

December 23, 1926

## NEWS-LETTER #164

## THE NEWEST NOEL

At this time we exchange Christmas greetings, we wish others well for the New Year. Our organization is large, but nevertheless it seems a Round Robin of greetings and good wishes is in order. Everybody wishes everybody else well, and everybody else wishes everybody well. Let the statistical department calculate how many wishes that is! And so a fair good morrow and many a fair good morrow after that!

## CHAIN STORE SALES RESISTANCE

The difficulty of introducing a new product in chain stores is illustrated by two interviews described to us recently by the Sales Manager of one of our clients.

There is a very strong chain in Detroit with 233 stores. The Sales Manager interviewed the head of the chain, whom he knew fairly well. He described to this man the product he was trying to introduce, admitting that in quantity and quality it was practically the same as its competitors, but emphasizing the new improved package. His main argument, however, was that he was going to make this chain store man such an attractive price that it would mean a big margin of profit, far larger than afforded by the established brands.

At this point the head of the chain store said that he was not interested.

"But," said the Sales Manager, "you do not know the price".

"It does not make any difference to me what price you quote," said the chain store head, "I will not stock another product in this line."

The Sales Manager then went on to the headquarters of another very large mid-western chain. At the end of the interview, the chain store buyer told our client that this chain was not interested in the introduction of a new product except under their own brand. They said they would not stock any product in a competitive class until it had 75% distribution in stores outside the chain and had created a substantial local demand.



As this chain store buyer put it, if in any city where they operated, the estimated volume was \$3,000, and they knew that they were entitled to \$750 of this, they would then decide whether or not they wanted to stock the item to get the \$750. Until such volume was established, they were not interested at any price.

Gilbert Kinney

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APPLAUSE

A portion of a letter  
from Mr. Ivy Lee

May I take this opportunity, in the midst of a good many other 'paths of strain and stress,' to express the real pleasure it has been to have such close association with you and your people during the past eight months? We have been through some rather strenuous times, but I hope I have made all of you feel that your work is regarded by me and by the Pennsylvania Railroad as having a high degree of excellence absolute and a still higher degree of excellence relatively -- with what others are doing!

In addition to that, there is a quality to the work of your people which I find in very few other advertising agencies! A quality that is represented by seriousness and sincerity of purpose! God knows - none of us accomplish the miraculous or the impossible; but I have lived long enough to know that the only fellow who accomplishes anything worth while is he who takes his work as the most serious and the most important thing on earth. Give me that point of view and that actuated impulse and I will back commonplace people to accomplish wonders -- and when those people are NOT commonplace, as certainly your people are not, the wonders will become about as near to being miracles in fact as some of the biblical episodes we are sometimes asked to characterize with that classification.

I shall look for great things to occur out of our mutual efforts on behalf of the Pennsylvania Railroad, and I am sure those achievements will be greatly promoted through a continuance of the spirit of high, mutual, personal regard and confidence which I believe prevails between us today, and which has flavored all of our relationships since first we met.

With very kind regards, and wishing you all - yourself and your associates and your entire organization - the Happiest, Best Christmas and the Most Successful New Year.

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Once a year our salesmen from all points of the United States convene in Boston. It is an event to which we all look forward with great enthusiasm. The personal contact is invaluable in a business of such detail as confectionery.



I think it is extremely fortunate that we were able to have Mr. Fowler with us on this occasion - his enthusiasm and counsel were most inspiring. I am sure the Necco forum which was conducted disclosing our weakness as well as our strength throughout the country was of inestimable value to you and to us in quickly arriving at the solution of our problems as we see them.

Now we look forward to a better understanding of our problems as you see them.

Yours very truly,

NEW ENGLAND CONFECTIONERY COMPANY

(Signed) W. F. Burlen  
Advertising Manager.

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#### THE NEWS BULLETIN CHANGES ITS RAIMENT

"My love in her attire doth shew her wit," sang Herrick nearly three centuries ago. And whether the product to be sold be the beauty of a seventeenth century lady of the court, or the toilet preparation of a twentieth century manufacturer, or merely a periodical house organ, the principle holds good that it is well to give effective display to the outward and visible signs of an inward and spiritual grace.

Not wishing to hide its very small light behind a bushel any more than it must, the News Bulletin has discarded the dignified cover which suggested a miniature edition of the Harvard Business Review and has adopted a gaudier costume, manifestly derived from that worn by such low-brow publications as the new Harper's, the Forum, the Atlantic Monthly, and the like.

Harper's used to have much more handsome covers than it shows today, but they didn't tell the passer-by what was in the magazine. Harper's jump in circulation in the past year or so is probably in part attributable to its change of cover as well as to its change of contents.

The News Bulletin isn't aiming at a jump in circulation, at the moment, but it does aim at an increase in reader interest.

#### Who Bothers to Read the News Bulletin Anyway?

The print order for the News Bulletin averages about 3,000 copies a month. Over 2,500 of these are distributed outside the organization - to members of clients organizations, to prospective clients, to publication representatives, to teachers of advertising and to others interested in advertising.

"But are there any signs that the Bulletin gets a reading?" asks a doubter.

To that, the answer is "Yes". We have not, indeed heard as yet of a



prospect rushing into the office with a copy of the Bulletin in his left hand while his right is extended in a frenzied effort to give a cordial clasp to the New Business Department. And we don't expect to hear of it.

The aim of the Bulletin is not to act as a scout for business. The growth of the J. Walter Thompson Company has been due to its reputation for constructive work. The publication, accordingly, seeks only to do what it can to increase the respect of clients, prospective clients and others for the J. Walter Thompson Company as an institution. The Bulletin admits that in this regard it isn't yet doing a quarter of what it wants to do, but it's quite willing to have its present record examined.

Practically every month the News Bulletin receives requests from readers for extra copies. Many of these requests are from publication representatives, many from college Professors and from research workers in different industries, a few from clients, and prospective clients, some from other manufacturers and from bankers.

#### Did the Bulletin Accomplish Anything in 1926?

One client wrote to the San Francisco office saying that it was worth reading the Bulletin for a year if only in order to get the enjoyment he derived from George Fowler's article in the January 1926 issue "When the Chain Store puts its wrong foot foremost."

The March 1926 issue of the Bulletin, containing the summary of our investigations in Putnam County, New York and Randolph County, Indiana, was advertised in Printer's Ink and Sales Management. Over a hundred inquiries were received in response to the advertisements and these came from people of all sorts, from governmental departments at Washington to manufacturers in the Middle West. Prospective clients, too, were represented in the list of inquirers.

The April 1926 issue, containing the Report on the Visit to America of two members of the British Federation of Industries, was not advertised but was nevertheless in great demand. In fact, the demand far exceeded the supply. It was, of course, of particular interest to Britishers - also to bankers.

Letters requesting extra copies of the April issue came from several clients, from managers of leading branches of the Bank of Montreal and the Royal Bank of Canada (sizeable institutions - both of them \$700,000,000 banks), and from Canadian manufacturers and jobbers. Also, the London, Boston and Chicago Offices of the J. Walter Thompson Company requested a considerable number of additional copies for distribution. Letters expressing appreciation of the April issue were received from, amongst others, Henry S. Morgan of J. P. Morgan & Company, Mackenzie King, (Prime Minister of Canada), Vincent Massey (now Canadian Minister to the United States) and from the general manager of a \$40,000,000 corporation, which is the largest maker of agricultural implements in the British Empire.



There was a substantial demand for the June issue containing the article "How to get prestige for American Products" by Gilbert Kinney. And one of the larger publishers asked for some thirty copies of the July issue because he wished to distribute its leading article "Consumers Decide" to his various representatives. Three requests were received ( and granted) for permission to reprint Bruce Ashby's article in the July issue "What about the Farm Market?"

A thousand extra copies of the September issue containing the article on Mariemont, Cincinnati were bought by the Mariemont Company. Incidentally, it is worth noting that most of these requests for extra copies of an issue in quantity are accompanied by offers of payment.

The New York Evening Post in its "Advertiser's Column" called attention to the November issue and in particular to the article "Where are you going, my pretty market?" by Paul T. Cherington. There have been a considerable number of requests for the November Bulletin both because of the above article and because of the excellent article on "Co-operative Advertising" by James Young.

In November, too, the Bulletin received a letter from Professor Neil Borden of the Harvard Graduate School of Business Administration requesting that in future copies be sent to all members of the National Association of teachers of advertising. This is a request of more than academic value. These teachers of advertising do important special work, on occasion, for clients and prospective clients.

At the moment of writing, requests for the January 1927 issue are coming in in response to the advertisement in Printer's Ink of December 16th. These requests are coming from publications, manufacturers of various sorts, private individuals, members of other advertising agencies - and also from clients and prospective clients.

P.A.

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#### MARRIAGES

Baillie - Hoy - On December 4th, Mr. Lloyd Wesley Baillie of New York and Miss Helen Margaret Hoy.

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#### ROUND THE WORLD PHOTOS

The following letter has been received from Mr. Harry S. Drucker - Drucker Pictures for Publicity, #509 Fifth Avenue, New York City --

"We are planning a trip around the World on the S. S. Franconia, Sailing January 12, 1927 touching Hawaii, Fiji, and Samoan Islands, Tasmania, New Zealand, Australia, Straits Settlements, Ceylon, Singapore, Java, Portuguese East Africa, Mombassa, and all the East Coast of Africa, Cape ports, West Coast of South America, and Martinique.



"Surely there must be some of your clients who could use still photographs or motion pictures of some of the places we touch on this trip.

"There will be two cameramen on this trip and cameras to make both still and motion pictures."

If there are any in our offices who would like to give definite commissions for photographs to be used in connection with accounts, please so advise Mr. Kohl who will be glad to consult with Mr. Drucker.

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Mr. Harold Stansbury, of the London Office, is in New York for six weeks. Mr. Stansbury plans to spend most of his time studying advertising and sales plans which are in process here.

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