

ELEMENTS OF RETAIL SALESMANSHIP

BY

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INTRODUCTION

In the following treatise an attempt is made to present the elements of salesmanship and show how they may be profitably applied to retail selling. Until recently, retail stores have not seen the wisdom or the necessity of systematically and scientifically training their salespeople in selling goods. With the widening scope of mail order business and the increasing competition between towns due to better transportation facilities, methods of selling goods are receiving attention that a few years ago would have seemed misplaced. Selling service has now become as important as selling goods. The significance of this new development and its application to retail stores forms the ground plan for the material herein presented.

The chief reason for the presentation of this book before the public at this time is the many requests that have come from salespeople in the department stores where the author has lectured asking for the incorporation of the lecture material in a permanent form. It is with the hope of gratifying the wishes of these students of salesmanship as well as that of satisfying a distinct need now felt by progressive retailers for a practical text for store classes in salesmanship, that this treatise appears in its present form. If it serves to make the salesperson see the educational possibilities in her ¹ work and the re-

¹ The feminine gender is used throughout this book because ninety-five per cent of the customers and salespeople in department stores are women.

lation of better service to community welfare, it will have accomplished the purpose for which it was intended.

No originality is claimed for the principles of salesmanship herein introduced. However, some of these have been applied in a new way and related to retail selling where heretofore they have for the most part been presented in relation to other phases of selling goods. This intimate relating of general principles of salesmanship to retail selling by means of illustrations and special retail problems makes the book of special value to the retail salesperson, although the student of salesmanship in high schools and colleges will find much that will be of interest.

For the source materials the author is indebted to many merchants, salespeople and teachers with whom he has conducted the teaching of salesmanship. Also, the many books on salesmanship, especially the more recent ones, have contributed numerous important ideas, individual acknowledgment of which would be impossible. Most important of all sources, however, is the selling experience that the author is fortunate enough to have had. It is believed that this combination of practical experience with theoretical knowledge is sufficient qualification for presenting the most important elements of retail salesmanship.

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RETAIL SALESMANSHIP

CHAPTER I

MODERN DEVELOPMENTS

Before the student of salesmanship can comprehend the changes that are taking place in retailing or can foresee the possibilities of the future in the merchandising of goods, it is extremely necessary to realize clearly and comprehensively the important changes that have transpired in other fields of production. The fact must soon be borne in on the student's mind that only through *change* does progress appear; that the possibility of progress in the production and distribution of goods in any state or country rests on the ability and willingness of the masses as well as the leaders to change their minds. In other words, open-mindedness precedes change or progress, and the latter can never appear in practical effort to benefit mankind unless it enters through the door of the former. When the minds of any body of people become opposed to change, when they become inflexible and static, then we have what are known as Dark Ages. Because of this static nature of people's minds, their opposition to change, their willingness to do as their fathers have done, many towns in the United States are "backward" and are accomplishing little as com-

pared to other towns with equal advantages and opportunities. Because of unwillingness to adopt new ideas, China is still plowing her millions of acres with crooked sticks, and spinning and weaving by hand processes. In some other lines of endeavor she is equally backward, as are many other countries.

To keep one's mind open to new ideas is to make progress; and the more open-minded the people in any town, state or country, the more progressive and wealthy is each one of these political units. It is the privilege of each student of retailing to be ever on the alert for new ideas, for new ways of doing things. Just to the extent that those interested in retailing take this attitude, will retailing become scientific in its every detail and hence capable of distributing goods at the lowest possible cost. Justification for the "middleman" can be stated in no more certain terms than this increased efficiency referred to.

THE INDUSTRIAL AND AGRICULTURAL REVOLUTIONS

Until one hundred and fifty years ago, roughly speaking, production took place in the home. Each family was practically self supporting, producing its own clothing, food and shelter. Only a few articles such as salt, plow shares, etc., were imported from other communities. In this autonomous order of society there was little specialization. This was necessarily so since the demand for any product in a community was limited by the lack of transportation facilities. There were no railroads and for the most part the roads were impassable for heavy traffic. The demand for any product, such as horseshoeing or weaving, was thus limited to the town itself, and whether specialization was developed to any

degree naturally depended upon the size of the town. As specialization means opportunity to do one thing all day year in and year out, it amounts to nothing more or less than expertness.

Expertness was thus a thing unheard of in many communities because society did not demand enough of certain products to justify any one spending his entire time in producing them. Lack of expertness resulted in small quantity and inferior quality production. In other words, goods or wealth could not be produced in large quantities. Another reason for this condition was the universal use of hand tools and machinery. Muscular effort definitely circumscribes results. No great quantity or quality production of wealth could have been produced on the foundations — hand tools and non-specialization. The wonderful present economic welfare of the people in the civilized world is due for the most part to the alteration of these conditions of production, by means of the discovery of a new and great motive power, viz., steam.

With the invention of the steam engine about one hundred and fifty years ago and its many practical applications of recent years, is bound up a great revolution in the methods of producing and transporting goods. People who formerly spun and wove in their homes or in small shops under the supervision of a neighbor, were now brought together in great numbers under one roof called a factory. Each person was set at a single machine where he performed a single operation. Specialization was being realized. Along with the much larger production of goods went the development of steam railways which enabled the exchange of goods between communities, thereby widening the market, i. e., the demand. With the ever increasing facilities of transportation and

communication, people were enabled to specialize in one occupation and receive from elsewhere the many necessities that they formerly produced themselves.

As a direct result of the introduction of specialized and mechanical processes, production increased tremendously, with less hours of work per day. Hours of work fell from fourteen to twelve, then ten, then nine, while at present there are many industries running on an eight-hour day. Recently a movement has started among British labor calling for a six-hour day. This remarkable reduction in working hours has given the working man leisure hours unknown before the last century; and it has tremendously stimulated the production of luxuries to give pleasure during the free hours. These luxuries soon came to be looked upon as necessities that could not be dispensed with without severe hardship. Thus a new standard of living arose which included many things formerly unheard of. The great definiteness of these comparatively new demands has acted like a stimulant to industry and has opened up possibilities for production undreamed of even fifty years ago.

As regards the increased quantity production resulting from the introduction of machine processes, it must be said that not only did hours of labor diminish as production increased but likewise the total number of laborers employed in the industries affected. As a remarkable illustration of this fact is the production of yarn. If the present yearly production of yarn was produced under the old-fashioned hand methods, it would take one hundred billion women spinning ten hours per day. When it is considered that there are only one billion eight hundred million people in the world, the significance of this illustration is seen. Needless to say, per-

haps, this great quantity production, with less labor, has reduced the price of clothing, house furnishings and other articles many thousand fold. The low price of the goods on the retailer's shelves is largely due to the steam engine specialization.

An interesting phase of this remarkable revolution is the attitude that the workers have held toward it. For the most part they opposed it. The hand spinners and weavers who had become quite proficient in their hand processes could not see the ultimate value to mankind of the power spindles and looms, but realized only the immediate handicap under which they were placed. Children could tend the new machines as proficiently as could the older spinners and weavers, and naturally the latter were incensed at the new inventions. Their feeling of antagonism took the popular form of burning factories and smashing machinery wherever this was possible. Only momentarily, however, was progress stopped by these abortions. The new machine processes and the increased specialization produced more goods of a greater variety and at a much lower cost, and because of these all-important results society supported and protected the new processes until they have become a commonplace part of our industrial life. No one at present, not even the workers themselves, would think for a moment of going back to hand production.

Such is the path of progress. Opposition has usually confronted the adoption of new and more efficient methods of production or more advanced scientific ideas. When Galileo declared the earth was round even his scientific contemporaries were astounded that one could be so bold as to attack such a well established doctrine that the earth was flat. His life was threatened unless

he retracted his bold assertion, and in the face of such opposition he temporarily retracted his claim.

Opposition to progressive change, showing the inflexibility of the minds of large classes of people, is further illustrated by the mobbing and beating of Jacquard in Lyons, France, in 1808. Embroidering had been done by hand since the world began and people believed that it must always be done thus. Jacquard developed a wonderful complicated loom that permitted mechanical production of this work. People's minds could not accommodate themselves to the radical change; they could not understand the bold nature who could so set aside precedent and alter a universal method of doing things. But England grasped the idea that France discarded and today a statue of Jacquard stands in Lyons on the spot where this great inventor was persecuted over a century ago.

Another important result of the industrial revolution was the division of society into capitalists, landlords, managers and laborers. Previous to the industrial revolution, when each family was almost self-sufficing, each person combined these four functions in himself. With the enlargement of industry, however, it became necessary for more intense specialization of these functions. For example, it was found that the most efficient manager could be produced only if all of one's time was spent in solving managerial problems. People now had to choose which function they were qualified by nature or training to perform and then spend their entire time becoming experts in their field.

Thus we find society split up into four factors, all working toward a common end, viz., the production and distribution of goods at the least cost. No factor can

produce goods independently of the others. They are all necessary for large scale machine production and are all interdependent. Oftentimes this fact is not clearly seen by all people, resulting in the temporary disarrangement of industry. Sometimes labor thinks itself the all-important factor, and discontent and disturbances result. Coöperative stores and factories are initiated by laborers who have magnified their own importance in the industrial and commercial processes, and minimized the value of capital and management. Usually in this country such movements have met with disaster because of lack of capital and poor management, and workers have lost their earnings. Through bitter experience many laborers have learned that management with ability and foresight is necessary in any business and because of its relative scarcity must be well paid. On the other hand, oftentimes capital or management gets the notion that it is the all-important factor in production and treats unfairly the labor in its employ. In some cases only by governmental action has labor succeeded in forcing capital or management to recognize its rights.

Fortunately, the necessity for specialization of these functions and the relative importance of each in our industrial and commercial system, are becoming more widely recognized among all classes. Employers are becoming more and more willing to see the employes' side of any problem, and vice versa. It is to be hoped that greater mutual understanding between all parties in industry and commerce will eliminate much of the present day antagonism which is the only great handicap to securing greater efficiency and lower costs.

Second in statement, but scarcely inferior in importance, is the great revolution in agricultural methods

taking place within the last century. Since grain was first grown hand methods have been used. The scythe and sickle cut the grain, the raking and binding were done by hand and the grain was threshed by a hand-swung flail. Under such a system much labor was needed for a small production and costs were necessarily high. With the introduction of mowers, reapers and binders, stimulated by the scarcity of help during the Civil War, a new era of agriculture was at hand. Less workers on the farms could now produce the usual crops large enough to take care of this country's demands, as well as a surplus for export. An illustration of the tremendous release of men for other occupations caused by the introduction of agricultural machinery, is seen in wheat production. Before 1890, in order to produce the present wheat crop (1918) it would have taken 11,000,000 men working ten hours a day, while after this date the 1918 wheat crop could have been produced by 500,000 men — a saving of the labor of 10,500,000 men on one grain crop alone. If all the crops were considered, the saving in labor power would be most startling. In the light of these figures the "back to the country" movement appears somewhat ridiculous. If less men can produce enough grain to satisfy our needs why employ more men? Rather, it is to the advantage of the farmer as well as of all society to have the men who are released from agriculture by means of machinery, migrate to the cities or elsewhere and manufacture the new luxuries that are increasingly in demand as the prosperity of the country population becomes assured.

Our farmers adopted agricultural machinery because of necessity, but once adopted it has remained; while other operations on the farm have gradually been taken

over by mechanical processes. Open-mindedness, to a large extent, is the reason for the ready adoption of these labor saving devices. China is still plowing with the crooked stick, and efforts to introduce Western machinery have been of little avail. Habits of thinking and doing have been fixed by too many centuries of unchanging methods to be altered in a generation or two. Only by the most persistent efforts are backward countries made to adopt new ideas and new methods and then it is usually accomplished by the example of progressive foreigners. The result of new ideas is illustrated no better than in agricultural development in the United States; and the stagnation and meager production due to inflexibility of mind and inability to change from old to new methods, is no more clearly seen than in the production of agricultural products in the Far East and other backward countries and states.

THE NEW PHILOSOPHY OF RETAIL MERCHANDISING

Like manufacturing, transportation and agriculture, retailing has been revolutionized in the last century and a half. From time immemorial the retailer, trader or shopkeeper has been held in low esteem by his fellowman. Throughout English history the unscrupulous cunning of the shopkeeper seems to have been a byword. The trader was believed to be a man who produced no wealth whatsoever, but gained an illegitimate living by adding to the price of goods that he received from some one else. In other words, he was not economically justified. Neither was he socially justified. It was commonly believed that he sought to sell goods to the disadvantage of the buyer. *Caveat emptor* (let the buyer beware) was the ruling business ethics of the time, but this fact

did not lessen the suspicion that the customer held toward the shopkeeper. The buyer was necessarily always on his guard when dealing with retailers, and this antagonistic attitude of the buying public has only been partially dissipated within recent years for reasons that will be mentioned.

The reason for the existence of the shopkeeper not being justified economically was a false view of what was meant by the "production of wealth." The Physiocrats believed that agriculture was the only productive industry from which all other trades and occupations received their energy. Later on, it was generally conceded that manufacturing was productive of wealth, but reluctance was shown in granting this function to retail merchandising. Transportation was held in the same light as retailing. But in the last century it became clear to many people that industries or persons were producers of wealth if they satisfied some want, i. e., produced some utility. It was seen that corn is not "produced" in the completest meaning of the word until it is in the hands of the consumer, since the only object of its "production" is to supply the demands of consumers. Hence the railroad and other transportation agencies must function in the production process and add *place* utilities to the articles transported. Then in order to get the goods into the hands of the consumer, specialized agencies must be employed to effect a change in ownership of the goods. Exchangers, traders or shopkeepers were seen to add *ownership* utilities to goods. So to the fundamental or *substance* utilities added to an article by agriculture, mining or lumbering, are added *form* utilities by manufacturers, *place* utilities by transportation agencies and *ownership* utilities by merchants.

It may seem that such an analysis as this is superfluous, but one does not have to go far even today to find strong traces of the old fallacy, viz., that the retailer is not productive. However it must be said that, for the most part, society today justifies the existence of the retailer from an economic standpoint.

Economic justification for the existence of retailers came much earlier than did social recognition, the former being quite well accepted by the beginning of the last century while the latter can only be said to have come into being in the last generation. This applies, for the most part, to the United States and some parts of England, Germany and France, since the rest of the world withholds social recognition from the retailer even at the present time.

Why has society held a depreciated idea of the retailer *socially* when he was contemporaneously held as a vital economic factor in production? This has been true because of the methods employed by retailers and because of a vicious economic fallacy regarding the nature of exchange.

The old methods of retailing merchandise followed the principle of "charging what the traffic would bear," i. e., asking different prices for the same article from different customers. Today this system is common in some parts of Europe and Asia and partially accounts for the social position of the shopkeeper. Buying under this system developed into a struggle between seller and buyer. The two parties were antagonists. The buyer was forced to be on the *qui vive* at all times in order to get the best of the bargain, or, if this was impossible, as it usually was, then it devolved upon the customer to acquire the goods at the least loss to himself. Such meth-

ods capitalized the weaknesses of the buyers to the gain of the sellers. The necessities of life could only be extracted at a fair price from these vendors by means of shrewdness, cajolery, threats and higgling. It was only natural that society held no honored place for producers who secured a living by taking advantage of the weaker bargaining ability of others.

The second reason for this social attitude toward retailers was the existence, in both the minds of traders and customers, of a false idea of the meaning of exchange. It was commonly held until the last century that only one party to an exchange could be benefited thereby—that one party of necessity must be the loser. This theory led to the practice described heretofore. Each party endeavored to be the winner at any odds, since it was the belief there could be only one.

Economists gave to the retailer justification for his economic existence, but it took many sturdy pioneers in retail merchandising to place the retailer of the United States on the high social level where he deserves to be, and which he is fast attaining. One creator of the new era in retail merchandising was John Wanamaker who in 1876 adopted the "one price" system in his large store the "Grand Depot" in Philadelphia, and thereby helped to overthrow the earlier practice of "bargaining" and the vicious economic fallacy that supported it.

Not only this. He instituted other new merchandising methods which, together with progressive methods used by merchants in other parts of the country, were to revolutionize retailing in the United States and abroad, just as much as production in this country was given a great impetus by the industrial revolution in England.

In the first place, no customer was to be strongly urged to buy. This meant the elimination of the "barker" who was then a familiar sight on the sidewalk before every retail store, and it also meant discontinuance of the custom among salespeople to "load" a customer with as much goods as possible before she could get out of the store.

In the second place, the goods were what they were represented — they were genuine. Seconds were marked seconds even if they were not obviously recognized as such. *Caveat emptor* had received its first severe blow. The burden of recognizing deceit was no longer thrown onto the shoulders of the customer. She did not have to be on her guard, hence "shopping" became somewhat of a pleasure where it had formerly been a combat to be dreaded for its possible consequences.

In the third place, money would be returned if customers were dissatisfied. Competitors of John Wanamaker predicted that if all other innovations failed to bring about defeat, this particular policy would bring disaster. "The public will swindle your eyes out," they said, believing the public dishonest and unfair. Needless to say, the public met this declaration of confidence in its integrity with a high resolve to be worthy of it, and the success of this policy has been demonstrated by its wide adoption since that time.

In the fourth place, honorable relations must at all times exist between buyer and seller regardless of the economic or social status of the former. War between the two was at an end. Henceforth, it became the function of the retailer to cooperate with the customer in securing to the latter goods at a fair price rather than