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## NEWS-LETTER # 159

## SMALL TOWN DEALERS WELCOME MAIL ORDER COMPETITION

Anyone at all familiar with the usual attitude in the past of the small town dealer toward the big mail order houses, would be amazed at the idea that the small town merchants actually have found the mail order firms' competition to be to their advantage, and welcome the presence of the retail show-rooms operated by mail order houses.

However, the experience of Montgomery Ward & Company, in connection with the opening of merchandise exhibits, has been such that the lion and the lamb seem to be lying down together at the present time.

Montgomery Ward desires to establish merchandise exhibits for the purpose of stimulating the use of their catalog in the ordering of merchandise from their main stores. To do this, they are opening exhibits located permanently in towns of four to five thousand population. These exhibits will display about 10% of the company's lines at one time and will be partly changed every few weeks. Tires, tubes and batteries will be carried for immediate sale, but other items must be ordered from the nearest house of the company. Each exhibit is housed in a regular store under long term lease with about five employees in charge, and is so organized as to become an integral part of the community.

The first exhibit of this sort was opened at Marysville, Kansas, a community of four thousand. The opening was awaited with much uneasiness, not to say hostility, by local merchants. The company issued eighteen thousand invitations to the opening and on the first day there were six thousand visitors of whom 60% came from outside of the town. To their great surprise, practically every Marysville store reported record-breaking sales on the first day that the Montgomery Ward store was open. Increase in the volume of commercial advertising following the Montgomery Ward example has practically doubled the size of the local newspaper.

Perhaps the most convincing proof of the friendly attitude now existing toward Montgomery Ward in Marysville, is contained in a telegram sent by the Chamber of Commerce of Marysville to the Chamber of Commerce at Plymouth, Indiana, where the second exhibit was opened. This telegram reads:

"We offer Montgomery Ward & Company our heartiest cooperation finding today that it has increased our trade radius forty miles which proves beneficial to any community. Our city is being visited today by people whom local merchants were unable to draw until the opening of the display store."

As a result of the experience of Marysville and Plymouth, many towns are asking to be selected for merchandise exhibits.

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MAGAZINE READERS ANALYZED

The American Association of Advertising Agencies has now completed through its Research Department an elaborate survey which was made for the purpose of studying the sort of people who read a group of leading magazines.

The investigation which was made under the direction of Dr. Daniel Starch working in collaboration with Stewart Mims, chairman of the Research Committee, is entitled, "An analysis of the Occupations and Incomes of the Subscribers and Buyers of Magazines."

The wide scope of this investigation is shown by the fact that it included the occupational classification of 331,000 subscribers of 74 magazines in 29 cities and 30 rural towns. It also included a house to house survey in which personal interviews were made in about 20,000 homes in 20 cities and 17 rural communities. In addition to this, there was a newsstand survey and a questionnaire sent by mail.

The summary of the methods and principles used in this survey covers about nine typewritten pages and discloses the fact that every conceivable precaution has been taken to insure accuracy and uniformity in studying the subscribers and readers of all of the magazines under consideration. The clearest way in which to state the exact purpose back of this investigation is by quoting the opening of the summary of methods:

"Publishers have for years made studies of their own to indicate the quality of their subscribers and readers. The difficulty, however, has been that each publisher has made studies according to his own methods which consequently have not been comparable with those made by other publishers. There is, therefore, a distinct need of reliable methods applied in a uniform manner to all publications.

The chief problem on which the Research Department of A.A.A.A. has been engaged since its inception in December, 1924, may broadly be referred to as a study of the quality of magazine circulation. This phrase, however, is open to question. Quality of circulation is a general term which may have many different meanings. Some have suggested that quality is measured by the subscription price of a magazine, by its literary or editorial content, by the economic status of its readers, or by the race, religion, or occupation of its readers.

All of these criteria have some value and in a certain sense indicate quality. However, for the purposes of this investigation, it is necessary to describe our problem specifically. Instead of using the general term quality, we shall define our problem as an analysis of the occupations and incomes of the subscribers and buyers of magazines.



There has been a decided need of a careful study of this problem. In 1914 the Audit Bureau of Circulations was established to provide reliable and comparable figures on quantity of circulation. This has been one of the outstanding forward steps in this field. We next need, however, reliable information on the other aspect of circulation, namely, the kinds of subscribers and buyers that a magazine has. Stated in terms of the marketing and distribution of goods, the problem is: What kind of a market is reached by each given publication?"

The complete investigation showing the detailed facts for all the magazines under consideration, under all classifications of income and types of families is available by interested members of the organization. Inquiries should be made of the Media Department.

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#### APPLAUSE OFTEN MEANS NOTHING

"The janitor of our building is my best copy critic," says a business man who poses as a keen student of advertising.

Any laundress, delivery man, office boy, elevator operator or night watchman will gladly criticize a \$50,000.00 direct advertising program for you. Because, in advertising, the layman always knows more about advertising than the man who has made advertising his business.

The uninitiated like trick folds, snappy lines, catchy phrases, cute slogans. The cold logic of common sense planning seldom wins their applause. But their applause seldom means the sale of goods.

Editorial from The Three Circles  
published by  
Evans-Winter-Hebb, Inc., Detroit

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#### IS MORE ART NEEDED IN INDUSTRY?

A most interesting development, likely to be of far-reaching significance, was revealed by Dean Hermann Schneider, of the college of Engineering and Commerce of the University of Cincinnati, in a recent address before the Advertising Agencies Council of Cincinnati.

The keynote of Dean Schneider's address was the application of science and art to industry, in an entirely new manner and degree.



Acting on the principle that an industry can thrive only to the extent that its raw materials are readily available to the point of manufacture, the University has for some time been conducting an extensive investigation. This research, originated and supervised by Dean Schneider, aims to determine the actual mineral and alluvial deposits in and near Cincinnati. Armed with such information, the Research Committee will be able to give authoritative counsel to any industry as to whether or not its location in the vicinity of greater Cincinnati would be feasible from the standpoint of production cost.

Even more interesting, however, were Dean Schneider's remarks concerning the future of art in industry, and the actual work which the University has already accomplished in this respect. The entire class in Applied Art, in the College of Engineering and Commerce - numbering some two hundred and fifty, including the faculty - has been engaged for over two years in the study, planning, and production of a new type of commercial and industrial art. This applies to labels and containers, as well as to the design of the product itself.

There is no reason on earth, as Dean Schneider sees it, why a catsup bottle or its label should be as fundamentally unlovely as it is. But there is every reason, from the standpoint of successful marketing, why it should be beautiful. A new label on a confection - with no change whatever in the product itself - was sufficient to convert a tottering industry into an overwhelming success almost overnight. As to containers, people would welcome an artistic receptacle - something they could use, perhaps, for other purposes, when it should no longer be required for the product itself.

What Dean Schneider is working toward, is the formation of a Cincinnati Industrial Guild - an organization whose stamp of approval would be granted only to those industries which should maintain a specified standard of art as well as intrinsic quality in the preparation of their products.

Mr. W. S. Groom, of Cincinnati Office, (under the auspices of which the address was given) as spokesman for the local advertising agencies, complimented Dean Schneider on the vision and perseverance which made such a project possible, and assuring him of the interest of all local agencies and their co-operation in whatever way he might deem expedient.

Walter E. Sagnaster  
Cincinnati Office

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