

Market Research Corporation of America, 1934 – 1951

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Research Purpose

The first market research in America was probably conducted by advertising agencies during the 1890s (Converse, 2009; Lockley, 1950). Some companies not specifically in the market research business formed market research departments during the period 1910 to 1920. An early and notable example was in 1911 when Charles Coolidge Parlin was made director of a research department for the Curtis Publishing Company (Ward, 2009). Total dollar expenditures by private firms on market research during that decade were still relatively small, however important institutional support developed in the academic community through the formation of the Harvard Business School's Bureau of Business Research in 1911 and the founding of the National Association of Teachers of Advertising in 1915 (Converse, 2009). The latter published the *National Marketing Review (NMR)* which merged with *The American Marketing Journal (TAMJ)* in 1936 to form the *Journal of Marketing*. A content analysis of the first 137 articles published during the early 1930s in *NMR* and *TAMJ* indicates that market research was a relatively popular topic, the subject of 20 of those articles, and the *NMR* included a regular feature titled 'Progress in Marketing Research' (Witkowski 2010, p.380). By the mid-1930s the leading private market research firms in America included Crossley Inc.; Cherington, Roper, and Wood; Ross-Federal Service; Houser Associates; A.C. Neilson; Clark-Hooper; and the Market Research Corporation of America (Converse, 2009).

Market Research Corporation of America (MRCA) was founded in March, 1934 by Percival White and Pauline Arnold. White and Arnold owned and operated the company until 1951 and although MRCA was not the first private market research firm in America, it was among the vanguard. By the late 1930s, MRCA probably had the largest field research force in the U.S.A with 3,000 part time employees spread across some 1,000 cities and towns nationwide. It is fair to say then, that MRCA was an important company in the history of market research.

This study examines the history of MRCA from its founding in 1934 through 1951 when White and Arnold sold the company to Samuel Barton who merged the firm with his Industrial Surveys Company under the MRCA name. We document some of the services offered by MRCA focusing primarily on their survey research, specifically on one study conducted during the late 1930s. We also highlight some of MRCA's distinctive contributions to the early development of market research techniques including questionnaire design, and the use of random sampling.

Source Material

Primary data (source material) for this research include some archival data, period publications including the periodical *Market Research*, which was published by Market Research Corporation of America (MRCA) from 1934 through 1938, and other materials printed by MRCA.

The *Edward L. Bernays Papers* at the Library of Congress include a large folder of material providing extensive documentation of a market research study carried out by MRCA in the late 1930s. That material includes correspondence between White and Bernays discussing the purpose and design of the study, iterations of the questionnaire design, a detailed description, including flow charts, of the steps and activities used for the survey and follow up activities, all 442 responses, and various tables with the analysis and summaries of results. It is a remarkably complete archive of the paper flow, processes, and actual documents connected with a large scale survey conducted by one of the leading market research firms of the 1930s.

An extensive private collection of family papers, owned by Percival White's grand-daughter, Lucy Sallick, proved invaluable. The *Lucy Sallick Papers* include correspondence, unpublished documents,

photographs, and the transcript of a 1995 oral history interview with Percival White's daughter, Matilda White Riley. No other researchers have yet been granted access to this collection.

Market Research was a hybrid trade-academic journal published monthly by MRCA from April 1934 through to July 1938, and edited by Percival White. In the chronology of academically-targeted marketing periodicals, *Market Research* would seem to rank third behind only the *Journal of Retailing* (1925) and *American Marketing Journal* (January, 1934). The content ranged from academic-oriented feature articles by well known authors including Paul Lazarsfeld (numerous times), Paul Cherington (several contributions), Daniel Starch, Rensis Likert, George Gallop, Edward Bernays, Ernest Elmo Calkins and R.O Eastman, to association news and a help wanted section titled 'The Research Man Market'. Percival White wrote editorials, but only one other article (1934b) that identified him as the author. Pauline Arnold occasionally wrote feature articles. *Market Research* also included a series of one-page biographical sketches, un-credited but probably written by White, of those working at the cutting edge of market research (including Cherington, Weld, Parlin, Coutant, and Starch). Occasional book reviews appeared, as did case studies of companies and their market research activities. Summaries and partial reports of survey work undertaken by MRCA were popular and from March 1937 through to the final issue in July 1938, *Market Research* included a series about the regulation of marketing, covering 'Chain Store Taxation' (March, 1937), 'Fair Trade Acts on Resale Price Maintenance' (April, 1937) and 'The Robinson Patman Act' (May, 1937), as well as other related topics. Much of our knowledge of the services offered by MRCA is derived from the advertisements for MRCA included in *Market Research*.

Discussion

MRCA undertook survey research in response to client-specific marketing problems and questions. However, a substantial proportion of their survey research was shared-cost or 'mass research' based on first gathering market data, and then selling the results to any interested client. Writing in 1934, with the economic depression clearly in mind, White explained the practice of 'mass research' as 'the collection and analysis of data on a wide scale, usually so that the results may be beneficial to a number of organizations...[T]o some extent the result of four lean years...have taught business to take advantage of such economies as mass research affords' (White, 1934b: 4). For example, the results of a survey of 10,000 women for their opinions about advertising was available in its entirety for \$500 or any client could purchase results for a single product category for as little as \$35. Another 'mass research' study surveyed 2,000 visitors to the New York Automobile Show for opinions about new models and buying intentions. The most ambitious of these studies was MRCA's survey of the home buying, building and repair plans of 5,000 families in 700 American cities (*Market Research*, January 1938).

One particular example of White's mass research is important because of the documentation of that study that survives today. In 1936 MRCA conducted a survey of American business leaders for their opinions about the roles and relative importance of economic research, industrial relations, public relations, and market research, to business. The purpose was to 'make a case for a scientific attitude toward the problems of American industry' (MRCA, 1937). The final report was titled 'American Business Leaders Look Ahead' and results were available free of charge (*Market Research*, October 1937), probably because of the public relations value to MRCA. As mentioned above, what makes this study historically significant is the relatively complete documentation that survives in the *Edward L. Bernays Papers* at the Library of Congress.

A specialized version of MRCA's mass research was their household inventory study. Conducted multiple times during the 1930s, it chronicled product ownership, as well as purchase intentions, for drugs and groceries, automobiles, refrigerators, electrical appliances and various furnishings among thousands of U.S. households. Magazine readership was included in the survey to establish print advertising influence. Results were broken down by demographic categories to generate usable data for clients. This inventory concept was extended by MRCA during the mid-1940s into a service that garnered considerable attention from the research community.

That research service was MRCA's patented 'Chronolog' index. Taking several years to develop, upon its eventual launch in 1947, the industry press reported it as 'one of the most exciting and important developments in top-grade precision sampling since the research science got out of knee pants' (*Tide*, 1947: 72). The Chronolog combined a random sample of 5,000 American households with an ingenious package of questionnaires designed to eliminate interviewer and respondent fatigue, along with other sources of potential bias (*Tide*, May 7, 1948). In effect, it allowed MRCA to measure

accurately and reliably market size and product usage, current consumption and past purchases. Since the cost of each survey was met by twenty different consumer goods manufacturers and advertisers, this yielded accurate data without high cost to individual clients.

During the late 1940s, White and Arnold began to lose interest in the business and in 1951 they sold MRCA to Samuel Barton who merged the firm with Industrial Surveys Company under the MRCA name.

Sample References

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