

## The Larkin Clubs of Ten: Mail-Order and Cooperative Buying Clubs in the Larkin Company, 1885-1940

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The 1940s and 1950s witnessed the emergence and flowering of the Home Party Plan (HPP) made famous by companies such as Avon and Tupperware. These plans had their roots in early twentieth century organized direct selling companies such as Fuller Brush, West Bend, California Perfume Company (later Avon), and Stanley Home Products. In essence, these direct selling organizations hired paid sales forces—later independent contractors—to distribute goods and competed with retailers on the basis of product advantages, customer conveniences, and the distributors' specialized knowledge. Personal product demonstrations spawned the practice of the "hostess party" during and after World War Two. By then, given a host of economic and societal changes—rapid suburbanization and the related geographic and social isolation (as husbands were off to war)—the gender composition of distributors changed to become female-dominated. Companies like Avon and Tupperware embraced both domesticity and conspicuous consumption and afforded housewives the opportunity to earn extra money.

While historians generally agree that the HPP bloomed during and after the 1940s, there is some debate on the origins of these plans. In general, the debate either points to the 1920s and the Wearever Aluminum Cooking Products Company, or the early 1930s when a former Fuller Brush salesman, Frank S. Beveridge founded Stanley Home Products. Absent in these accounts is the role of the Larkin Company.

This presentation tells the story of the Larkin Company of Buffalo, New York, and its unique selling arrangement, the Larkin Clubs of Ten, between the years 1885, when it began selling soaps and related products by the mail, to 1940, when the company dramatically declined. Clubs of Ten and their offshoots, I contend, are the true originators of the HPP.

John D. Larkin founded the Larkin Company in 1875. From the beginning it was a family-run enterprise. Prior to 1885, it sold soaps through the typical channels—door-to-door, wholesale, via jobbers and other middlemen. Taking advantage of improvements in the mails, transportation, and packaging innovations by partner and brother-in-law Elbert Hubbard, the company began selling by mail mainly to consumers in rural and small towns. By 1888, it retired

its sales force and sold exclusively by mail. The move to mail-order resulted from a new business philosophy, in 1885, called "The Larkin Idea," and its motto, "Factory-to-Family: Save All Cost Which Adds No Value."

During the mid-1890s, a Pennsylvania housewife is reputed to have created a formal club of ten members to pool their resources and purchase the expensive combination boxes of Larkin goods. Participants were induced to buy Larkin products for both their quality and the increasing valuable premiums that came with them. This club system grew over the next few decades and was responsible for the rapid growth of the company between the 1890s and 1920. The first two decades of the twentieth century also were known for the golden ages of mail-order and farming, with both inextricably linked since the birth of Montgomery Ward in 1872. Larkin clubs also saved the company from financial ruin during the 1893-1897 depression. The company referred to Larkin clubs as "the highest form of The Larkin Idea."

Larkin clubs also were an important component of the company's unique corporate culture. In 1900, in advance of the Pan-American Exposition to be held in Buffalo, in 1901, and during a period of expansion, Larkin Company sought to unify its employees and geographically-dispersed customer base into a metaphorical corporate "family" of "Larkinites." To this end, it employed a host of employee welfare practices common to progressive employers of the time and incorporated its volunteer sales force—its club members and their organizer "secretaries"—into the corporate family fold.

Larkin clubs exploited existing social networks of family, friends, neighbors, and co-workers, and enabled families with limited disposable income to participate in the burgeoning consumer culture. The premium offerings used to attract club members and grow sales included furniture, rugs, other home furnishings, as well as clothing for the entire family. Together, both the assortment of products and premiums enabled club members and their families to live a middle-class lifestyle at a reasonable price.

At the heart of these cooperative buying clubs lay the secretary. Most often a married woman, the secretary recruited other women to form a club of ten. Children—and some men—also participated in clubs and earned premiums for their efforts.

Secretaries solicited orders individually and at hosted social functions, collected money, wrote out and sent in

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orders, and distributed the products when received from the Buffalo factories. Each member contributed a dollar per month for ten months. Club members would purchase a total of \$10 worth of products and get a premium of equal worth, or they could pay half-price for the products and forgo the premium. Either way, the factory-to-family dealing saved members money by cutting out the middleman. Secretaries earned extra rewards for organizing a club. Enterprising secretaries ran multiple clubs at the same time, and/or started new ones when the old ones expired.

In 1901, the company began publishing a monthly magazine, "The Larkin Idea," to communicate with secretaries. The magazine advertised new products and premiums, published testimonials from secretaries, featured a regular children's column, posted sales contest announcements and winners, and offered suggestions on how to encourage higher sales and host social gatherings.

The publication was the main conduit between Larkin Company and its 100 thousand, geographically-dispersed volunteer sales force.

Larkin Company benefited from the Clubs of Ten by reducing packaging and shipping costs, lowering administrative costs owing to pooled orders, lowering the cost of advertising, exploiting social networks to sell goods, and by reducing monitoring costs. Secretaries viewed club organization as an alternative to paid labor, found Larkin products and premiums essential to managing their households, developed pleasant friendships, and gained some exposure to the business world.

Despite the vast army of club secretaries and over two million club participants, the fate of the Larkin Company was tied to the mail-order mode of commerce that was increasingly becoming outmoded by the 1920s. Many mail-order firms opened retail outlets to compete with specialty retailers and the new chain stores. Larkin opened food markets and gasoline stations mainly in Western New York and Peoria beginning in 1918. These ventures generally failed and were soon sold. The company's financial prospects turned south during the 1920s and worsened throughout the 1930s.

In response to shrinking sales, the club system underwent a number of changes designed to rescue the mail-order base of the company. The Club of Ten remained at the core, but additional formal and informal clubs and other sales plans developed in the 1920s and 1930s. None worked to change the company's fortunes that were worsened by executive changes, the growth of chain stores, the decline of farming, urbanization and immigration, changing work patterns of women, and the rising popularity of the automobile. By the late 1930s, Larkin Company had virtually collapsed. However, it left an important legacy to the business world-- innovative marketing practices, especially its party plan system rooted in cooperative buying clubs.

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