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OUR MASTER'S HOUSE  
*ADVERTISING*

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### 3 *HOW IT WORKS: The Endless Chain of Salesmanship*

THE apparatus of advertising, conceived of as the total apparatus of daily and periodical publishing, the radio, and, in somewhat different quality and degree, the movie and formal education, is ramified interlocking and collusive, but *not unified*. This distinction must be kept carefully in mind. Most of the residual and fortuitous mercies and benefits that the public at large derives from the system are traceable to the fact that the apparatus of advertising is not unified; it exhibits all the typical conflicts of competitive business under capitalism plus certain strains and stresses peculiar to itself.

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With the system operating at the theoretical maximum of its efficiency, the sucker, that is to say the consumer, would never get a break. In practice, of course, he gets a good many breaks: a percentage of excellent and reasonably priced products, a somewhat higher percentage of unbiased news, a still higher percentage of good entertainment both on the air and in the daily and periodical press. He even gets a modicum of genuine and salutary education—more, or less, depending on his ability to separate the wheat from the chaff.

No system is perfect and the apparatus of advertising suffers not merely from human frailty and fallibility but from the lag, leak, and friction inherent in its design.

The apparatus of advertising is designed to sell products for the advertiser, and to condition the reflexes of the individual and group mind favorably with respect to the interests of the advertiser. The desired end result of the operation of the apparatus is a maximum of profitable sales in the mass or class market at which the advertising effort is directed.

But the apparatus itself is made up of a series of selling operations as between the constituent parts of the system. Each of these parts is manned by rugged individuals, all bargaining sharply, not merely for their respective organizations but for themselves. In attempting to trace this endless chain of selling one wonders where to begin.

Perhaps the advertising agency is as good a starting point as any.

### *THE ADVERTISING AGENCY.*

The advertising agent was originally a space broker dealing in the white space that newspapers and periodicals had for sale. He bought space wholesale from the publishers as cheaply as possible and re-tailed it for as much as he could get from advertisers. In the early days he frequently made a handsome profit—so handsome that the more powerful publishers attempted to stabilize the system by appointing recognized agents and granting them a commission on such space as they sold to advertisers. The amount of the commission varied. For the compensation they delivered a service consisting of selling, credit and collection. The advertiser planned and wrote his own advertisements and had them set up and plated; he did his own research, merchandising, and so forth.

But more and more the agent tended to take over these functions. He dealt with many advertisers and hence was in an excellent position to become a clearing house of experience. From a seller of white space he became a producer of advertising. In a comparatively short period of years the larger national advertisers were placing their advertising through agents whose functions were the following: planning and preparing the advertisement in consultation with the sales or advertising manager of the advertiser; attending to all details of art purchase, mechanical production, etc.; selection of publication media in which the advertising campaign would appear; checking the insertions in these media. "Research," "Merchandizing," etc., were later functions of the agency, which in the larger agencies today are handled by well-established departments.

The advertising agency is thus in the somewhat ambiguous position of being responsible to the advertiser whom he is serving but being paid by the advertising, publication or other advertising medium, his commission being based on the volume of the advertiser's expenditure. Objection to this commission method of agency compensation has been chronic for years. There are today a few relatively small agencies that operate on a service fee basis. But the commission method of compensation has persisted and is a factor in the endless chain of selling that links the whole advertising apparatus.

Before the agent is entitled to receive commissions from the various advertising media—magazines, newspapers, radio broadcasters, carcard and outdoor advertising companies—he must first be "recognized." To secure recognition he therefore presents to each of these media groups, which maintain appropriate trade committees for this purpose, evidence that he is financially responsible and controls the

placing of a certain minimum of advertising business. The first selling job is therefore that of the agent in "selling" his competence and responsibility to the organized media.

When recognition is once granted, however, the agent steps into the buyer's position in respect to the media. His duty is then to his clients, the advertisers. In return for the commission paid by the media which has been more or less stabilized at 15 per cent less a two per cent discount for cash, which is passed on to the client, the agent is expected to prepare effective advertising, properly coordinated with manufacturing and sales tactics, and place it in the media most effective for the purpose.

Walk into the lobby of any large advertising agency and you will see about a dozen bright young men with brief cases waiting to see agency account executives or media department heads. They are space salesmen. The brief cases contain lavishly printed and illustrated promotion booklets which serve as reference texts for the salesmen. Many thousands of dollars go into the compilation of the data printed in one of these booklets. In it the publication's advertising manager proves that his "book" has so many subscribers and is bought at newsstands by so many people, as attested by the impartial Audit Bureau of Circulations. These readers are concentrated in such and such areas. They represent an average annual unit buying power of so much as evidenced by the property ownership of houses, automobiles, etc., etc. Their devotion to the publication is evidenced by such and such a turnover of subscribers and such and such a curve of circulation increase. Their confidence and response to advertising placed in the publication is evidenced by the success of advertisers A, B and C, whose campaigns last year proved that advertising in the Universal Weekly brings inquiries for only so much per inquiry; furthermore such and such a percentage of these inquiries were materialized into sales. The Universal Weekly also exercises an important influence upon dealers. The broadside reproducing his campaign with which advertiser A circularized the trade, resulted in stocking so and so many new dealers. The advertising department of the Universal Weekly also co-operates earnestly with advertisers; in fact staff representatives of the publication delivered so and so many of these broadsides, and are even responsible for the addition to the advertiser's list of so and so many new outlets.

The editorial department of the Universal Weekly is also warmly co-operative. During the year 1932 the Universal Weekly applied the editorial pulmotor to its readers' flagging will-to-buy with measurable success. Note also the "constructive" quality of the articles printed in the Universal Weekly, that it gives also abundant quality in its fiction did it not pay Pete Muldoon the highest price ever paid a

fictioneer for a serial?

These promotion booklets constitute an important and greatly neglected source of economic and sociological data. Moreover, some of them are honest from start to finish. They had better be, on the whole. The agency's space buyer is hardboiled. He sees *all* the promotion booklets. Moreover, he has access to the advertising and sales records of a variety of clients. He can and does construct his own private pie charts; he can and occasionally does send his own crew of collegebred doorbell ringers into the field to find out what sort of people read what. On the basis of this calculus he says yes or no to the publisher's representative.... Well, not quite that. The publisher's representative has also seen the advertiser's advertising manager. And the publisher himself played golf last week with the Chairman of the Advertiser's Board. And the wife of the publisher's advertising manager gave a tea yesterday to the wife of the agency's vice-president who would like to get into the Colony Club. Also, the space salesman and the agency's space buyer are both enthusiastic members of the Zeta chapter of Epsilon Sigma Rho—remember that time we smuggled Prexy's prize pig into the choir loft?

There are certain other considerations. Agencies select media subject to the approval of the client. But publishers' representatives are also in a position to recommend agencies to manufacturers who are about to make their debut as advertisers or to regular advertisers who are thinking of changing agencies. Also agency space buyers sometimes change jobs. They may go to other agencies or become space salesmen themselves. And space salesmen frequently graduate into agency account executives.

What with one thing and another the agency space buyer is likely to say *yes and no*—until *all* the data of his calculus is in hand.

It is necessary to sketch this background of intrigue because it is unquestionably a factor in the traffic of advertising where the stakes are large and a decision one way or another can readily be justified on entirely ethical grounds. It is a minor factor. Curiously enough there is probably less of it in the advertising business than in most other businesses; much less, for instance than in the movie industry, or in the field of investment banking. It is indeed puzzling that the ad-man,, whose stock-in-trade in his relations with the public, is pretty much bunk, should exhibit, in the internal traffic of the business, a relatively high standard of personal integrity. Yet the writer is convinced that this is so, and in later chapters will offer tentative explanations why this should be so.

The agency-publication-advertiser relation is of course only one loop of the endless chain of selling. To complete the circuit in detail would scarcely be useful at this point. The major sequences may be

summarized briefly as follows:

### *SERVICES OF SUPPLY.*

The raw material of advertising consists of ink, paper, paint, photographic materials and talk. The techniques involved are too numerous to list, especially since new techniques are constantly emerging. In the lobby of the agency swapping cigarettes and gossip with the space salesmen are regularly to be seen the salesmen representing advertising's services of supply. They are all there in person or represented by their salesmen. The printer, the lithographer, the photographer, the carcard and outdoor advertising companies, the direct-by-mail house, which is a printing house with much of the production personnel and equipment -of the agency; the advertising "novelty" house, a "public relations" expert, a couple of broadcasting companies and three specimens of radio talent. Also the de luxe young woman who serves as gobetween in the testimonial racket; also half a dozen people of both sexes who are looking for jobs. They have heard that the agency has just captured the Primrose Cheese account.

All told it makes quite a mob. The reception clerk is either gray-haired and dignified, or young, pretty and amiable. She is busy continuously on the telephone, glibly translating the account executive's "Nothing doing" into "Mr. Blotz is *so* sorry. Couldn't you come tomorrow at about this time?" Eventually most of these salesmen are seen by somebody. The agency is in the selling business too and can't afford to upstage anybody. While they are waiting they improve their time by selling each other. The printer sells the direct-by-mail house executive; the engraver sells the printer; the lithographer sells the outdoor advertising representative; the radio talent sells the broadcaster. Only the testimonial racketeer remains uninterested. Deciding that there isn't a profitable date in a carload of these people, she gives it up and goes home.

### *INTRA-MURAL SELLING.*

It must be understood that an advertising agency is a loose aggregation of rugged individuals each of whom is very busy carving out his or her professional career. This occasions more or less continuous conflict and confusion. The technique of combat is salesmanship. The movement is the circular movement of the dance, with alternating tempos of dreamy waltz and frantic fox-trot. There is much cutting-in and swapping of partners. Everybody is busy selling everybody else; this entails much weaving from desk to desk; many

prolonged luncheon conferences; many convivial midnight parties in Bronxville, Great Neck and Montclair. The mulberry bush around which this dance revolves is known in the trade jargon as the Billing, that is to say, the total volume of advertising on which the agency gets commissions. Everybody knows the amount of the commission and everybody knows or can guess approximately the amount of the Billing. Hence everybody is constantly doing mental calculations in which the opposing factors are "How much do I do?" and "How much am I paid?" The answer never comes out right for anybody. The copy-writer notes that he writes all the copy on three accounts the total annual billing on which averages say a million dollars. Fifteen per cent of a million dollars is \$150,000. The copy-writer's salary is \$5,000 and this year no bonus was paid at Christmas time. The discrepancy is obvious. The copy-writer considers that all the other processes of the agency, such as art production for which a separate added commission is charged, media selection, client contact, new business getting, forwarding, billing and other routine tasks, are just as much overhead and that there is too damned much of it; also too damned much profit going into the salaries and dividends received by the heads of the agency. All the other members of the "creative" staff entertain similar views differing only in the focus of the particular grievance; whereas the lowly clerical and mechanical workers are convinced that the agency wouldn't get paid unless the advertisements got into the newspapers and magazines. They too have their grievances. The way out for all these people is salesmanship. Hence everybody sells everybody else; the copy writer and the art director sell the account executives on the relative importance of copy *versus* art or art *versus* copy; the research director sends memoranda up to the top pointing out that it is impossible to sell shoes without an adequate economic and anatomical study of feet; the new-business-getter inquires with some acerbity, who brought this account into the house?

Observing this disorder in the ranks, the heads of the agency are puzzled and heartsick. They work hard—yes, many of them do work preposterously hard. Few of them make large fortunes out of the agency business directly. They give more or less secure employment to hundreds of people. And in return they get an amount of gouching, chiseling and intrigue that is positively appalling.

The dance around the mulberry bush grows dreamier and dreamier, or wilder and wilder. Since the generated energy is centrifugal in nature, it happens at more or less regular intervals that one of the dancers furtively leaves the floor and runs across the street with a sprig of the mulberry bush in his teeth. Panic ensues. A chosen few of the apostate's intimates follow their leader across the street. If the



mulberry sprig roots and flowers, a new agency is established, the music strikes up, and a new dance begins around the new mulberry bush.

Meanwhile, in the parent agency a period of stricter discipline is inaugurated. Disaffected staff members are scared or flattered back into line. New management devices are introduced, which have as their objective an improved agency morale. They are selling devices primarily. The staff is sold on the integrity and fairness of the directing heads; they are sold on the honor and dignity of the advertising profession; they are assured that the way to the top is always open; that copy writers, junior executives, etc., who work hard and keep their eyes off the clock will be given higher responsibilities, with commensurate increases in salary. The virtues of the ad-man are industry, alertness and loyalty, and the greatest of these is loyalty. On the anniversary of his employment with the agency each employee finds on his desk a white rose. All are urged to take a greater interest in the business. Monday morning staff conferences are instituted. A frequent subject of discussion at such conferences is the obligation, falling on every ad-man, to believe in what he is selling. How can he sell the public until he has first sold himself? This would seem a somewhat harsh requirement, but the reader is asked to believe that a percentage of ad-men fulfill it quite literally. By a process of self-hypnosis they become deliriously enthusiastic about whatever they are obliged to sell at the moment.

Their homes are museums of advertised toothpastes, soaps, anti-septics and gadgets. From themselves, their wives and their children, they exact the last full measure of devotion. They are alternately constipated with new condiments and purged with new laxatives, while their lives are forever being complicated with new gadgets.

Since accounts change hands frequently, a certain openmindedness of judgment, and a certain emotional flexibility are parts of the necessary equipment of the ad-man. He must be prepared at a moment's notice to forswear toothpaste A and announce undying devotion to toothpaste B; to rip out a whole line of bathroom equipment and install a new line; to turn in his McKinley Six for a Hoover Eight, whether he can afford it or not. His ability to do all these things without any outward evidence of insincerity is little short of miraculous.

The ad -man is indeed a kind of *Candide*. His world is the best of all possible worlds, as the Russians say, every change is good, even for the worse. For instance, he may work for a small agency and passionately proclaim the efficiency of the smaller service organization as against that of the half-dozen mammoths of the business. But let his agency be merged with one of these mammoths and he will make

speech at the ensuing convention of the joined staffs, in which he declares with tears in his eyes that this marriage was made in heaven. If, as sometimes happens, the merger was in fact a shotgun marriage consummated more or less at the behest of the sheriff, his fervor will be heightened only by this circumstance, which he will stoutly deny to all and sundry. He is not consciously lying. He literally believes what he is saying. His is indeed the faith that passes understanding.

In puzzling over such phenomena, it has occurred to the writer that there is something feminine about the makeup of your died-in-the-wool ad-man. This is probably an acquired characteristic, a sort of industrial hazard, or occupational disease peculiar to the business. The point will become more clear when it is remembered that the advertising agency is the scene of frequent accouchements—this is indeed the business-as-usual of the agency. Your ad-man is continuously either *enceinte* with big ideas, or nursing their infant helplessness. In this delicate condition he can scarcely be held intellectually or morally responsible for his opinions and acts. Behind him is the whole pressure of the capitalist organism, which must sell or perish.

Hence the ad-man's morning sickness, his tell-tale fits of dizziness after lunch, his periods of lachrymose sentimentality, his sleepless vigils after hours, his indifference to considerations of elementary logic—the charming hysteria, in general, of his high-strung temperament. Hence his trepidation as he approaches the ultimate ordeal to be described in the next chapter—the Presentation to the Client.