seems to be the general tendency as to the branding of staples?
22. How does branding a staple demand more skill from the salesman? How possibly reduce him to a mere taker of orders?
23. Why does selling staples now require more skill than formerly?
24. Name the three factors in every sale.

CHAPTER III

25. From a business point of view what should a sale represent? Which of the three profits is often not mentioned?
26. Name the four successive mental processes in making a sale. How does confidence enter? Into what two stages may the approach be divided?
27. From whose point of view should the opening talk be made?
28. Illustrate how a study of the prospect opens up the way to a sale.
29. From what sources may be secured information concerning a prospect?
30. How may the salesman classify and keep his information?
31. What favorable policies have some concerns adopted toward seeing salesmen?
32. Why are some men necessarily hard to reach?
33. What means of securing an interview are not justified?
34. How make use of the telephone? How prevent the prospect from deciding in advance adversely?
35. What should be the salesman's bearing in the outer office?
36. Under what conditions of comfort and time is a prospect more ready to listen?
37. From what sources may the salesman secure co-operative information?
38. How may the salesman show individuality in announcing himself?
39. What should be the salesman's attitude as he enters the inner office?

CHAPTER IV

40. In what condition is the prospect's mind when the salesman desires his attention?
41. What conditions are favorable to attention?
42. Should the salesman as he meets the prospect present his business card? Offer to shake hands?
43. How does the salesman make use of character analysis?
44. Explain how attention is transferred from self to goods.
45. How may the prospect be impressed with the salesman's reliability and sincerity?
46. Show how a well-phrased question may be used to catch the interest at the start.
47. How is attention reached through curiosity? Illustrate.
48. Show how dramatic means of selling will secure attention.

49. How may the prospect's self-activity be used to hold his attention?

50. How may the jobber's salesman prevent his varied line from distracting attention?

51. Of what advantage to have the prospect see samples at the hotel?

52. Why should the sample room display be arranged first?

53. What is said concerning the display of samples?

54. Which attitudes should the salesman take, his own or the prospect's?

55. Illustrate the "you" attitude as the telephone salesman practiced it.

56. What is interest? How is it affected by presentation?

57. Why may too much argument fail?

58. Discuss the importance of the salesman's vocabulary.

59. Suppose the interview be interrupted, what plan is advisable?

60. Of what value is the demonstration?

61. Mention the various telling demonstrations the powder salesman made.

62. Upon what three elements does confidence rest?

CHAPTER V

63. Explain the difference between objection and inhibition.

64. What two attitudes may the salesman take toward the prospect?
65. How may obstacles be overcome in advance?
66. Why should price preferably be left till late in the sale?
67. Are objections always based upon reason? What is the salesman's procedure here?
68. Explain two different methods of meeting objections.
69. Show how wrong methods and statements arouse inhibitions.
70. Illustrate how daring may win an order. How an attitude of independence may be effective at times.
71. What plan is advisable regarding competitors?
72. How treat idle criticisms? How minimize the force of serious ones?
73. What general principle for creating desire?
74. Which do people desire, the article or what they will get from its use? Illustrate how the salesman makes use of this point of view.
75. How is desire shown?
76. Of what importance is the close? What is the psychological moment?
77. Are indecision and procrastination rare or prevalent?
78. How does courage aid in closing? Upon what assumption does the salesman proceed to the close?
79. Illustrate how the salesman may urge decision upon minor points, leaving the main decision assumed.
80. Describe how writing out the order is used as a means of closing.
81. What is meant by the turning points or "breaks" in reaching a decision? Illustrate.
82. How may mechanical schemes be used in closing? Illustrate.
CHAPTER VI

83. Illustrate by diagram a complete selling process.
84. Why should the salesman be persistent? But what kind of persistence should this be?
85. How does the element of good sportsmanship enter into selling?
86. For what reason is a reaction likely to come over the prospect?
87. Of what help should the salesman be after the sale is completed?
88. What suggestions may be made as to leaving the prospect?
89. Discuss the use of the “bill starter.”
90. What attitude should be taken regarding price?
91. Upon what other elements besides price can the salesman base his claims?
92. Why do prospects ask time to think it over? What stand should the salesman take?
93. How cut down the percentage of call backs? With what plan should the prospect be reapproached?
94. Show how changing a prospect to a new proposition may at times be mutually advantageous.

CHAPTER VII

95. Why must the science of selling be supplemented by human interest?
96. Of what importance is personality or calibre?
97. How do friendliness and optimism assist the salesman?
98. Show that one may compliment others frequently and sincerely, too.
99. How may asking a man for his advice be one of the best ways of selling him?

100. Of what strength as an appeal is desire for gain? Illustrate its action.

101. How may the salesman appeal to love of home and family?

102. What is meant by imitation? How can the salesman use this appeal? What caution should be borne in mind?

103. Mention several other possible appeals.

104. What is meant by the dynamic nature of ideas? Illustrate the salesman’s use of suggestion in argument.

105. Which has its influence much underrated, suggestion or argument?

106. Explain the use of argument in selling.

107. Of what influence is suggestion in depression? How does the salesman use suggestion?

108. Show how the imagination enters in as a powerful selling force.

109. Give an example of a negative suggestion. Of a positive suggestion. Which tends to make sales?

110. Compare the salesman with a musician.

**CHAPTER VIII**

111. What is meant by the new type of salesman?

112. Why should the salesman not be discouraged should he lack in several qualities? What should he do?

113. Explain why good health is especially important to a salesman?

114. Of what value is preparedness? How may such preparedness be secured?

115. Why should ambition and application be considered together?
116. How does the power of observation increase selling ability?

117. Illustrate the use of tact. How may it be developed?

118. How does concentration develop power?

119. Show the need of courage in selling.

120. Why are some men “one-trippers”? “Repeaters”?

121. What difficulties does the salesman have in maintaining confidence? What helpful means may he employ?

122. How does enthusiasm enter into selling?

123. To whom should the salesman be loyal?

124. Why should the salesman be optimistic?

125. Illustrate the action of imagination?

126. Are education and schooling necessarily the same?

127. What advice may be given as to voice and appearance?

128. How may personality be developed?

129. How may the salesman employ self-analysis as a means of improvement?

CHAPTER IX

130. In the last analysis who controls the salesman and directs him to success? What plan did Hugh Chalmers follow?

131. How may the salesman apply scientific management in routing himself?

132. Describe the method of organizing a town.

133. How plan the day’s work?

134. When should the plans for next day be prepared?
135. What test of his efficiency may the salesman make?

136. What four "devils" often prevent a full day's work?

137. Why should work be done on rainy days?

138. How is the law of averages applied in selling?

139. What should be the salesman's attitude toward territory?

140. How should time outside of business hours be used?

CHAPTER X

141. What does cooperation mean?

142. How does the salesman show his cooperation with the house?

143. Contrast the former attitude toward customer information with that now prevailing.

144. Describe the plan of cooperating with credit man and advertising manager.

145. How should the salesman cooperate with his manager?

146. What benefit due to cooperation should come to the selling force? What two directions does this benefit take?

147. Illustrate customer cooperation in operation.

148. Name several things that the salesman can do in customer cooperation.

149. Why should the salesman cultivate personal relations? How may he do this?

150. To what use may customer cooperation be put? Illustrate.

151. What is meant by customers' representatives?

152. How secure letters of recommendation that pull?
153. Show how the general tendency to imitate superiors, not inferiors, is utilized in selling.

PART III: SALES MANAGEMENT

CHAPTER I

154. What was until recently the status of sales management? Why?
155. How does the object of present-day sales management differ from that of yesterday?
156. Is it desirable that the sales manager should have had selling experience?
157. Why is the best salesman not always the best sales manager?
158. How does loyalty to his men help the sales manager?
159. Should the sales manager be a martinet?
160. Why should the sales manager have a “teacher’s mind”?
161. How will a broad-gauged knowledge of business help the sales manager?
162. Name a test for a sales manager’s letter to a salesman.
163. Does selling of itself create value?
164. Why is cooperation between the sales department and the advertising department essential?
165. In what phases of the production department is the sales manager interested?
166. How can the credit department foster sales?
167. Is the complaint department a sales factor?
168. How may the service department best live up to its name?
169. Why is the relation of the financial to the sales department so close?

170. Upon what does cooperation between the sales and other departments depend?

171. Name some methods that may be used to secure cooperation.

CHAPTER II

172. Why is it important to plan the selling campaign before selecting salesmen?

173. How would you develop selling methods?

174. What sort of men would you choose when developing a new proposition? After the proposition has become established?

175. How secure sales recruits from the outside?

176. Under what conditions is it especially desirable to develop salesmen from the inside organization?

177. Why may it be unwise to secure salesmen from competing organizations?

178. Give examples of how new men may be secured from non-competing organizations.

179. How can the salesmen aid in recruiting the force?

180. How get in touch with college men who may be eligible for the sales force?

181. What are the advantages of hiring men who have had no previous selling experience?

182. Why is the selection of salesmen so important?

183. What methods can be used in selecting salesmen?

184. How determine whether it is worth while to invite a distant applicant for a personal interview?

185. How handle the interview?

186. How may references indicate a man’s value?
187. Outline a tentative application blank.
188. Why are young men preferred for salesmen?

CHAPTER III

189. Illustrate the need of a definite training course for new salesmen.
190. What sort of man should be in charge of the training class?
191. Outline the divisions of the training.
192. When is the best time to start a training course? Can anything be done preliminary to the beginning of training course?
193. How open the training class?
194. Upon what does the special instruction given depend?
195. Outline a plan for studying the selling methods.
196. How can the star salesmen be used during the training course?
197. What should be the duration of the training period? How many make the best number in a training class?
198. How may field training be provided for?
199. Name the especial qualifications of a good coach.
200. Who may be good coaches?
201. What are the disadvantages of using regular salesmen as coaches?
202. How can the group method of coaching be carried on?
203. How proceed to lay out the field?
204. Plan the week's program. What are the disadvantages of group coaching? The advantages?
205. How should the field coach proceed in training a man?
206. Is the cost of training worth while?

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207. Why is the training of retail salesmen important?
208. In what way is the training of retail salesmen the same as that of any other salesmen?
209-211. How may the store policy be taught to new employés?
212. How is the store system taught?
213. How is the training in principles of salesmanship given?
214. Analyze the talk on "The Question of Price."
215-216. How are demonstrations made and judged in the training class?

CHAPTER V

217. What is the procedure upon putting new recruits behind the counter?
218. How is the Efficiency Bulletin illustrated used?
219. How may the merchandise be studied?
220. Discuss the plans of some of the large department stores.
221. Why are junior courses necessary?
222. What is the distinctive idea behind the Department Store Educational Association?
223. How can the public schools cooperate in this educational work?
224. Is the training of the other employés important from the selling standpoint?
QUIZ QUESTIONS

225. To what extent are department store methods of training applicable in the retail store?
226. How does Herbert S. Collins keep in touch with his salesmen?
227. Why must we not confuse welfare and employment work with the training courses?

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228. Why are new selling methods constantly necessary?
229. Where is the source of new selling suggestions?
230. How may these suggestions be secured?
231. What is the standard presentation? Why must discretion be exercised in its use?
232. Explain "Learn the standard presentation thoroughly—and then gradually forget it."
233. What is equipment? What general rules should be observed in regard to equipment?
234. How can the equipment be used to make an imaginative appeal?
235. What means can be used to visualize the product?
236. How is equipment used without salesmen?
237. How may the equipment be kept fresh?
238. Why is the arrangement of the equipment important?
239. What may be included in the sales manual?
240. What should be the tone of the sales manual?
241. Is it wise to have a printed sales manual?
242. Whence can be secured the material for the manual?
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243. What are the objects of the plan of compensation?

244. Explain the advantages and disadvantages of the “salary and expenses” method of payment.

245. How is this improved by adding commissions?

246. What are the disadvantages of the straight commission plan of payment?

247. What is the general practice in regard to drawing accounts?

248. How may territory be blocked out?

249. What may guide the apportionment of city territory?

250. What is guaranteed territory?

251. Suggest a plan for recording work done in a given territory?

252. What general rule should be observed in regard to records and statistics?

253. Outline a salesman’s daily report for your business.

254. Why is the salesman’s letter important?

255. How can tabulations of sales be used?

256. Why is a route card necessary?

257. In what ways are reports on customers valuable?

258. How are maps used?

259. To what use can monthly tabulations of sales be put?

260. What are the general purposes of sales records and statistics?
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261. What is the sales manager’s most important duty?

262. To what extent has “ginger” a place in the game?

263. How should the sales manager plan his visits where it is possible to see the men?

264. What daily means can be used to restore the salesman’s enthusiasm?

265. What should be the tone of the daily letter?

266. How may the special paragraph be used?

267. Draw up one of these special paragraphs for your own business.

268. To what other uses than purely inspirational can the daily paragraph be put?

269. How can mottoes and indorsement letters be used?

270. What style of house organ would you suggest for a sale force of fifty men?

271. Outline the contents of a typical house organ.

272. What should be the objects of the house organ?

273. How secure contributions for the house organ?

274. How may salesmen be encouraged to contribute to the house organ?

275. Who is the best man to edit the house organ?

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276. Why are contests useful in stimulating the men?

277. How may all the men be given a chance to win?

278. How can quality of business as well as quantity be made to count?
279. How can the nature of the prizes contribute to the value of the contest?

280. Outline a sales contest for your company’s sales organization.

281. What is the value of various methods of showing contest standings?

282. How is the quota system used?

283. How should the quota be set?

284. Give examples of suitable quota prizes.

285. Describe the general practices regarding conventions.

286. How can the convention be made an investment rather than an expense?

287. What should be included in the convention program?

288. Outline a program for a three days’ convention of your company’s sales organization.

289. Draw up plans for getting the most out of the sessions.

290. How can the bringing in of the men be made an occasion?

291. What part should entertainment play during the convention?

292. How should the convention hall be arranged?

293. What should be the results of the convention?

294. How can the prospect of promotion be used to stimulate the salesman?

295. Is the money required for such plans as have been outlined, well spent? Why?
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