BIRTH OF A SALESMAN

The Transformation of Selling in America

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To my family

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Prospect: "My old car is worth at least $100.00 more than you offer me."

Salesman: "Your old car, Mr. Prospect, has given you a lot of pleasure and service. You are thoroughly familiar with its condition and I can understand how it may appear to you to be worth more. But the price of a used car, just like anything else, is determined by the demand for it. It is impossible to offer you more for your old car, much as we would like to do so, but we can offer you many quality features that cannot be duplicated in any other car at or near the price of a new Chevrolet." (Show him features and ask for the order—often.)

From General Motors'
Selling Chevrolets: A Book of General Information for Chevrolet Retail Salesmen
(1926)

Prologue, 1916

The First World's Salesmanship Congress

On the morning of July 10, 1916, over three thousand salesmen, managers, and executives from many industries gathered in Arcadia Auditorium in Detroit for the first World's Salesmanship Congress. President Woodrow Wilson, the keynote speaker, urged his audience of salesmen to travel the globe and promote the goods that, he believed, had come to symbolize prosperity and the promise of America itself. "Lift your eyes to the horizon of business," he began. "Do not look too close at the little processes with which you are concerned, but let your thoughts and your imaginations run abroad throughout the whole world. And with the inspiration of the thought that you are Americans and are meant to carry liberty and justice and the principles of humanity wherever you go, go out and sell goods that will make the world more comfortable and more happy, and convert them to the principles of America."[1]

The event was the brainchild of D. M. Barrett, editor of *Salesmanship* magazine. The previous September, Barrett had organized a Detroit sales club, which operated under the slogan "Business betterment through betterment in salesmanship." He hoped to build a national organization and gained the support of Norval A. Hawkins, Ford Motor Company's sales director, and Edward A. Woods, head of

Equitable Life Assurance's largest agency.[2] The event's "constitution" pledged to "promote the dignity of Salesmanship by the elevation of the rank of the salesman to a higher plane" and to "encourage contributions to the science of Salesmanship in the form of books, lectures, courses and publications."[3]

The Salesmanship Congress brought together some of the best-known businessmen in the country. Henry Ford met with Wilson on the morning of the president's talk. Not surprisingly, many of the businessmen attending the Salesmanship Congress came from companies that relied on salesmen. The audience was made up of representatives of Burroughs Adding Machine, National Cash Register, and other office-machine manufacturers; automobile makers, such as Packard and Cadillac; and insurance and real-estate companies. The weeklong event offered a wide selection of lectures, covering everything from the daily tasks of management to the qualities of good salesmen. Demonstrations of expert sales ability were provided. Edgar F. Roberts, a local realtor, overcame an obstinate buyer onstage to sell a Detroit property for $4,925 in fifteen minutes. In the evening, attendees listened to sermons on ethics and salesmanship at local churches, watched boat races, and enjoyed the melodies of the Studebaker band.

The speakers at the weeklong event included sales managers, like Richard H. Grant of Dayton Engineering Laboratories (later head of Chevrolet) and Frank H. Dodge of Burroughs Adding Machine, and company presidents, like William R. Malone of Postal Life Insurance, Harry M. Jewett of Paige-Detroit Motor Car, and Alvan Macauley of Packard.

Academics, consultants, psychologists, and advertising executives shared the stage as well. James Samuel Knox, president of the Knox School of Salesmanship in Cleveland, Ohio, spoke about how to teach modern sales techniques. Charles Wilson Hoyt, author of *Scientific Salesmanship,* discussed ways to make selling more efficient. Walter Dill Scott and Walter Van Dyke Bingham, both of the Carnegie Institute of Technology, performed "mental alertness tests" on twenty-five young salesmen at the Statler Hotel to predict which ones would most likely succeed.

Some "experts" at the World's Salesmanship Congress were of dubious merit. The phrenologist Grant Nablo instructed his audience of managers to look for a high forehead when hiring, as this supposedly denoted imagination, and to avoid applicants with "a flat back head" because they would be "quick starts but slow finishers." "Look around you," said Nablo, in what must have been an uncomfortable moment. "And you will see heads like that."[4]

Like many other public celebrations of the Progressive Era, the World's Salesmanship Congress was both a celebration of the past and an effort to gain distance from it. Speakers—businessmen, academics, and politicians—expressed enthusiasm about a new era of salesmanship, in which selling would be conducted according to systematic principles.

The days of the backslapping, hard-drinking drummer were over, speakers proclaimed. No longer the pursuer of farmers' daughters, as depicted in popular jokes, the modern salesman was, one business executive argued, "a man of stability, character and regular habits—he must be married."[5] Salesmen now exhibited loyalty to the employing "house" and a good relation with "the boss." Moreover, salesmen of the new era were expected to play a beneficial role in society. They would "overcome obstinacy, soften prejudice and let the light of reason into dark places," said a representative from the National Cash Register Company.

The Salesmanship Congress revealed the cross-section of individuals fascinated by salesmanship and its possibilities in the early twentieth century—a mixture of businessmen, politicians, scientists, pseudo-scientists, and promoters; they were organization-builders, reformers, managers, entrepreneurs, researchers, theorists, and motivators. They ushered in modern salesmanship and its consequences, both economic and cultural, creative and destructive.[6]

Introduction

The Science of Selling

The development of modern sales management is a uniquely American story. The intense effort to standardize salesmanship distinguished the growth of capitalism in America from that in other countries. All European nations had peddling networks, some of which had existed for hundreds of years, but none created organized sales forces to the same degree as did the United States. There are several reasons for this. First, the emergence of salesmanship depended on a stable currency, the rule of law, the protection of private property, and the availability of credit—all aspects of the American economic system. More important, the scale of American firms was greater than elsewhere. The massive manufacturing concerns of the early twentieth century, which produced tremendous numbers of business machines, appliances, and cars, hired salesmen in the hundreds (and even thousands); and these goods, all pushed by aggressive salesmanship, distinguished the American economy by their early appearance and widespread purchase. British industry, which produced on a smaller scale, and German manufacturers, which were rooted in craftwork traditions, seldom exhibited a similar interest in mass selling campaigns.[1]

Organized selling in America flourished also for cultural reasons. In a country that, from the outset, held democratic elections and had no established church or hereditary aristocracy, salesmanship provided political and religious groups with a way to compete for followers. Moreover, with more fluid class boundaries than in European countries, the skills of salesmanship, especially beginning in the late nineteenth century, seemed to offer a pathway to personal success. In the early twentieth century, Americans read how-to-sell books and turned Bruce Barton's *The Man Nobody Knows* (1925), which portrayed Jesus Christ as a successful sales and advertising executive, into a best-seller.

The birth of modern salesmanship occurred in the decades around the turn of the century. Entrepreneurs at the vanguard of selling, who developed modern sales techniques, created procedures for management that paralleled those of the new science of mass production. With the rise of mass manufacturers in the United States, salesmanship became of interest to psychologists, economists, ministers, and politicians. The country, as envisioned by the pioneers of modern selling, now comprised sales "territories." Citizens were not steelworkers, bankers, or housewives, but "prospects." Other nations around the globe were not allies or enemies, but trade "opportunities."

In 1904 businessman P. W. Searles, writing in *System* magazine, summarized the changes he had seen in selling over the past several years—changes resulting from the imposition of managerial systems at large manufacturing companies. Earlier, as he put it, a salesman traveled "as his own boss." Now his routes were planned, his customers evaluated before his departure, and a trail of sales slips and reports established a record of his every move.[2] Sales managers at large corporations assigned salesmen specific territories and gave them monthly or weekly quotas to meet. They aimed to make salesmanship uniform, predictable, and capable of being taught to new recruits. They even instructed salesmen on such minutia as how to stand while talking with a customer, or how to hand over the pen at "closing."

Managers also tried to redefine the image of their sales force by adopting a new vocabulary. Only after the turn of the century did the terms "salesman" and "salesmanship" come into vogue, carrying with them parallels to "workman" and "workmanship," but also signaling that selling was a male-dominated occupation.[3] While the late nineteenth century had had a small tradition of female book canvassers, most large companies in the early twentieth century hired only men for their sales forces. Managers wanted the members of their sales force to appear professional, neat, responsible, and masculine.

The revolution in selling had consequences beyond the firm. The growth of systematic methods of sales management gave rise to a number of products and services that supported sales managers, including trade journals and popular magazines, such as *Salesmanship* (founded in 1903), *Salesmen* (1909), *Salesmanship: Devoted to Success in Selling* (1915), *Sales Management* (1918), and *Salesman's Opportunity* (1923). The Dartnell Corporation of Chicago began collecting empirical data on selling and produced scores of reports for sales managers on topics ranging from "Modern Methods and Tendencies in 259 Different Lines of Business" to "Plans for Building Up a Spirit of Loyalty in a Sales Organization" and "Enlisting the Cooperation of Salesmen's Wives and Families."[4]

The creation of methods of sales management also opened up new branches of academic inquiry, such as marketing, consumer behavior, and industrial psychology.[5] After the turn of the century, economists and professors of sales management at business colleges analyzed costs and methods of distribution. In 1913, Harvard's Bureau of Business Research published its first bulletin, which concentrated on the selling of shoes. The bureau followed with studies of the grocery trade, retail hardware dealers, and department stores.[6]

Psychologists sought to make sense of the way that salesmen created demand in the minds of customers. In *Psychology in Personal Selling* (1926), A. J. Snow attempted to explain the physiological changes that occurred to nerve cells in the brain when customers made a decision to buy: Were consumer wants largely instinctual? Were they built up through habit and suggestion?[7] In 1916, the Carnegie Institute of Technology (now Carnegie Mellon University) founded a Bureau of Salesmanship Research to create psychological tests for salesmen.

The embrace of sales-management systems by large corporations encouraged new ways to make sense of the role of salesmanship in the economy. The promoters of modern sales techniques described an economy in which demand was malleable, language was expedient, and enthusiasm—demonstrated by salesmen selling products—was a powerful economic force. Charles Bennett, whose book *Scientific Salesmanship* (1933) grew out of a doctoral dissertation at the University of Missouri, referred to salesmanship as the "expansion of meaning." Bennett argued that salesmanship, rather than merely gaining a greater share of the economic pie for one company or another, increased the size of the pie overall.[8]

All the transitions in selling methods—organizational, strategic, and ideological—were central to the growth of the U.S. economy in the late nineteenth and early twentieth centuries. Sales and marketing were not afterthoughts to the coming of industrialization, but were part and parcel of the same phenomenon. Large firms were capable not only of production on a great scale, but also of persuasion, pressure, and the fostering of an evangelical exuberance. The "visible hand" of management, to borrow a phrase from historian Alfred D. Chandler Jr., could not have succeeded in many industries without the "visible handshake" of a team of salesmen out on the road.

This book highlights the work of entrepreneurs and managers who were especially fascinated by selling and who devised innovative and effective sales strategies. It emphasizes the entrepreneurs, managers, and system builders, rather than salesmen themselves. In relating the story of salesmanship "enthusiasts" and the rise of modern sales management, it follows a rough chronology, from the years following the Civil War to the end of the Great Depression.[9] Each chapter offers an example of a particular type of salesmanship: the selling of General Grant's memoirs by book canvassers; the wholesaling of hardware by traveling drummers; the beginnings of sales management by mass-manufacturing companies like Singer Sewing Machine and Heinz; the formation of a comprehensive system of management at National Cash Register; the development of methods to analyze selling at the Carnegie Institute of Technology; and the building of consumer marketing strategies at Ford, General Motors, and Fuller Brush. Together, these examples illustrate the growing scale of sales organizations and the increasingly sophisticated implementation of sales strategies.

Among the people featured in the book are Albert ("Fine and Dandy") Teetsel, a sales manager at Fuller Brush and an exponent of positive thinking; Saunders Norvell, a long-time traveling salesman for the nation's largest lumber company and editor of the *Gimlet* newsletter; Walter Dill Scott, an industrial psychologist who became director of the Bureau of Salesmanship Research; Norval Hawkins, author of several popular books on selling and head of sales at Ford; and Arch Shaw, who lectured on marketing at Harvard Business School, published *System* magazine, and advised the Hoover Administration on how to conduct a national survey of distribution methods. While emphasizing business strategists, I also look at economists and other academics who examined the role of salesmanship in the larger economy, such as Thorstein Veblen, Charles Bennett, and Harvard Business School professor Harry R. Tosdal. At the center of the book is a chapter on John H. Patterson, president of the National Cash Register Company, who did more than anyone else to systematize salesmanship.

The work of entrepreneurs and managers at large manufacturing companies is given the most attention. The firms that these businessmen built, like Burroughs, Coca-Cola, and General Motors, operated with resources far beyond those available to independent peddlers or petty canvassers. They employed a range of new technologies to facilitate communication with salesmen in the field and to gather information about the marketplace that helped them predict future demand. They also used new advertising outlets—newspapers, magazines, and, after 1920, radio—to complement the work of their sales forces. These resources enabled them to launch strategic sales campaigns and create demand on a scale unseen before.[10]

The focus is on mass producers because they devoted the most attention to standardizing methods of selling and techniques of sales management. The firms that created modern salesmanship included office-machine manufacturers, automobile companies, and makers of soap, canned goods, and paints and varnishes. Companies that made these types of products hired sales forces to conquer their markets and take trade away from competitors. Manufacturers that sold branded goods in great quantities, or made perishable products or complex machines that were difficult for independent wholesalers to handle, also tended to build their own sales forces. They generally manufactured a high volume of output and sold their goods across a vast geographic area.

Salesmen for these companies knocked on doors, waited outside offices, dropped off samples, shared good stories, offered special rates, and in other ways informed, persuaded, and cajoled "prospects" as they ceaselessly promoted their goods. They pressured customers to compare, buy, and then "trade up."

Salesmen were trained to answer specific questions about a product and were often able to grant credit to buyers and make arrangements for delivery. They were particularly good at promoting new products—they played an essential part, for instance, in the introduction of cash registers and adding machines. Through their demonstration of products, relentless sales pitches, and ability to sell goods on credit, highly managed salesmen encouraged a shift in the type of items that consumers purchased by urging them to buy appliances, cars, and other expensive products.

As manufacturers of cash registers, refrigerators, and many other goods knew, low prices did not always create demand. People bought for a variety of reasons, including their own rational decision-making and the preferences of taste. They also bought because they were "sold."[11] Sales workers played a role that was both informative and persuasive. They worked to overcome what they saw as the inertia or procrastination of buyers.

In designing and rehearsing their sales pitches, sales managers, and salesmen themselves, mastered the mechanics of persuasion: What