

PERSONAL SELLING IN THE EARLY TWENTIETH CENTURY;
FROM AMERICA'S DARLING TO ITS SCAPEGOAT

Thomas L. Powers, University of Alabama at Birmingham

ABSTRACT

Personal selling to a great extent reflects the public's perception of marketing due to its highly visible nature. The public's attitude towards personal selling went through a major change as the U.S. moved from the boom period of the 1920's into the Great Depression in the following decade. The perception of what selling was able to accomplish in regard to its role in economic events also changed for people involved in this activity. This paper examines this change in perception that also may account for the way that personal selling is currently perceived in the final decade of this century.

BACKGROUND

Personal selling is an often misunderstood marketing activity that stands at the forefront of the public's perception of marketing. The early part of this century saw a period of vast economic expansion following the First World War. During this time personal selling was seen as an almost heroic endeavor, one that played an instrumental role in economic development. As the economy fell into a major reversal in the 1930's, both the public's perception of selling and the self perception of the profession changed dramatically. This paper examines the reversal in public and professional perspectives on selling and related business activities during the years before and after 1929.

The examination of opinions in the 1920's and 1930's has an importance beyond just an understanding of these issues in the time period examined. The overall perspective of selling activities changed from an overly positive one to an equally negative one following the general level of economic activity. The series of events observed in the paper can certainly reoccur in the latter part of the twentieth century. Currently, business activities are held in a favorable public light, but at the same time there are economic uncertainties that can cause a major change in economic fortunes and viewpoints on business. Today, personal selling is often praised by some but derided by others. An understanding of historical perceptions can help explain this current divided opinion on the worthiness of selling activities in our society.

From the turn of the century to just after the First World War personal selling procedures and management developed very rapidly. This period saw technical and economic expansion occur

SELLERS FALL FROM GRACE

The vibrant economy of the 1920's was soon replaced by the worst economic conditions that anyone living had ever experienced. Not only did the stature of salespeople decline during the first years of the Great Depression, but in many cases salespeople were even beginning to be blamed for the depression (Tosdal 1957). A fundamental misunderstanding of the causes of the economic calamity caused people within the marketing profession and outside of it to hold beliefs about the cause of the economic downturn that were incorrect. One of the most common public perceptions was that salespeople were not doing their job of stimulating demand. By the same account, the profession felt that if it worked hard enough the depression could be turned around through their selling efforts alone.

The depression was even positioned as the primary selling obstacle to be overcome by salespeople, being termed the "new competition" as it represented a force that told buyers to hold onto their money (Lothrop 1930). The prevailing logic was that this force (i.e. the "new competition") caused salespeople to assume that business could not be gained. This even resulted in salespeople not bothering to show their lines to customers, assuming that making the sale was impossible anyway.

Within the selling and marketing community there was a widespread belief that proper selling methods and approaches could overcome the current economic events. Many examples of firms and individuals doing well were provided to show that sellers had the power to overcome that economic state of affairs. For example, in 1931 an article in Sales Management stated "...that in practically every line of business there are a few companies that have blazed straight through the depression with strong sales campaigns and come out with records that make 1929 look like only a fair year after all" (Hahn 1931). There was a feeling that business came "too easily" in 1929 and that sales executives simply became "soft" in the process (Hahn 1931).

The thought that selling could overcome the depression even extended to the way corporations were staffed at their uppermost levels. Sales Management reported that this explained why "sales-minded men" were going into company presidencies in place of managers with financial or legal backgrounds (Hahn 1931). The literature reported various methods for salespeople to overcome the depression, again reflecting the assumption that large scale demand could be created by salespeople. Advice included researching the needs of the buyer and being at the purchasing manager's office well before the time that they normally saw salespeople (Sales Management 1931). Managerial practices such as evaluating the productivity of sales personnel, eliminating unprofitable territories, and selling only to profitable customers were also suggested (Hatch 1930).

The feeling that the effects of the depression could be overcome with the right sales approach was very strong, as difficult as that might be to accept today. Stories continued to be commonplace in the early 1930's justifying this line of thought. Sales Management describing Copeland Products Inc., of Mount Clemens, Michigan, spoke of their "licking" the depression through such practices as improving products, creating enthusiasm with the sales force, and working with their field organization and dealers (Baird 1930).

DEVELOPING A MORE BALANCED VIEW OF SELLING

After a couple of years of false optimism that coincided with the last years of the Hoover administration, a more balanced view of the effectiveness of selling emerged. From today's perspective the viewpoint that had been held in the 1920's was obviously overly patronizing. Selling, although playing an important part in economic development, was in no way solely responsible for demand creation. It follows that given its partial role in this area it could not be expected to "sell" the country out of the depression. Unfortunately, the beliefs of the 1920's that selling was almost a divinely inspired activity held. This caused both the public and the profession to believe it could solve problems that were beyond its grasp.

The depression did not go away; neither did efforts to overcome it. A change occurred during this time, however, that moderated the view that sales could by bravado alone solve the problem. A new view of selling emerged that comes very close to the modern marketing concept (McKitterick 1957). The "new salesman" was a person who no longer pushed merchandise on customers, but listened to their needs and responded accordingly. This thinking was widely discussed both inside and outside the sales and marketing profession. Popular magazines such as The Saturday Evening Post described this new individual as one who did extensive planning before a sales contact, sometimes even spending weeks in the field to understand a customer's need (Sprague 1933).

This new perception of selling activities was in sharp contrast to the type of salesperson that existed prior to this period. The events of the 1930's caused a realization that the customer's needs must be understood and addressed in order for a business to survive. Again, the likeness to the contemporary marketing concept is very strong. In one reference to selling made in 1933 it was stated that "Selling embraced every marketing process in getting a commodity from the factory to the consumer. Not from the factory to the wholesaler, nor from the wholesaler to the retailer. But all the way from the factory to the consumer" (Sprague 1933, p. 21). This new "professional salesmanship" attempted to identify the needs of the prospect on a much higher ethical plane that no longer had 'caveat emptor' as a guiding philosophy (Doubman 1939).

RECONCILING THE TWO VIEWPOINTS

The perspectives on selling that changed so dramatically from the 1920's through the depression years reflected not only economic events, but public reaction to those economic events in the form of blaming salespeople, who were their former heroes. The positive attention that had been paid to business in the 1920's had turned to criticism and condemnation for bringing on the catastrophic economic events of the period. The selling profession, ironically believing its past praise, gave itself the goal of accomplishing the impossible.

During the period following the early 1930's a more realistic viewpoint on selling emerged. Increasingly scientific approaches were used to address selling problems. In many cases firms began to formally research buying motives of customers and to design new or redesign existing products to suit consumer needs that had been researched (Sheldon and Arens 1932). The "new" selling included contemporary concepts such as selling the services that products performed as opposed to the product itself (Read 1931); thinking that is very close to the modern concepts of stressing customer benefits and 'benefit segmentation' (Haley 1968) that are so widely discussed and accepted today.

The outcome of this series of events was a more balanced and realistic view of selling that encompassed realistic viewpoints on what it could, and could not accomplish. Despite this changed perspective, it must be remembered that selling still held its magic in many circles. The glory of sales was far from dead. Fortune magazine in 1940 referred to the "The Great American Salesman" as being larger than life and chiefly responsible for the development of the modern world's economic system ("The Great American Salesman," 1940).

CONCLUSION

The perspectives on selling from the time period examined in this paper undoubtedly have made a lasting impression on the professional and public mind. The love/hate perspective on selling that was seen to have occurred remains with us today in the form of a wide disparity in the perception of the value of selling activities. Selling is often viewed today by both the profession and the public in very positive, if not glorious terms, in a very similar fashion to the 1920's. Selling is also sometimes viewed by the public as an unnecessary task that has no direct benefit to the economy, reflecting the mood and opinions of the 1930's. Each of these perspectives that remain with us today can hopefully be more fully appreciated through an understanding of the historical events reported in this paper.

REFERENCES

- Abstract of the 14th Census of the United States, 1920 (1976)
New York: Arno Press, p. 493.
- Abstract of the 15th Census of the United States, 1930 (1976),
New York: Arno Press, p. 316.
- Baird, D.G. (1930), "Copeland Licks 'Depression' with 43 percent Increase," Sales Management, September 13, pp. 384-385, 411
- Bartels, Robert (1976), The History of Marketing Thought, Columbus, Ohio: Grid Inc.
- Dawson, Leslie M. (1970), "Toward a New Concept of Sales Management," Journal of Marketing, Vol. 34 (April), pp. 33-38.
- Deupree, R.R. (1924) "The Kind of Sales Manager Who Builds an Organization That Endures" Sales Management (May), pp. 977-979, 1011.
- Doubman, Russell J. (1939), Salesmanship and Types of Selling, New York: Appleton Century Crofts, Inc., pp. 22-23.
- Fredrick, J. George (1919), Modern Salesmanagement, New York: D. Appleton Century Company, p. vii.
- _____ (1937), Modern Salesmanship, Garden City, New York: Garden City Publishing Company, p. v.
- Fullerton, Ronald A. (1988), "How Modern is Modern Marketing? Marketing's Evolution and the Myth of the 'Production Era'," Journal of Marketing, Vol. 52, pp. 108-125.
- Hagerty, J.E. (1936), "Experiences of an Early Marketing Teacher," The Journal of Marketing, 1, (a), (July), p. 20-27.
- Hahn, A. R. (1931), "is Any Business Worth Any More Than Its Sales Plan?," Sales Management, September 26, p. 454.
- Haley, Russell I. (1968), "Benefit Segmentation: A Decision Orientated Research Tool," Journal of Marketing, Vol. 32, pp. 30-35.
- Hatch, Charles H. (1930), "Four Ways to Plug the Leaks in Profits Curing 1930," Sales Management, January 4, pp. 18, 20, 47-48.
- Hoyt, C. W. (1927a), "Why Every Salesman Should Have and Use a Standard Sales Manual," Sales Management, August 6, p. 213-214.
- Keith, Robert J. (1960), "The Marketing Revolution," Journal of Marketing, January, pp. 35-38.

Lothrop, Lincoln (1930), "Nine Plans to Give Salesmen Who Say Business is Rotten," Sales Management, September 13, pp. 380-381, 410.

MacBain, A. L. (1905), Selling, New York: The System Company, pp. 9-38.

"Marketing Men Take Over at GE," Business Week (1950), April 24, pp. 30-32, 34, 36.

Maynard, Harold H. (1941), "Marketing Courses Prior to 1910," The Journal of Marketing, 6, (1), p. 382-384.

McKitterick, J.B. (1957), "What is the Marketing Management Concept?," The Frontiers of Marketing Thought and Science, American Marketing Association, pp. 71-82.

Read, George H. (1936), The New Salesmanship, 2nd ed., Associated Authors: Chicago, Ill, 1931.

Rollins, H.T., and C.P. Pulliam (1926), "A Quarter Century of Modest Growth, Then We Increase Sales \$1,500,000 in a Single Year," Sales Management, Vol 10, pp. 241-244, 296.

Sheldon, Roy, and Egmont Arens (1932), Consumer Engineering: A New Technique for Prosperity, New York: Harper.

Sprague, Jesse Rainford (1933), "Supersalesmanship-1932 Model," The Saturday Evening Post, January 7, p. 21, 31-33.

"The Golden Hour of Selling," Sales Management (1931), September 26, p. 458.

"The Great American Salesman," Fortune (1940), February, pp. 72-75, 164, 166, 168, 170, 172, 174, 176.

Tosdal, Harry R. (1957), Selling in Our Economy, Homewood, Illinois: Richard D. Irwin, Inc., pp. 88-89.