Consumer Voice and Brand Loyalty: Lever, J. Walter Thompson and the Rise of Market Research in Britain, 1918-1939

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This paper discusses the use of market and consumer research at Lever/Unilever and its advertising agency in the UK, J. Walter Thompson (JWT), in the interwar period. Surveys conducted by JWT between 1927 and 1935 helped Lever reposition its international soap brand Lux. The case demonstrates that Lever pursued market segmentation strategies much earlier than usually acknowledged. Qualitative consumer research methods were used well before the arrival of psychographics and allowed marketers to take account of autonomous consumer practices which limited the scope of management.

The history of market research and international marketing strategy has recently attracted increased attention (Bakker 2003, Miskell 2004, Heinrich and Batchelor 2004, Dyer et al. 2004, Fitzgerald 2005, Church and Godley 2003). The Lever conglomerate and Lever’s international advertising agency J. Walter Thompson (JWT) are two prime examples of the surprisingly large role that market research played in strategic brand management as early as the 1920s. The case of the relaunch of the soap product Lux – then used for washing clothes – in Britain in 1927-28 illustrates how Lever and JWT used market research investigations to manage the repositioning of this product in a very competitive and mature market.

In the late 1920s, Lever’s advertising agency in the United Kingdom – JWT – did large-scale and detailed consumer behavior investigations in relation to soap products and began to segment the market for cleaning products in order to position Lux in the mind of consumers. Using this case study, I will show that rudimentary segmentation, targeting and positioning techniques were being used by marketers far earlier than Tedlow’s models of stages in marketing history allows for (Tedlow 1990). Rather than exposing consumers to a purely sales-oriented, mass marketing style of product communication, the market research conducted by JWT and Lever in the 1920s put consumers in a more powerful position. By creating a dialogue with consumers, this type of consumer investigation changed the nature of the market place and redefined the consumer as a pro-active partner in the marketing process.

The article uses the case study of Lux to show how Lever and JWT discovered the consumer as a source for marketing innovation. Thus, the emergence of market research needs to be understood as a major reorientation in mid twentieth-century marketing management. The findings support Brian Jones (2005), deVries (1994), Fullerton (1988), and Hollander (1986), who questioned the idea of a lack of marketing orientation in what has often been called the “production era” of early twentieth-century industrial societies.

LEVER/UNILEVER AND J. WALTER THOMPSON

From its outset in the 1880s, Lever had been a company that defined itself not only through the production of consumer goods but also through additional benefits which stood behind those products. William Hesketh Lever (1851-1925), later Lord Leverhulme, realized early on that he was not only in the business of making and selling soap, but of marketing cleanliness, health and personal attractiveness. Brands such as Sunlight, Lifebuoy, and Lux offered themselves as bundles of attributes and benefits (Levitt 1960). Rather than simply being hard bars of dehydrogenated palm oil and pot ash, these products were also sold on the idea of what they could do for the consumers who used them. Lever’s product communication since the 1880s was based not only on (rational) USP’s, such as the improved lathering characteristics of Sunlight soap that was made from vegetable oils or the reduction of work involved when using Lux soap flakes. Lever advertisements began early to communicate additional benefits for consumers. Advertising slogans such as “Why does a woman look older sooner than a man” connected Lever’s soap products to the idea of cleanliness, and of healthier, younger skin.

This outlook on the relationship between products and consumers led Leverhulme to embark on a unique marketing strategy. He was one of the first to actually brand soap – which before had been a generic, unbrandable
product – and wrap it in distinctive packaging. Having been an astute and first-hand observer of advertising and strategic marketing methods in the United States, Leverhulme followed an aggressive diversification and merger & acquisition strategy between 1900 and the 1920s, which led him to take on the Co-operative movement and the powerful Daily Mail (Wilson 1954, Jones 2005). In 1926, one year after Leverhulme’s death, the company launched its “Clean Hands Campaign”, again based on the conviction that Lever sold cleanliness rather than simply soap.

This consistent branding and differentiation policy was the backdrop to Lever’s interest both in the vastness of the American market and in the then No. 1 American advertising agency J. Walter Thompson, which began to work for Lever’s American subsidiary in 1916 by advertising Lux. In the United States, Lever used several local advertising agencies in addition to its own global advertising service Lintas. This strategy had the advantage of allowing Lever’s various products to become or remain stand-alone brands and to compete in their respective market segments. In addition, this strategy created a healthy competition among Lever’s various advertising service agencies (Marchand 1985). During the 1930s, for example, Rinso and Lifebuoy soap were advertised on the American market by the young, upstart agency Ruthrauff & Ryan, who created the concept of body odour (“BO”) for Lever’s Lifebuoy soap. The remarkable success of this up-and-coming agency kept the No. 1 in the market, JWT, on its toes as it feared to loose the attractive and remunerative Lux account to its rival (JWT Representatives Meetings, Advertising and Selling 1930).

Lever’s approach to international marketing allowed its subsidiaries in individual countries high levels of independence in deciding on the creative execution of brand messages. The low level of centralization and integration allowed local decision-makers to make use of their local expertise and develop “social embeddedness” – a strategy various multinational corporations, including Unilever, today appreciate again (London and Hart 2004, London and Hart 2005, Prahalad 2004, Gayatri Devi 2004, Guimaraes and Chandon 2004). This strategy of keeping different advertising accounts in the hands of different local agencies was the outcome both of Lever’s history and its global strategy before the 1970s. At the time of its merger with Margarine Unie in 1930, Lever itself had been a tangled web of various firms that were added to the Lever Empire since the 1910s (Wubs 2006, Jones 2005, Reader 1960, Wilson 1954). These firms and their brands were allowed to a large extent to define their own marketing strategy. In accordance with this skepticism about centralization, Lever worked with different advertising agencies and pursued different brand extension strategies in its various local markets. Lux soap flakes, for example, were advertised by Lever’s in-house advertising department and introduced to the United States in 1906. In 1915, the account was handed over to the J. Walter Thompson advertising agency, who ten years later advised Lever Brothers to extend the brand by producing Lux toilet soap. This product was introduced in the British market in 1928, where JWT had become Lever’s only advertising agency in addition to the inhouse service Lintas (Sharpe 1964).

JWT was the first truly international advertising agency. Between 1925 and 1929 alone, it opened more than 20 new local dependencies in twenty-five countries around the globe (JWT News Bulletin 1928, de Grazia 2005). Apart from Lever, JWT serviced other international clients such as General Motors, Pond’s, Gillette, Kellogg’s, Wrigley, Frigidaire, Sun-Maid Raisins and Libby’s. Offering unique organizational capabilities, it was well-placed to accompany the various trans-Atlantic market introductions and line extensions which the Lux brand experienced between 1925 and the mid-1930s. Unlike its rivals, the JWT agency followed a different business model whereby it focused on servicing a selected number of very large clients whose advertising expenditure was well above market average and who would be interested in buying a number of lucrative extra services, such as planning, market research, media production etc. Following this model, JWT soon gained a unique position among American advertising agencies for its planned, academic, at times even “high-brow” approach to all advertising services it delivered (West 1988, Silva 1996, Merron 1999).

JWT re-opened its London office in 1919, from where it mainly serviced the advertising account of Libby’s, the Chicago producer of canned fruit and timmed milk. By the late 1920s, JWT had established itself on the British market as one of the top three advertising agencies as regards turnover (advertising billings) and had acquired a unique capability to conduct large-scale market research surveys. It is important to remember that JWT was not the first or only advertising agency on the British market which offered such services (Redmayne and Weeks 1931, Lyall 1933, Harrison 1936, Blythe 2005, Schwarzkopf forthcoming). But its organizational culture, its conceptualization of the market and the consumer, and its sheer size allowed JWT to be the first advertising agency in Britain in the mid-1920s that was able to offer market research techniques as a regular part of its campaign planning.

MARKET AND CONSUMER RESEARCH IN THE INTERWAR ERA

These market research techniques - readership surveys, consumer investigations into the uses of products, panel surveys on consumer habits and beliefs, etc. - became the working basis of JWT’s account planning. In its first years in London, JWT only serviced American clients and hardly engaged with rest of the British advertising industry. But even though it had to rely on the relatively small advertising budgets of its US clients that did not match the expenditure of other food giants such as Hartley’s, Cadbury’s or Nestlé, JWT managed to push entirely unknown products into the
British market amidst economically difficult circumstances in the early 1920s.

In 1924, JWT was elected by the Californian Raisin producer co-operative to launch Sun-Maid Raisins in Britain. Both campaigns for Libby’s and the Californian Raisins were quoted by contemporaries as typical examples of American marketing success stories. The techniques that JWT used reveal the extent to which this advertising agency had already gained from the employment of Paul Cherington, the former Harvard Business School professor in marketing. At JWT in New York, Cherington had introduced the idea to construct advertising text and slogans in a way that aided the market penetration and the market expansion of a product. In other words, advertisements at JWT were written in order to give consumers a “reason-why” to purchase the product. JWT advertisements helped consumers rationalizing their choice and constantly suggested new uses to which the product could be put (Cherington 1924, Cherington 1927, ‘Consumers decide’ 1926).

Through market research, for example, JWT found out that British housewives used raisins mostly for Christmas pudding or special desert so purchased them only occasionally and “brands” were not seen as important. In order to increase the frequency of purchase and increase the significance of buying by a certain brand, the Sun-Maid advertising campaign introduced the raisin bread, or the use of raisins for fruit dishes and desserts in order to keep the (female) consumer’s family healthy, happy and well nourished. The increased frequency of purchase added significance to the brand: housewives seeing the “Sun-Maid” on the pack were assured of a positive quality-price relation. Moreover, while advertisements created by British agencies often randomly changed format and design, JWT used the same style monotonously and invested in the visual dominance of brands and their logos (‘The history of an advertisement’ 1928).

The widespread and consistent use of market research data by JWT London in the mid-1920s is indeed surprising as most business historians see market research as a child of the post-war era which was dominated by the need for segmentation, product differentiation and television advertising (Tedlow 1990). Admittedly, only a few advertising agencies realized the importance of this new kind of service they could deliver to clients. But one of the few exceptions was the JWT agency which created a market research department in its New York headquarters as early as 1915. In the early 1920s, JWT raided Ivy League universities in search for scientific talents that could be of help with researching and analyzing consumer behavior, such as the Harvard marketing professor Paul Cherington and from John Hopkins the psychologist John Broadus Watson (Kreshel 1990). After expanding to Britain, JWT conducted the first large-scale investigations between 1923 and 1925 for Sun-Maid Raisins and Pear’s Soap by asking several hundreds of housewives, wholesalers and shopkeepers where, why and when these products were sold and bought, by whom and for what purpose (Downham 1993). In 1933, the market research unit of JWT London had become so large that it was separated as a company and became the British Market Research Bureau (BMRB). The BMRB was one of Britain’s first market research companies and was unique in the way that it offered its services also to non-clients of JWT London. By 1924, the New York head office of JWT had also developed an experimental kitchen where women would test and compare products and invent new recipes. In the late 1920s, this research innovation was adopted by the London office at Bush House (‘Agency in Action’ 1936, ‘JWT Dates and Data’ 1959, Downham 1993).

The consumer goods giant Lever had equally been an early adopter of consumer and product research techniques. In 1920, a Research Department was established at Port Sunlight. In 1925, Lever set up its own advertising agency, which by 1930 had evolved into Lintas. Since 1935, market research was carried out at Port Sunlight on a regular basis under Harry Munt. In the 1960s, Unilever’s agency Lintas became one of the main innovators in the use of computer technology for the analysis of psychographic and lifestyle data in market research (Jones 2005, Digg 1966). Lever and JWT developed a different outlook on the market and therefore developed different rationales for market research. Lever and Lintas tended to be more interested in using market research for the tabulation of sales data in order to gain quantifiable measurements of which income bracket of the consumer body bought which product how often and through which channel at what price (Henderson Stewart 1930). This attitude towards the possibilities of market research can be interpreted as a response by the manufacturer to the challenges of industrial capitalism in an age of mass production and mass selling (Arvidsson 2006).

JWT was similarly interested in the quantitative side of market research in order to discover new uses for the products it advertised and new themes and consumer interests that could be exploited in the advertisements. This focus on actual consumer behavior in the home, however, allowed JWT to transgress the boundaries of a purely statistical interest in market research data. Unlike their colleagues at Lever and Lintas, the JWT researchers were much more interested in qualitative data on how consumers behaved in the shops and at home, how they made sense of products and why they accepted or rejected brands. The reasons for this difference are at times obvious and at times they are hidden within the organizational structure of JWT. As an advertising agency, JWT was of course interested to gain qualitative data in order to develop advertisements that were both useful and exiting “news” for consumers. When the Gallup research organization for example found in 1931 that comic strips appealed to readers of magazines and newspapers, JWT devised a number of similar research studies to find out which story lines in pictorial and “strip”
advertisements appealed most to their target audiences (Marchand 1985).

Beside this obvious reason for JWT’s interest in actual consumer behavior there is another reason which made this agency somewhat unique. Most advertising agencies at that time – both in Britain and in the United States – were characterized by male copy-writers, who often celebrated themselves as stars of a new era which democratized the riches produced by mass manufacturing (Marchand 1985; Fried 2005). At JWT, copywriters for soap and cosmetic product advertisements were often women. Female “adsmiths” had a better understanding for the needs, fears, dreams and desires of their almost exclusively female audience (Weil Davis 2000). Moreover, in the interwar years and well into the postwar years it was common practice to have female members of staff conducting the interviews while male research staff worked on the tabulation of the data in the office. This practice again ensured that the social space of market research was formed by women talking to other women in a relaxed atmosphere at home about brands, shopping patterns, family life etc.

JWT’s advertising clients were mostly producers of fast-moving consumer goods who were well aware that their target markets consisted of housewives of various income groups and occupations. Contemporary advertising and psychology textbooks presented this target group as irrational and easier to be influenced by the lure of advertising texts if these were themselves prepared by women (Frederick 1929, Reekie 1991). In order to find the “weakest spot” of certain segments within the target group of female shoppers, other females had to observe and record attitudes, interests, opinions and practices that were connected to the buying and consuming of brands in the household (Helen Lansdowne Resor 1964). JWT market researchers, therefore, went well beyond the traditional conceptualization of market research as the study of quantifiable consumer behavior linked to the stratification of the ABCD income groups and/or social classes.

LUX SOAP FLAKES

One of Lever’s earliest product innovations was a production technique developed in 1889 which allowed soap to be produced in forms of flakes. The resulting product, soap flakes, made washing easier and preserved the garments as women did not have to rub clothes with the hard soap bar. In 1900, Lever’s product came on the market as “Lux Soap Flakes”. The product, with its distinctive brand name (derived from the Latin word for light “lux”, which in English also suggested “luxury”) and packaging was one of the first attempts at integrated marketing in the United Kingdom. Lux became a brand targeted at middle-income consumers who wanted to preserve expensive clothing. The brand became associated with care and gentleness but also with the idea of expensive lifestyles. Moreover, the product was positioned as a problem-solver:

if consumers were rich enough to buy expensive clothes, they also had problems which low-income groups did not have, i.e. the preservation of silk or other expensive clothes. Lux helped solve these problems.

In 1906, Lever began to export Lux Soap Flakes to the United States. In the US, Lever’s advertising agency JWT suggested that the traditional positioning of Lux as a product to be used to wash woolen garments (see slogan in picture No. 1: “Lux won’t shrink woollens”) should be widened so that consumers saw Lux as a product that could be used for all fine fabrics. This repositioning followed a typical strategy applied by JWT for various clients. JWT advertisements often followed an aggressive market expansion strategy for their products: by suggesting a wider framework of possible uses for a given product both the customer base and the usage rate of a product could be increased (Ansoff 1957). For its client Lever Brothers in the US this strategy resulted in increased sales from 10,000 cases in 1915 to over 1 million cases in 1918 (The history of Lux Flakes 1950, Lovett 1970). This strategic marketing orientation of JWT’s advertising is further exemplified in its decision to use advertisements in 1922 to promote the use of Lux for the washing of dishes.

In the early 1920s, the Lux advertising campaign in the American market took a crucial turn towards dialogic customer engagement. In 1924, JWT invited American housewives to submit testimonials for Lux Soap Flakes. These letters, of which about 53,000 arrived at the JWT headquarters, were used by the agency to conduct a survey of consumer habits. It turned out that consumers had independently begun to use the flakes for the washing of their hands, for baths, for their babies and their hair, by that effectively creating brand extensions into new product lines (toilet soap, shampoo etc.). These findings encouraged Lever Brothers to extend the brand and offer consumers a Lux Toilet Soap, which was launched on the American market in 1925 and three years later on the British market (History of Lux Toilet Soap 1925-1951).

In 1927, Lever decided to re-position the Lux brand on the British market, too. In a highly volatile market, the expensive quality product Lux had begun to loose market share to cheaper soap flakes which came from Europe and America and were sold in bulk to British consumers who enjoyed an increasing choice of affordable soap products. Later, the market share of soap flakes generally of course came under threat from the introduction of synthetic soap (detergent) powders which promised even higher economies and less work for housewives (Puplett 1957; Corlett 1958). In 1924, Colgate’s Palmolive toilet soap was introduced in the United Kingdom supported by the American Lord & Thomas advertising agency. By the mid-1930s, Palmolive had diversified into shampoo soap, shaving cream and face powder (Edwards 1962, Statistical Review 1937). What added to this competitive pressure were Lever’s limitations in strategically positioning its own brands in a crowded market. Soon after World War I, Lever had managed to
acquire a quasi-monopoly in the British soap market and produced some 60% of all soap consumed in the United Kingdom (Edwards 1962). By 1930, Rinso, Persil, Sunlight Soap, Lifebuoy, the Monkey Brand, Pear’s and Lux were all part of the Lever Empire. As low-involvement products, all these brands had to be heavily advertised in order to gain consumers’ top-of-mind awareness and, thus, consumed each others market shares and incurred large advertising costs on Lever (cannibalization).

Accordingly, Lever became much more interested than other producers of fast-moving consumer goods in Britain to obtain strategically relevant information about consumer behavior and its own competition. In 1927, the need to revitalize the Lux brand had become so acute that the soap giant advised its advertising agency JWT to find out exactly what kind of consumers bought Lux and how the brand was positioned in consumers’ minds. JWT approached this problem by conducting a market research survey on a scale formerly unknown in British marketing. In late 1927 and early 1928, JWT researchers interviewed 3,200 housewives in 20 towns across Britain about their attitudes towards washing generally and their habits in using soap brands in particular (‘Lux England 1928’, ‘Lux Flakes – 3,195 Consumers’).

The driving question behind this research was to find out how the consumption of soap in general could be increased. Amongst other factors, the research survey identified the use of soda as substitute for soap especially in low-income households as a general behavioral market barrier to all soap products. The survey also studied the details of how soap products – and Lux soap flakes in particular – were used in the different types of families. Here, the study found out that the greatest resistance to the use of Lux soap flakes was of course its high price but that this was combined with a lack of knowledge on the side of the female consumer as to the possible uses of the product in the household. Those housewives that were attached to the product mostly came from a high-income segment or saved a pack of Lux flakes for the occasional laundering of expensive underwear. In recognition of the difference between the ‘initiator’, the ‘decision-maker’ and the ‘buyer’ within the decision-making unit of the buying process, JWT also asked which person within the family actually made the decision to switch from Lux to a cheaper soap brand.

By talking to thousands of housewives, JWT found out that the actual competitive advantage of Lux lay in its superior quality and its unique selling proposition was that by using flakes the housewives did not have to rub the precious garments with the hard soap bar. The market researchers also found that for every one visit to the chemist housewives made six visits to the grocer. Since soap and shampoo at that time would only be stocked by chemists, JWT advised Lever to push the Lux product line into grocers and other stores in order to facilitate the take-up of the product by the target market. Crucially, this type of research also involved the interviewing of retailers and shopkeepers, who were recognized by JWT as important gatekeepers in the integrated marketing process. In the interviews, JWT found that grocers feared that the soap smell “would get into the butter” and other animal fat-based products stored in what to an American agency often looked like crowded, old-fashioned little shops in the UK (‘Summary of investigation’ 1930). It therefore advised Lever to redesign the packaging of Lux so that grocers were reassured the product would not “interfere” with what they saw as their staple trade – the selling of foodstuffs. The agency researchers also interviewed the Lever sales manager about their experiences with retailers in the country and on how the product sold over the year. This interest of JWT in the retail-end of the marketing process again supports the idea that for this agency market research was a necessary part of an integrated marketing approach, which had to complete the advertising-driven “pull” of consumer demand by creating retail acceptance of a new product.

JWT’s market research gave a great deal of attention as to how the whole product category of soap was used by the prospective target market and how Lux soap flakes in particular could be woven into that network of washing habits and everyday life behavior. The JWT researchers for example observed in detail how women washed their clothes, how much soap was being applied to what kind of garments, how women opened and stored the pack, the average water temperatures they applied, the techniques of ironing etc. The questionnaires used by JWT also allowed women to reflect on what washing meant for their bodies (ageing, destruction of skin by soda products) and on the social meaning of “washing day”.

JWT studied the local conditions which influenced the sales of soap. It recognized that the typically hard water of England’s southern counties created a different set of needs and problems for housewives in comparison to those housewives living in soft-water areas. Similar regional differences were exploited when JWT advised Lever that the use of woolens in the working-class North of England and the comparatively higher consumption of silk in England’s middle-class South provided an opportunity for Lux’s core product features (care and gentleness) to be communicated in a differentiated and more targeted way.

The market research reports produced by JWT as well as the face of the campaign later in 1928 suggest that the basis of the whole campaign was a quasi-ethnological analysis of modern housewives’ washing habits. These findings directly refute Arvidsson’s assertion (2004, 2006) that market research before the 1960s only used one variable – class status, i.e. income – and “employed a conventional understanding of class-based consumer cultures as a backdrop to its production of knowledge” without being interested in the rich data that extensive, qualitative analysis was able to produce. Rather than just asking which income bracket – ABCD – among consumers purchased the product, how often and where, the JWT team
clearly attempted to chart a map of behavioral patterns connected to the consumption of soap products in the household. Based on the opinions that consumers expressed at experimental washing sessions, JWT found out that a lot of women in Britain used soda as a cheap and aggressive substitute for more expensive soaps but often ruined the skin of their arms and hands with it.

The results of this investigation were directly translated into a campaign plan for 1928-29. JWT came to the following conclusions about advertising the product: the campaign had to overcome the chief resistance to Lux – the high price – and give housewives with lower or average incomes a clear set of reasons as to why buying Lux made sense economically and how Lux could be made part of their laundering work. The main thrust of the research seemed to indicate that the buying power among British consumers existed but that Lever needed to understand its consumers better. The advertising messages, therefore, had to concentrate on the uses of Lux as a product in those parts of life where the least resistance to its price would be encountered: that is, the washing of very fine fabrics and baby garments.

In order to carve out a unique position for Lux and to differentiate the product from its competitors, JWT recommended that all advertisements should be based on the theme of fashion. In order to increase the relevance of the product to the target group, JWT devised advertisements which conveyed “news” about the world of style, prestige and glamour. The ultimate aim of the campaign was to turn the perception of the product from being “simply a different kind of laundry soap” into a “magical kind of product” (‘Lux Press Campaign’ 1927, ‘Lux advertising during 1928’ 1928). The new Lux campaign that started in March 1928 broke with the traditions of soap advertising, which until then tended to stress the product attributes in a “slice-of-life” surrounding characterized by housewives shown at work in the kitchen or in the bath-room. In the new Lux campaign the female reader was not any longer confronted with real-life images of healthy children and happy housewives but instead with stylish, thin and modernist drawings of living fashion-dolls in expensive clothes. In order to attach the new USP of Lux – keeping female consumers’ most treasured clothes like new – and in order to surround Lux with an air of distinguished lifestyle, JWT simply used the fashion-doll drawings so familiar from retail advertising.

What is important about this repositioning exercise is that by directing all the mental energy of the captured advertising audience towards the idea of keeping one’s most expensive clothing like new, JWT re-invented Lux as one of Britain’s first lifestyle brands or what Douglas Holt called an “identity brand” (Holt 2004). The skilful design of the fashion-styled advertisements translated the tangible, unique selling proposition (USP) of Lux into an emotional selling proposition (ESP). While the brand communication of all other soap products told consumers what the product did to their clothing (cleaning) and how it helped the way women washed and cared for their families (“Lifebuoy Soap for Health”; “The shortest way on washing day: the Rinso way”; “Sunlight: Not yet One and washing done”; “Victory – won by Persil”; “Persil washes whiter”), Lux advertising also told female audiences what the product did for their personality. Other than Rinso or Persil or the plethora of non-name products that were available to housewives, Lux became a brand that based its very identity on the narrative of transformation and rejuvenation: the use of Lux in the household promised to turn a simple “housewife” into a style-savvy, adorable, fashion goddess. The key to this narrative were the findings of JWT’s behavior- and identity-oriented market research (see Picture 3 and 4).

Apart from recasting the values the brand offered to its consumers, JWT directly translated the results of their investigations of the various market segments and their mental habits into advice that focused on marketing mix decisions. Amongst other things, JWT suggested that Lux Soap Flakes not only needed to be communicated in a new, more “fashionable” way, but also needed a new, fresher pack design. It advised Lever to offer the product in smaller, more affordable packs which invited consumers to try the product and later purchase the larger packs. Moreover, the market investigations conducted by JWT in the years after 1928 also led to the recommendation to extend the brand and offer Lux in form of toilet soap and as a shampoo in different variations (‘Short brand histories’ 1952, ‘Lux Shampoo’ 1929, ‘Lux 1928/1939’ 1939). As an early example of market development, JWT advised Lever to create and exploit new markets for Lux by pushing the product into the formerly ignored retail channel of grocers and devise advertising messages which induced consumers to try the soap flakes for the washing of dishes (see picture No. 2).

CONSUMER RESEARCH AND MARKETING INNOVATION

Business historical and marketing theoretical literature usually holds a number of answers for those interested in the origins of innovation in marketing. Michael Porter’s and Alfred Chandler’s authoritative accounts of competitive strategies, for example, stress that innovation in marketing derives either from new technologies which allow to offer high-quality goods at lower prices; from product innovation; or from market development and various strategies of diversification. All these activities are geared to serve one of two goals: the growth of a company (in scale and scope) and its vertical integration or its diversification into profitable niches and new markets. The actual focus of marketing and the very subject of consumption as a practice– the consumer – is often overlooked by these accounts (Knights and McCabe 1992, Knights 2002). The case of the recreation of the Lux brand
in the American and the British markets between 1924 and 1929 shows the limitations of all forms of historical analysis that are embedded in a culture of praising managerial strategy. This outlook on marketing history not only runs danger of overlooking market research as a marketing innovation in itself but also of ignoring the subjective sphere of consumer practices as a source of innovation for marketers in the past.

As suggested above, the highly successful turn-around in the mid-1920s of Lux from a product which was used to wash woolen jumpers to a lifestyle brand which ever since has become a global epitome of Hollywood glamour originated only to a small extent at the level of Lever’s top-management. Outside the sphere of managerial strategy, consumers in the United States and in Britain had put the product to new uses and in a sense anticipated the repositioning this now highly diversified brand (dishwashing, shampoo, toilet soap). By engaging with consumer practices and by inviting consumers to share their subjective knowledge with the agency, JWT exhibited an acute sense for the limitations of managerial knowledge as well as the poverty of a purely quantitative approach to consumer research. The agency researchers at JWT London and New York also had an unusual understanding for the opportunities which marketing communication in general and market research in particular offered for creating a dialogue with their target groups (Marchand 1998).

The case study shows that rising incomes of middle- and working-class consumers in the interwar years and the increased choice between products pushed multinational companies in the consumer goods sector into adopting a more consumer-focused outlook on the marketing process. The case of the Lux brand also shows that Lever and its international advertising agency JWT began to pursue market segmentation strategies far earlier than recognized in the traditional model of stages in marketing history. In addition, Lever and JWT did not only segment the market for soap products in terms of traditional demographic factors (income groups ABCD), but engaged in an early form of psychographic and behavioral segmentation based on the idea of fashion as a new “way of life” for young and middle-aged women in the 1920s (Nava 1995). This created a set of “thick descriptions” of consumer behavior which helped position Lux as a lifestyle brand that responded to highly differentiated consumer needs. I argue, therefore, that the beginnings – however humble – of qualitative consumer research are to be sought in 1920s market research practice and neither, as suggested by Tadajewski (2006), in the academic discussion of motivation research between the 1930s and 1950s, nor, as suggested by Arvidsson (2004, 2006) in the multifactor analysis of 1960s psychographics.

Yet most importantly, market research was used by Lever and JWT not only in order to map consumer behavior. The extensive surveys gave thousands of interwar consumers a chance to “talk back” to the Lever industrial conglomerate. The consumer response measured by JWT forced Lever to redesign parts of its product line and communicate products in a different way. Lever’s marketing in the late 1920s therefore allowed consumers to co-author products rather than passively consume them. This “new” consumer was thus empowered on two levels: financially (higher household incomes) but also socially as a “prosumer” who co-authored the brand. Here, in the subjective realm of daily practices, the term consumer power acquired a new meaning. Rather than simply
referring to the traditional idea of “choice” which allowed consumers to spend their money either on product “x” or product “y”, consumer power was discovered by JWT as the ability of consumers to use products in ways which neither manufacturers nor advertisers intended, thus changing market structures and marketing conditions.

The repositioning of Lux can be interpreted as an episode which puts a question mark behind assumptions that marketing takes social agency from consumers and places it in the hand of producers who use advertising as a form of conditioned power in order to determine what people want (Ewen 1976, Galbraith 1958, Packard 1957, Dawson 2003). It cannot be denied that Lever and its advertising agency JWT used marketing and market research tools in order increase the sales figures of products under the Lux brand. Largely, these strategies were successful and did indeed establish Lux as one of the world’s most recognized consumer brands which by the end of the 1980s allowed Unilever to sell four million bars of Lux soap per day in 88 countries (Jones 2005).

The example of JWT’s advertising strategy for Lux in the 1920s, however, does not necessarily fit into the conventional narrative of powerful producers and advertising agencies as cultural authorities which are being looked to by consumers to learn what to wear, eat and buy. Rather, JWT began to engage in what Douglas Holt (2002, 2004) and others have described as “feedback loop” in which advertising agencies have to look at how consumers use and interpret brands in order to create values that fit in with increasingly fragmented lifestyles. Lever and JWT constantly observed how consumers changed the uses of their products and the meaning of Lever brands. Lever remained competitive in the interwar period not by telling consumers how to behave, what to buy and how to use products, but by scrutinizing what consumers did with the purchased products within their respective social environments. By the mid-1920s, both Lever and its agency had realized that the survival of a brand in a mature market depended on handing over parts of the control over the meaning of a brand to the consumer (de Chernatony 2003).

This rudimentary feedback mechanism which emerged between Lever and its consumers in the 1920s became institutionalized when the company set up the Lux Washability Bureau which alongside the Persil Home Washing Bureau, founded in 1927, issued leaflets on how to remove stains, arranged talks and demonstrations and answered individual enquiries from consumers a central office at Port Sunlight (Monopolies Commission 1966, Harris and Seldon 1962). These activities were clearly devised by Lever in recognition of the fact that if consumers were allowed to be involved in the product and have a voice their loyalty to the brand would increase (Suh and Yi 2006, Elliott and Percy 2007). The early interest of JWT and Lever in market research and consumer behavior helped Lever, which was in danger of becoming inflexible and of cannibalizing the growth of its own brands, to readjust its marketing philosophy from a product-oriented to a consumer-oriented outlook. Market and consumer research therefore needs to be understood as a major innovation in the early twentieth-century marketing process, on a par with the discovery of strategy, the marketing mix and the product development function.

NOTES

Unilever officially began on January 1, 1930 (Wilson 1954). In this paper I will mostly refer to the company as “Lever” as the episodes I analyse took place before the trans-national merger in late 1929/early 1930. I will only refer to the company as “Unilever” when analyzing developments that took place within the company after January 1930. This paper has greatly benefited from discussions with Walter Friedman (Harvard), Knut Sogner and Asle Rönning (both Norwegian School of Management, Oslo).

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PICTURE 1: LUX SOAP FLAKES PROMOTION, UK 1910

PICTURE 2: LUX SOAP FLAKES ADVERTISEMENT, USA 1925
PICrURE 3: LUX SOAP FLAKES ADVERTISEMENT, UK 1928

Rubbing shrinks jumpers—makes them harsh, unlovely

So soft and colourful when you buy them—your gay woollen jumpers, cozy sports sweaters and cardigans.

Costly, too! Yet a single improper washing may make them unwearable—shrunk, faded, unlovely, long before they are worn out.

Rubbing with common soap is the enemy of your fine woollens. For rubbing mnte the sensitive wool fibres, makes them shrink and thicken, fades the delicate colours.

In Lux your most treasured jumpers and sweaters are safe. For the sparkling Lux lather cleans gently and surely—without any rubbing at all.

Simply make a bowlful of foaming Lux lather (three tablespoons give you a whole gallon of bubbling suds), and rinse your jumper up and down, pressing the lather gently through the fabric over and over again.

See how quickly dirt and stains vanish! In just a few seconds your precious woollens are clean again—soft, downy, unfaded—lovely as when you bought them.

Full directions on every Lux packet tell how to wash woollens most successfully.

Made by a 30-day process, so costly none but the world’s greatest soap-makers could afford it, the filmy Lux flakes are safe for washing any fabric water alone won’t harm.
Rubbing shrinks jumpers—
makes them harsh, unlovely

Keep them like new . . . right through the summer

Adorable—the new sports clothes! Crisp washing silks — woollens softer, finer than any you had before — slim tailored flannels . . . how to keep these lovely things fresh, trim, smart!

For if you rub them with bar soap you may ruin them at once—make them faded, unattractive.

Rubbing with bar soap wears out the frail silken threads, ruins flannels and woollens too—makes them shrink, grow harsh, unlovely.

Lux makes all harmful rubbing unnecessary. Just whip its glistening flakes to a sparkling lather — and rinse each garment up and down, gently squeezing the bubbling, cleansing Lux suds through the fabric. Dirt and stains vanish like magic. In a few seconds your precious things are clean again — silks just as lovely, unfaded, woollens as soft and downy, as when they were new!

Directions for washing silks and woollens most successfully are given on every Lux packet.

Made by a 10-day process so costly none but Lever Brothers, the world's greatest soap-makers, could afford it, the snow-white Lux flakes are safe for washing any fabric water alone won't harm. Lux is sold only in the familiar blue packets.