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SALESMANSHIP AND ADVERTISING
AS APPLIED TO
THE SALE OF
ELECTRIC CURRENT AND ELECTRICAL APPARATUS

A Thesis submitted to
The Faculty of
MICHIGAN AGRICULTURAL COLLEGE

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THESIS

Reiteration by J. Leigh Woolson:

"Wil-lie-e-e-e-e." Silence. "Wil-lie-e-e-e! It's eight o'clock!" Mrs. Wilson, downstairs getting breakfast ready, is notifying her dutiful son, aged fourteen, that it is time for him to get up.

Another wait. Another call. "Willie! Come on now, it's getting late." Not a sound -- "Willie! I know you are wide awake. Get right up this minute!" A groan echoes dismally down the stairs. "Willie! Come right down, breakfast is ready!" "All right, ma." That is the first real response to her pleadings. But it is not until Mrs. Wilson comes to the foot of the stairs and cries: "Willie Wilson, if you ain't down in one minute I'll come up there with a sharp stick!" that Willie finally gets a hustle on himself and descends to the breakfast table.

Now it is evident that Willie, being a boy, wants his breakfast and consequently should have moved at the first call. However, experience had taught him that he could indulge in another "forty winks" and there would still be breakfast for him when he came down stairs.

Men, being but children of a larger growth, carry with them into their mature years, the traits they developed in early years. They have to be called repeatedly before they will move. Even when they want something, something really worth while, they rarely jump for it at the first word.

Merchandising presents many of the problems faced by Mrs. Wilson. Though she was the best cook in Henry county; though Willie was as hollow as a gas pipe; though he had feasted himself on her doughnuts and coffee and knew just how delicious they were, yet he was deaf to her first calls and slow to act.

Direct Advertising has the force of a call to breakfast; but the call of direct advertising must be patiently, wisely and unresistingly repeated to obtain all the profitable business. Frequently one piece will bring back unexpected returns, but, backed by persistent repetition, direct advertising accomplishes new wonders. It is then applied along the lines as Mrs. Wilson's campaign to get Willie downstairs in time for school. It must attract the attention -- and hold it -- it must persuade and convince. It must be believable, understandable and told in simple words.

It is particularly noticeable to the average man that electrical advertising is of a rather dense nature. It seems to be full of hidden meaning. This is a natural result of technical education. It is a great temptation to the average electrical man to display his knowledge in writing on any such subject, and to fill his booklets and advertisements with "synchronous" and similar befuddling words, which help to make

the reader feel that electricity is a mysterious agent and therefore not trustworthy.

Talking over a man's head in this way never won a customer. He must be approached with direct courtesy. He must have things presented to him in a way that will be clean and interesting to him. Electrical people are, as yet, not very strong on methods of direct advertising. I note that the Western Electric Company is giving this subject more attention and their "Farmer's Electrical Hand Book" is one of the best types of direct advertising.

The ability to sell an idea is the principal requisite of a salesman. The Kodak people do not sell cameras - they sell "The Witchery of Kodakry," that is, the idea of picture-making.

The automobile people do not sell a gasoline engine on wheels - they sell the idea of luxurious motion.

The phonograph people do not sell a spring motor and an intricate mechanism for reproducing vibration - they sell the idea of ready-made music.

The manufacturer selling a "Hoosier" kitchen cabinet for \$86 is selling the idea of convenience, for one can buy a kitchen table for \$3.25 - or could before the war - and it will do almost the same work.

So it follows in the electrical business: we cannot sell sheet iron, castings and heating elements made up in the form of electric stoves - we must sell the idea of electric

cooking. We cannot sell an expensive electric automobile that will not run over twenty-five miles an hour - we must sell the idea of luxury, convenience, cleanliness, simplicity and pride of ownership.

The question is - HOW?

In the first place, there are two types of men obtaining the business of to-day: One, the Order Taker and the other, The Creative Business Man. The former, it would be safe to say, because of existing demand, to-day gets about 35% of all the business transacted. The latter, as the result of clever salesmanship, gets 65% and it is this 65% that makes possible the profit on the whole volume which the merchant or dealer realizes.

Consider the automobile industry. This industry, while the third largest in the world, is comparatively new as far as even approaching the saturation point, and the adoption of aggressive creative selling methods. Nearly everybody wants an automobile, consequently the natural demand or "Order Taking" class of business has been sufficient to satisfy the average dealer. Mr. D. E. Whipple of the Anderson Electric Car Company says: "With more than one million automobiles sold in this country this year I believe it would be a conservative estimate that 80 per cent of the automobiles are sold on the "Order Taking" plan, or, in other words, the desire for an automobile already existed in the minds of 80 per cent of these automobile purchasers." He believes that, had the creative plan

of salesmanship been used by the automobile dealers as it has been used by older lines of industry, such as Insurance Companies, Cash Register Companies, Typewriter Companies, etc., it is probable that two million automobiles would have been sold.

The same may be said of much electrical apparatus now on the market. Dealers hold their apparatus in stock and wait for the purchaser to inquire about a piece and to acquaint himself with it and actually ask to have some sent up to the house.

In our effort to "Sell an Idea" let us consider some electrical apparatus that is a hard seller and attempt to show exactly how that article may be sold to the advantage of all concerned. We may consider the electric stove or range.

In the first place, the outstanding feature of an electric range is the price. A good range will cost seventy-five dollars. What is more, the cost of operation is two or three times that of any other fuel. That is what one sees when he thinks of a thing of iron and heating elements. BUT we are selling the idea of cooking by electricity.

The history of civilization is seated in the fact that human beings are not satisfied with cheapness, therefore, if men were willing to utilize the cheapest article that would serve a given purpose, we would to-day be cooking over wood fires; we would to-day be walking instead of burning up twenty-six cent gasoline; we would today be eating rice and lentils

instead of squab and alligator pears. People want speed, comfort and luxury, and they are willing to pay for them. This is the big point in this instance for it is the basis of selling electric ranges.

The woman's first objection to cooking is the heat in the kitchen. The electric range is the coolest cooking appliance on the market. Its coolness is inherent. The cooler is it the more efficient for every heat unit that escapes represents loss. An examination of the stove you sell will give you definite talking points along this line. The automatic feature which several stoves have; the so-called fireless cooker units; the well-insulated oven, which in some instances do not have to be opened to permit the food to be watched; the surface units with their complete concentration of heat - all these emphasize the big point that electric cooking is cool.

The next bugaboo in cooking is its uncertainty. Many women complain that they have "bad luck" in cooking. The reason is poor regulation. The electric range has perfect regulation. When a woman discovers what amount of heat is required for a given operation she can duplicate that temperature day after day invariably. If she times herself she can always get the same result. Here is another point: If the gentleman of the house fails to show up on time, or if the dinner guests are late, the delay means ruin to food cooked upon other stoves. With an electric, the instant and perfect regulation enables the housewife to hold the cooking in process for a considerable time, and

still bring it to the table in good condition.

However, when we talk of economy and refer to cash only, we may well hesitate for electric cooking is expensive. You may as well face that fact squarely. Yet, if you count all the factors of cost, cash, time, effort and results, then electrical cooking is at least as economical as any other kind of cooking. It is the same with electric light, which is as cheap, or cheaper than candles, coal oil, or gas, if you take everything into consideration.

You, as a salesman, can sell the electric cooking idea - and the stove to make that indeed a reality - even when you admit that the monthly service bills are double. You can do it by insisting upon the real economics of electric cooking; the saving of food shrinkage, the time saving, the labor saving. However, do not forget that these economics must be translated into terms of money, else time and effort are wasted.

Finally, remember this - Do not try to sell an electric stove. Sell the idea of electric cooking.

To continue and to make this writing a reality and not a bunch of generalities, let us assume that we have decided to sell electric ranges.

The very first thing for us to do is to prepare an accurate prospect list. Much has been written as to the proper methods of getting such a list, so we will pass that over.

Then we must plan an advertising campaign. In this many men fail in that they start out with full page newspaper ads and, if the results do not appear to justify the money spent, they throw up the campaign as a failure. Every advertising man will tell you it is far better to start slowly, with small space, and keep everlastingly at it. As I have said, you will get very valuable aid in this work from the General Electric or Westinghouse Companies as they have a corps of men trained for this work especially.

In conclusion, I would advise that any company selling electrical apparatus will do well either to employ a good advertising man or at least to secure all the assistance that the larger corporations can give. I would also urge that every man, who is interested in the sales of more current apparatus, join the Society for Electrical Development, New York City. These people are in position to render valuable assistance to electric dealers at a very low cost.

Mr. F. Wardell, a manufacturer of electrical apparatus, in speaking on this subject, says: "The difference between what the central station expects and what it really gets in the way of advertising service from the manufacturer is about the same as the difference between darkness and light. The advertising service furnished by the manufacturer is hearty, filling, and, if used in large enough quantities, nourishing, but somehow it lacks the delicate attractive, attention-compelling features that the central station manager expects."

In this regard I would say that every manufacturer's advertising department should have a man in the capacity of printing service expert. He should be on the mailing list of every central's station and selling agency, every advertising and printing agency, to receive the samples of advertising handled by the different media. This man would very soon become an encyclopedic compendium on electric advertising activities throughout the country. From my observations of successful manufacturers, I consider that a cross filing card index system, calling attention to various worth-while suggestions, peculiarities of appearance, quality, etc., in material.

Working with this printing service expert, and all under the broad general supervision of the advertising manager, should be a staff of copy writers and follow-up service makers, who would work up campaigns and use them in the name of the manufacturer to present his product to the central stations and secure sales.

Next, after a live prospect has been developed from the manufacturer's follow-up system out of the central station's on the mailing list, and a reply card has come in asking for further information, samples of advertising material, which can be furnished, should be sent, then the salesman should be put on the central station's trail.

Now this is where many fail, for this representative should not only be an expert salesman, but he should know something about the principles of advertising and how to get the best results from advertising.

Under the ideal arrangement, the salesman should find out the conditions under which the central station manager wishes to conduct his campaign, what class of people he wishes to reach, about how many he wishes to include on his prospect list, and then the advertising campaign should be prepared to fit those conditions.

To sum up the advertising situation there are some vital things to remember:

First: The value of an advertising department evidently cannot be measured by the quantity of material it sends out or the number of people it employs. On the contrary, it may be making money by keeping its expenditures and efforts practically stationary.

Second: The value of advertising does not consist in the quantity of printed matter as much as in the quality and the way the matter is printed.

Third: The value of a manufacturer's advertising material will increase in direct proportion to the number of people who know the men who write it. The values of personal touch are many and varied.

Fourth: There should be a clearing house for manufacturer's advertising departments through which to eliminate useless advertising.

This latter means will be possible when manufacturers cease their senseless rivalry in advertising expenditures.

"More Customers, More Sales, More Profits"

This is the title of a little handbook which is available to anyone who is interested and will write The Society for Electrical Development, New York City.

A resume of the contents may be of value since as the ideas brought up are from minds that are trained along the line of advertising.

In the first place, one of the first things that should be done in putting on a campaign, is to choose a good slogan and see that it is used. Last year there were slogans used in many of the big cities and among the best - "Bigger, Busier, Better, Boston" and "Schenectady Lights and Hauls the World!" A good electric slogan sign gives any town individuality and advertising, the equal of which can be obtained with a like expenditure in few other ways.

Then, too, the subject of ornamental street lighting is one that should receive serious attention. When streets are well lighted the merchants do better business, and the central station sells more current.

The same thing applies to flood-lighting of statues, public buildings, squares and other places of interest. This, of course, is civic work and will take persistent effort to enlist important assistance, but it is well worth trying.

Various forms of advertising such bill posters, street car cards, window cards, stamps, et cetera, are means of advertising which no dealer can afford not to use. Personal letters addressed

to people whose homes are not wired as well as those whose homes are wired are among the most effective agents in selling current and apparatus. These letters, as I remarked in the general discussion, must have the personal touch, else their value is greatly reduced.

Window displays and demonstrations are good workers. The General Electric and Westinghouse people regularly send out suggestions to their dealers and these suggestions should be followed closely.

Above all things, keep enthusiasm at a high point among all salesman. Read all the business magazines and advertising pamphlets on other lines of business. The application of the other man's idea to your business is often a valuable asset. In this regard, I would suggest that the retailer of electrical goods might follow with profit the idea used by such people as the Eastman Kodak Company and the Coca Cola people in their advertising. What an inconspicuous place the thing they are advertising holds when compared with the expression of the girl whose face draws the attention of the crowd. Therein lays the secret of many big ads.

The real thing in successful advertising is the putting of life into inanimate things. To do this one may safely go the extremes without fear of ridicule. This method is now used by nearly all the automobile firms in the country - one of the greatest industries in the world.

Among the most overworked words of the English language is cooperation, but it may be applied to electricity with all

feeling of intensioness and with its full meaning in the electrical business world. Here I refer definitely to the central stations and the contractors. What can the central station do and what can the contractor do to secure more business? They can do something individually. In fact, that is what they have been doing for many years, and that is why many of them are to-day making a poor living. They can do much conjointly. That is what Louisville is doing -- wiring twelve thousand houses in less than three years. That is what Cleveland is doing -- contracts aggregating \$50,000 for house wiring are now being carried by the banks. I can show you an endless number of cities where the central station and the contractor are working together and reporting big results.

There are many plans that have worked out and are working out to the advantage of all concerned. Among these, six or seven are conspicuous. They are used in many large cities and, on account of the success they attained, I feel it not of place to present them in detail.

THE FLAT RATE PLAN

This is a plan by which a definite supply of fixtures, lamps and installation equipment are grouped and a flat figure is put on them with a special reduction for campaign purposes.

One central station puts up three distinct plans as follows:

- (a) Wiring for six light outlets, one in each of six rooms, to be equipped with drop light shades and lamps, \$15.00.
- (b) Wiring for six light outlets, one in each of six rooms, to be equipped with fixtures, glassware and lamps.

Two two-light fixtures, one one-light fixture, three drop lights.
Fixtures equipped with pull chain sockets, \$21.50.

(c) Wiring for six-light outlets, one in each of six rooms, to be equipped with fixtures, glassware and lamps. Two two-light square brass fixtures, one one-light chain pendant fixture, three drop lights - fixtures equipped with pull chain sockets, \$27.50.

The people who put out this proposition say that they have but few persons who take this distinct proposition as they outline it but that it gives the prospect some definite figures to think about until he gets to the point of applying it to his own home. Then he changes the proposition to suit his own needs.

The flat rate wiring idea has been worked out successfully by a good many central stations in cooperation with contractors and is very simple when you consider the fact that in this way the central station and the contractor are able to get together and carry on a very systematic scheme of advertising and display.

I mentioned on the preceding page the progress made by the Louisville people. "Printers Ink" reported the following late last fall:

HOW A LIST OF UNWIRED RENTED HOUSES WAS COMPILED

"The company had one of its men spend three days in the city assessor's office, going over the books and listing the names of property owners with more than three dwelling houses. These were then checked up by the bill room to determine which were not wired and by the distribution department to determine whether the houses were near the lines of the company. By this means a list was secured and a special letter campaign was directed to them, urging the wiring of the homes as an investment.

At the same time a series of post cards mailed to tenants suggested that the landlord might be willing to wire the house if properly approached. Thus, with the pressure applied from both sides, reinforced by the newspaper campaign and intensive solicitation on the part of the company's sales force, many rented houses were wired.

The company itself does none of the work of installation. It has regular flat-rate agreements with the local electrical contractors, and thus is able to advertise specific prices for houses of a given size, which makes the offer a good deal more impressive than the mere announcement that 'prices are reasonable.'

Under this plan the company has been able to add an average of more than 4,000 new customers of electricity per year, and most significant of all is the fact that 80 per cent of the increase has come from the wiring of old houses. In 1914 4,000 houses were wired; in 1915 the number reached 4,300; and at the present rate, 1913 will show a total in excess of 5,000 houses wired."

According to that statement the flat-rate plan made good in one place anyway.

KITCHEN SERVICE PLAN

The idea in this plan is to get electric service into as many homes as possible, even by starting in a small way. It is to induce the small householder, who can be served from the existing lines, presumably the man of very limited means, to avail himself of the immediate and important advantages of the electric service.



The kitchen installation idea furnishes an entering wedge with the idea of getting a complete installation at a later date.

The usual kitchen installation consists of a 40 or 60 watt Mazda lamp, suspended on a drop cord from the kitchen ceiling, a two-way socket and an electric iron, a hardwood panel board for the meter and service switch and fuses.

This equipment was offered by one central station for \$10.68 and the orders for wiring were turned over to the local contractors. Among the stations that have operated this plan successfully are the Dayton Power & Light Company, the Kansas City Electric Light Company and the New Orleans Railway & light Company. These companies claim that they get seven complete installations out of ten on an average.

THE BANK FINANCING PLAN

A plan that promises to be one of the most effective and generally used by central stations and contractors throughout the country is that of securing financial aid on wiring contracts through the banks.

This plan has been successfully operated in Cleveland on such a scale that it gives immediate promise of being adopted by many central stations in cooperation with the banks. Under this plan the central station salesman solicits wiring contracts on the flat-rate schedule, and turns the signed contract over to a contractor to fill. The contract stipulates that the house owner shall pay the bank in monthly installments when they are due. The contractor transfers his right to collect the money from

the house owner to the bank, receiving in return 50 per cent of the amount of the contract immediately from the bank in cash and the remainder as collected. As a result, the contractor generally starts an account with the bank, which means in that case, that the money remains in its hands. The contractor, of course, gives his note to the bank for 50 per cent of the face of the contract, the bank charging him 5 per cent to collect.

From the consumer's point of view, it puts the wiring of a house up to the property owner in a businesslike way and makes it imperative upon him to meet his payments, as few people want to avoid their obligations to the bank, while they may be tempted to do so to a contractor.

THE RENTAL PLAN

Another plan that works particularly well in thickly populated communities where the cost of living is high and the people are educated to the proposition of buying on the pay-as-you-go plan, is the rental plan. The usual offer in this plan consists of two drop lights in two adjoining rooms, together with lamps, to be paid for on the rental basis.

The advertisements of this plan have been unusually successful because they offered the use of electric service for twenty-five cents a month in addition to the cost of current. Incidentally a good many appliances have been sold in that way.

THE DOLLAR PER OUTLET PLAN

Another plan which has worked successfully in Hartford, Connecticut, and which makes cooperation between the central

station and the contractor very simple has been the dollar per outlet plan.

Under this plan the central station pays \$1.00 for every current-consuming outlet in the deduction of the cost of wiring old houses. Of course, this offer is limited, usually applying to not less than five or more than ten outlets. The contractor falls in readily enough with this plan because it reduces the actual expense of his bill to the consumer.

These plans are but typical and would vary in each locality to suit the particular problems that confront the central station and contractor in their efforts to enlarge their business. Above all, however, the reader will notice that each and all of these plans mean active cooperation between the central station and the contractor.

One of the greatest problems confronting the central station manager to-day is: "How shall I obtain a uniform load throughout the entire twenty-four hours of the day?" This, of course, can not be done but may be approached by resorting to any of all of the several methods now in common practice. Twenty years ago almost the only use for electricity was for lighting. To-day one can not begin to enumerate the various uses which have been made of electric power. Long ago the central stations began to recognize the necessity for increasing the load factor, and in order to accomplish this, steps were taken to induce the public to use electric power consuming devices by showing that electric power methods could be used more cheaply and conveniently than the methods they had been using.

One of the most important expedients resorted to for this purpose is to sell factory or traction motive power.

It would be difficult to demonstrate in detail the economy that can be derived from a combination of mixed power service over a plant serving only railroads or industrials. To attempt such a demonstration would lead back to generalities and amount to nothing but an analysis of the schedule of costs and efficiencies of a 25,000 k.w. plant, working at a 25 per cent load factor proving the broad assertion that in power generation, large stations carrying mixed loads afford the maximum economy.

One of the more recent methods resorted to is that of securing electric furnace load. That it is a coming and desirable load is evidenced in the fact that already it is responsible for a 300,000,000 kw.h. yearly demanded from fifty-one steel mills. This means a revenue of \$5,000,000 with the cost of power for this service at 1¢ per kw.h.

Further, the growth of the electric furnace load is just at present enormously stimulated by the abnormal activity of the steel industry and the tremendous demand for "electric steel."

Both the load and power factors are high, and in the majority of cases its operation offers a balanced polyphase load at the prevailing frequency. For single phase operation a motor generator set can be used or, if the number permits, each furnace can be operated on separate phases of the polyphase supply lines. Surges in power, which at first occurred in the charging and early melting down in the furnace have been greatly reduced by means of regulating devices, so that today the furnace offers a large

as well as attractive load.

The fact that the electric furnace may be used as an entering wedge to a full and complete electrification of large plants should also make it a source of interest to the central station management. Again, in foundry operation it is good practice to melt and pour at night. This allows the consumer to take advantage of the low rate and still provide a large load for the station when it is most needed.

To sum up, the electric furnace not only offers an attractive and desirable source of large revenue, but also, in supplying it, an effective means of bettering and equalizing the night and day load factors of the central station.

To conclude, I would simply say that this article has been prepared with the assistance of advertising men and salesman and they have without exception expressed the opinion that many electrical firms are featuring the engineering side of the game to the disadvantage of good business principles. What they need is practical and trained business heads to lead them on to achievements that are, as yet, undreamed of.

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