

The Rise of Marketing and Market Research



Edited by

**Hartmut Berghoff,
Philip Scranton, and
Uwe Spiekermann**



The Rise of Marketing and Market Research

Worlds of Consumption

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Worlds of Consumption is a peer-reviewed venue for the history of consumption and consumerism in the modern era, especially the twentieth century, with a particular focus on comparative and transnational studies. It aims to make research available in English from an increasingly internationalized and interdisciplinary field. The history of consumption offers a vital link among diverse fields of history and other social sciences because modern societies are consumer societies whose political, cultural, social, and economic structures and practices are bound up with the history of consumption. *Worlds of Consumption* highlights and explores these linkages, which deserve wide attention, since they shape who we are as individuals and societies.

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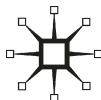
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CHAPTER 1

The Origins of Marketing and Market Research: Information, Institutions, and Markets

Hartmut Berghoff, Philip Scranton, and Uwe Spiekermann

Only very naive economists believe that markets are perfect mechanisms of self-coordination and that their signals are clear enough for everyone to understand. Given the high rate of failed product launches and corporate bankruptcies, market signals cannot be all that unambiguous. To understand them is far from a trivial pursuit. Operating in markets means working with incomplete information and severe risk exposure. The historical development of markets over the last 200 years or so has done little to redress their imperfection. On the contrary, as industrialization and early globalization broke down regional and national barriers, markets became much harder to understand. They grew ever larger and more anonymous. Rapid technological and cultural change made them ever faster moving targets for those who sought to understand them.

In sociologist Niklas Luhmann's terminology, corporations and markets are different subsystems of society. As the complexity of markets is too great for any individual to understand, intermediaries and interpreters who concentrate on a limited number of the markets' core features are needed. Their work, which bridges the gap between the subsystems of markets and corporations, is generally called marketing.¹ Marketing tries to process information on markets and translate it into a language that corporations can use to steer their activities. It is about reconciling the imperatives of production

with the needs and desires of customers.² The agency of consumers generates insecurity among marketers, who have to develop methods to overcome information asymmetries.³ This task calls for professional, even scientific expertise, as well as special instruments and institutions.

Squaring the Circle? Periodizing Marketing History

It would be useful to have a master narrative that permitted us to describe how modern marketing and market research developed over roughly the last 200 years. This effort would entail unambiguous periodization with well-defined stages and obvious turning points in order to offer a clear framework in which to embed the many individual case studies we have. Such a narrative, however, will not be forthcoming anytime soon for a number of reasons. First and most obvious, even in the Western world, different countries and regions have seen distinct patterns of economic development and divergent market structures. Second, individual products called for different types of marketing, which prohibits generalizations for any historical phase. Third, research on marketing history is a relatively recent field, and it is deeply divided between those studying marketing thought and the rise of the academic discipline,⁴ on the one hand, and marketing practices in firms and markets, on the other.⁵ These communities have different roots, namely management and marketing studies, the history of science, and economic, business, or cultural history. They set their own agendas, interact only occasionally, and ask very different questions. There have not yet been any attempts to synthesize the findings of these fields into one history of modern marketing.

Finally, the periodization of marketing history is fiercely contested. There is no consensus on where to start chronologically. Some authors claim that the history of modern marketing began in the Middle Ages or the early modern period.⁶ Most researchers concentrate on the nineteenth and twentieth centuries but cannot agree on any stage model. Indeed, one overview lists nineteen competing models for these two centuries.⁷ The most well-known—with a focus on marketing practices in the United States—is Richard Tedlow's four-stage sequence. Its starting point is “fragmentation,” that is, markets with regional modes of operation (pre-1880s); followed by “unification” or national mass marketing (1880s–1920s); “segmentation” or marketing differentiated by age, lifestyle, class, and other socioeconomic variables (1920s–1980s); and finally “hyper-segmentation,” that is, marketing for ever smaller segments of the markets, even individuals, using customized approaches (post-1980s).⁸ This model suggests close interaction with technological change. It identifies modes of production, transportation,

and communication—rather than the elaborations of academics—as the key drivers of marketing history. For example, Tedlow shows that the advent of radio and the Internet had profound implications for the methods that marketers used to target their audiences. While many researchers refer to Tedlow's model, however, many others contradict it vehemently⁹ and find ample evidence to suggest a different chronology, for instance, one based on the incidence of market segmentation in the eighteenth and nineteenth centuries.¹⁰

As for marketing history as a history of ideas, there is also no accepted developmental model of how the subject evolved. Who the intellectual founding fathers of the now thriving discipline were is just as contested as what its main ideas were. It is clear, however, that the process of establishing itself as a successful discipline began in the 1890s, when the first lectures on the subject were given at American universities, and it gained momentum after 1902, when the first marketing courses were introduced.¹¹

Although already successfully practiced by pioneers of the branded goods industries in the late nineteenth century, marketing ideas around 1900 were still dominated by pragmatic approaches that were usually based on experience.¹² Marketing experts generally had no formal training. Intuition was more important than textbooks and theories.¹³ Over the course of the twentieth century, however, marketing established itself as an academic discipline and became more theoretically grounded. The growing demand for college-trained marketing experts was driven by a rapidly growing number of branded consumer goods and fresh and industrially processed agricultural products.¹⁴

With the help of the emerging sciences of applied psychology and sociology, marketing techniques became more refined, a process that went hand in hand with fundamental changes in society at large. In the United States, the Roaring Twenties ushered in modern consumer society with its dazzling variety of products.¹⁵ At the same time, the legacy of the First World War triggered severe crises in Europe and, after 1929, in the United States as well. All these factors called for more sophisticated approaches to selling.¹⁶ The mounting demand for advice and guidance helped to establish and strengthen marketing as an academic discipline.

In the first part of the twentieth century, various social sciences—especially geography, demography, psychology, and sociology—became the main sources of inspiration. In the 1920s, the emergence of competing schools like the so-called commodity, institutional, regional, and functional schools¹⁷ bore witness to the successful institutionalization and differentiation of the new field. All four schools concentrated on aggregate market behavior and were strongly influenced by demand theory in microeconomics.

The commodity school tried to classify products and link them to certain types of consumer behavior. One of its leading figures was Melvin Copeland,¹⁸ who famously differentiated between convenience, shopping, and specialty goods, a distinction made even before World War I that is still with us today. The functional school analyzed distinct marketing activities—such as transport, finance, risk sharing, advertising, and sales—as performed by different actors such as producers, wholesalers, and retailers. The institutional school first worked on the justification of the existence of marketing intermediaries because many contemporaries believed, in accordance with Marxist views, that middlemen did not create any value and only added excess cost to the product. Subsequently, the perspective shifted to the structure of distribution chains. What were the benefits and disadvantages of integrating marketing functions into one's own organization instead of cooperating with independent economic agents? The idea was to identify optimal channel design. The regional school “viewed marketing as economic activity designed to bridge geographic or spatial gaps between buyers and sellers.”¹⁹ With strong impulses from economic geography, this school of thought analyzed trade flows among different regions or across the boundaries of areas within which certain consumers were likely to shop.

After World War II, increasing affluence became a problem not only for critical intellectuals but also for businesses that had to deal with progressively complex buyers' markets. The supply of goods exceeded demand in many consumer markets. In marketing theory, the “managerial marketing school” emerged.²⁰ It focused on the strategic orientation of corporations and redefined marketing from a functional activity at the end of the value chain to a pervasive task that dominated every stage of a firm's operations. This was a kind of revolution, for the new approaches postulated the primacy of marketing over production, of marketing experts over engineers. The overall focus on aggregate market behavior gave way to the search for methods that were supposed to control individual behavior. The common leitmotif was the belief that the marketer could direct and even manipulate the market process. The rise of market research, already underway since the 1920s, accelerated as a consequence.²¹ Enduring concepts like product life cycle, marketing mix, and product differentiation were developed.

In the late 1950s and 1960s, marketing theory and methodology became more sophisticated. At the same time, the “systematic and exchange school” set a new paradigm. Whereas the marketing management school believed that producers were able to structure markets in a unilateral fashion, the new school stressed the interactive nature of market exchange. It was increasingly

seen as a highly complex, multilateral process in which consumers were conceded more agency than before.²²

At that time, and especially after 1970, more marketing chairs were created around the world. As the focus shifted from aggregated demand to individual consumers, the “behavioral marketing school” came to the fore and used concepts from social, cognitive, and organizational psychology to unravel the mystery of consumers’ minds.²³ Interviews and laboratory experiments became standard procedures that promised to solve the problem of consumers’ unpredictability in societies that offered a constantly increasing number of choices.²⁴

In the 1960s, marketing began to benefit greatly from enormous advances in information technology. Data mining became possible in dimensions hitherto unimaginable. The use of UPC- and EAN-barcodes since 1973, and of radio-frequency identification from 2003, marked further decisive steps; they helped to create tremendous purchasing datasets that could then be integrated into the supply chain with dramatic consequences for production and stockkeeping.²⁵ Most recently, marketing has tried to integrate the methods and findings of neuroscience to better understand patterns of perception and preference formation and to integrate the emotional and sensuous dimensions of consumer behavior.

Even though the sequence of these schools suggests a fairly tidy structure of order and progress, the picture is much more complicated. Older schools did not simply stop when a new one emerged but instead lived on without dominating the field any longer or reemerged after some decades under a new label. Old and new ideas somehow merged, and competing schools influenced each other. All in all, it is impossible to draw hard and fast boundaries.

This volume does not attempt to synthesize the disparate accounts of marketing history into one broad trajectory. We doubt whether this is even possible. It is also not our aim to present a superior periodization model. Instead, we aim to highlight some key issues in the history of marketing. As just shown, the transformation of marketing from an activity based on practical know-how to a management tool relying on science is one crucial line of development. At the same time, marketing history was driven by the influence of preeminent individuals, frequently outsiders or charismatic figures who established new paradigms or fashions. Their contribution is often overlooked. Finally, we want to counter linear narratives of a progressive advance of science over practical experience because practitioners with little or no theoretical understanding of their profession continued to play a large role throughout the twentieth century.

Gurus, Enchanters, and Prophets: The Great Men of Marketing

Marketing received impulses not only from changing markets, transforming technologies, and burgeoning academic attention but also from outstanding individuals who were not fully integrated into either the corporate or the academic world. Despite many points of contact with both, these individuals typically worked as freelancers or ran their own small companies. As consultants, they significantly impacted the development of marketing. With stunning success, they created a market for their services, which ranged from training and publishing to consulting. People from a variety of fields that ran the gamut from the arts to psychology, journalism, and the fringes of academic research entered this rapidly growing market. Quite often, they were mainly masters of self-marketing who impressed their clients with unorthodox ideas. It would, however, be misleading to dismiss them as mere charlatans, as many of their ideas proved extremely successful.

One of these influential, yet unorthodox experts was Hans Domizlaff.²⁶ Wanting to become a painter, he lived the life of a poor bohemian in Paris for a while. During World War I, he became a pilot but crashed while training. Due to his injuries, he was able to continue his studies, yet he never took a degree. In 1918, he set himself up as a painter. He also organized concerts, staged plays, and worked as a set designer. He first encountered marketing matters in 1919 as a freelancer for a printer who produced advertising materials. In 1921, he started working for the then medium-sized German cigarette manufacturer Reemtsma, for which he designed several highly successful brands.²⁷ Contrary to the dominant style of cigarette ads at the time, which played with “the exotic,” Domizlaff favored a minimalist style. At a time when the German cigarette market was strongly regionalized, he created the first national brands. Reemtsma thus became the biggest tobacco producer in Germany, and Domizlaff was recognized as Germany’s leading marketing consultant.

Beginning in 1934, Domizlaff worked for Siemens, and in 1939, he published his famous textbook on brand technology, which consultants still read today. In it, Domizlaff adopted the style of an omniscient genius, presenting twenty-two laws of advertising. For him, brands were living creatures trying to win a monopoly over people’s minds: “The style of good brand advertising has to be the style of a young lady who must never be obtrusive or unrestrained but who must master the secret art of seduction until men fall prey to her.”²⁸ He insisted on the artistic, even esoteric, character of his profession: “The success of good advertising copy is almost beyond comprehension. One must resort to the mysterious process of the transmission of vibrations.”²⁹ Domizlaff thought that market research was utterly useless

and did not listen to the sales representatives who regularly toured the shops. He enjoys cult status among many practitioners to this day, but it is doubtful whether he really understood the market. A close analysis of his work reveals that his strategies involved a lot of trial and error and, in many cases, simply did not work. Of course, these errors are conspicuously absent from his writings and those of his disciples.³⁰

Another influential expert was Ernest Dichter, a contemporary of Domizlaff. There were some parallels in their careers; however, the differences were marked, for Dichter had a doctorate in psychology and was much closer to science than Domizlaff. Dichter became the leading representative of motivational research, which revolutionized market research in the United States after 1940.³¹ This son of a Jewish family was raised in Vienna under modest circumstances and was later strongly influenced by Freudian psychoanalysis. Already during his time at the Vienna Institute for Economic Psychology, Dichter used in-depth interviews to trace unconscious, mainly sexual, motives behind purchasing decisions. As the influence of the Nazis mounted, Dichter left Vienna in 1937 and earned a living as a commission salesman in textiles in Paris. In 1938, after immigrating to the United States, he joined *Esquire* magazine and worked for an advertising agency and CBS. In 1946, he founded the Institute for Motivational Research, which he incorporated in 1952 and which grew to include as many as sixty-five full-time staff members and several thousand part-timers. Dichter claimed to hold the key to the hidden world of consumers' true motives. Asserting an ability to penetrate deep into the souls of people and products, Dichter spawned heavy criticism among cultural pessimists and those engaged in consumer protection. Vance Packard, especially, targeted him.³²

On the other hand, the business community responded enthusiastically to Dichter. In the 1940s, he influenced Chrysler's product policy after his legendary study "Mistress vs. Wife" appeared.³³ It showed that men associated convertibles with the qualities of a lover but, for practical reasons, purchased sedans, which they saw as "reliable and boring" as their own wives. The conclusion drawn from this was that one should design a car that appealed to both motivational spheres, namely, hardtops, which went on to become rather successful. Dichter's fixation on the sexual implications of market transactions was very much in line with Luhmann's theory of the necessary reduction of complexity. Looking at Dichter in this way, the one-sidedness of his approach might have been the reason for his success.

His list of clients was long and included leading corporations in the United States and Europe. Besides his exploration of links between the subconscious and the market, Dichter's success derived in part from his

accomplished self-promotion as an expert who possessed the key to the hidden secrets in consumers' psyches. He fashioned himself as a social therapist who freed consumers from the remains of their puritanical feelings of guilt.³⁴ In this view, consumption helped people to realize their potential, and it paved the way for free democracies around the world. In the expanding consumer society of the postwar period and in the mentality of the Cold War, Dichter had his finger on the pulse of American society. Whereas some vilified him as an omnipotent manipulator, others celebrated him as a marketing genius and prophet of a better world.

The Persistence of the Practical Man

Despite the emergence of modern experts such as Domizlaff and Dichter, as well as the much larger number of specialists who received academic training in marketing, we must beware of linear narratives that see such men replacing the old-fashioned practitioners as a matter of course, leaving marketing professionals, in the end, to reign supreme. Matters were much more complicated. In many cases, practitioners remained influential.³⁵ Somehow, they integrated the assistance of outside consultants and academic research without losing control of their normal business operations, often producing hybrid structures that combined marketing with other aspects of their businesses. We still lack case studies that inform us about the contributions and power of the various actors involved; however, the contributions in this volume by Daniel Robinson and Josh Lauer show that practical men played a prominent role in the development of early techniques for data mining and market segmentation.³⁶ Even today, practitioners such as salespeople are far from insignificant, even in large corporations.³⁷ Not surprisingly, then, their influence continued to be much greater in the mid-twentieth century than success stories of increasing marketing professionalism suggest.

Bertelsmann's rise to become Europe's largest media company underscores this circumstance. While still a medium-sized publishing and printing house in 1950, it decided to set up a book club. The risk was enormous, but the move eventually paid off; almost 3 million club members were recruited by 1960. One might be tempted to explain this success as a consequence of a market being easy to understand at a time when millions of Germans had lost their books through the war. Since there were thirty competing book clubs, however, this explanation is insufficient. Rather, the success of Bertelsmann hinged on its cooperation with bookshops and traveling booksellers—groups the other book clubs antagonized. In addition, the company inaugurated creative and massive advertising campaigns. Finally, the books were relatively inexpensive but nonetheless high-quality hardbacks.

Two men designed this approach, Johannes Thorsen, head of the association of traveling booksellers, and Fritz Wixforth, head of the Bertelsmann sales department. Thorsen had been on the road for many decades, and Wixforth had joined Bertelsmann back in 1911. Neither had the faintest background in marketing theory, but they knew a lot about the book market. Their expertise was purely practical, and their new idea for a book club was good but certainly not ingenious. The first years were mainly trial and error. In the end, however, they were surprised and overwhelmed by their success.³⁸

Bertelsmann took things further when it discovered that the data on its book club members was invaluable. As early as the 1950s, the company documented all sales, sent out questionnaires, and used punch cards to set up member profiles (see cover image). These activities helped the company to gear its book club toward members' literary tastes. Moreover, once it had this information, it was also able to use it for market research outside the book sector. Bertelsmann now offered services to other companies, from simple address lists to integrated services such as direct mailings. By 1973, the company had profiles of about 50 million consumers and was one of the largest address dealers in Germany. Practitioners alone, not formally trained marketing professionals, created this marketing machine, and trial and error rather than theoretically informed business plans predominated. External marketing experts did not play any role in Bertelsmann's operations in the 1950s, although their services would have been readily available.

In concert with the previous two sections on marketing scholarship and marketing consultants, the example of Bertelsmann reinforces a central feature of marketing history. Neither detailed analysis of the development of marketing as a science nor additional biographical information on leading marketing practitioners nor more details on marketing practices in individual firms are alone sufficient to understand the historical development and significance of marketing as both a management tool and, in a broader sense, a social technology. Marketing theory was important for systematizing and simplifying the complex field of understanding markets, but none of the heterogeneous and often contradictory approaches was able to guarantee success in business or predict the preferences of consumers. The field remained diverse and contested. The "great men of marketing" could make a difference in specific markets; however, in contrast to their own promises and sometimes hubris, their ideas were not able to establish durable, sustainable marketing structures. Practical men remained important and were often decisive in the rise of innovative business concepts and products. At the same time, however, these practitioners normally could not manage multilayered structures and more mature markets. Consequently, it is still

necessary to conduct historical research on both marketing theory and the large number of successful practitioners who operated without reference to theoretical frameworks. Indeed, the varied origins of marketing—and of its deep, far-reaching impact on societies, economies, and politics—requires that such research consider the broader economic, social, and cultural contexts of marketing. In order to profit from and fuel interdisciplinary synergies, this historical research must encompass a more general scope than the histories of theories, marketing experts, and individual firms often do.

Key Questions and Concepts

To understand the rise of marketing and market research, we need to understand what these two overlapping fields are about. We must understand what problems they tried to grapple with and what their goals and methods were. Put into simple language, marketing deals with three broad complexes: information, institutions, and markets. First, it is important to stress that there is no such thing as objective information in marketing. Such information is inherently ambiguous. Its production and interpretation are deeply value-laden and influenced by the gatherer's intentions. It directly relates to the reduction of complexity in Luhmann's sense, as the number of categories for consumers and products has to be small, and these categories tend to ignore finer differentiations. Market research does not just rely on developing consumer profiles, although these are certainly necessary for gaining a rough understanding of the marketplace and making informed investment decisions. Market research also actively fashions and transforms consumers and markets. As Sean Nixon shows in this volume, marketing experts helped create the average consumer housewife in Britain in the 1950s and 1960s.³⁹ Nor was this the first project of its kind in Britain. In the 1930s, market researchers in government agencies sought to produce citizen consumers, as Stefan Schwarzkopf's chapter demonstrates.⁴⁰ To understand markets, experts profiled consumer tastes, and their various sales-related activities left their mark on consumers and markets. Alexander Engel shows in his contribution that selling synthetic indigo in nineteenth-century markets still dominated by natural dyestuffs called for a redesign of demand.⁴¹ Marketing required actively creating and shaping markets. Work practices and taste patterns had to be changed, manuals distributed, and advice provided. In the end, however, relations between producers and sellers were far from one-sided, as the former adhered or adapted to demand patterns that remained differentiated. Businesses might get the image of the consumer wrong, but they could not operate without at least some idea of consumer needs, desires, and buying habits. All this happened many decades before

the systematic and exchange school rediscovered the significance of bilateral relations in marketing.

The rubric of information includes the measurement and classification of commodities and other products. Struggles over these activities need to be explored, for their processes and reliability also entail enormous ambiguities. Jamie Pietruska's chapter on crop forecasters in the American cotton industry prior to World War I shows that all sorts of measurements were made in this important sector, but they were neither contiguous nor coordinated. In fact, market actors did not know much about the principles behind them, but the key issue was that people measured and made pricing decisions based on those measurements without necessarily knowing much about the instrumentation side of their provenance. They made decisions based on supposedly objective information whose ambiguous nature they did not sufficiently appreciate.⁴²

There are also underspecified and unpredictable relationships between information and two other core concepts in this area—data and knowledge. Market research data becomes information when it is used for marketing purposes and a commodity when it is sold. But it is not clear when it becomes knowledge or if it ever does so. Knowledge demands depth and context, and marketing literature all too often uses knowledge and information interchangeably.⁴³

Roughly speaking, there are two schools of marketing thought. One favors psychology and science whereas the other privileges statistics by analyzing demographic and other data. Both approaches involve utilizing prediction to overcome market uncertainty. Expectations of future events are necessary to make decisions in the present, even though these expectations might turn out to be unreliable. Economic sociologist Jens Beckert goes so far as to call them indispensable “fictions.”⁴⁴ Indeed, market research cannot overcome the fundamental unpredictability of the future. At best, it reduces uncertainty—that is, it improves the probability of certain expectations being met—by methodically gathering and evaluating information. It seems difficult to judge if these efforts comprise a system or a science. Indeed, these attempts to understand markets seem to be at odds with all pretensions to an exact science or rigorous system. It might be productive to explore this tension.

In order to come closer to understanding markets, marketing experts struggle to reduce complexity in a trial-and-error fashion without a specific theory of how to accomplish this task.⁴⁵ This approach generates error-prone simplifications. What are the rules to tell them about what to select so that they can simplify? How do they judge their results? If these are unsatisfactory, they start over, select other things, and run simulations again.

Computerized programming offers a great variety of test methods. It seems that one of the problems of the whole effort is that the human objects of this search-and-study exercise will not stand still. They are more complicated than the questions asked about them. They are more sophisticated than the classifications established to comprehend them, and the result might be a great deal of wasted effort.

To understand the history of marketing, we have not only to apprehend the nature of information collected and analyzed, but we must also explore institutions. Like information, this seemingly self-evident problem is anything but straightforward. Institutions are normally defined in two ways. At one level, they seem to be synonymous with organizations of one sort or another; however, at another level, institutions, especially among anthropologists, refer to practices and sometimes the artifacts connected to those practices.⁴⁶ We have to ask what the relevant institutions for market dynamics are and how that roster of institutions changes over time. But that is not sufficient because there are changing configurations of institutions, that is, groups or clusters of institutions, all of which are necessary in one fashion or another for markets to function.

Moreover, there are many actors involved, and there is no linear relation between a firm with something to sell, a marketing unit with some way to sell it, and a customer who is supposed to be influenced. Instead, there is a much larger context to be considered. A comparison of the real estate business in various countries would have to look at differences in legal and fiscal systems, for example. Similarly, the marketing issues explored in Gregory Donofrio's chapter on self-service gas stations in the United States since the 1960s were specific to that time and space.⁴⁷ If one looked at other countries, places, and times, one might see different cultural practices centered around gasoline and automobiles.⁴⁸

Finally, after information and institutions, we must address the complex structure and dynamics of markets. However, the focus on consumers and marketing as well as demand and exchange entails the danger of oversimplifying the larger development of markets, which also depended on the supply side, that is, production, technology, and logistics. Modern economic analysis is mainly all based on exchange. There is an awkward neglect of production. Exchange is what economic theory is about, but production is a key factor of growth. The more we slip into talking about marketing and consumerism while losing touch with production, the more we adopt a simplistic concept of the market. A balanced view has to include technological change and its repercussions in terms of production methods and productivity. But our research cannot stop there. Markets rely on conventions, which are shaped in part by their legal environment and cultural norms, including many unspoken rules.

Then there is competition, which often gets lost in a notion of marketing that is structured along an axis comprising the maker, the marketer, and the consumer. Competition complicates things, not least by raising the question of substitutability. What one makes can be competed with not just on price: its very substance can be substituted with another product. The classic case of this phenomenon is the slide in the quantity of steel and the rise in the quantity of plastics in automobiles—and the implications of this development not only for steel producers.⁴⁹

Moreover, market actors need credit. First of all, we have to think about working capital as a part of the enterprise structure that is trying to address marketing. A recent study has shown that a great deal of the stock market activity in twentieth-century America was not about raising money to build plants, buy machinery, or anything else. Rather, it was about obtaining working capital by selling shares of stock or taking up bonds to expand inventories in order to deal with the expansion of one's marketing plan. Firms went to the stock market as an extension of their marketing strategies.⁵⁰ On the other side of the spectrum, buyers need credit to overcome tight liquidity positions and to buy products that are otherwise beyond their current means.⁵¹ Such circumstances affect not only corporate and public clients who cannot finance larger investments out of their own funds but also consumers who need to bridge the gap between their liquidity and their needs or desires. The German electrical engineering firms Siemens and AEG sold trams and power plants to municipalities around the world, and they usually offered credit facilities as well because many towns simply could not afford to pay the enormous bills at once. Likewise, department stores and car manufacturers had credit departments or their own banks to boost turnover.⁵² Sales finance, however, was and is only one part of the story. Credit has several marketing functions too. As Josh Lauer's chapter shows, it offers access to intimate data on consumers and thus opens up vast opportunities for finely tuned promotional activities.⁵³

Lastly, we have to consider market constraints. Products are not legible to people who do not have adequate knowledge of their purpose and place of origin. One of marketing's tasks is to overcome those constraints of ignorance that prevent people from knowing that they could benefit from certain products. But there are other constraints in markets, too. There are those that have to do with distance and fragility, and there are all sorts of physical and, in some sense, emotional dimensions to markets that act as impediments.

A general issue affecting all of these aspects of understanding markets concerns the efficiency or quality of marketing. Pietruska's chapter about cotton forecasting underscores this quite remarkably. How good are prognoses and

by what criteria can we measure them? Even if instruments are constantly improving, the increased dynamics of markets make them harder to understand as time spins along. It seems that the marketing profession does not get any better at it. Their challenges mount, and they try to keep up with them by developing and using improved methods. Nonetheless, in the end they are approximating, and incomplete information and exposure to risks that actors cannot well gauge will remain a feature of modern markets.

New Research Projects and Findings

Case studies reveal how marketing practitioners have grappled with the complexities of markets and the dangers of misunderstanding them. But these case studies are not adequate by themselves. Indeed, studying them in isolation risks overgeneralizing. To reduce the potential for error inherent in such a situation or, in other words, to learn to distinguish the typical from the exceptional cases, we need to examine many specific cases. We also have to relate these individual studies to the broad questions outlined above, for these questions offer an analytic framework that promises to transcend the particularities of specific examples. This combination of broad questions, theoretical approaches, and manifold case studies is what this volume is about. Drawing on in-depth examples, it explores how market knowledge was generated and used at different points in history and in different contexts. The reader will find answers to crucial questions about economic, social, and cultural history. What methods were applied? How did the relationship among practical men, academic experts, and other marketing professionals change over time? How did they come to terms with the fundamental problem of uncertainty, of limited knowledge about the existing state of the markets and future outcomes? When and in what way did marketing begin to shape society at large? How far did it reach into people's everyday practices and worldviews?

Businessmen tried to establish a large variety of sometimes contradictory forms and standards of market-related knowledge to increase their chances of commercial success and profits by making markets more calculable. For such efforts, contrary to most periodization models, industrialization was no real watershed. In [chapter 2](#) of this book, Alexander Engel characterizes the preindustrial indigo market as a result of interactions between producers and experts. On the one hand, knowledge of production techniques, the variety of nuances, and the product itself made it possible for the industry to establish quality grades. On the other hand, differing tastes and levels of purchasing power, both defined by merchant-producers, permitted the successful segmentation of regional and national markets. In the late

nineteenth century, the introduction of synthetic indigo changed the market rapidly and led to severe uncertainty among the producers of so-called natural indigo. In one significant way, however, the structure of the market remained unchanged: the increasing number of varieties of dyes and the changes in production methods did not affect the power of experts to define the quality standards of these products. Only the locus and nature of expertise changed.

Jamie Pietruska's analysis in [chapter 3](#) of the American cotton market around 1900 convincingly calls the rationality of such expert systems into question. She shows that private market forecasters were able to influence prices and markets by exploiting the industry's dependence on many "natural" factors such as weather conditions. There was ample scope for speculation and misrepresentation, but the information provided by the experts influenced markets because agents and large-scale customers believed in it. At the same time, there was a struggle between competing knowledge producers, mainly private "forecasters" and the U.S. Department of Agriculture. Although cotton prices remained volatile and market uncertainty high, the use of statistical methods allowed more rational risk calculation in the long run.

In [chapter 4](#), Daniel Robinson looks at another form of early market research with similar problems of reliability and a notoriously bad reputation. The American patent medicine industry of the late nineteenth and early twentieth centuries was a pioneer not only in aggressive advertising but also in direct marketing. By the interwar years, these roots were often forgotten or even consciously ignored as the marketing profession strove for respectability. The marketing of patent medicines was a shady business. Cures were overpriced and in most cases ineffective. Faked testimonials, unsubstantiated claims, and deceit were bedrocks of the industry's advertising practices. Mail-order suppliers pioneered methods of direct and even one-to-one marketing by soliciting letters from prospective clients, whom they promised an individual diagnosis and a customized medicine. To obtain the right medicine, would-be customers submitted their personal data; however, all they received was a standardized product, a cure-all remedy. The mail-order patent medicine firms amassed enormous quantities of data, which they used to tailor allegedly customized offers for patients in mail campaigns, even though all clients received the same substances. The firms also sold this data to other companies and "letter brokers," who offered it to other companies in batches of 1,000 contacts or more. All in all, this ethically ambivalent industry proved extremely innovative in its marketing methods and became a pioneer in information acquisition and data processing long before these methods were analyzed and refined by academic marketing experts.

Uncertain information and the distorting influences of monopolistic experts also provoked criticism of realtors in the Parisian housing market in the nineteenth and twentieth centuries. As Alexia Yates shows in [chapter 5](#), this rapidly changing service industry tried to centralize and standardize information on houses and apartments. Nevertheless, noncommercial and local expertise remained decisive. Still, the real estate agents acted as the crucial “decoders of Paris’s complex urban space.” Their expertise was socially embedded; they knew their quarters and the tricks for obtaining a domicile. Since this circumstance aroused public criticism, real estate associations tried to establish codes of conduct, albeit not very successfully, and the monopoly of experts led to uncertainty. Asymmetrical information was in some ways the foundation of the real estate agents’ businesses, so they had to balance using their local knowledge for their clients’ interests against using it for their own. New institutions and intensified regulation by local, regional, and national authorities were supposed to break the reign of the real estate agents. However, added competition, new media, and growing transparency were not able to cure market inefficiencies.

Market inefficiencies were an important reason for increasing state intervention from the late nineteenth century onward. Séverine Antigone Marin demonstrates this in her study of commercial museums in Europe and the United States in [chapter 6](#). The beginnings of this institution to promote exports can be traced back to the early nineteenth century, when it was used to promote new (read: foreign) technologies. However, larger investments were not made before the 1880s, when the long depression led not only to more state intervention but also to a decline in free trade. The newly established museums were supposed to educate companies on how to market their goods. Comparisons between foreign and domestic products were supposed to enable businessmen to learn more about standards in foreign markets and how to improve their own marketing efforts. Commercial museums helped to encourage exports and intensified the relationships among producers, merchants, and the state. On the one hand, these institutions were based on the old liberal notion of the benefits of free information, Ricardo’s idea of comparative advantage, and the idea of common interests among businessmen of one particular nation. On the other hand, their limited success made clear that foreign trade policy was increasingly becoming an arena of heterogeneous interests. There was a growing rift mainly between heavy industry and emerging branches such as chemistry, electrical engineering, and consumer goods. This diversification gave rise to new institutions, such as private agencies, and to early market research, eroding the position of the commercial museums by 1900.

One new private institution gaining in importance around this time was the department store. In [chapter 7](#), Josh Lauer analyzes the retail sector and its response to the growing complexity of the market. His study undergirds the salience of practical experience for the early phase of modern marketing. In the 1920s, U.S. department stores began to tap their credit departments as a source for customer-related information. What was then called “credit control” amounted to the systematic gathering of personal and transactional data, which was used for direct marketing, market segmentation, and relationship marketing. The background of this amazing transformation of the somewhat drab credit ledgers, from solely tools to exclude bad risks into powerful marketing instruments, was also made possible by the vast expansion of consumer credit in the United States from 1880 and the application of new and highly efficient filing technologies. Moreover, department stores had realized that credit customers spent more than cash customers and that the enormous amount of resulting credit data could be turned into a gold mine if put to a more profitable use than just the evaluation of customers’ creditworthiness. What started as internal data mining ended as a thriving business. Lauer’s essay contradicts Tedlow’s periodization model and clearly proves that market segmentation and retail data mining emerged much earlier than the 1960s and 1970s. It was already a common practice in the interwar years. The American mass market of that period was less homogeneous than previously thought because its disaggregation and the targeting of small market segments and even individual customers had already become realities well before World War II.

Although market research portrays itself as the epitome of a private-sector service industry that serves the free market, and although marketing history has so far almost completely disregarded actions of the state, Stefan Schwarzkopf reminds us in [chapter 8](#) that there is a long history of market research in and for the public sector. In interwar Britain, the state was a key player in the development of market research. Following the fundamental reconfiguration of the political economy before, during, and after World War I, the British state took on an increasing number of new responsibilities. Among them was the promotion of exports and tourism and the provision of basic foodstuffs, broadcasting, and diverse social services. For these purposes, several ministries and quasi-governmental institutions employed state-of-the-art market research methods and helped the sector to become more viable and professional. There was a close exchange with leading experts in the private sector, many of whom had found their first jobs or accounts with these public organizations. Their common interest was to observe, measure, and interpret consumer demand and behavior. In the end, it made no difference if they worked for public or private clients.

With [chapter 9](#) by Sean Nixon, the volume shifts attention toward the role of marketing theory and its interaction with marketing practice. The London office of J. Walter Thompson, in its attempt to understand the ins and outs of the modern housewife, had a rather distanced attitude toward overblown, speculative theories. This European branch of the U.S. agency used the latest American methodology (consumer panels, segmentation by demographic variables, motivation research) and at times directly cooperated with Ernest Dichter. However, it was also influenced by British approaches to social research (mass observation). It combined and carefully adapted its American methods to British patterns of consumption, which were more strongly shaped by class divisions than the American mass market. There was, however, also a pronounced skepticism toward the far-reaching claims of motivation research. All in all, the agency adhered to a pragmatic mixture of different approaches. Without fully subscribing to any one theoretical school, the agency captured consumers' subjective attitudes; key economic, technological, and social changes in postwar British society; and the symbolism and psychology of consumption.

On the other hand, the key elements of a "scientific" approach were often questionable, as [chapter 10](#) by Kenneth Lipartito on the reception of motivation research in the United States after 1945 makes evident. While exponents of subliminal advertising claimed to possess a powerful and irresistible tool for influencing consumers, serious research revealed only limited effects, if any at all. Nevertheless, the "subliminal menace" gave rise to intense debates that in many ways were typical of Cold War hysteria. Subliminal manipulation was perceived as a threat to American freedom and individualism, and these anxieties were magnified in a climate of political and cultural insecurity. After discussing the beginnings and precursors of modern advertising and market research, Lipartito analyzes the position of the Austrian American immigrant Paul Lazarsfeld, one of the most prominent academics in the debates about advertising and the consumer society in general.⁵⁴ With the help of action theory, Lazarsfeld argued that consumers were by no means passive victims of manipulation in an atomistic society. Instead, they were active individuals firmly integrated into communities and groups. Hence, advertising was not a manipulative but rather a reactive instrument. To be effective, it had to relate to preexisting preferences and aspirations. This view was shared by Ernest Dichter, who famously proclaimed, "tell me how you buy and I will tell you who you are."⁵⁵ For him, advertising played a therapeutic role by freeing individuals from inhibitions and feelings of guilt and by opening up a bright world of hedonistic consumption. Although not all market researchers shared Dichter's euphoria,

most of them rejected subliminal advertising as unsound and damaging to their reputation.

These debates were typical for the end of the postwar boom years, which were followed by the energy crises and the stagflation of the 1970s. In [chapter 11](#), Gregory Donofrio's case study on the history of gas stations reminds us that this crisis also affected the service sector. The transition from full-service to self-service gas stations forced oil executives to revise their habit of associating station designs and sales strategies with gender stereotypes because nearly half of all American drivers were women. Ernest Dichter and others stressed the "specialized needs" of female customers, recommending that gas stations be made aesthetically pleasing, safe, and easy to use. Donofrio demonstrates that female consumers already were an important part of the market at the end of World War I, so gas station owners and oil executives began to transform filling stations into pleasant and comfortable extensions of family homes. Such expensive service efforts were no longer affordable in the early 1970s, however. It took a major marketing effort to persuade consumers to pump their own gas.

Most of the contributions in this volume deal with capitalist market societies in which market research and marketing are perceived as socially beneficial activities that enhance market efficiency. During the Cold War, however, communist regimes in large parts of the world favored planning and central coordination as superior models of resource allocation. For them, the market mechanism stood in contradiction to rational planning because it apparently deceived consumers and engendered false needs. Consequently, communist elites rejected marketing. This story was much more complicated, however, as Patrick Hyder Patterson shows in [chapter 12](#), in which he examines the reception of marketing in Eastern Europe during the Cold War. Market research was not only understood as an instrument of manipulation, but it was also recognized as essential to the improvement of socialist economies. This pragmatic approach stimulated marketing efforts from the 1960s onward, although such efforts were often denounced as "capitalistic." Patterson identifies stark differences among East Germany, Hungary, Czechoslovakia, and Yugoslavia, although marketing experts in all of these countries sought to satisfy consumers. Market research, often regarded with suspicion, was used as a tool to learn more about people's demands, while consumer policies, including marketing, were supposed to educate citizens on how to consume rationally. These efforts can be seen—at least in Hungary and Yugoslavia—as a distinctive form of "socialist marketing," even if their methodologies and advertising forms resembled those employed in Western countries.

Patterson's essay demonstrates the need to expand future research geographically beyond what is called the "Western World." We need to know more about how marketing worked in non-Western contexts and how it went transnational. How did it deal with cultural borders? Could global strategies be adapted to local circumstances?⁵⁶

We need more detailed material on individual companies, products, and campaigns in order to arrive at more reliable general conclusions and gain a clearer, more substantial picture. This empirical research, however, must be integrated into the broader topics of information, institutions, and markets. The complex interaction between theory and practice, between the world of academia and the world of commercial and political actors, deserves our attention. In the nineteenth and the first part of the twentieth century, practical men led the way, and much of marketing theory was based on their experiences. From the 1920s onward, theoretical approaches and their enchanters gained more and more influence and started to have an impact in the industry itself, albeit without dominating the field in a one-sided fashion. Marketing history must go further, however. During the last decade, the historiography of consumption has grown into a vivid and fascinating field because its leading scholars have been able to learn from each other, having in many ways been looking at the same phenomena from different perspectives. Likewise, there are encouraging developments in the field of marketing, especially in analyzing the interaction between corporate strategies and sociocultural dynamics.⁵⁷ All in all, however, the exploration of the history of marketing and market research has only just begun. It is a worthwhile venture because understanding markets means understanding the world in which we live.

* * *

This book had its genesis at a conference entitled "Understanding Markets: Information, Institutions, and History," which was held at the Hagley Museum and Library in Wilmington, Delaware, and was cosponsored by the German Historical Institute (GHI) in Washington, D.C.⁵⁸ We wish to extend our special thanks to Roger Horowitz, Carol Lockman, and their colleagues at Hagley. We are also grateful to the conference participants for the stimulating presentations and discussions, which led to deeper reflections on the history of marketing and market research and to the essays in this volume. Our thanks also go to Mark Stoneman at the GHI for his keen editorial work. Lastly, Chris Chappell, Sarah Whalen, and their colleagues at Palgrave Macmillan helped to turn our manuscript into a book.

Notes

1. Niklas Luhmann, “The Evolutionary Differentiation between Society and Interaction,” in *The Micro-Macro Link*, ed. Jeffrey C. Alexander et al. (Berkeley, CA, 1987), 112–31. See also Hartmut Berghoff, “Marketing im 20. Jahrhundert: Absatzinstrument—Managementphilosophie—universelle Sozialtechnik,” in *Marketinggeschichte: Die Genese einer modernen Sozialtechnik*, ed. Hartmut Berghoff (Frankfurt am Main, 2007), 11–58.
2. See Franck Cochoy, “Another Discipline for the Market Economy: Marketing as a Performative Knowledge and Know-How for Capitalism,” in *The Laws of the Markets*, ed. Michel Callon (Oxford, UK, 1998), 194–221.
3. Mark Casson, “An Economic Theory of Marketing,” in *The Rise and Fall of Mass Marketing*, ed. Richard S. Tedlow and Geoffrey Jones (London, 1993), 183–204.
4. Robert Bartels, *The History of Marketing Thought* (Columbus, OH, 1988); Roland Bubik, *Geschichte der Marketing-Theorie: Historische Einführung in die Marketing-Lehre* (Frankfurt am Main, 1996); Franck Cochoy, *Une histoire du marketing: discipliner l'économie de marché* (Paris, 1999); Stanley C. Hollander, “The Marketing Concept: A Déjà Vu,” in *Marketing: Management Technology as a Social Process*, ed. George Fisk (New York, 1986), 3–29; Clemens Zimmermann, “Marktanalysen und Werbeforschung der frühen Bundesrepublik: Deutsche Traditionen und US-amerikanische Einflüsse, 1950–1965,” in *Deutschland und die USA in der Internationalen Geschichte des 20. Jahrhunderts: Festschrift für Detlef Junker*, ed. Manfred Berg and Philipp Gassert (Stuttgart, 2004), 473–91; and Eric H. Shaw and D. G. Brian Jones, “A History of Schools of Marketing Thought,” *Marketing Theory* 5 (2005): 239–81.
5. Tedlow and Jones, eds., *Rise and Fall*; Geoffrey Jones and Nicholas J. Morgan, eds., *Adding Value: Brands and Marketing in Food and Drink* (London, 1994); and Roy Anthony Church, “New Perspectives on the History of Products, Firms, Marketing, and Consumers in Britain and the United States since the Mid-19th Century,” *Economic History Review* 52 (1999): 405–35.
6. Donald F. Dixon, “Medieval Macromarketing Thought,” in *Macromarketing*, ed. George Fisk and Phillip White (Boulder, CO, 1980), 59–69. See also Neil McKendrick, “Josiah Wedgwood: An Eighteenth-Century Entrepreneur in Salesmanship and Marketing Techniques,” *Economic History Review* 12 (1959): 408–33; and David Higgins and Geoffrey Tweedale, “Asset or Liability? Trade Marks in the Sheffield Cutlery and Tool Trades,” *Business History* 37, no. 3 (1995): 1–27.
7. Stanley C. Hollander, “Periodization in Marketing History,” *Journal of Macromarketing* 25 (2005): 34.
8. Richard S. Tedlow, *New and Improved: The Story of Mass Marketing in America* (Oxford, UK, 1990).
9. Ronald A. Fullerton, “Was there a ‘Production Era’ in Marketing History? A Multinational Study,” in *Marketing in the Long Run: Proceedings of the Second*

Workshop on Historical Research in Marketing, ed. Stanley C. Hollander and Terence Nevett (East Lansing, MI, 1985), 388–400; and Stanley C. Hollander and Richard Germain, *Was There a Pepsi Generation before Pepsi Discovered It? Youth-Based Segmentation in Marketing* (Lincolnwood, IL, 1991).

10. Hartmut Berghoff, “Marketing Diversity: The Making of a Global Consumer Product: Hohner’s Harmonicas, 1857–1930,” *Enterprise & Society* 2 (2001): 338–72.
11. The noun “marketing” in its present-day meaning was apparently used for the first time in 1897. See D. G. Brian Jones and Eric H. Shaw, “A History of Marketing Thought,” in *Handbook of Marketing*, ed. Barton A. Weitz and Robin Wensley (London, 2002), 50.
12. A good example was the Swiss chocolate producer Suchard. See Roman Rossfeld, *Schweizer Schokolade: Industrielle Produktion und kulturelle Konstruktion eines nationalen Symbols 1860–1920* (Baden, 2007), especially 266–317.
13. For some important general works on the history of marketing practices, see Thomas A. B. Corley, “Consumer Marketing in Britain 1914–1960,” *Business History* 29 (1987): 65–83; Susan Strasser, *Satisfaction Guaranteed: The Making of the American Mass Market* (Washington, DC, 1989); Tedlow, *New and Improved*; Pamela Walker Laird, *Advertising Progress: American Business and the Rise of Consumer Marketing* (Baltimore, MD, 1998); Nancy F. Koehn, *Brand New: How Entrepreneurs Earned Consumers’ Trust from Wedgwood to Dell* (Boston, MA, 2001); Roy Church and Andrew Godley, eds., *The Emergence of Modern Marketing* (London, 2003); and Berghoff, ed., *Marketinggeschichte*. Two detailed and insightful case studies: Robert Fitzgerald, *Rowntree and the Marketing Revolution, 1862–1969* (Cambridge, UK, 1995); and Stephen L. Harp, *Marketing Michelin: Advertising and Cultural Identity in Twentieth-Century France* (Baltimore, MD, 2001).
14. Uwe Spiekermann, “‘Der Verbraucher muß erobert werden!’ Agrar- und Handelsmarketing in Deutschland während der 1920er und 1930er Jahre,” in *Marketinggeschichte*, ed. Berghoff, 123–47.
15. William Leach, *Land of Desire: Merchants, Power, and the Rise of a New American Culture* (New York, 1993).
16. Richard S. Tedlow, “The Fourth Phase of Marketing: Marketing History and the Business World Today,” in *Rise and Fall*, ed. Tedlow and Jones, 8–35.
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20. J. W. Stoelhorst and Erik M. van Raam, "On Explaining Performance Differences: Marketing and the Managerial Theory of the Firm," *Journal of Business Research* 57 (2004): 462–77.
21. See, for example, Gerben Bakker, "Building Knowledge about the Consumer: The Emergence of Market Research in the Motion Picture Industry," *Business History* 45 (2003): 101–27.
22. Nepomuk Gasteiger, *Der Konsument: Verbraucherleitbilder in Werbung, Konsumkritik und Verbraucherschutz 1945–1989* (Frankfurt am Main, 2010).
23. Ronald A. Fullerton, "'Mr. MASS Motivations Himself': Explaining Dr. Ernst Dichter," *Journal of Consumer Behaviour* 6, no. 6 (2007): 369–82.
24. Sheth and Gross, "Parallel Development," 14–18; Ursula Hansen and Matthias Bode, *Marketing & Konsum: Theorie und Praxis von der Industrialisierung bis ins 21. Jahrhundert* (Munich, 1999), 102–61.
25. Benjamin Nelson, *Punched Cards to Bar Codes: A 200 Year Journey* (Dublin, 1997); Aaron L. Brody, "RFID Moves Ahead," *Food Technology* 60, no. 9 (2006): 76–79.
26. On his life and work, see Dirk Schindelbeck, "Stilgedanken zur Macht: 'Lerne wirken ohne zu handeln!': Hans Domizlaff, eines Werbeberaters Geschichte," in *'Ins Gebirn der Masse kriechen!': Werbung und Mentalitätsgeschichte*, ed. Rainer Gries, Volker Ilgen, and Dirk Schindelbeck (Darmstadt, 1995), 45–73.
27. Tino Jacobs, *Rauch und Macht: Das Unternehmen Reemtsma 1920 bis 1961* (Göttingen, 2008).
28. Hans Domizlaff, *Die Gewinnung des öffentlichen Vertrauens: Ein Lehrbuch der Markentechnik* (Hamburg, 1939), 129.
29. Ibid, 220, 224.
30. Tino Jacobs, "Zwischen Intuition und Experiment: Hans Domizlaff und der Aufstieg Reemtsmas, 1921 bis 1932," in *Marketinggeschichte*, ed. Berghoff, 148–76.
31. See Rainer Gries and Stefan Schwarzkopf, eds., *Ernest Dichter: Doyen der Verführer* (Vienna, 2007); Stefan Schwarzkopf and Rainer Gries, eds., *Ernest Dichter and Motivation Research: New Perspectives on the Making of Post-War Consumer Culture* (Hounds Mills, 2010). The next two paragraphs draw on Daniel Horowitz, "The Emigré as Celebrant of American Consumer Culture," in *Getting and Spending: European and American Consumer Societies in the Twentieth Century*, ed. Susan Strasser, Charles McGovern, and Matthias Judt (Cambridge, UK, 1998), 149–66; Rainer Gries, "Die Geburt des Werbeexperten aus dem Geist der Psychologie: Der 'Motivforscher' Ernest W. Dichter als Experte der Moderne," in *Wirtschaftsgeschichte als Kulturgeschichte: Dimensionen eines Perspektivenwechsels*, ed. Hartmut Berghoff and Jakob Vogel (Frankfurt am Main, 2004), 353–75; Hagley Museum and Library, collection guide to Ernest Dichter Papers, Accession 2407 (Wilmington, DE, 2009), 1–13, http://www.hagley.lib.us/library/collections/manuscripts/findingaids/dichter_finding_aid.pdf.

32. Vance Packard, *The Hidden Persuaders* (1957; Harmondsworth, 1962), 32–33, calculated Dichter's honoraria and condemned the "deceitfulness" of his methods, like the secret eavesdropping on children and families. He also alluded to Dichter's not having been born in the United States by pointing out that Dichter had originally spoken "broken English." See also Daniel Horowitz, *Vance Packard and American Social Criticism* (Chapel Hill, NC, 1994); and Daniel Horowitz, *The Anxieties of Affluence: Critiques of American Consumer Culture, 1939–1979* (Amherst, MA, 2004).
33. Ernest Dichter, *The Strategy of Desire* (New Brunswick, NJ, 2002), appendix II.
34. "One of the main jobs of the advertiser . . . is not so much to sell the product as to give moral permission to have fun without guilt." Ernest Dichter, quoted in Packard, *Persuaders*, 54. See Gabriele Sorgo, "Ernest Dichter, Religion and the Spirit of Capitalism: An Exegete of Pure Cult Religion Serves Consumer Society," in *Ernest Dichter and Motivation Research*, ed. Gries and Schwarzkopf, 75–90.
35. See, for example, Roy Church and Christine Clark, "Product Development of Branded, Packaged Household Goods in Britain, 1870–1914: Colman's, Reckitt's, and Lever Brothers," *Enterprise & Society* 2 (2001): 503–42.
36. See chapters 4 and 7.
37. On the history of salesmen, see Walter A. Friedman, *Birth of a Salesman: The Transformation of Selling in America* (Cambridge, MA, 2004); and Roman Rossfeld, "Suchard and the Emergence of Traveling Salesmen in Switzerland, 1860–1920," *Business History Review* 82 (2009): 735–59. See also Andrew Popp, "Barriers to Innovation in Marketing in the Mid-Nineteenth Century: Merchant-Manufacturer Relationships," *Business History* 44 (2002): 19–39.
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40. See [chapter 8](#) and Kerstin Brückweh, ed., *The Voice of the Citizen Consumer: A History of Market Research, Consumer Movements, and the Political Public Sphere* (Oxford, UK, 2011).
41. See [chapter 2](#).
42. See [chapter 3](#).
43. Theodore M. Porter, *Trust in Numbers: The Pursuit of Objectivity in Science and Public Life* (Princeton, NJ, 1995); Nico Stehr, *Moral Markets: How Knowledge and Affluence Change Consumers and Producers* (Boulder, CO, 2008).
44. Jens Beckert, "Imagined Futures: Fictionality in Economic Action," *Max Planck Institute for the Study of Societies Discussion Paper* 11/8 (Cologne, 2011), http://www.mpiwg.de/pu/mpifg_dp/dp11-8.pdf.
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CHAPTER 2

Selling Indian Indigo in Traditional and Modern European Markets, 1780–1910

Alexander Engel

Indigo is a high-quality dyestuff, the most important colorant for blue in history,¹ which in terms of value accounted for a third of total British dye consumption in the late eighteenth century.² At that time, European demand was satisfied by Caribbean plantation produce, foremost from the French colony Saint-Domingue (now Haiti), whereas British indigo production was by and large confined to South Carolina and Georgia. Starting in the 1780s, the East India Company and newly migrated British planters tried to establish European indigo production in India and to conquer European markets. Aided by the downfall of Saint-Domingue as a plantation colony in the 1790s, this venture panned out.³

During the nineteenth century, indigo from British India took a world market share of 80 percent or more. At the same time, however, the dye business underwent a fundamental transformation. Industrially produced dyes began to oust natural dyes in the mass markets from the late 1870s onward. In the 1890s, the German chemical company BASF managed to synthesize indigo from aromatic hydrocarbons on a commercial scale. With the market launch of its Indigo Pure B.A.S.F. in 1897, Indian planters and their London intermediaries faced a new form of competition. The indigo planters considered adapting their production and distribution to this challenge—albeit

too late and consequently in vain. Within a decade, German indigo had conquered the world market.

Both the rise and fall of British Indian indigo can productively be interpreted as attempts by the planters to understand their markets. Around 1800, they successfully worked out how the traditional indigo market functioned. A century later, however, they grasped only belatedly and incompletely the transition from a traditional to a modern indigo market that BASF had brought about. In this chapter, sources from the British Library's India Office Records are used to reconstruct collective thought processes in both periods. By generalizing these findings, it is possible to trace how traditional markets transformed into modern markets and how the understandings of the participants in these markets changed.

This chapter first offers an account of the circumstances under which European indigo production was established in Bengal. Next, it analyzes the calibration of this production system to the specific needs of the European markets. To be able to take up the story a century later, the chapter then summarizes how a new stage was set by the rise of industrial dyes and the launch of synthetic indigo. Analysis of the planters' reaction to the resulting market conditions follows. Finally, the chapter offers some generalized remarks about the cultural construction of the traditional and modern dye markets, and it concludes by considering how the requirements for understanding markets changed during the transition to modernity.

Setting Up British Indigo Production in Bengal in the 1780s

Three developments brought about an attempt to establish European indigo production in Bengal in the 1780s. The first was the establishment of so-called company rule in India. The East India Company came into existence at the beginning of the seventeenth century as a joint-stock business privileged by the Crown exclusively to carry out English trade with South and Southeast Asia.⁴ In the eighteenth century, it increasingly meddled with politics in the deteriorating Mughal Empire in order to secure and advance its commercial interests. Following the Battle of Plassey in 1757, the company became *ipso facto* the supreme political power over Bengal and ever larger parts of the Indian subcontinent. The consolidation of company rule coincided with two other developments: Britain's loss of its North American colonies and their commerce, and the rise of British cotton textile manufacturing on the country's way to industrial takeoff.

The connection with the American rebellion was apparent in a proposition that the British Indian entrepreneur John Prinsep forwarded to Prime Minister Lord Nelson in 1780, hoping to obtain advice on the possible

outcome of the American Revolutionary War, which was important to his plan. He introduced his letter as bearing

upon Subjects which materially concern the Connexion between Great Britain and America.... And as not only a small acquired Fortune of my own is already embarked, but a large sum of the Company's will shortly be engaged, both which may be lost in Case the Enterprize is abruptly checked or sacrificed at a reconciliation with his Majesty's Colonies; I think it the Duty of a Citizen to put it as early as possible in the Power of Government to encourage or suppress them. The Object in Question is the Introduction of Indigo Sugar and Tobacco into Great Britain from the East Indies. A close Connexion with the Company's Trading Interests in their Country, convinces me that a richer Tribute may by such means be drawn from Bengal, than is furnished by the present almost worn out System, if investing it in Manufactures which are every Day falling in Estimation at Home, since European Industry has adopted such Variety of Imitation & Improvement upon the Fabricks of the last. The Ship which sails with this Letter conveys a small quantity of Indigo, the first produce of three plantations now carrying on under my Management.⁵

Although he included sugar and tobacco on his list, Prinsep's efforts as a producer focused fully on the dyestuff. Whereas sugar was already produced in the British West Indies, all the indigo needed in British dyeing had to be imported from foreign powers once the cultivation in South Carolina and Georgia had left British control. In terms of mercantilism, therefore, the establishment of British Indian indigo production seemed especially desirable.

From the same mercantilist point of view, Prinsep also anticipated growing pressure from British cotton manufacturers, who increasingly succeeded in imitating Indian-style cotton fabrics and started arguing that the company's imports of those fabrics from India were harming British welfare. By 1788, the company indeed had to accede to the demands of the textile manufacturers. It promised to decrease its imports of Indian piece goods and to turn to raw materials like indigo instead.⁶ Consequently, company headquarters was highly motivated to succeed at developing market-ready Indian indigo.

The production of indigo was a two-stage process, including, first, the agricultural task of growing indigo plants and harvesting the leaves and, second, the industrial task of extracting indigo from the leaves by a sequence of steps, namely mashing and dissolving the leaves in water, fermenting and frothing up the solution, separating the resulting precipitate from the water,

and drying it into lumps. Because the company did not allow British citizens to settle and own land until far into the nineteenth century,⁷ the planters generally outsourced the planting to Indian peasants, who were experienced in this activity because there was long-standing indigenous indigo production aimed at the domestic and some Asian markets.⁸

Yet even in this industrial stage of the production process, most of the British entrepreneurs were inexperienced when they took up production and only gradually managed to improve their product. In some instances, it proved helpful to get feedback from London. For example, it seems that, in the beginning, sand was used to aid and speed up the drying of the indigo precipitate into lumps. That practice was abandoned after company headquarters, in a letter dated April 1785, remarked, “if in forming or drying the Indigo the Sand and Dirt which adheres to the Outside could be avoided, it would render it more pleasing to the eye and more saleable, as frequent complaints have been made that the Sand injures the Mills in grinding it.”⁹

Yet, all in all, the outcomes were and remained disappointing in the first decade of the venture. In 1786, seven years after Prinsep had started production, headquarters in London told the Bengal governor in council, “unless very material alterations in Price and in the quality and shape of the Indigo take place we shall be under the necessity of prescribing the import of that Article, notwithstanding our earnest desire to promote the Culture of it.”¹⁰ The following year, it “still continues [to be] a losing article and will remain so while the present high rate of its first cost shall exist.”¹¹ In 1788, the Commercial Department in London undertook “a review of the issue of Our Concerns in the Article of Indigo from the time of Our Board of Trade entering into the first Contract for that Article with Mr Princep in the Year 1779/80 up to the latest Period, we are sorry to remark the very heavy losses that has [sic] constantly accrued thereon.”¹²

The problem was not that the planters were unable to produce high-quality indigo. As the governor general in Fort William (the company’s seat in Kolkata) mentioned to headquarters in London, “Several of the Manufacturers are sufficiently expert to be able to make small quantities of the most superior quality, but in all the instances of which I have had satisfactory knowledge, it is obtained at so great an expence, as to give it no chance of becoming a profitable article of trade.”¹³ In order to improve the relation of cost and quality, it was decided to change the system of trade. Until 1788, company officials in Bengal had contracted with producers for a fixed price, but without agreeing on or even defining quality standards, so there was no sufficient incentive to advance the production process. In 1788, the indigo trade was opened up, that is, the company confined itself to

acting as a forwarding agent for any British citizen in India willing to trade the produce on private account for sale by auction in London. Although the company continued to ship the indigo and dispose of it, manufacturers now encountered European market prices directly. The company made this change “in the hopes that it will create among Individuals that kind of Competition which will not fail to operate in bringing the Article to its greatest possible state of perfection as well as to ascertain the lowest rate at which it is possible to be manufactured.”¹⁴ These hopes were realized. The measure succeeded in making the indigo more profitable.

Getting to Know the European Market

Succeeding at producing high-quality indigo at reasonable cost did not mean that the goal of establishing Indian indigo on European markets was by any means accomplished, however. Take, for example, Benjamin Boyce, an ingenious planter who, in the beginning of 1786, had come forward with technical improvements for the production procedure and had managed to convince the East India Company of his abilities. (His was the only contract explicitly continued after the indigo trade was opened up in 1788.) In December 1786, his samples were assessed at the council house in Fort William. The experts present at the occasion concluded that “his Indigo is exceedingly fine and equal to the 1st sort of Guatimala,”¹⁵ the latter possessing the highest quality on European markets. The experts’ judgment was based primarily on the purity of the sample, that is, on the proportion of coloring matter it contained, which they gauged by appearance, weight, and a burning test, as was common at that time.

The Colour of this Indigo is equally pleasing to the Eye with that of Guatimala, or 1st Flora, and of the two, weighs the least. It Burns while in Current of Air, and descharges a beautiful Carmine Coloured Smoke, leaving a small remain of a Witish Earth, the Guatimala Indigo also emitts a Vapore, equally bright in Colour, but when tried as Mr Boyce’s, left a larger and Darker Residence behind, after the Colouring part was consumed.¹⁶

Notwithstanding this agreeable result, the experts also found “on enquiry that the first sort of Guatimala Indigo is only used for light Colours and Silks and that the proportion it bears to the whole Quantity imported yearly into Great Britain is not one Eighteenth part.”¹⁷

Whereas a favorable ratio of high enough quality (that is, content of colo-rant) to low enough cost was surely prerequisite, success in the market also

depended on correctly assessing differentiation into market segments and hitting on the right assortment of indigo. In a letter from 1796, with a certain amount of hindsight, headquarters advised, “A proper Assortment of Indigo for the general demand, should consist of about equal proportions of Fine, middling, & Ordinary. The Fine has hitherto been almost exclusively furnished by Spain, who have always been remarked attentive as to quality ... The middling was mostly supplied by the French ... And the principle part of the Ordinary was introduced from America.”¹⁸ Aware of the problem, Bengal officials sent a request to London headquarters following the trial of Boyce’s product: “Samples of Mr Boyce’s Indigo are sent in this Packet and We earnestly request your attention to the subject.... He requests that his Specimens of Indigo may be examined with every care, and that Specimens of all the Indigo made in South America, St. Domingo and Carolina and the Prices each kind can fetch in the Market may be sent out and that a Standard by which the company would wish the Indigo to be made may be established.”¹⁹

Indeed, it proved crucial for the venture’s success that the company established a flow of commercial knowledge from the target markets in Europe to the producers in British India, who otherwise would have had to sell blind. This transmission continued even after the establishment of British Indian indigo in Europe, providing market information and forecasting to secure the continuation and advancement of the indigo business. As the company suspended its own direct engagement in the market in 1788, it provided the service of acting as intermediary primarily from its position as sovereign over Bengal, which made it willing to develop commerce in the territory. Of course, hopes for future profits were also involved, hopes for when the indigo trade would be sufficiently developed for the company to reenter the market (as it did after 1800).

At the same time, the necessity of establishing a flow of information made the process of understanding and adapting to European markets slow because letters between London and Fort William—each of which could total a few hundred pages—usually took several months. Including time for information gathering and consultation, as well as waiting for ships to take on the journey, at least a year was required to have a question answered, advice given, or permission granted. For example, the above quoted request that headquarters examine Boyce’s samples and supply advice was sent out in March 1787; the response was written in March 1788 and presumably received in Kolkata in the autumn of 1788.

This reply provided a detailed judgment from the point of view of the European markets and granted Bengal officials freedom to act:

The Samples transmitted of the manufacture of Mr Boyce having been inspected by a Gentleman on whose Judgement we place a strong reliance he has delivered a Report thereon to the following purpose: That the quality of that contained in the White Bag is equal to Spanish at 9s 6d to 10s 6d the lb the 2nd sort, and that he can aver with propriety any Quantity may be sold at that price. That if the making it in shape about an inch Square will be a very great recommendation. That what is in the Red bag is a strong Copper and will always find a readier Sale than that in the White, there being a greater quantity of it consumed. The price would be about 6s p[er] lb. The Shape should be the same, The Shippers always preferring a good square. The quality required for the different markets is for Turkey: Copper, Russia: Blue, Sweden & the North lean low blue, Hambro[ugh]: Copper bold, Holland: middling black copper. The Blue Bag is about the same quality as the Red. If any quantity of these Assortments are procurable thro the medium of Mr Boyce either by Agency or Contract on terms that are likely to yield us any advantage, you will act therein as you shall judge is the most conducive to our Interest.²⁰

The report made clear that, beyond the question of purity, the established quality grades and sorts also incorporated additional characteristics such as brightness or copper-like sheen. What's more, the shape of the lumps into which the indigo precipitate was dried also mattered.

Although headquarters provided its initial advice on such particularities already in 1785—that is, before the Bengal branch entered into business with Benjamin Boyce—and recommendations constantly traveled from London to Fort William, the most systematic compilation of all indigo requirements was sent to Bengal only twenty-five years later, in 1810:

[I]t will be necessary to pay attention to the prejudices of the London Market ... and we shall notice such of the prejudices as we think most material; 1st Shape. Great preference is given to Indigo of the Square shape and size which you will observe on referring to the wooden Sample marked A. The Merchants who buy for Exportation to the Continent will give at least 9d @ 11d p[er] lb more for Indigo of this Shape than for large or small broken, although of equal quality. This size is also preferred to the flat Shape (as the Sample marked B) at least 4d to 6d p[er] lb and the thin flat Shape (such as the Sample marked C) is to be avoided when the former sizes can be procured. Of the broken Indigo the largest sizes are preferred, in proportion as they retain more of their original square shape. 2nd Coat or Outside. Those indigoes which have a whitish

coat are most preferred; The dark clay coloured coat is not approved and a considerable reduction in price is made for Indigo which has a thick mossy surface. We have sent specimens of the different description of Sorts. 3rd Limy. The buyers do not like those Indigos which break limy or specky. Although the quality may not be injured by it, still a clean texture is to be preferred; A specimen of what is called limy is sample E. 4th Veiny or Streaky. This Indigo is to be avoided; there exists a great prejudice against it, and it always sells low compared with other kinds: we have given a specimen in sample F.²¹

The last three attributes were conditioned by specificities of the extraction process; they could only be changed by a very experienced indigo maker, or even not at all. To alter the shapes of the lumps, however, was easy and therefore presented a major concern in adapting to European markets. The actual shape was completely independent from quality and usability in dyeing because the lump was ground by the dyer anyway before dissolving it in the dye vat; however, for the European buyers, it served as a marker for established sorts and qualities, and it could convey a sense of familiarity even in new products. In 1785, headquarters had already remarked on the reception of the new Indian indigo on the European markets: "at present there is a prejudice against it from its shape and appearance, which We conceive might be easily remedied by making it in Squares of about 1 ½ to 2 inches like the



Figure 2.1 Merchant's box set containing indigo samples, eighteenth century

Source: Deutsches Textilmuseum, Krefeld, Inventory No. 16044.

Sample No 2 which will make it resemble and answer every purpose of that which is made by the French at St. Domingo which is in high estimation.”²²

The general method to enter the European market was thus not to generate new and—by whatever standard—better versions of the product, but to hit on the exact specificities of existing grades and qualities and to then conquer the market by imitation and underselling. This venture succeeded, aided by the Saint-Domingue planters’ turn from indigo to more profitable coffee in the 1780s and then the complete downfall of the prime Caribbean plantation colony in the French Revolutionary Wars and slave rebellions of the 1790s. In 1794, the company’s Commercial Department declared: “Our records for several Years past will manifest how earnestly desirous We have been of rendering this an established Article of Import, even at the Sacrifice of our own Advantages; & we flatter ourselves from the degree of Encouragement it had received our Object is now completely answered.”²³ The market position even improved beyond all initial expectations so that, in 1810, “speaking generally, the Article appears to be established as a great Staple of Bengal. It supplies much of the consumption of Europe, and no rival to it seems likely to arise.”²⁴

The Transformation of the Dye Markets and the Launch of Synthetic Indigo

Indeed, it took nearly a century until a serious rival appeared, although the shift from natural to artificial dyes was already underway when British Indian indigo first entered European markets. In preindustrial Europe, dyestuffs had been conceptualized as a holistic, unalterable gift of divine creation. Since the mid-eighteenth century, however, this concept started to give way to a new interpretation. Dyestuffs were increasingly seen as manipulable compositions of certain, more basic substances, of which only one possessed the requisite coloring property for dyeing.²⁵ In attempts to isolate and separate these true coloring agents, products of the dye trade were exposed to a variety of procedures like distillation, filtration, and crystallization. This academic practice had an immediate technological and economic impact, as the analyzing techniques could be employed on a commercial scale to obtain purer, more homogenous dyes.

Traditionally, dyes were first processed in connection with the cultivation of dye plants—as was the case with indigo—and then in the dye works, where dyers pulverized or solubilized dyeing material in order to ease its application. Now, a third technological sphere emerged, independent of and in between dye plant cultivation and dye application. A new group of specialists, often merchants with experience in the dye trade, took over

the refinement of natural dyestuffs. They also started to offer blends and preparations. From time to time, especially since the 1840s, wholly new dyes appeared as a result of the tentative treatment of natural dyes or even of chemical experiments not concerned with dyes at all. The best-known representatives of these “artificial” substances were the aniline dyes, derived from coal tar. They began entering markets in the late 1850s.²⁶

The distribution of natural dyes and the production and distribution of extracts, preparations, and artificial dyes were often all carried out by a single business. The successful Swiss company Geigy, for instance, started out as a supplier of natural dyes but incorporated a dyewood mill, an extraction plant, and a factory for making coal tar dyes.²⁷ Prominent German chemical companies such as Bayer and Hoechst were cofounded by merchants who originally traded in natural dyes.²⁸ BASF, after only a few years in existence, merged with the two trading houses that had already organized the distribution of its products and thereby had been functioning as a *de facto* sales department.²⁹ For artificial dyes, the sphere of independent intermediaries vanished as soon as industrial dye manufacturers began to sell directly to dyers and textile printers, a handful of larger companies ousting the multitude of small producers. The premodern polypolistic market, with three distinctive spheres of producers, intermediaries, and consumers, was superseded by an oligopolistic market in which only two spheres remained, suppliers and buyers.

Over the course of the 1870s, the chemical companies institutionalized efforts to continuously innovate and thereby create new dyes.³⁰ There had been no more than about fifteen to twenty commercially viable dyestuffs for centuries, but from the late 1870s to the outbreak of World War I, the number of tradable dyes increased yearly by up to a few dozen. In addition, attempts were made to synthesize the colorants of the main natural dyes in order to conquer their markets. This worked well with the important red dyestuff, madder, and its colorant, alizarin, around 1870, but synthesizing indigo blue (also called indigotin) on a commercial scale turned out to be a harder nut to crack. As late as 1890, Sir George Watt, one of the most eminent experts on indigo production, stated that, “for the present at least, it may be said that the Indigo Planter is left master of the situation.”³¹ It took two decades of research and development as well as enormous investments to come up with a product that could nurture hopes of undercutting natural indigo over the long run. Indigo Pure B.A.S.F. was launched in 1897.³² Soon it made inroads into the market, proving to be a serious competitor of the Indian product. Above all, it changed the rules of the indigo game, which had remained unquestioned for decades or even centuries.

The New Market as Perceived by the Indigo Planters

The most distinctive and obvious feature of the new product, in contrast to its Indian rival, was that it was artificial, a creation of science. This circumstance lent it a certain ambiguity because, on the one hand, the zeitgeist praised the mighty power of chemistry to change the material world for the better, yet on the other hand, it often mistrusted synthetic substances as cheap, defective, false surrogates of “the real thing.” This ambiguity was central for understanding the new market situation, and it shaped the planters’ attempts to influence and control the trade.

Certainly the planters took no position against the employment of science in advancing the extraction process. Indeed, chemistry and biology might have also brought improvements to the cultivation of indigo. Yet, a comfortable market situation, the recurring inability of the chemical companies to come up with synthetic indigo, and average capital returns of 20 percent or more seemingly made it unnecessary to undertake any such efforts for a long time.³³ With hindsight, the eminent British chemist Raphael Meldola emphatically criticized this attitude in a lecture before the London Society of Arts in April 1901: “I wish to attach blame to the planters because they have never given themselves a chance till the present panic of conducting their operations on scientific principles.... Yet we are constantly being told of the enormous importance of this industry to India ... It is simply amazing that such interests, backed up by such wealth, and by such a powerful organization, should have been so neglectful of scientific guidance.”³⁴ At that time, agrochemical and microbiological research projects to improve the Indian production, financed by the planters’ association and the India Office, were finally underway. However, these investigations were carried out by university partners and consequently resembled fundamental research more than applied research. They took years to complete and came too late to be of any consequence.

Another attempt by the planters to defend their markets focused on lobbying for trade regulation and for a stipulation in public contracts that only Indian indigo should be used in the dyeing of uniforms. Whereas such propositions would surely have been adopted in the mercantilist world of commerce around 1800, they now ran up against a government devoted to the principles of free trade and open competition, a government willing to put these principles above the welfare of the Indian indigo producers. Then again, even free markets need to be regulated to a certain extent in order to prevent unjust transactions and fraud. This was the point at which mistrust of artificial products as unsound and defective came into play.

Sir William Brereton Hudson, an eminent indigo planter, turned to the government of India in March 1903 to ask for assistance in preventing

the destruction of the industry by foreign and unfair competition. When I say unfair, it is necessary for me to defend the word. I use it because the success of all the artificial substitutes now used for Indigo is purchased by the use of the name of our product. All blue and some other coloured cloths are described as "indigo dyed," although in most cases very little vegetable Indigo is used, and in many cases none at all. They have filched the name of our product with full impunity, I am afraid, under the law, as it stands. They use cheaper and inferior substitutes, and flourish at the expense of both the consumer—the general public, and the purchaser—and the Indigo planter. It ought to be the desire and within the power of Government to prevent this ... by affording protection against what amounts to a fraud on the public and the planter, the abuse of the name "Indigo" in its application to inferior substitutes. This has been done in England for other produce.³⁵

In other words, government action against German indigo would also be consumer protection.³⁶

Rumors that such legislation might be underway (which was not the case) attracted public attention in Germany. The British commercial attaché in Berlin, William Gastrell, reported this to the India Office and included a possible argument against such a measure, which he found in the German press: "The 'National Zeitung' ... remarks that, when one recalls that actual experience of the 'Made in Germany' marking, it seems very doubtful whether the apparently contemplated Order would fulfil its object; for it might happen that it would become a capital advertisement for the artificial indigo in the same way as the 'Made in Germany' mark had operated for those goods which had to bear it."³⁷

Indeed there was no need for better differentiation between natural indigo and the synthetic product because BASF itself already did so—with the aim, of course, of conveying an image of superiority over the traditional article. A good example appeared in a BASF manual on indigo intended for dyers and printed first in 1900:

The vegetable indigo of commerce is neither a pure nor a homogeneous product.... Of sole relevance for its value is its content of indigo blue, indigotin; differences between the sorts of crude indigo refer to ... accompanying substances ...; regarding their effects, they are either inert or they

trigger an unfavourable [side] effect during the dyeing process.... “Indigo Pure B.A.S.F.” . . . , which produces the colorant in its purest form, is—it has to be emphasized—not a surrogate: it is indigo itself with all its characteristics, which only differs from the indigotin contained in vegetable indigo in the form of manufacture, but not in the inherent property and character for which it has been appreciated since time immemorial.³⁸

Advocates of vegetable indigo, on the other hand, stressed that precisely the variety of substances in it that were complementary to indigotin, mainly indirubin, produced the different hues characteristic for different sorts and qualities of the cultivated product. Indeed, BASF itself concluded that at least parts of the market demanded dyes that produced the effects known from the varieties of plant indigo and accordingly launched products adopted to this purpose: “The brands Indigo Pure B.A.S.F./R and B.A.S.F./G give decidedly redder and greener hues than Indigo Pure and thus allow for a greater variety in indigo dyeing.”³⁹ This reaction of the chemical concern came comparatively quickly. The company’s sales department, which possessed a well-organized multitude of agents and traveling salesmen, offered a highly efficient means for transmitting feedback from the consumers, that is, the dyers, to the BASF factory.

In the case of the British Indian planters, the East India Company had serviced an efficient communication channel to the European dyers around 1800. Yet, in the middle of the nineteenth century, the East India Company had completely transformed into a colonial administration and had been dissolved as a company, so that by around 1900, the link between planters and European consumers consisted of a complex network of independent merchants that was in no way able to transmit information as efficiently as the BASF sales department. The Behar Indigo Planters’ Association, the most important lobbying group of the British Indian planters, began to realize that the sales department and marketing orientation of BASF were the decisive factors in the fight for the indigo market. This was not a battle over prices.⁴⁰

The association discussed this problem in some depth as late as 1906 and proposed an export duty on indigo from India in order to finance a marketing board. Such a strategy had been pursued by representatives of Indian and Ceylonese tea planters since the 1880s to keep Japanese and Chinese competitors at bay.⁴¹ Although an indigo marketing board was not brought about—because it became clear that the struggle for the market had to be considered lost—the discussion of the very idea revealed a lot about the planters’ perception of the new market in which they found themselves.

One of the suggested fields of activity was the employment of salesmen to finally meet their customers face-to-face:

It is impossible to say how much of the success attained by the Synthetic product is due to its intrinsic value and how much to a judicious bribe here and there combined with a little gift of the gab on the part of their commercial travellers. If we can send round a man or several men who can talk and demonstrate and induce consumers to insist on natural indigo the result would prove more valuable than a thousand arguments which are merely circulated in the press and not brought home to the individual whom it is intended to impress.... Our commercial travellers besides pushing our stuff might also act as an intelligence department which is sorely needed. They could keep us informed as to the work being done by [BASF]. Might possibly tell us what their bottom price was. Whether the report that the Synthetic people were making indigotin at a loss was true or false. They might also advise us as to whether the suggestion, often put forward, that we should sell some of our indigo in powder or paste would really find to increase consumption or not.⁴²

Unlike a century before, these planters were clearly selling blind.

Another fairly late insight on the part of the planters was that “[t]he days are past when an Industry can do without advertising. All great industries find it now necessary to push themselves by some means of advertising or other. Synthetic indigo owes a large portion of its success to the fact that those interested in this industry have always availed themselves of every opportunity to push their sales by means of advertisement of every sort.”⁴³ Two years earlier, in a letter to the India Office, the secretary of the planters association had quoted, still with some bewilderment, from a newspaper article: “the Germans laid themselves out to capturing the market by packing their indigo in attractive packets to suit the means of the thrifty Japanese.”⁴⁴

One final and important point about the new logic of the market seems to have escaped the attention of the planters. It was, however, stated briefly—but clearly—in a 1904 internal memorandum of the India Office on the question of financing research to improve indigo production in light of the current situation. The “position of artificial indigo at present is this. It has completely captured the cotton-printers, owing to its uniformity of substance and ease of working. Here there is no hope for natural indigo. But in the wool trade natural indigo is still preferred, and exclusively used.”⁴⁵ Whereas BASF erred when it equated indigo with pure indigotin, surely its claim to offer a truly homogenous product caught on. Standardization eased considerably the challenges dyers had deriving predefined hues, as it rendered both



Figure 2.2 Wrapped can of brand indigo, circa 1900

Source: Hoechst GmbH, Corporate Archives, D-65926 Frankfurt am Main.

sample dyeing and adjusting the dye bath (by employing small amounts of other dyes) superfluous. What is more, BASF even researched the dyeing process and assembled instructions to enhance results, which it conveyed to the dyers in manuals and training courses.⁴⁶

All this was out of the planters' reach. They lacked sufficient technical expertise to homogenize their vegetable dye, and they did not possess the research and development capacity to acquire such know-how. They had no centralized distribution unit that could have packed and marketed the product as a brand item, that is, as a specialty rather than a commodity. And they did not have an organization to interact with the dyers, let alone the capital to build such an institution. Therefore, they could not gain customer loyalty by providing consultancy and other services. Above all, the planters may not have even fully realized that this dimension of modern markets even existed.

Conclusion: The Logic of Traditional versus the Logic of Modern Markets

Both in the rise and the fall of British Indian indigo, the planters based their considerations and actions on fundamental assumptions about how the markets of their time worked, assumptions that were common among their contemporaries. The most distinctive difference between the traditional markets around 1800 and the modern markets a century later concerned the power to define the good to be traded on the market in the first place.

In preindustrial times, this power clearly resided with the buyer and the user. British Indian planters did not begin with the idea of designing a new product that would satisfy the need to dye fabrics blue, satisfy it in a better way than established products could, or even satisfy needs that nobody had thought of before. Rather, everybody assumed that needs and predefined goods to satisfy these needs existed *a priori*, that users knew best about the utility of different versions of the goods, and that all one could and had to do was duplicate the established sorts and qualities of these goods and then sell them in a more favorable way. In the end, any advice and inspiration on how to improve the design and makeup of the planters' new product came from the European buyers, observed and transmitted by the East India Company. Furthermore, along with the power of users to define the product went the task—burden and privilege alike—of identifying the article in commercial transactions. Consequently, the aim of the planters and the East India Company was to adjust the product in terms of those attributes that mattered to buyers in identifying proper material: appearance, weight, shape, and appropriate behavior in sample testing procedures (like burning).

By contrast, in the commerce of the modern industrial world around 1900, the power to define goods had, by and large, shifted from the buyer to the seller. In the case of dyestuffs, that meant this power had moved to the modern industrial companies and the chemists they employed. Dyestuffs were no longer distinguished and defined by their utility in application, but rather by their chemical constitution. In premodern times, a new dyestuff was regarded as a new find in nature's collection of ready-made goods. A newly developed dye of the nineteenth century, on the other hand, passed for a human, not divine, creation. The creator of the new dye could claim exclusive rights to it, as certified in the new legislation on patents and trademarks.⁴⁷ The chemical companies accordingly established laboratories and employed well-trained chemists primarily to be able to handle infringements of industrial property rights. Only subsequently did research and development become their primary task.⁴⁸

Assessing product usability was no longer left to the users. Instead, specialized dyeing departments researched the dyeing properties of their products before the companies marketed them. The companies then codified the recommendations of these departments into manuals and gave these away as an add-on to the product, which they sold in sealed and wrapped cans. Thus, the producer provided both the identity and usability of a dye. As long as customers trusted this producer, they were willing to trade their former power for the new convenience of buying and using standardized dye without any further thoughts or regrets. The dye markets had changed from commodity to specialty markets.

Although the business of the planters had not changed since the eighteenth century, they also perceived the market along new lines around 1900. They denied BASF the right to define its synthetic product as “indigo,” though not on the grounds that this decision was up to the consumers. Instead, they lamented that BASF had “filched the name of our product,”⁴⁹ and they demanded a legal title for the sole use of a term that they had neither invented nor defined themselves, but that they argued they had to defend in the name of the consumer. Obviously the consumer was held to be unable to decide and act sovereignly anymore.

In the end, of course, it was the consumers—or rather, the dyers—who made their choice. But compared to preindustrial times, when the application and usability of merchandise was solely worked out by the users and consumers, they were now reduced to just making a choice about a specific type and brand of industrially produced dye. This could only happen, and indeed proved to be the key to success in the dye markets, because of the ability of BASF to find new and—in the judgment of its customers—better ways to satisfy the need to dye fabrics indigo blue, that is, by offering tailored, standardized, tested varieties of its dye. When the planters discussed in 1906 how they even lacked the means to decide “whether the suggestion, often put forward, that we should sell some of our indigo in powder or paste would really find to increase consumption or not,”⁵⁰ they were effectively admitting that, in the new setting, they had lost the ability to properly understand and follow their market.

Notes

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2. Alexander Engel, *Farben der Globalisierung: Die Entstehung moderner Märkte für Farbstoffe 1500–1900* (Frankfurt am Main, 2009), 187.
3. Prakash Kumar, *Indigo Plantations and Science in Colonial India* (Cambridge, GB, 2012); Prabhat Kumar Shukla, *Indigo and the Raj: Peasant Protests in Bihar, 1780–1917* (Delhi, 1993); Jacques Pouchepadass, *Champaran and Gandhi: Planters, Peasants and Gandhian Politics* (New Delhi, 1999); Indrajit Ray, “The Indigo Dye Industry in Colonial Bengal: A Re-examination,” *The Indian Economic and Social History Review* 41 (2004): 199–224.
4. Kirti N. Chaudhuri, *The English East India Company: The Study of an Early Joint-Stock Company, 1600–1640* (New York, 1965); Kirti N. Chaudhuri, *The Trading World of Asia and the English East India Company 1660–1760* (Cambridge, GB, 1978); Sudipta Sen, *Empire of Free Trade: The East India Company and the Making of the Colonial Marketplace* (Philadelphia, PA, 1998); Antony Wild, *The East India Company: Trade and Conquest from 1600* (London, 1999).
5. John Prinsep (Calcutta) to Lord North (London), January 25, 1780, British Library, India Office Records (hereafter: IOR), MSS Eur D624/1.1.
6. Proceedings of the meeting of the Court of Directors on July 2, 1788, IOR B/107: 259–94.
7. “It has long been an established principle of policy in our several Presidencies on the Continent of India, that Europeans should not be permitted to become either Farmers of the Revenue or Occupants of the Soil ... In some instances a deviation from this principle has been permitted, particularly with the view of introducing the improved method of Europeans in the Manufacture of raw productions, of which the most important by far has been the article of Indigo; and for the encouragement of this valuable manufacture, small allotments of land for the erection of necessary buildings have been of late years very frequently made; but the Lands on which the Indigo plant was raised and the culture of it have entirely remained in the hands of the Natives, and no material inconvenience seems to have resulted from this ... The general principle we consider therefore to remain still in force in respect to practice, and certainly in respect to the policy of it.” East India Company (hereafter: EIC) (London) to Governor in Council (Fort William, Bengal), September 6, 1809, IOR E/4/667, 153–379.
8. For the greater part of the seventeenth century, until the rise of the West Indian plantation produce, genuine Indian indigo was also a staple of the EIC and the Dutch East India Company and the main European source of the dye.
9. EIC (London) to Governor in Council (Fort William, Bengal), November 11, 1785, IOR E/4/628, 491–624.
10. EIC (London) to Governor in Council (Fort William, Bengal), April 12, 1786, IOR E/4/630, 1–328.
11. EIC (London) to Governor in Council (Fort William, Bengal), March 27, 1787, IOR E/4/631, 77–866.

12. Commercial Department of the EIC (London) to Governor in Council (Fort William, Bengal), March 28, 1788, IOR E/4/633, 237–380.
13. Governor General (Fort William, Bengal) to EIC (London), January 10, 1788, IOR E/4/46, 387–400.
14. Ibid.
15. Governor in Council (Fort William, Bengal) to EIC (London), February 19, 1787, IOR E/4/45, not paginated.
16. Ibid.
17. Ibid.
18. EIC (London) to Governor in Council (Fort William, Bengal), July 24, 1796, IOR E/4/645, 435–568.
19. Governor in Council (Fort William, Bengal) to EIC (London), March 7, 1786, IOR E/4/44, 111–36.
20. Commercial Department of the EIC (London) to Governor in Council (Fort William, Bengal), March 28, 1788, IOR E/4/633, 237–380.
21. Department of Commerce of the EIC (London) to Governor in Council (Fort William, Bengal), June 6, 1810, IOR E/4/669, 37–56.
22. EIC (London) to Governor in Council (Fort William, Bengal), April 11, 1785, IOR E/4/628, 491–624.
23. Commercial Department of the EIC (London) to Governor in Council (Fort William, Bengal), July 2, 1794, IOR E/4/641, 507–620.
24. EIC (London) to Governor in Council (Fort William, Bengal), June 20, 1810, IOR E/4/669, 57–239.
25. Robert Fox and Agustí Nieto-Galan, eds., *Natural Dyestuffs and Industrial Culture in Europe, 1750–1880* (Canton, MA, 1999); Agustí Nieto-Galan, *Colouring Textiles: A History of Natural Dyestuffs in Industrial Europe* (Dordrecht, 2001); Engel, *Farben der Globalisierung*, 79–95.
26. John Joseph Beer, *The Emergence of the German Dye Industry* (Urbana, IL, 1959); Engel, *Farben der Globalisierung*, 96–113; Maurice Rayner Fox, *Dye-Makers of Great Britain 1856–1976: A History of Chemists, Companies, Products and Changes* (Manchester, GB, 1987); Johann Peter Murmann, *Knowledge and Competitive Advantage: The Coevolution of Firms, Technology, and National Institutions* (Cambridge, GB, 2003); Anthony S. Travis, *The Rainbow Makers: The Origins of the Synthetic Dyestuffs Industry in Western Europe* (Bethlehem, PA, 1993).
27. Alfred Bürgin, *Geschichte des Geigy-Unternehmens 1758–1939* (Basel, 1958).
28. Ernst Bäumler, *Farben, Formeln, Forscher: Hoechst und die industrielle Chemie in Deutschland* (Munich, 1989); Anne Nieberding, *Unternehmenskultur im Kaiserreich: Die Gießerei J. M. Voith und die Farbenfabriken vorm. Friedr. Bayer & Co.* (Munich, 2003).
29. Werner Abelshauser et. al., *German Industry and Global Enterprise: BASF: the History of a Company* (2003; Cambridge, GB, 2004).
30. Georg Meyer-Thurow, “The Industrialization of Invention: A Case Study From the German Chemical Industry,” *Isis* 268 (1982): 363–81; Willem J. Hornix,

“From Process to Plant: Innovation in the Early Artificial Dye Industry,” *The British Journal for the History of Science* 1 (1992): 65–90; Carsten Reinhardt, *Forschung in der chemischen Industrie: Die Entwicklung synthetischer Farbstoffe bei BASF und Hoechst, 1863 bis 1914* (Freiberg, 1997).

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33. For the returns on investment, see Pouchepadass, *Champaran and Gandhi*, 102–3.
34. Report to the Government of India, containing an Account of the Research Work on Indigo, performed in the University of Leeds, 1905–1907 by W. Popplewell Bloxam, Leeds 1908, 4, quoted in IOR V/27/624/16.
35. W. Brereton Hudson (Bedford) to Secretary to the Government of India, Revenue Department, March 2, 1900, IOR L/E/7/430, no. 805.
36. For an interesting interpretation of how the rise of the British consumer society connected to the public discourse on free trade versus protectionism, see Frank Trentmann, *Free Trade Nation: Commerce, Consumption, and Civil Society in Modern Britain* (Oxford, GB, 2008).
37. Wilhelm S. H. Gastrell (Berlin), Memorandum on reported measures against German trade in British India, March 2, 1900, IOR L/E/7/430, no. 805.
38. BASF, *Indigo rein* (Ludwigshafen, 1900), 5–6.
39. *Ibid.*, 8.
40. BASF had not undercut the planters by a considerable margin even as late as 1904: “The testing of indigo has been the subject of a very large number of investigations by experts during the last twenty years, and the general result has been to show that the relative values of the Bengal product and of indigotin (synthetic indigo) are approximately as 60 : 100 and the market prices (which may be taken as representing the opinion of practical dyers on this point) of the two products bear this out.” T. A. Henry (Imperial Institute, South Kensington) to T. W. Holderness, April 12, 1904, IOR L/E/7/500, no. 3165.
41. Anandi Ramamurthy, *Imperial Persuaders: Images of Africa and Asia in British Advertising* (Manchester, GB, 2003).
42. Memorandum of the Sirsiah Research Committee (Sirsiah Research Station), November 7, 1906, IOR L/E/7/522, no. 2662.
43. C. R. MacDonald (Manager Dowlatpore Concern, BPA) to Secretary of the Behar Planters Association (Mozufferpore), August 19, 1906, IOR L/E/7/522, no. 2662.
44. F. A. Shaw [Secretary of the Behar Indigo Planters Association] (Hale Place, Paddock Wood, Kent) to Under Secretary of State for India [T.W. Holderness], December 10, 1904, IOR L/E/7/524, no. 2941.

45. Memorandum of T. W. Holderness, December 2, 1904, IOR L/E/7/522, no. 2662, emphasis added.
46. BASF, *Indigo rein* (two editions, 1900 and 1907). For the courses, see Sydney Herbert Higgins, *Dyeing in Germany and America: With a Chapter on Colour Production* (Manchester, GB, 1907).
47. On patents: Margrit Seckelmann, *Industrialisierung, Internationalisierung und Patentrecht im Deutschen Reich, 1871–1914* (Frankfurt am Main, 2006); Jochen Streb et al., “Technological and Geographical Knowledge Spillover in the German Empire 1877–1918,” *Economic History Review* 59 (2006): 347–73. With a focus on the chemical industry: Arndt Fleischer, *Patentgesetzgebung und chemisch-pharmazeutische Industrie im deutschen Kaiserreich (1871–1918)* (Stuttgart, 1984); Murmann, *Knowledge and Competitive Advantage*. On trademarks: Elmar Wadle, *Fabrikzeichenschutz und Markenrecht: Geschichte und Gestalt des deutschen Markenschutzes im 19. Jahrhundert*, 2 vols. (Berlin, 1977–83); Mira Wilkins, “The Neglected Intangible Asset: The Influence of the Trade Mark on the Rise of the Modern Corporation,” *Business History* 34 (1992): 66–96.
48. Ernst Homburg, “The Emergence of Research Laboratories in the Dyestuff Industry, 1870–1900,” *The British Journal for the History of Science* 1 (1992): 91–111.
49. W. Brereton Hudson to Secretary to the Government of India, Revenue Dep., March 2, 1900, IOR L/E/7/430, no. 805.
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CHAPTER 3

“Cotton Guessers”: Crop Forecasters and the Rationalizing of Uncertainty in American Cotton Markets, 1890–1905*

Jamie L. Pietruska

In fall 1899, the crowd on the floor of the New York Cotton Exchange burst into laughter at the reading of a poem satirizing the crop estimates of Henry M. Neill, the decade’s most renowned and most vilified cotton forecaster. “Strange,” observed poet Mrs. B. W. Hunt, wife of a prominent Georgia farmer, “that this city farmer, regardless rain or shine ... makes crop that’s always ‘fine.’” When the Brazos River flooded, Neill predicted that cotton pickers wearing “diving suits” would harvest “an extra million bales” in Texas. Then when drought hit the rest of the South, Neill foretold, with a wink, a “monster crop” that meant “the price must further drop.” Neill insisted at the end of the poem—just as he had in August 1899—that the year’s yield would surpass eleven million bales and possibly even twelve. The poem concluded with this lament: “Oh, Mr. Neill, this cotton (so queer the south ne’er knew), / These phantom fleecy millions no planter picked but you.”¹ The “phantom fleecy millions” that Neill foresaw were no poetic fancy but rather the center of a decade-long struggle among southern growers, commercial forecasters, and the U.S. government to produce the most accurate and authoritative cotton statistics. Indeed, this poet’s swipe at Neill’s perennially bearish estimates reportedly encouraged, according to the *Arkansas Democrat*, “those who were fighting the south’s battle

against Mr. Neill,” a battle for control of the market in which predictions determined prices.²

This chapter focuses on the economic and epistemological consequences of cotton forecasting in the 1890s, a decade in which Henry Neill was widely regarded as the primary market mover. A recognized cotton authority in Britain by the 1860s, Neill achieved “cotton prophet” status on both sides of the Atlantic in the 1890s on the basis of his uncannily accurate predictions of the three largest yields in history. But Neill’s prophecies, in the context of plunging commodity prices and economic depression, came to represent the crisis in the cotton economy in the minds of southern growers who launched a campaign of statistical resistance designed to break Neill’s power over prices in what the *New York Tribune* characterized as a “battle of crop estimates.”³ The statistics produced by commercial forecasters, growers’ associations, and the federal government did not stabilize the value of cotton on the market or increase the perceived value of crop reporting, but rather combined to yield more, not less, market volatility.

This flurry of competing forecasts yielded an economic and epistemological crisis in the turn-of-the-century cotton market, a crisis that transformed bureaucratic and popular understanding of the cotton market as a locus of economic uncertainty. I argue that the predictive labor of these so-called “cotton guessers” ultimately led the federal government and the public to reimagine crop forecasting as no longer a late-century quest for statistical certainty that sought to conquer risk, but rather, by the early twentieth century, a mode of statistical judgment that acknowledged the persistence of unpredictability in its attempt to mitigate risk, thereby rationalizing uncertainty into modern agricultural commodity markets.⁴ I use the phrase “rationalizing uncertainty” in a dual sense to refer both to the attempt to impose statistical order and bureaucratic rationality on the uncertainty of future yields and to the process of conceptualizing such uncertainty as an inescapable part of crop forecasting in the early twentieth century.

Histories of commodity trading commonly focus on the savvy but unscrupulous speculator as a consistent source of market volatility and the object of a traditional moral critique of gambling.⁵ These accounts overlook the work of the crop forecaster as a market-manipulating statistical middleman who, like the speculator, sometimes profited at the expense of rural producers. This chapter demonstrates that crop forecasters clearly influenced the market by constructing and circulating the market information that speculators used to profit on agricultural commodity trading. Speculators wielded not objective economic data but rather dynamic and at times intentionally manipulated agricultural statistics that were produced by a combination of government statisticians, commercial interests, and farmers.

Statistically Legible Cotton

The outbreak of the American Civil War signaled not only an irreparable political crisis over slavery and sectionalism but also, in Britain, a crisis of predictability in cotton estimating. By the eve of the war, cotton textile production dominated global manufacturing, and American slave labor produced the overwhelming majority of cotton used by spinners in Britain and throughout Europe. Neill Bros., the cotton firm owned and operated by Henry Neill and his brother, William, predicted no easy or quick resolution to the hostilities and could not anticipate how much cotton the American South would produce, if it could be exported, and at what price. A combination of Confederate export bans and Union blockades—Henry Neill himself was caught blockade running off Charleston in 1862—shut off the flow of cotton from the South to Europe, causing the so-called “cotton famine” that plagued Lancashire and other European textile production centers with mill shutdowns, soaring unemployment, and food riots.⁶

Such an illegible cotton South rendered estimates of American yields “mere guesses,” as the Neills admitted in a December 1863 circular.⁷ After the war ended, Neill Bros. made the South partially legible again when it dispatched three reporters to assess the crop in the cotton states and then assembled their local observations into a cautious estimate of 1.5 to 1.8 million bales for the 1866–67 season.⁸ The value of yield estimates, tentative and otherwise, soared in the aftermath of the wartime “cotton famine” as a global network of cotton production and trade sprung up, linking growers and merchants from places like India, Egypt, and Brazil to the new structures of global capitalism. During and immediately after the war, as merchants and mill owners the world over sought, in Sven Beckert’s words, “a secure and predictable supply of inexpensive cotton,” private forecasters like the Neills and the U.S. Department of Agriculture’s Division of Statistics sought to render the supply of American cotton ever more predictable.⁹

The Neills’ method during the Civil War—aggregating field observations from local correspondents into published circulars—was essentially the same as that of other commercial forecasters and the federal government, but the scope of the latter’s reporting network was unrivaled. In 1863, the newly established USDA set up the first national crop-reporting service, housed within its Division of Statistics, which quickly became a sprawling information network that reached far into the countryside, where it extracted estimates of acreage and condition, then transmitted the raw data to the “center of calculation” in Washington, D.C., where clerks and statisticians busily tabulated, aggregated, averaged, weighted, and verified the figures into county, state, and national totals.¹⁰ By the turn of the century,

the USDA's network of crop reporters included full-time, paid, state statistical agents and volunteer county and township correspondents, with the vast majority of statistics on acreage and condition coming from individual volunteer correspondents, each of whom provided a snapshot of production on his own farm. All told, almost a quarter of a million correspondents submitting close to 2.5 million schedules each year comprised the USDA's crop-reporting enterprise by the early twentieth century.¹¹

And the Division of Statistics sent out even more reports than it received. At the turn of the century, the USDA distributed over 1.5 million copies of its thirteen regular and six special crop reports by telegraph and mail and also published its crop estimates in the approximately 1.5 million copies of the *Crop Reporter* that it printed.¹² The purpose of agricultural data collection, tabulation, and distribution on such a grand scale, according to USDA officials, was "to throw light on future conditions and do away, as far as possible, with uncertainties as to supply and demand."¹³ But the USDA's crop statistics were not explicitly predictive. In the late nineteenth and early twentieth centuries, its cotton correspondents reported on acreage and condition at the start of the growing season in May; on condition from June through September; and on average yield per acre, abandoned acreage, and cost of picking in November. In early December, the USDA published, by state, an estimated end-of-season yield that could then be checked against the yield totals tabulated from ginners' records by the federal census.¹⁴

The USDA found its cotton estimates assessed alongside those of numerous late-century institutions that circulated reports of current crop conditions and projections of the season's yield. In the early 1870s, the New Orleans Cotton Exchange's original superintendent, Henry G. Hester, established a local network of correspondents who furnished information on acreage, crop conditions, and weather conditions for the monthly reports that won him wide acclaim by the 1880s and a subsequent reputation as "a wizard in cotton statistics" and a "prophet [who] has honor in his own country."¹⁵ The U.S. Army Signal Service, the institutional home of the first national weather service, began issuing a free cotton region bulletin in the early 1880s based on telegraphed reports of temperature and rainfall from over 150 stations across the South.¹⁶ Credit reporting agency R. G. Dun & Co. had its own system for soliciting crop forecasts, as did its rival, the Bradstreet Agency. Bradstreet, lacking the federal government's hierarchy of crop reporters, mailed its circulars directly to cotton growers, factors, and buyers and asked them to submit their estimates of the season's yield.¹⁷ In 1893, Atlanta's Samuel M. Inman, head of one of the world's largest cotton brokerage firms, pronounced crop estimating "only a consensus of guesses.... Sometimes they hit it and sometimes they miss it. That's about the way it goes."¹⁸

"The Leading Statistician of the South"

By 1890, this array of crop forecasts had greater relevance to abstract commodity exchange than to actual delivery of physical goods as a result of the institutionalization of commodity futures trading, which dramatically reshaped financial markets in the last quarter of the nineteenth century.¹⁹ By 1900, New York and Chicago commodity exchanges traded a volume of agricultural futures seven times higher than that of the actual harvest.²⁰ As Jonathan Levy has illustrated, such a wrenching shift in the nature of commodity trading posed an epistemological "crisis" for late-century boards of trade, commodity exchanges, rural bucket shops (establishments for betting, but not trading, on exchanges), and the legal system, all of which struggled to make sense of a modern capitalist economy in which the physical transaction of capital for goods had been largely supplanted by an increasingly abstract cascade of transactions based not on current commodity prices but on predictions of future price differentials.²¹ While the Chicago Board of Trade waged an ultimately successful war on the bucket shops, antifutures sentiment infused the rhetoric of agrarian radicals, who railed against rampant speculation in the so-called "wind wheat" that had become irrevocably divorced from the fields in which it was actually grown.²²

Standing amid this late-century whirlwind of commodity speculation and government and private crop forecasts was "resident alien" Henry Neill, who achieved credibility on both sides of the Atlantic by maintaining what he characterized as a "close correspondence" by cable and mail with his brother in London throughout the late nineteenth century.²³ An Irish immigrant who came to New York at eighteen, Neill, along with his brother, William, founded in 1857 the firm of Neill Brothers, cotton merchants with offices in New Orleans, London, and Liverpool. Neill, who also worked as a cotton trader, was one of the earliest members of the New York Cotton Exchange and also a member of the cotton exchange in New Orleans, from where he exerted considerable influence on spot and futures markets in New Orleans, New York, and Liverpool. Newspapers hailed Neill as "the greatest cotton crop estimate expert in the world," "the leading statistician of the South," "the accepted authority on cotton," and, less effusively, "the cotton guesser." Neill counted at least one thousand subscribers—almost all of them in England—to his cotton letters, which he sent out four times each year, but his eagerly anticipated forecasts reached a far wider audience through newspaper coverage that often published long excerpts from his letters.²⁴

In the 1890s, Neill's forecasts circulated throughout an economy in which farmers stood little chance to profit in national or international markets as

they watched cotton and wheat prices continue their sharp slide.²⁵ The 1890s brought the largest cotton yields in history—8.6 million bales in 1890–91, 9 million bales in 1891–92, 9.9 million bales in 1894–95, 11.2 million bales in 1897–88, and then a record 11.27 million bales in 1898–99—and thus precipitous drops in price.²⁶ New York prices reached near-record lows in 1894–95 (5 $\frac{1}{16}$ cents), 1897–98 (5 $\frac{3}{4}$ cents), and 1898–99 (5 $\frac{5}{16}$ cents). After shipping costs, some growers bemoaned a price of less than 5 cents per pound.²⁷ “What are the causes of this depression in the price of cotton?” asked the *New Orleans Daily Picayune* in October 1897. “It is . . . not lack of demand, actual or prospective, which has caused the depression. The real trouble has been the estimate of Mr. Henry Neill forecasting the yield at 10,300,000 bales, and even more under favorable circumstances.”²⁸ In the minds of Neill’s critics, his predictions exerted a disproportionate influence on the cotton market throughout the 1890s:

Whenever he issued a bulletin the effect was startling. One blast from his horn has been known to knock the price of cotton down 50 points, which meant an apparent reduction of nearly \$20,000,000 in the value of the crop. The spinners had the most absolute faith in his predictions, and his influence so dominated the market that, regardless of what conditions might seem to indicate, the price of the south’s great staple was practically dominated by this one man’s opinion.²⁹

An Alabama newspaper expressed similar sentiments in 1899, pronouncing Neill the “dictator of the country’s chief export crop.”³⁰ And Neill could dictate prices without even publishing a circular: rumors of his forthcoming estimate or revision commonly moved markets in Liverpool, New York, and New Orleans.³¹

In a recent theoretical essay on the USDA’s agricultural statistics in the 1920s and 1930s, Emmanuel Didier critiques the category of performativity for its implication that agricultural statistics wholly create the conditions of the agricultural economy, rather like “the waving of some magic wand.”³² But Henry Neill’s late-nineteenth-century contemporaries understood cotton forecasting in precisely those terms. Neill was widely regarded as a wizard of the cotton exchange, an immensely powerful figure whose cotton letters—presented in the language of economic rationality—had seemingly magical effects. Neill, whom newspapers commonly referred to (both approvingly and pejoratively) as a “prophet,” was depicted by his detractors at the *Atlanta Constitution* as something of a sorcerer “whose word was magic.” Recalling “a time when the name of Neill was something to conjure with, and when

the farmers of the land stood in awe of him," the *Constitution* lamented, "When Neill waved his hand prices subsided ... and the lights went out."³³

Not surprisingly, British investors and spinners cheered Neill's consistently optimistic crop estimates. In March 1894, a letter to the editor of the *Manchester Courier* offered this profession of faith in the New Orleans cotton prophet: "Do you believe in Henry Neill?" a man asked me the other day. 'He is not only the best crop authority,' I replied, 'but there is absolutely no other. Lancashire is indebted—has been again and again highly indebted—to Mr. Neill.'³⁴ But not everyone believed in Henry Neill. Indeed, cotton growers, commercial traders, and southern newspaper editors in the United States grew increasingly critical of his influence throughout the decade.³⁵

The "Alleged Statistician" of Liverpool

The final two cotton seasons of the nineteenth century marked the dramatic conclusion of Henry Neill's reign, the end of what the *Atlanta Constitution* lamented as "the domination of the English autocrat of New Orleans over the cotton market."³⁶ In 1898, growers planted just under 25 million acres, the most ever and nearly 650,000 acres more than the previous year.³⁷ Neill's circular of August 3, 1898, "assured" a crop of at least 10.5 million bales and suggested a strong possibility of between 1 and 1.5 million more.³⁸ Neill's November estimates indicated between 11.75 and 12 million bales, then climbed to 12.15 million (assuming a mild winter), and peaked at 12.25 million bales. As Neill's numbers climbed, cotton prices plummeted, sinking to near-record lows in December and forcing southern growers, who had no leverage in such a market, to part with the bulk of their crop for less than five cents a pound in certain areas.³⁹

British buyers could name their price in 1898, until an unbelievably harsh winter set in, with the South suffering record low temperatures and crop damage that ran into the millions. The cotton crop, too, sustained heavy losses.⁴⁰ But in the eyes of some cotton watchers, the destructive winter weather did not mask the underlying explanation for the falloff in cotton receipts throughout the South: the prophecies of Henry Neill. In March 1899, the *New York Sun* proclaimed:

the truth can no longer be concealed that the diminished movement of cotton is due to exhaustion, and that the cotton crop of 1898–99 has been grossly overestimated; that the prophecy of Mr. Neill of a 12,000,000 bale crop, which was the ground for this expectation, was simply a reckless guess; and that the fright caused by this great exaggeration led the

American cotton planter to sell his cotton for millions of dollars less than it was worth.⁴¹

The *Sun*'s complaint was confirmed when railroad and shipping receipts were totaled: the crop for 1898–99, though not Neill's 12 million bales, was still a record 11,274,840 bales. It surpassed the previous year's crop by only 74,846 bales, but its market value was an estimated \$14,024,371 less. Cotton growers in 1897–98 averaged 5.71 cents per pound for their 11 million bales of cotton, but only 5.27 cents the following year.⁴²

Despite impassioned assertions in the press that "one failure exposes the prophet" and that "Neillism had been disproved" in the 1898–99 season, Neill's prophecies continued to command attention.⁴³ The 1899–1900 season marked the first time that the United States eclipsed Britain in the consumption of raw cotton (as a result of the surge in domestic textile demand for department store and mail-order sales), but, as a Division of Statistics official noted in retrospect, "the most extraordinary feature of the year was the wide range of prices from the beginning to the close of the season."⁴⁴ Opening spot prices in September 1899 hovered around six cents per pound but rose to around nine and a half cents per pound by the end of August 1900.⁴⁵ Such variability was due in no small part to the dueling crop estimates of the USDA's Division of Statistics and Henry Neill. As the secretary of the New Orleans Cotton Exchange Henry Hester observed in September 1900, the wide range of cotton estimates that year—from 8.5 million to over 11 million bales—was extraordinary.⁴⁶

To open the season, the Division of Statistics issued acreage and condition figures that were translated into a likely yield of 9 to 9.5 million bales for the year. Henry Neill disagreed, issuing an August 1899 circular that predicted a record 12 million bales, citing optimal temperature, rainfall, and growth that would "make a great crop certain, no matter how early a frost should come."⁴⁷ A North Carolina newspaper reported "little confidence" in Neill's forecast, and in mid-August the president of the New York Cotton Exchange discounted Neill's estimate, protesting, "I don't see how Mr. Neill or any other man can pretend to say this early in the year what the crop will be.... The possibilities of the crop, when all conditions are favorable, are almost infinite, but account must be taken of possible droughts, scorching temperature and other things likely to hurt the crop."⁴⁸ And according to some commentators, such unpredictable natural forces were far less injurious than Neill's soaring estimates. As an Alabama newspaper fumed in early September 1899, "Henry Neill has damaged the cotton farmers more than all the boll worms, rust, floods and drouths. By the time Neill dies with old age the cotton men will learn that he was always influenced by private gain.

Neill is a professional bear.⁵⁴ Although the American press considered Neill an exclusively bear-market forecaster, he occasionally issued bullish estimates.⁵⁵ But Neill professed statistical objectivity in an 1895 interview, declaring, "I do not issue estimates as a bull or a bear, but as an estimator anxious above all to maintain my reputation for accuracy in my forecasts."⁵⁶

On September 10, 1899, the Division of Statistics reported condition figures that were the second-worst ever for early September, 68.5 percent, the lowest but for the 64.2 percent average in September 1896.⁵⁷ Two days later, Henry Neill insisted that his 12-million-bale prediction was correct, arguing that the previous year's weather and yield were indeed comparable to the present year's. Unwilling to back down, Neill, in a September 29 cable to his London office, blamed New York brokerage houses for issuing conservative reports that compelled southern growers to withhold their cotton from the market. Neill maintained that the weather remained ideal, picking extensive, and the grade high.⁵⁸

The Division of Statistics' condition report worsened in early October 1899, but Neill held firm.⁵⁹ He issued a circular that again compared current conditions to the previous year's, in which a drought still produced a large crop.⁶⁰ Division of Statistics cotton expert James L. Watkins would later report that Neill's insistence, on the very same day, of "at least 11,000,000 bales certain" as a "Minimum Estimate" was intended "as if to break the force of such [government] announcement."⁶¹ Of course, Neill was not the sole influence on the American cotton exchanges—declining Liverpool prices and the impending Boer War also depressed the market—but the *Dallas Morning News* identified the "real" cause of declining prices as "the promulgation of a circular by Neill, in which he says a crop of 11,000,000 bales is assured."⁶² The *Houston Post* counted this forecast among Neill's "outrageous and inexcusable prophecies," pointing to a consensus of only 9 to 10 million bales at most.⁶³ Commercial forecasters shared the frustrations of Watkins and the press. In mid-October the New York firm of Atwood Violett fired back in its cotton letter, castigating Neill as the worst "conspirator against the South."⁶⁴

What the *Atlanta Constitution* had previously denounced as Neill's "fabric of guess work" unraveled in late October 1899 when the USDA put Neill's numbers under scrutiny.⁶⁵ Division of Statistics head John Hyde was asked to evaluate Neill's use of U.S. Weather Bureau rainfall data as evidence that a drought in August and September 1898 had not had an adverse effect on the 1897–98 crop, which was nearly 2.5 million bales larger than the previous year's and 1.3 million bales larger than the previous high of 1894–95. The 1899–1900 crop, so Neill's logic went, would undoubtedly be

even larger.⁶¹ But Neill's predictive estimate based on retrospective rainfall statistics, his mixing of prophecy and history, proved to be his undoing.

Upon comparing the Weather Bureau's original rainfall figures with Neill's, Hyde concluded that Neill had manipulated the bureau's tabulations to suit his argument. Neill had selectively assembled a patchwork of rainfall statistics for the Atlantic and Gulf Coast states from July, August, and September 1899 in order to mislead nervous buyers into believing that the present year's rainfall was in fact significantly greater than that of 1897 and that drought was not a present danger.⁶² The opposite was true, as Hyde pointed out. All but three cotton states had experienced less rain in August and September 1899 than they had two years earlier.⁶³

Hyde tried to recreate Neill's calculations but failed, since Neill had not specified which Weather Bureau stations had reported the rainfall statistics he cited or which states he had assigned to which region. Hyde did determine, however, that Neill had included rainfall figures from the last week of July in his tabulations for August and September, a bit of arithmetical sleight of hand that boosted the 1899 rainfall totals for the Atlantic and Gulf Coast states higher than those of 1897.⁶⁴ In the following days, a storm of anti-Neill sentiment burst forth in the pages of the *Atlanta Constitution*, which crowed, "Mr. Neill must have invented his rainfall to suit his own purposes. His figures were grossly incorrect, and his rainfalls were mythical."⁶⁵ But Neill defended his comparison to the 1897–98 crop as "perfectly logical and proper," insisting that late July and October rainfall of the current season had minimized the crop damage that was, overall, "less serious than in 1897."⁶⁶

Neill's rebuttal did not dissuade the producerist *Atlanta Constitution* from denouncing him as a "commercial Judas, who undertook to deliver the hard-working producers into the hands of sharp men, who were as expert with trading conditions as the farmer was ignorant of them."⁶⁷ From the barrage of the *Constitution's* epithets—"an enemy of the public welfare," a "prophet [who] is an agent of evil," "a demon of destruction"—emerged a two-pronged attack on Neill for wreaking havoc on the cotton market.⁶⁸ First, the *Constitution* condemned him for making fraudulent predictions, for "cloth[ing] Falsehood in the garb of Fact." Second, it pronounced him "the alleged statistician" who relied not upon "ascertained facts" but on "empty probabilities" that compelled growers to sell their crop below true market value.⁶⁹

Undeterred by Hyde's investigation in late October 1899 and the *Constitution's* subsequent reports of his statistical impropriety, Neill stood firm. On November 10, the Division of Statistics released its first end-of-season estimate of a "maximum of 9,500,000 bales," and four days later, Neill Bros. issued a statement that Neill had "not reduced his former

minimum estimate of 11,000,000 by a single bale.”⁷⁰ In the closing days of November, Neill explained away the reality of lower-than-expected cotton receipts by blaming growers for holding their cotton off the market for higher prices.⁷¹

On December 10, 1899, the Division of Statistics reported that the year’s crop would not exceed 8.9 million bales, but Neill held at 11 million. By January 1900, after most of the crop had gone to market and Neill’s forecast of eleven million bales clearly appeared to be off the mark, Neill claimed that planters were still holding a considerable amount of cotton off the market and thereby adjusted his figure to a minimum of 10 million bales.⁷² Neill’s insistence, from August 1899 through the turn of the century, on an improbably high yield had its greatest effect on southern planters, who sold most of their crop in the first half of the September-to-September commercial cotton year. USDA statistician James Watkins later lamented that the federal government’s estimates were no match for Neill’s when it came to affecting the market, and thereby cost growers “two to three cents per pound.”⁷³ Neill’s false cotton prophecies in the fall of 1899 cost some southern growers their profits and him his reputation as “the great cotton crop authority of New Orleans.”⁷⁴

Neill’s 11-million-bale estimate was more than 1.5 million bales over the final 1899–1900 yield: 9,436,416 bales.⁷⁵ His insistence upon a meaningful comparison between the current crop and the previous year’s had been disproven twice by USDA statistician John Hyde, first, in theory, when Hyde uncovered Neill’s manipulation of Weather Bureau rainfall totals, and second, in actuality, when the Division of Statistics recorded the current year’s crop as 2,046,367 bales less than the 1898–99 crop.⁷⁶ After Neill’s exposure as a false cotton prophet, prices rose dramatically. The value of the 1899–1900 cotton crop was nearly \$30 million more than the previous year’s 11.3-million-bale crop, with New York prices averaging 8.69 cents per pound in 1899–1900, as compared to 6.00 cents the previous year.⁷⁷

Henry Neill and his fellow commercial forecasters were not alone in influencing prices on commodity exchanges. The federal government’s crop reports, as USDA statistician George K. Holmes admitted at the Grangers’ state convention at Brandywine Springs, Delaware, in September 1900, occasionally drove prices higher or lower.⁷⁸ Holmes’s words rang especially true three months later, when the Division of Statistics’ December 10 report put the past season’s yield at 10.1 million bales, a full 500,000 bales higher than expected, throwing the New York Cotton Exchange into a frenzied sell-off in which prices fluctuated so quickly that they defied recording.⁷⁹ Perhaps chastened by his recent exposure as “the great fakir of cotton estimates,” Henry Neill issued an estimate of 9.6 million bales, lower than

most commercial estimates, which averaged 9.75 million bales.⁸⁰ When the Division of Statistics figures were released at noon, brokers raced to unload their contracts for January delivery and prices plummeted. In the ensuing minutes of chaos, cotton lost two dollars a bale, and across the trading floor, “half a dozen prices were quoted for the same month at the same instant.” As the *Dallas Morning News* headline blared, the “Cotton Pit Was Wild.”⁸¹

Statistical Resistance

Henry Neill’s market manipulations in the 1899–1900 cotton season spurred southern growers to renewed collective action. Georgia county chapters and the Alabama state chapter of the Cotton Growers’ Protective Association were established in summer 1900, when as the *Macon Telegraph* announced, a “great movement seems to have spread like wildfire over the cotton planting regions.”⁸² Orchestrating this movement was Harvie Jordan, president of the Georgia Cotton Growers’ Protective Association and architect of an agenda of statistical resistance. That summer, Jordan issued broadsides outlining his plan to establish county suborganizations that together would function as a local version of the USDA’s national crop-reporting network.⁸³

Jordan sought to mount a statistical defense against Henry Neill and his fellow bear-market cotton forecasters. “The object of the movement,” Jordan declared, “is first to obtain correct, statistical information in regard to the cotton crop.”⁸⁴ Such information would be collected weekly from cotton ginners and secretaries of the suborganizations and, once tabulated, would provide accurate figures of weekly sales as well as forecasts of total yield. Jordan asserted that “[t]his information will cover facts, and will check the annual false estimates sent out by such men as Neil [sic], who last season, caused the farmers of the South to lose over a hundred million dollars in the sale of their cotton at low prices.”⁸⁵

But Jordan did not believe that equipping growers with statistics alone would be enough to “break the shackles … to Wall Street and Liverpool gamblers,” as he put it.⁸⁶ He also secured the financial support of the Georgia Bankers Association in creating a local subtreasury that provided credit to growers at 75 percent of their cotton’s market value, thereby allowing growers to put their crop in warehouses, off the market, and wait for prices to rise.⁸⁷ The Alabama Cotton Growers’ Protective Association organized an identical statistics and subtreasury initiative in July 1900, and letters came flooding in from across the South in support of Jordan’s vision.⁸⁸ Jordan also traveled extensively, urging growers to establish local branches of the Cotton Growers’ Protective Association and market their cotton gradually to attain the elusive ten cents per pound.⁸⁹ By late August 1900, the growers’

movement had taken root throughout Georgia, with a reported majority of the state's counties having their own branches.⁹⁰

By October 1900, with the Cotton Growers' Protective Association strong in Georgia, Alabama, and South Carolina, Jordan urged the establishment of a centralized bureaucracy to coordinate the collection and distribution of thousands of crop reports.⁹¹ In February 1901, the Interstate Southern Cotton Growers' Protective Association was formally established by representatives from Georgia, North Carolina, South Carolina, and Mississippi, who elected Jordan president and tasked him with organizing state conventions throughout the South. The new interstate association articulated three primary purposes, the first of which was "to gather and distribute all information possible, and especially statistical information" on the cotton crop.⁹² A public relations committee would ensure that the association's message regularly reached editors and newspaper reporters, urging frequent publication of cotton statistics and reminding growers to hold back some of their crop at the start of the season (from September to January) in order to prevent a bearish surplus.⁹³ The *Atlanta Constitution* had high hopes for the burgeoning association, proclaiming that "[i]t is expected ultimately to organize what will develop into the greatest bureau of cotton statistics the world has ever known."⁹⁴

The *Constitution's* prediction was not accurate. The Cotton Growers' Protective Association, never a powerful agricultural statistics bureau, was supplanted by the Southern Cotton Association, itself in existence only from 1905 to 1908.⁹⁵ But the newspaper record of Harvie Jordan's public activities reveals that the Cotton Growers' Protective Association indeed began to build a local reporting network that functioned for at least a year or two. More importantly, the association's avowed statistical resistance to an unpredictable market—and Henry Neill's predictably high forecasts—set off a chain of events that shaped a new understanding of modern agricultural commodity markets as arenas of economic uncertainty.

Understanding the Modern Cotton Market

An uncommonly volatile cotton market in the first decade of the twentieth century provided fertile ground for public and governmental debates over crop forecasting. These debates emerged from a resurgence of cotton growers' collective action, a high-profile "cotton leak" scandal within the Bureau of Statistics, and investigations of the federal government's crop estimating work. Congressional leaders, USDA bureaucrats, cotton growers' and manufacturers' associations, and the press all sought to measure the economic and social value of crop reports in a cotton market that was becoming

increasingly difficult to predict. When the *New York Times* wondered in July 1905, “Are Crop Reports Worthless?” (and concluded otherwise), it acknowledged the inescapable uncertainty of the crop-reporting enterprise, pronouncing it “folly to expect anything like uniformity or accuracy from thousands of scattered observers describing things as they see them over millions of acres.”⁹⁶

Many estimates proved worthless in a predictably unpredictable early-twentieth-century cotton market characterized by dramatic price fluctuations, large crops, and increasing acreage. Yields surpassed 10 million bales each season from 1900 to 1904, which drove average New York prices above ten cents per pound in 1902–03 and 1903–04, as well as from 1905 through 1908, but the range of prices in all those seasons was much wider than it had been in the previous decade. As the southern cotton economy rebounded, with prices soaring—up to 17 cents a pound in early 1904—growers planted ever more acreage, and in 1904, 30 million acres planted yielded a record 13.6 million bales.⁹⁷ But the record crop depressed prices, down to 6 to 7 cents a pound by the end of 1904. In January 1905, Harvie Jordan exhorted New Orleans growers to aim for acreage reduction of between 25 and 40 percent in the 1905–06 season, an appeal resulting in a substantial acreage reduction of 13 percent that brought average prices up over 2 cents per pound in 1905.⁹⁸

In 1905, the Southern Cotton Growers’ Association had a hand in not only bringing about reduced acreage and higher prices but also bringing to light a sensational story of cotton-report corruption—often alleged but always unproven at the turn of the century—with the Bureau of Statistics.⁹⁹ The association discovered that its condition reports were significantly lower than the Bureau of Statistics’ monthly estimates, by 7 percent in May 1905. The association then conducted an inquiry that uncovered an informant who divulged the details of the so-called “cotton leak” scandal within the Bureau of Statistics, and the association’s secretary advised Secretary of Agriculture James Wilson that he had uncovered a cotton report conspiracy.¹⁰⁰

Sensational details of the scandal and the subsequent trial were splashed throughout daily newspapers, and President Theodore Roosevelt, upon learning of the results of Secretary Wilson’s initial investigation, urged swift and vigorous prosecution of the USDA statistician who had leaked and falsified cotton reports for the benefit of speculators.¹⁰¹ Roosevelt then put the entire federal crop-reporting system—both the USDA’s Bureau of Statistics and the Census Bureau’s agricultural statistics—under scrutiny in June 1905, when he approved the creation of the Committee on Department Methods, commonly known as the Keep Commission after its head, Assistant Treasury Secretary James H. Keep. The Keep Commission’s investigation of every executive department, bureau, and division of the

federal government from 1905 to 1909 sought to modernize government business practices and ensure operational efficiency in order to, as Roosevelt put it, "put the country's housekeeping in order."¹⁰²

As the Keay Commission began its inquiry in the wake of the "cotton leak" scandal—and crop reporting was the subject of one of its special investigations—Secretary Wilson mandated reforms designed to thwart any subsequent attempts at falsifying or leaking crop reports. The most significant of these measures was the formation of a crop-reporting board, a committee of four from the Bureau of Statistics that would assemble in Washington, D.C., under the watchful eye of the secretary or assistant secretary of agriculture, who would look on as each member first calculated his own crop estimates individually before the entire committee agreed upon the final figures. No longer would a USDA statistician be able to single-handedly manipulate crop reports before their public release.¹⁰³

After the formation of the crop-reporting board, the American Cotton Manufacturers' Association, on behalf of growers who desired lower acreage estimates, called for a recalculation of the Bureau of Statistics' June 1905 acreage figures.¹⁰⁴ At noon on July 26, 1905, the crop-reporting board released revised acreage statistics that revealed that the chief statistician John Hyde, under the influence of the corrupt assistant statistician, had unwittingly overestimated the year's planted acreage: the current acreage represented a 14.9 percent decrease from the previous year, not the 11.4 percent decrease that had initially been reported (a revision on the order of 500,000 bales).¹⁰⁵

The revised acreage figures had an instant impact on the New York Cotton Exchange, sending futures contracts for October delivery soaring, but they did not comport with other widely circulated estimates. The *New York Journal of Commerce and Commercial Bulletin* indicated an acreage decrease of 12.3 percent, and cotton growers pointed to an 18 percent decrease. According to economist Henry Parker Willis, the ostensibly corrected acreage did not inspire public confidence in the beleaguered Bureau of Statistics but rather had the opposite effect of a "discrediting influence."¹⁰⁶

Willis's assessment proved accurate. In late September 1905, the New England Cotton Manufacturers' Association implored Roosevelt to investigate the USDA's crop-reporting service on the grounds that "the unreliability of Government crop reports and the leaks in the Bureau of Statistics have tended to increase speculation in cotton futures."¹⁰⁷ In late November 1905, the *New York Times* pronounced the recent months "a season of confusion" for the cotton markets. The headline identified the source of the confusion: "Wide Differences in Government and Expert 'Mathematical Crops'—Estimates and Facts." The article cited three different yield forecasts: 9,588,000 bales

from the Southern Cotton Association, 10,900,000 bales from well-respected broker Theodore H. Price, and a characteristically high estimate of 11,500,000 bales from Henry Neill. Such a range of estimates was, the *Times* concluded, an appropriate end to the season of dramatic and unpredictable events: the “cotton leak” scandal, the revised acreage estimate, and the continued discrepancies between Census and Bureau of Statistics crop reports.¹⁰⁸ The publication of contradictory condition figures from the Bureau of Statistics and ginning estimates from the Bureau of the Census throughout October and November 1905 sent prices bouncing wildly up and down on the New York Cotton Exchange. As the *New York Evening Post* wryly observed, “no faro-table ever presented such alluring uncertainties as this season’s movement of cotton values.”¹⁰⁹

These cotton market uncertainties gained the attention of lawmakers in December 1905, when the House Committee on Agriculture held hearings on a resolution proposed by Massachusetts congressman William C. Lovering, himself a prominent cotton manufacturer, who sought revised figures from the USDA for its December yield estimate of 10,167,818 bales (since the December estimate, much lower than the previous year’s production, was based on July’s revised acreage estimate).¹¹⁰ Lovering denounced bureau statistics on cultivated, abandoned, and net acreage as mere “guesses, or an average of guesses, possessing all the elements of uncertainty and subject to the whims and environments of the agents located in many thousand places.”¹¹¹ Alabama congressman Henry D. Clayton argued on behalf of growers that the bureau’s cotton guesses were preferable to none at all and thus a purely private cotton estimating industry:

If the Government does not make these estimates, or guesses, as he [Lovering] calls them, and refrains from saying anything at all, and abolishes this Bureau of the Agricultural Department, everybody knows that the great commercial interests of the country will engage in guessing for themselves. That is, the different people, like ... Neal [sic] and others, will go on guessing, and it is better that the Government should do the guessing than that each individual, responsible to nobody, should do it.¹¹²

Lovering’s resolution sought a seemingly straightforward bureaucratic solution to a statistical problem—the recalculation of the USDA’s December yield estimate—but the hearing produced discussion of a thornier epistemological problem—the limits of estimation in the pursuit of an elusive statistical certainty.

Lovering and his congressional colleagues were not alone in grappling with the epistemological uncertainties of agricultural commodity markets in 1905. That year, the Chicago Board of Trade's crusade against what it deemed the illegitimate gambling of rural bucket shops culminated in the Supreme Court ruling in *Board of Trade v. Christie*, which confirmed the legality of organized futures trading but disallowed bucket-shop speculation. "Speculation of [the former] kind by competent men," wrote Justice Oliver Wendell Holmes, Jr. in favor of the board, "is the self-adjustment of society to the probable."¹¹³

The Bureau of Statistics was at the same time beginning its own self-adjustment to the probable, a shift first articulated by the Keep Commission in its January 1906 findings on federal crop reporting. The commission concluded that the bureau's cotton estimates generally did not deserve the harsh criticism they had received, but that the rest of the bureau's crop estimates should be significantly improved or discontinued. Some of the Keep Commission's recommendations focused on eliminating redundancy and increasing efficiency between the Bureau of Statistics and the Bureau of the Census, while other recommendations sought to redefine government crop reporting as a necessarily inexact enterprise.¹¹⁴

Uncertainty had a place in the Bureau of Statistics, the Keep Commission acknowledged, both in the nature and the communication of its work. Predicting a crop's future was by definition an uncertain venture, the commission noted: "To determine from the condition of a growing plant its probable productiveness ... the use of judgment and the making of a more or less uncertain estimate of future yield is the best that can be done."¹¹⁵ The commission also recommended that when publishing monthly condition figures—a percentage reported to the nearest tenth (for example, 74.9)—the bureau should provide to the public only a whole number and abandon the decimal places that implied "mathematical exactness by a mathematical process."¹¹⁶ Most significantly, the commission urged the bureau to convert its cotton condition figures into total prospective yield in bales rather than let commercial forecasters and speculators translate condition reports into often conflicting forecasts.¹¹⁷ But cotton yield forecasting would be an inherently uncertain endeavor in the estimation of the commission, which issued a concluding recommendation that the bureau abandon the mantle of "statistics" for reasons both bureaucratic and epistemological: the Department of Commerce and Labor already had its own Bureau of Statistics, and the work of reporting on crop conditions was by definition not statistical in nature. Crop condition reports "are not statistics, but estimates," the commission declared, and it ended its report with an

acknowledgement of inevitable inaccuracy in predicting crop yield early in the growing season.¹¹⁸

Bureau of Statistics officials came to agree with the Keep Commission's findings (as well as the recommendations of a USDA committee to improve crop reporting), and in 1914, the Bureau of Statistics was renamed the Bureau of Crop Estimates to "indicate to the public more clearly the real nature of its work," as Chief Leon M. Estabrook subsequently put it.¹¹⁹ The real nature of the bureau's work was not the compilation and publication of immutable statistical certainties but rather the assemblage of a predictive aggregation of approximations. Indeed, Secretary of Agriculture David F. Houston initially wanted to rename the bureau the "Bureau of Agricultural Forecasts." Although the USDA's cotton reports had always functioned as de facto forecasts in the hands of the commodity exchanges, commercial forecasters, and speculators who converted the government's monthly condition reports from base ten into a probable seasonal yield in millions of bales, it was not until 1911 that the bureau decided to issue its own quantitative yield forecasts for an array of major crops.¹²⁰

But cotton was not among them. When the USDA's crop-reporting board made its first official forays into quantitative yield forecasting, it steered clear of cotton. "[T]ry it out on grain before you touch cotton; because cotton is dynamite," Secretary of Agriculture Wilson reportedly warned USDA statistician Nat C. Murray, and the crop-reporting board tested its predictive powers on easier ground, making quantitative yield forecasts for wheat, oats, corn, tobacco, and rice from 1912 to 1914, when it issued its first official cotton forecast in the newly established *Agricultural Outlook*.¹²¹ The USDA's quantitative yield forecasting marked a decisive epistemological shift toward the rationalizing of uncertainty in the federal government's production of predictive agricultural statistics.

In 1912, Bureau of Statistics chief Victor Olmsted acknowledged the inherent uncertainty of not just cotton forecasting but crop reporting more generally:

The reports issued from month to month do not purport to be other than estimates ... Every quantitative estimate of the bureau, whether relating to acreage and production of crops or numbers of live stock, is nothing more than a consensus of judgment of many thousands of correspondents and a limited number of agents.¹²²

Thus the chief of the Bureau of Statistics, with his characterization of crop estimates as "a consensus of judgment," formally signaled the end of the USDA's bureaucratic pursuit of statistical certainty and publicly cleared a space for uncertainty in the federal crop-reporting service.

Notes

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1. Quotations in "Cotton Crop of Mr. Neill," *Arkansas Democrat*, November 28, 1899; Georgia Department of Agriculture, *Georgia: Historical and Industrial* (Atlanta, GA, 1901), 255.
2. "Cotton Crop of Mr. Neill," *Arkansas Democrat*, November 28, 1899.
3. "Heavy Fall in Cotton," *New York Tribune*, October 20, 1895.
4. I am indebted to Jonathan Levy for his helpful comments on late-century modes of statistical judgment more broadly.
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CHAPTER 4

Mail-Order Doctors and Market Research, 1890–1930

Daniel J. Robinson

In 1910, James Rainey and Louen V. Atkins operated the “Dr. Rainey Medicine Company” in Chicago, a mail-order patent medicine company selling Vitaline, a cure-all for conditions like catarrh and “blood troubles.” The company’s ads ran in low-cost magazines and rural weeklies. After a series of business disputes, Rainey left the partnership and opened a rival operation in the same building called “Dr. James M. Rainey, incorporated.” The similar names created confusion, resulting in Atkins cashing a customer’s money order most likely intended for Rainey’s new operation. When Rainey demanded the return of this payment, Atkins accused him of poaching the customer’s name from the mailing list of their former partnership. Rainey countered that the name had come from a list purchased from a “letter broker,” agents who bought and sold customer letters sent to patent medicine firms. An argument erupted and violence ensued, culminating in Rainey shooting and killing his former business partner. Fortunately for Rainey, a jury later acquitted him, citing self-defense. During court proceedings, it was revealed that Rainey and Atkins, both jointly and separately, had dealt with letter brokers, in the process buying and selling thousands of names, addresses, and—in some cases—the actual letters of people corresponding with proprietary medicine firms. While a common industry practice by 1910, the case, an American Medical Association official maintained, still managed to shine a “search-light of publicity into the dark and noisome pit of quackery.” The AMA writer speculated as to the “chain of events” leading up

to the killing: “a poor, humbugged victim—probably a woman—who had at some time written to a conscienceless quack hoping for relief from some imaginary or real ailment; after being ‘worked’ to the extent of her purse and being no longer profitable prey, her letter is sold to the ‘brokers.’”¹

This chapter is also concerned with the “chain of events” involving the marketing of mail-order patent medicine firms, if less so the underlying moral indignation of Progressive-era critics seeking to reform the industry. Correspondence between customers and patent medicine makers became the building blocks of an early form of consumer-based market research, arguably one of its earliest iterations in American business history. Patent medicine dealers actively solicited letters from people, many of whom wrote seeking medical advice for ailments. Others provided product testimonials as satisfied consumers, and since testimonial ads featuring ordinary people were a staple of the industry, these endorsements were actively recruited and carefully referenced by nostrum makers. Correspondents completed and mailed in “symptom blanks” itemizing their medical problems. The letters, some batches numbering in the tens of thousands, were categorized by disease and other demographic variables. Many of these letters were later sold to letter brokers, intermediaries who in turn sold or rented them to other patent medicine concerns in search of new customers. These “data” facilitated forms of direct marketing, allowing firms to target by mail those people most likely to be interested in a given remedy and not waste time and money on healthy people or those suffering from other illnesses. It traded the shotgun approach of newspaper advertising for the precision and intimacy of one-to-one, direct-mail marketing. These letters, order forms, and symptom blanks constituted a two-fold system of commercial exchange. The company earned profits from the initial sale and, in some cases, subsequent sales resulting from follow-up correspondence. And this personal information (names, addresses, diseases, symptoms), when no longer of use to the originating firm, was then remonetized when sold to letter brokers. The mail-order patent medicine industry was an early example of “marketing capitalism” in which organized data and systematic knowledge of consumers functioned as commodities for commercial exchange.²

Business history treatments of patent medicines in the nineteenth and early twentieth centuries have focused mostly on advertising and less so on other marketing activities within the sector.³ There is good reason for this, given the industry’s robust and long-lasting embrace of advertising. Patent medicines formed the largest block of advertisers, comprising nearly half of newspaper advertising in 1860 and about one-third of it in 1890. The industry’s advertising-to-sales ratios were extraordinary, often topping 40 percent in an era when 10 percent was considered high. Manufacturers flexed their

collective muscle in the industry's lobby group, the Proprietary Association of America, and individually with "red clause" advertising contracts with newspapers that nullified agreements if legislation harmful to the industry passed at the state or local level. The effect was to bolster editorial support for nostrum makers. Proprietary medicines were among the first to advertise nationally and proved pioneers in the use of trademarked, branded goods. Along with newspapers, patent medicine ads were ubiquitously placed on trade cards, billboards, barns, almanacs, calendars, and even rock faces. This advertising broke new ground in the use of the "psychological lure," employing symbolism, allegory, and rich imagery, which contrasted sharply with the staid prose of the classifieds and still product shots featured in retailing promotions, the two other staples of newspaper advertising. Proprietary remedies, Richard Ohmann notes, were among the first products to advertise in a "modern way,"⁴ and they often did so in a sensational and eye-grabbing style. One contemporary's sarcastic advice for launching a patent medicine is telling: "To begin with, you need some money to be sunk in advertising. Next you need a good advertising manager ... and lastly, of course, you need a formula, but that is of mighty small importance compared with the other two elements of the business."⁵ The term "advertising doctor," not surprisingly, was used interchangeably with "patent medicine promoter."⁶

While advertising loomed large, this chapter takes its cue from James Harvey Young's observation on the quotidian ways in which patent medicine promotion intersected with the typical American, "as he read his mail, as he perused the paper, as he strolled the streets, as he traversed the countryside."⁷ The focus here is on mail-order patent medicine operations and how written correspondence engendered new forms of marketing and opportunities for commercialization.⁸ Many advertised remedies were not available in retail outlets, only directly from the manufacturer. More importantly, mail-order business gave rise to marketing practices and forms of commercial exchange that would not have transpired had these transactions occurred anonymously in stores. The primary elements of the mail-order patent medicine trade—testimonial advertising, advice letters, sales letters, mailing lists, and letter brokerages—formed an integrated "chain" of activities constituting the marketing stock-in-trade of the "mail-order doctor."

Testimonials

Arthur Cramp, the longtime director of the AMA's Bureau of Investigation, described patent medicine testimonials in 1936 as the "sheet anchor of the quack," bereft of medical credence if not "commercial value."⁹ Testimonials were common in patent medicine advertising from the 1890s until the

1930s. A critic of Hydrocine, a consumption cure, conveyed this sense of ubiquity in 1907 when discussing its advertising: “Of course, there are testimonials,” he wrote. “What nostrum was ever introduced, whether to the public or to the profession, that did not have testimonials ready?”¹⁰ In the late nineteenth and early twentieth centuries, some of these endorsements came from socially prominent people like theater actors, opera stars, and politicians. Medical doctors, recruited for their perceived scientific authority, also appeared in many patent medicine ads, as evidenced by the AMA’s 1913 “testimonial file” on patent medicines, which contained the names of some 13,000 American doctors.¹¹

But by the early 1900s, most testimonials in patent medicine ads came from ordinary people, which were considered more persuasive, springing as they did “from the personal recommendation of a fellow man or woman.”¹² Characteristic of this genre was a 1926 ad for Lydia E. Pinkham’s Vegetable Compound in which Mrs. Adolph Bratke of South Omaha, complete with photographic portrait, encouraged fellow sufferers of menopause to use the compound (figure 4.1). She had done so herself for eighteen months and was no longer troubled by “nervousness” or “pains in her left side.” She recommended the product to everyone who “complains to me about female troubles.” A woman of ordinary means (“I am the mother of six, and manage an eight-room house without anybody to help”), her home address appeared in the ad, cementing her authenticity while enabling direct correspondence.¹³ These ads were a populist affirmation of the sound judgment and good sense of ordinary people. They evoked the tone and spirit of personal advice that one might receive from a helpful neighbor or family member, made convincing by firsthand experience with the product. That Mrs. Bratke’s menopausal symptoms might well have gone away after eighteen months with or without the vegetable compound was not the top-of-mind response (though it was for medical critics of nostrums).¹⁴ Rather, these accounts, offered up by “representative” Americans experiencing widely shared conditions like menopause or dyspepsia, underscored the effectiveness of experiential and anecdotal “truths” in persuading others, even distant strangers via the mass media.

While altruism may have motivated some testimonial donors, psychic and material incentives may have factored for others. Publicity seeking was offered up as a motive, the desire to see one’s name, photo, and opinion in a publication read by thousands.¹⁵ “If your brains won’t get you into the papers,” one observer quipped, then “sign a patent medicine testimonial. Maybe your kidneys will.”¹⁶ Token gifts were provided, if not outright payment, which could damage the testimonial’s credibility if disclosed. The Pinkham Company even sought to defend the sanctity of its testimonials with a standing offer of \$5,000 to anyone proving a testimonial was false.¹⁷



Mrs. Adolf Bratke
4316 So. 13th St., S. Omaha, Nebr.

Middle-Aged Women

ONE of the most critical periods of a woman's life comes between 45 and 50. Most women dread the approach of middle-age because they know, only too well, the depressing ailments it brings.

This natural change in a woman's life should be passed in a normal manner, without fear or suffering from such distressing symptoms as hot flashes, smothering spells, fainting spells, headaches, backache or nervous troubles.

When such symptoms are experienced, there usually exists some weakness or disturbance of the feminine system that can be overcome by the use of Lydia E. Pinkham's Vegetable Compound. For more than fifty years the Vegetable Compound has been carrying women safely through this trying period.

Such letters as the following prove our claim:—

After Long Suffering

South Omaha, Nebraska.—"After fifteen years of terrible suffering each month with sick headaches when passing through Change of Life I began to take Lydia E. Pinkham's Vegetable Compound and I have felt my health steadily improving. After taking your medicine for almost a year and a half, I believe I can say the headaches have left me. I also was troubled with nervousness and with pains in my left side. Many times the doctor told me to have an operation performed. I am feeling fine now and do all my work myself. I am the mother of six, and manage an eight-room house without anybody to help. I feel that I am entirely well. I recommend the Vegetable Compound to any one who complains to me about female troubles."—Mrs. ADOLF BRATKE, 4316 South 13th St., South Omaha, Nebraska.

Mrs. Bollerman's Case

West Hoboken, N.J.—"During the Change of Life I was troubled with headaches, weakness, flushes of heat to the face and head and loss of appetite. I would often get so weak I could hardly stand. I thought I would never be right again as no doctor's medicine seemed to help me. They said my trouble would have to take its course. I read about Lydia E. Pinkham's Vegetable Compound in the little books you give away and began to take the medicine. After the first few bottles I began to feel stronger and could eat better and had fewer headaches. I am a well woman today and feel like a different person. You may use this letter for every word is true. I will answer any letters sent to me."—Mrs. JENNIE BOLLERMAN, 610 Smith Street, West Hoboken, New Jersey.

Sold by druggists everywhere.

Lydia E. Pinkham's Vegetable Compound

LYDIA E. PINKHAM MEDICINE CO., LYNN, MASS.

Figure 4.1 Pinkham ad with testimonial for "Middle-Aged Women"

Source: Pinkham Ad, "Middle-Aged Women," Toronto Star, March 5, 1926, 26.

Pinkham did provide its testators with silver spoons as Christmas gifts, however, some 500 annually as early as 1898, and continued this practice until the 1930s.¹⁸ It also provided its “testimonial women” with small sums to cover the cost of stationery and stamps. The Epileptic Institute Co. provided free treatments and silver watches to its testimonial writers.¹⁹ Free product samples were common, as were extra copies of portraits when the person’s photo appeared in the advertisement. Firms did pay outright in one respect. The makers of Peruna, a catarrh remedy, wrote regularly to its testimonial correspondents. After confirming that they still used the product and were in good health, the company advised them that it paid twenty-five cents for each letter they answered from those writing in response to their testimonials (their home addresses appeared in the ads): “you only have to send the letter you receive, together with a copy of your reply” to secure payment.²⁰ Pinkham similarly paid twenty-five cents for each letter answered by its testimonial writers.²¹ Even if Peruna and Pinkham did not compensate directly for testimonials, they paid for endorsements issued by testimonial writers to correspondents, arguably a more persuasive type of recommendation, being one step removed from the company.

During the 1920s, the producers of B & M External Remedy, a tuberculosis treatment, provided Edith Merchant of Ashland, New Hampshire, with payments to cover the costs of a desk, stationery, and stamps. She diligently responded to inquiries to her testimonials, even while on her deathbed from tuberculosis. After she died, the company honored her long-standing contributions with a \$1,100 contribution to her family, a payment conditional, however, on the family attributing the cause of death to rectal cancer, not tuberculosis.²² Personal testimonials in newspaper and magazine ads could be persuasive, but they could backfire when the person appeared in both a patent medicine ad and a death notice involving the same condition. In 1907, Mary Adams appeared twice in the same issue of the Connecticut *Evening Citizen*, first as testator for Dr. Richards Dyspepsia Tablets, “enjoying better health than I have for years,” and then in a death notice, having succumbed to “dropsy,” from which “she had been seriously ill for two months.”²³ Progressive-era critics of patent medicines often highlighted these contradictions in their campaigns to “unmask” and regulate the industry.²⁴

Given the ethical tenor of the industry, it should not surprise that fraud and deceit factored in testimonial procurement.²⁵ There were numerous cases in which testimonials appeared from medical doctors, politicians, and clergymen, for which no permission had been granted, the person typically only learning of the ad when notified by a friend or colleague.²⁶ Ordinary citizens were also manipulated, perhaps best illustrated by the case of Duffy’s Pure Malt Whiskey, a “medical whiskey” for the treatment of consumption and

the promotion of longevity. Company representatives toured old-age homes and hospitals in search of testimonials from centenarians. Once discovered, they provided them with product samples and offered a small payment for signing a statement attributing their longevity to Duffy's. A photograph was also taken. One of these ads featured Mrs. Nancy Tigue, 106, proudly proclaiming that she did not "feel like I'm a day over 60, thanks to Duffy's." When the ad ran in local papers, Tigue was not pleased, claiming that she had been duped into providing the endorsement and that she had "never taken a drop of any kind of whiskey" while in her current care facility.²⁷

Patent medicine makers found uses for testimonials beyond advertising. One purpose they served was legal defense. To prove violation of the Pure Food and Drug Act of 1906 or postal regulations, federal officials had to show that the claims and actions of nostrum makers were both false and fraudulent. If they could demonstrate that they believed their products were effective and beneficial to people—in spite of the weight of scientific evidence—then successful prosecution became more difficult. In 1912, federal agents seized a shipment of the Radam Company's "Microbe Killer," a cure-all for diseases like malaria, consumption, and leprosy, among others. The product consisted of 99 percent water and 1 percent sulphuric acid. Government chemists testified, at a court proceeding in 1913 challenging this seizure, that the product had no medicinal value. In its defense, the company produced forty-seven bound volumes of letters from people "grateful for their cures," some of whom also testified in court. A woman described her victory over cancer after consuming five bottles of Microbe Killer. A man recounted his triumph over tuberculosis after three months of use. Despite this attempt, the court later sided with the federal government, upholding the seizure of the shipment, which soon after was destroyed.²⁸ Testimonial letters were also used to hinder the work of journalists. When Samuel Hopkins Adams met with Isham Spring, promoter of California Waters of Life, a cure for rheumatism and cancer, he described how Spring "loaded me down with testimonials of various kinds," which would have taken weeks to properly validate.²⁹ Few journalists at this time had attended postsecondary institutions or, for that matter, received formal training in the craft of journalism. Most were ill-equipped to recognize the methodological and conceptual shortcomings of using personal testimonials as a measure of therapeutic effectiveness among broader population groups.

The broad appeal of testimonial advertising and the constant need for new endorsements meant that patent medicine firms turned to outside parties for procurement. Independent agents secured Duffy's geriatric testimonials. A 1910 classified ad in the *Chicago Tribune* called for "medical testimonial gatherers," noting that "leads" would be furnished. Pinkham hired brokers

to acquire testimonials, targeting people from small towns, rural areas, and the South, where its products sold best. One agent, for a time, doubled his compensation by selling the same testimonials to Wine of Cardui, a Pinkham competitor.³⁰ Druggists were compensated for “forwarding letters from their customers” to nostrum makers. Adams wrote in 1906 that “almost all” of the testimonials appearing in newspaper ads were secured by outside agents.³¹ He described a Washington agent’s “blanket offer” to a patent medicine maker: \$100 for testimonials from actors Sarah Bernhardt and DeWolf Hopper, along with those from six “statesmen,” including a federal senator.³² An AMA investigation in 1910 found that third parties secured a large share of testimonials, with the patent medicine firms providing the names and addresses of potential contacts along with the content requirements for the testimonials.³³

Writing for Advice

The Lydia E. Pinkham Company, founded in 1875, encouraged women to “write Mrs. Pinkham” with either medical questions or words of praise for the product.³⁴ From early on, Pinkham received numerous letters from women describing, often in exacting detail, health problems and their difficulties with physicians. By 1929, the company had over 400,000 letters on file from “grateful women all over the United States and Canada.”³⁵ Not surprisingly, the work of letter writing in the “Advice Department” proved especially busy. By the 1890s, about thirty female clerks worked in this department. In encouraging women to write to “Mrs. Pinkham,” the company fostered the illusion that she was very much alive, even decades after Lydia had died in 1883. Engelman describes this operation as a “commercialized medical advice network” that served both social need and marketing outreach. The social stigma attached to topics like menopause and painful menses meant that public or private sources of accurate information on matters like these were limited. The female clerks used keyed response books to answer many questions, while also promoting Pinkham products when possible. Women wrote directly to the women in testimonial ads to ask for advice, creating triangulated lines of communication between company, customer, and testator. This additional layer made the Pinkham advice network more tangible and immediate, “taking it beyond newspaper type and into the women’s hands through personalized reassurances.”³⁶ When Donald Jackson wrote that it was not the “chemistry of the compound that mattered” but the “human chemistry between Lydia and the women who trusted her,”³⁷ he was only half right. The chemistry also existed between testimonial writers and prospective customers.

While serving foremost commercial interests, Pinkham's "advice network" arguably provided some benefits to women, given the paucity of reliable public information on "female complaints." One cannot say the same for those men who wrote the Interstate Remedy Company, a "men's specialist" operation offering treatments for impotency, venereal disease, and "lack of vigor" caused by "unnatural drains." Men who responded to ads offering "free" information and advice received a pamphlet on bladder and kidney disease in a "plain, ordinary envelope." Interstate also informed them that it had sent a one-month supply of its medicine to a nearby express office, available for \$3.50 on pickup. If the man refused the offer or ignored the letter, three or four follow-up letters were sent urging compliance, the last one a "lawyer's" letter threatening legal action. If the man relented and paid, Interstate then sent, unsolicited, another month's supply.³⁸ Similar "men's weakness" operations were reported to *Collier's* magazine after 1905, when it began publishing articles critical of the patent medicine industry. One operation involved a \$25 treatment sent to the local express office. When the correspondent declined the shipment, he received a letter urging compliance, saying that another man "in your town" had written for help and that it would "turn over your shipment to him, explaining the circumstances." There were also reports of companies threatening to disclose the existence of declined or unclaimed packages to a correspondent's family or employer.³⁹

As early as the 1890s, there were accounts of aggressive customer recruitment by "male weakness" manufacturers. In 1892, Charles Oleson described a plethora of advertising in newspapers, handbills, and posters promising "swift cures" for sexual dysfunction or "self-abuse." Young, single men in cities, many recently from the country or abroad, were the target market. As well, Oleson noted, there was a "list kept of those applying at one place, which is circulated among quacks all over the country." As a result, the "once victimized party" was in "constant receipt of new circulars describing the virtues of new 'pearls,' or pills, or special apparatus."⁴⁰ On occasion, the practice proved tragic. When a young man responded to one such ad by Drs. Kennedy and Kennedy of Detroit, he was advised to visit their "institute" for a free consultation, where he learned the severity of his condition; his only recourse was a \$150 treatment regimen. Terrified, distraught, and unable to afford the treatment, he committed suicide.⁴¹ The social shame and popular ignorance surrounding sexuality and sexual health (underscored by advertising images of the "brainless child born of a masturbator") proved fertile ground for the marketing of remedies for "men's diseases." Compounding the problem, the transactions did not take place anonymously—as they might have in a drug store. The systematic collection and collation of names, addresses, and health information facilitated the use of blackmail as a marketing tactic.⁴²

The commercial value of customer correspondence was augmented by “symptom blanks,” a common marketing tool within the industry. These were forms on which prospective clients answered and returned a series of health-related and personal questions, ostensibly so the company could make a “personalized” diagnosis and recommend specialized treatment. A case in point was the Dr. Branaman Remedy Company, offering cures for deafness, catarrh, asthma, and “head noises.” It advertised widely, and those who responded were sent symptom blanks to be completed and mailed back. In 1912, Branaman’s questionnaire solicited demographic information (name, age, gender, marital status, occupation, weight, and height), while asking such health-related questions as: “How long has your trouble existed? “What treatment have you had?” “Have you had any other serious illness?” There were questions specific to body parts, such as eyes (inflamed? wear glasses?) and ears (discharge?). This symptom blank contained more than thirty questions or information requests, which, if answered even partially, would have disclosed a wide range of personal health information, complete with name and address.⁴³ Many patent medicine makers used symptom blanks, among them the Dr. Bye cancer treatment and the Bertha C. Day medicine for “female weakness.”⁴⁴ One observer in 1892 described seeing short symptom blanks on patent medicine circulars “plastered on telegraph poles.”⁴⁵

Symptom blanks offered the pretense of individualized diagnosis and treatment when, in fact, the opposite was true. Diagnosis and cure converged nearly always on a company’s own products. Dr. J. W. Kidd Company of Fort Wayne claimed that its symptom blanks allowed its “patients” to “receive treatments especially prepared to suit their individual cases.” This accounted for the company’s “great success” in curing cases involving more than thirty conditions, among them malaria, dropsy, and eczema.⁴⁶ This was a way to compete with the claims and practices of allopathic medicine, with its emphasis on the face-to-face diagnostic exam. There is no evidence that serious diagnoses were attempted using the results from symptom blanks. They performed a marketing function, not a medical-diagnostic one. No matter the responses to its symptom blanks, the Branaman Company invariably recommended the purchase of an eight-dollar electromagnetic headcap to accompany the “free” medicine it provided. Patent medicine makers invoked the promise of personalized assessment and treatment, what would later be called “one-to-one” marketing, made plausible by the use of symptom blanks.⁴⁷ But, in the end, the patent medicine makers sold only generic goods. One-cure-fits-all remedies were the production-side corollary to personalized diagnoses and treatment protocols.

Office Clerks

In 1908, a physician, feigning investor interest, visited the St. Louis headquarters of the Judd Q. Lloyd Chemical Company, maker of Aicsol, a consumption remedy. He later reported on his visit to the AMA. He described modest production facilities, a small “laboratory,” some thirty by forty feet, containing an oven and cauldron in which the product was prepared. There were no manufacturing employees present, but there were “twenty-four or twenty-five girls” processing circulars to be sent to physicians, asking them to purchase stock in the company. Another room had “twelve stenographers, all very busy writing letters of some kind.”⁴⁸ This description—heavy on clerical functions, light on manufacturing activities⁴⁹—reflects what Pinkham president Charles Pinkham observed as early as 1895, when he described his firm’s “private letter department” as the “solid foundation of this business.”⁵⁰ The volume of correspondence in many operations was striking, especially given the small-business nature of most mail-order operations. In 1900, the Magnetic School of Nevada received some 3,000 letters daily.⁵¹ At Interstate Remedy, the work of writing letters, printing and mailing pamphlets, and testimonial procurement was “by far the heaviest item of expense.” Compounding the burden of correspondence was the practice of sending follow-up letters to inquirers who balked at the initial sales letter. Follow-up letters generally offered a sliding scale of price discounts. For example, the Marjorie Hamilton Weight Loss program, initially offered at \$15, could later be had for \$10 or \$3 in follow-up letters. The final letter asked for only \$1, along with the “names and addresses of five fat people.”⁵² Each price point represented an additional piece of correspondence (if, in the main, circulars modified slightly to appear as personally addressed). Clerical work (filling orders, answering letters, mailing booklets, indexing responses, filing symptom blanks and testimonials) was the bedrock operation of mail-order proprietary medicine companies. These clerks, according to one observer, worked at “factory speed,” processing hundreds of letters daily.⁵³

As such, these companies—comprised mainly of clerks, typists, and stenographers—constituted feminine workplaces, a contrast to the mostly male “advertising doctors” inhabiting company names and marketing materials. By 1930, fully 96 percent of typists and stenographers in the United States were female.⁵⁴ That year, women comprised 52 percent of all clerical workers, up from 4 percent in 1880.⁵⁵ Patent medicine establishments also increased, rising from 2,245 in 1904 to 2,903 in 1914. Employment in the sector rose by 38 percent during the same period. Engelman describes the patent medicine industry by the late 1910s as more “corporate in structure,” employing

more clerks, secretaries, and managers and depending on advanced “filing and information management systems” for its operations.⁵⁶ By the 1910s, the operations of many mail-order companies shared more in common with Metropolitan Life than they did with traveling medicine shows.

Patent medicine critics highlighted this gendered workforce in their attacks on the industry. A writer in the *Journal of the American Medical Association* denigrated the Bertha Day remedy for menopause because the company’s letters were “printed by the hundreds of thousands” and “filled in” by “girls who have no more medical knowledge than the average school-girl would have.”⁵⁷ James Harvey Young described how letters to the mental healing practitioner J. H. Kelly of the American School of Magnetic Healing were not seen by him but were “answered by female secretaries who copied form responses.”⁵⁸ Samuel Hopkins Adams wrote that the “personal advice” from the Pinkham Company was “furnished by a \$10-a-week typewriter, filling out one of a number of ‘form’ letters prepared in bulk for the ‘personal-inquiry’ dupes.”⁵⁹ Another critic of the industry focused attention on the letters being answered by “great staffs of clerks and stenographers,” who directed “just enough attention to classify them as having to do with ‘cancer,’ or ‘consumption’ or whatever,” and then typing the “the standardized form of reply.”⁶⁰ Evident here is the convergence of discourses on gender, class, and office-place Taylorism, rhetorically marshaled to undermine the credibility of patent medicines. They reflect Angel Kwolek-Folland’s assessment of the importance of gendered language in understanding historical business practices and organizational hierarchies. Gender-infused attacks on the industry were part of a “powerful explanatory system” that sought to uphold the rational, scientific authority of (mostly male) allopathic medicine while debasing the patent medicine sector, brimming with female clerks.⁶¹

Accompanying the growth of a female clerical class was the expansion of mail-order merchandising from the 1880s until the 1920s. The first of the large mail-order houses, Montgomery Ward, began operations in 1872, later followed by such competitors as Haynes-Cooper and Sears. By the 1890s, mail-order catalogues were common sights in rural and small-town homes. By the early 1900s, Sears’ mail-order operations were massive, employing some 2,000 people who opened about 900 sacks of mail daily.⁶² Direct-mail merchandising received a substantial boost in 1912, when Congress voted to approve parcel post, allowing the post office to handle larger packages, previously the preserve of express companies. Rural dwellers no longer needed to visit town and the express office to retrieve mailed goods. The advent of parcel post along with improvements in road transportation and rising farm incomes made the 1920s and 1930s the “golden years” of mail-order selling in America.⁶³ According to one estimate, in 1927, spending on direct-mail

advertising totaled almost \$400 million, second only to newspaper advertising (\$690 million) and well ahead of the third-place finisher, outdoor advertising (\$210 million).⁶⁴ Susan Strasser describes the advanced information tracking systems at Sears in the early 1900s, when the company used a “card index” that “showed what every customer had ever bought, indicated address changes, and often contained other information about the family.” Sears used the index—an early prototype of “database” marketing—to “classify customers” and further “segment its already existing market—in order to decide who would get which catalogues.” By 1915, Sears and other large mail-order houses kept records on 4 to 6 million customers.⁶⁵

While nowhere near the scale of Sears or Montgomery Ward, “mail-order doctors” were well versed in the merits of direct-mail marketing.⁶⁶ When Judd Q. Lloyd, the St. Louis maker of Aicsol, sent out circulars to medical doctors in 1908 seeking investors, he framed his venture in direct marketing terms. After advertising in newspapers and farm journals to generate reply mail, the company would sell “direct to consumptives” on the “mail-order plan.” This meant that “no money will be thrown away on salesmen, bill posting, drugstore displays, large discounts and other unnecessary expenses.”⁶⁷ The makers of Stuart’s Adhesive Plaster Pads, a hernia treatment, wrote physicians in 1912 offering a “Free Fever Thermometer” in exchange for the names and addresses of ten patients “positively known to be ruptured.”⁶⁸ When the Interstate Remedy Company pleaded guilty in 1914 to mail fraud, it paid a \$5,000 fine; far more damaging, though, was the requirement to hand over its mailing list of over 500,000 names, deemed the company’s “most valuable asset.”⁶⁹ In 1912, an observer of the British and American patent medicine sectors described different approaches to marketing. He discussed those goods sold mainly in retail outlets and then turned to two types of mail-order direct marketing. The first involved goods sold directly to consumers, which, by cutting out wholesalers and retailers, allowed the manufacturer to “reap the full retail price.” The manufacturer might also benefit from follow-up sales and the acquisition of “unsolicited testimonials,” made possible by the use of mailing lists. The second approach built on the previous strategy, while harnessing the “symptom form” for marketing on the “pretext that the medicines will be ‘modified’ or ‘selected’” according to particulars of the case.” Here the manufacturer captured the “full retail price,” with the benefit of additional sales leads provided by information in the symptom blanks.⁷⁰

Letter Brokers

Mailing lists, customer letters, and symptom blanks provided an additional revenue stream to proprietary medicine manufacturers: when “tapped out”

they could be sold to “letter brokers.” By the early 1900s, there were a half dozen principal letter brokers in New York, with one clearinghouse containing over seven million letters. Brokers publicized their holdings in circulars sent to patent medicine operators. They sold mailing lists and letters and completed order forms mailed by customers to medicine houses. In 1908, the Guild Company of New York advertised as the “largest letter brokerage in the world,” with “millions” of letters available for sale or rent in batches of 1,000 and up. The mailing lists and customer letters were organized by dozens of conditions, including asthma, consumption, deafness, rheumatism, and syphilis.⁷¹ For example, under its “Catarrh” section, the Guild Company listed the availability of 53,000 letters originally sent to the Dr. Blosser Company and another 79,000 sent to C. E. Gauss.⁷² Prices varied by disease and the date of letters. The Medical Mailing List Company of New York touted its “freshly made-up” lists of names and addresses of people, classified by conditions like catarrh, asthma, menopause, constipation, and kidney disease. These could be rented for \$5 per 1000 letters, though lists for cancer and deafness sufferers fetched a higher price of \$20 per 1,000 letters. Among firms listed as past purchasers of its mailing lists was Lydia Pinkham.⁷³

The letter brokers advertised not just mailing lists and prices, but also the types of marketing this information could facilitate. The Guild Company circular promised delivery of the names and addresses “of sufferers from a particular disease or ailment,” which meant not “wast[ing] time and money aiming promiscuously at thousands of people of whom only a few are likely to be receptive of your position.” Medical Mailing List clients could also benefit from population breakdowns by “cities or rural districts.”⁷⁴ A Guild circular in 1906 noted, “many parties using our letters are getting rich quick quietly working some good legitimate schemes. With attractive, convincing literature they circularize 100,000 or more people who are directly interested in their line in two weeks. Returns are sure and quick. No expensive newspaper advertising.”⁷⁵ While muckrakers and medical critics targeted letter brokers in order to highlight the immorality of the patent medicine industry (letters written “in confidence” were later bought and sold), the trade in letters and mailing lists was arguably a logical marketplace development given the proliferation of direct-mail operations.⁷⁶ The most ingenious use of purchased mailing lists fell to the Astropathic Institute. It wrote people plucked from various mailing lists, providing them with a free “astrological reading” that uncannily zeroed in on the recipient’s various health problems. When people wrote to praise the accuracy of the reading, Astropathic responded by offering them a “larger and fuller reading” for only ten dollars.⁷⁷

Conclusion

Given the extensive involvement of patent medicines in direct-mail marketing, it might seem odd that a 493-page textbook on direct-mail marketing, published in 1928, contained no references to this sector.⁷⁸ The advertising industry, by the 1920s, was well on its way to distancing itself from its nineteenth-century origins rooted in patent medicines and “Barnumesque” promotion.⁷⁹ Arguably, the emerging direct marketing industry was similarly intent on securing legitimacy. Also neglected, it would seem, is the role of the patent medicine industry in historical accounts of consumer market research. The “received” version of market research history goes something as follows. Market research—the systematic collection of marketplace data and consumer information—originated during the 1910s. Curtis Publishing, owner of the *Ladies Home Journal* and *Saturday Evening Post*, established a research department in 1911. It soon issued detailed marketing reports on merchandising and the emerging auto sector. The findings were supplied to the magazines’ advertisers, which highlighted the link between advertising and corporate growth and profitability. In the late 1910s, newspapers like the *Chicago Tribune* began conducting house-to-house interviews in order to document the socioeconomic characteristics of their readers, information it in turn provided to advertisers. The country’s most advanced market research operation was launched in 1920 by J. Walter Thompson, the world’s largest ad agency, when it established a research department and hired the renowned behavioral psychologist John B. Watson. The agency soon referred to itself as a “university of advertising,” owing to its consumer research programs grounded in social science. These involved statistical correlation, quota sampling, personal interviewing, and census data analysis. Information gleaned from consumer surveys was fed back to producers and designers planning future products and simultaneously fed forward to copywriters devising ads for current goods.⁸⁰

Yet the above accounts do not draw on letter writing, symptom blanks, advice departments, mailing lists, or letter brokers. While early twentieth-century marketing and advertising “professionals” may have had understandable reasons to downplay patent medicine activities, the same is not true for historians of marketing and advertising today. Although an ethically dubious industry, patent medicine firms proved innovative in both advertising and direct-mail marketing. They might be seen as the forebears of today’s “boiler room” scam artists (or, more benignly, suppertime telemarketers), but we should not be blind to their contributions to the development of modern-day marketing practices such as relationship marketing, direct-response communication, one-to-one marketing, and database and target marketing.⁸¹

These century-old activities involving information acquisition and data processing helped foster new forms of social relations and commercial exchanges that would not have occurred had the sales transpired anonymously in stores. Viewed from our own time, they reflected an understanding of power intertwined with knowledge and enabling mechanisms and technologies. In this Foucaultian sense, power and knowledge were contingent on strategies targeting individuals existing in asymmetrical relations.⁸² People who received free booklets and advice by mail may have thought they benefited from this exchange. Perhaps they did on occasion. But in providing health and demographic information, they entered a transactional arrangement that had the potential for both personal exploitation and commercial profit. When Rainey killed Atkins during a dispute about the rightful ownership of a customer's name and address, it was, given the nature of the direct-mail business, a conflict involving a commodity as "real" as a case of Vitaline. This knowledge-power nexus could operate in relatively benign ways—tracking advertising's effectiveness via written responses, for example—or, as we have seen, it could facilitate the use of blackmail as an adjunct of marketing.

The early years of mail-order patent medicines provide useful historical context for direct marketing by today's pharmaceutical industry. A case in point is RealAge.com, a website that by 2009 counted nine million "members" who had taken its 150-question survey to determine their "real" biological age as determined by health conditions and personal care habits. The RealAge survey is promoted by Dr. Mehmet Oz, host of the popular daytime *Dr. Oz Show* and regular on *The Oprah Winfrey Show*. The site offers nonmedical advice on healthy living (exercising, flossing), but its commercial *raison d'être* is to procure health information from people, which it then sells to pharmaceutical companies, a fact largely unknown to RealAge users. Companies like Pfizer and GlaxoSmithKline can then email people directly about available drugs for conditions revealed in the online survey. Hologic, a medical company, uses RealAge to sell NovaSure, a treatment for heavy menstruation among postchildbearing, premenopausal women. It buys lists of women aged thirty-seven to forty-nine who answered yes to having heavy periods. Hologic sends these women emails, which initially do not mention NovaSure but only discuss the topic of heavy menstruation. Subsequent emails present NovaSure as an effective solution. In a statement that could have come from the Pinkham playbook a century earlier, Hologic marketing executive Steve Williamson described the campaign's social utility: "a lot of women don't know it's a problem, and that's the thing. It's not something they necessarily talk about."⁸³ Present-day critics of such insidious market research might view it solely as an offspring of cutting-edge

digital technologies and the profiteering of Big Pharma. But, as this paper has shown, the interplay of medical firms, health advice, and personal information in pursuit of profit has a long, if controversial, history.

Notes

1. "Mail Order Medical Concerns," *Journal of the American Medical Association* [hereafter: *JAMA*] 55, no. 14 (October 1, 1910): 1215–16, reprinted in American Medical Association [hereafter: AMA], *Nostrums and Quackery*, 2nd ed. (Chicago, IL, 1912), 277–79.
2. See Daniel J. Robinson, *The Measure of Democracy: Polling, Market Research, and Public Life 1930–1945* (Toronto, 1999), 10–38.
3. For advertising-focused accounts of patent medicines, see Pamela Walker Laird, *Advertising Progress; American Business and the Rise of Consumer Marketing* (Baltimore, MD, 1998); and Jackson Lears, *Fables of Abundance: A Cultural History of Advertising in America* (New York, 1994). For more general accounts, see James Harvey Young, *Toadstool Millionaires: A Social History of Patent Medicines in America Before Federal Regulation* (Princeton, NJ, 1961); Young, *The Medical Messiahs: A Social History of Health Quackery in Twentieth-Century America* (Princeton, NJ, 1967); Young, ed. *American Health Quackery: Collected Essays by James Harvey Young* (Princeton, NJ, 1992); T. A. B. Corley, "Interactions between the British and American Patent Medicine Industries, 1708–1914," *Business and Economic History*, 2nd ser., 16 (1987): 111–29; Sarah Stage, *Female Complaints: Lydia Pinkham and the Business of Women's Medicine*, (New York, 1979); Susan Strasser, "Sponsorship and Snake Oil: Medicine Shows and Contemporary Public Culture," in *Public Culture: Diversity, Democracy, and Community in the United States*, ed. Marguerite S. Shaffer (Philadelphia, PA, 2008), 91–113; Ann Anderson, *Snake Oil, Hustlers and Hambones: The American Medical Show* (Jefferson, NC, 2000); James C. Whorton, *Inner Hygiene: Constipation and the Pursuit of Health in Modern Society* (Oxford, UK, 2000); Elysa Ream Engelman, "'The Face that Haunts Me Ever': Consumers, Retailers, Critics, and the Branded Personality of Lydia E. Pinkham," (PhD diss., Boston University, 2003).
4. Richard Ohmann, *Selling Culture: Magazines, Markets and Class at the Turn of the Century* (New York, 1996), 82.
5. James J. Walsh, *Cures: The Story of the Cures that Fail* (New York, 1923), 57.
6. While histories of nineteenth-century advertising deal extensively with patent medicines, this generally is not the case for accounts of twentieth-century advertising, even though patent medicines flourished until at least the 1930s. Roland Marchand's authoritative study of interwar advertising refers only once to patent medicines, a short description of corporate advertisers' distaste for its humbug character. Pamela Walker Laird's study of pre-1920 advertising frequently touches on the industry in its nineteenth-century context, but not so after 1906. The most provocative and theoretically informed analysis of patent medicine

promotion is offered in Jackson Lears's cultural history of nineteenth- and twentieth-century advertising. But here too the nostrum impresarios, illuminated during the 1800s, all but disappear after 1910. Marchand, *Advertising the American Dream: Making Way for Modernity, 1920–1940* (Berkeley, CA, 1985), 8; Laird, *Advertising Progress*; Lears, *Fables of Abundance*.

7. Young, *Toadstool*, 166.
8. For primary source accounts, see George Creel, "Mail Order Miracle Men," *Harper's Weekly*, April 10, 1915, 343–46; Mark Sullivan, "How the Game of Free Medical Advice is Worked," *Ladies' Home Journal*, February 1906, 23.
9. Cited in Stewart H. Holbrook, *Golden Age of Quackery* (New York, 1959), 241.
10. "Another Consumption Cure," *JAMA* 49, no. 7 (August 17, 1907): 623.
11. Young, *Medical Messiahs*, 132.
12. Eric Jameson, *The Natural History of Quackery* (London: Michael Joseph, 1961), 152.
13. Pinkham ad, "Middle-Aged Women," *Toronto Star* (March 5, 1926), 26.
14. For such examples of medical criticism, see "How Testimonials are Secured." *JAMA* 52, no. 15 (April 10, 1909): 1194, reprinted in AMA, *Nostrums and Quackery*, 682; Adams, *Great American Fraud*, 4.
15. "Nature's Creation," *JAMA* 54, no. 10 (March 5, 1910): 806.
16. Anderson, *Snake Oil*, 39.
17. Burton, *Lydia Pinkham is Her Name*, 229.
18. Engelman, "Face that Haunts Me," 42.
19. "The Epileptic Institute," *JAMA* 51, no. 22 (November 28, 1908): 1863.
20. Adams, *Great American Fraud*, 63.
21. Engelman, "Face that Haunts Me," 45. The company maintained ongoing contact with its "testimonial women," who, by offering their views, constituted an early prototype of a consumer panel, later used extensively by marketers during the 1930s and 1940s. For historical examples of consumer panels, see Robinson, *Measure of Democracy*, 121.
22. Young, *Medical Messiahs*, 109.
23. Adams, *Great American Fraud*, 185.
24. For examples, see, "J. Lawrence Hill, A.M., D.D., M.D." *JAMA* 56, no. 2 (January 14, 1911): 134–37; "Oleozone—Oxydase—Cowles Institute," *JAMA* 52, no. 12 (March 20, 1909): 976; and "Diabetol." *JAMA* 55, no. 2 (July 9, 1910): 142–43.
25. On fraud, deceit, and con men within the industry, see especially, Strasser, "Sponsorship and Snake Oil," 105–12.
26. For examples, AMA, *Propaganda for Reform in Proprietary Medicines*, 8th ed. (Chicago, IL, 1913), 201; "Stuart's Plas-tr-pads." *JAMA* 58, no. 6 (February 10, 1912): 425–27; *Great American Fraud*, 6–8, 65.
27. AMA, *Propaganda for Reform*, 204–5, 201. Fake testimonials for products have recently appeared on Facebook. See Colin Freeze, "Dead Mother Becomes Unwitting Participant in Online Ad," *Globe and Mail*, October 11, 2009.

28. Young, *Medical Messiahs*, 61–62. During an 1893 libel case, William Radam similarly used “testimonial” witnesses, stating that they had been “cured” by Microbe Killer. Young, *Toadstool*, 156.
29. Adams, *Great American Fraud*, 86.
30. Stage, *Female Complaints*, 165.
31. Adams, “The Fundamental Fakes,” *Collier’s*, February 17, 1906.
32. Adams, *Great American Fraud*, 64.
33. “Testimonials,” *JAMA* 55, no. 16 (October 15, 1910): 1386.
34. See Stage, *Female Complaints*.
35. *Health and Beauty* (1929), pamphlet, Lydia E. Pinkham Collection, Radcliffe College, MC 181, box 121, file 2457, p. 13.
36. Engelman, “The Face that Haunts Me,” 36, 45–46.
37. Donald Jackson, “If Women Needed a Quick Pick-Me-Up, Lydia Provided One,” *Smithsonian* 15, no. 4 (1984): 119.
38. “The Interstate Remedy Company,” *JAMA* 57, no. 15 (October 7, 1911): 1223, reprinted in AMA, *Nostrums and Quackery*, 269.
39. Adams, *Great American Fraud*, 121.
40. Charles W. Oleson, *Secret Nostrums and Systems of Medicine*, 4th ed. (Chicago, 1892), 161.
41. Eric Jameson, *Natural History of Quackery*, (London: Michael Joseph, 1961), 1022–103;
42. For an overview of this trade, see James Harvey Young, “Sex Fraud,” *Pharmacy in History* 35, no. 2 (1993): 65–69; “Venereal Quacks, The Law, and the Newspaper,” *The Survey* (April 25, 1914): 90–91; and Mark Sullivan, “How the Game of Free Medical Advice is Worked,” *Ladies’ Home Journal*, February 1906, 23.
43. “The Brahman Remedy Company,” *JAMA* 58, no. 12 (March 23, 1912): 877–78.
44. “Dr. Bertha C. Day,” *JAMA* 56, no. 13 (April 1, 1911): 982–83.
45. Oleson, *Secret Nostrums*, 162.
46. British Medical Association, *More Secret Remedies*, 245–46.
47. We see reminders of this daily. A recent notice from Nissan to have my vehicle serviced touts the “Nissan One-to-One Service Program,” promising me an “individual approach to ownership” and servicing for what presumably is still a mass-manufactured vehicle identical to thousands of others. When I called to request what most mattered to this “individual,” a ride home and back to the dealership to spare me a three-hour wait in a nearby donut shop, I learned the limits of this “personalized” service—drop-off and pickups only as far as the nearest subway stop. Nissan Canada direct mail, “Introducing Service for One,” October 2009.
48. “Lloyd’s Consumption Cure,” *JAMA* 51, no. 23 (December 5, 1908): 1987.
49. Larger operations like Pinkham invested more heavily in product development and manufacturing methods. See Susan Strasser, “Commodifying Lydia Pinkham: A Woman, a Medicine, and a Company in a Developing Consumer

Culture," paper presented to Cultures of Consumption and ESRC-AHRC Research Programme, Birkbeck College, London (April 2007).

50. Engelman, 35.
51. Young, *Medical Messiahs*, 70.
52. "Marjorie Hamilton's Obesity Cure." *JAMA* 58, no. 11 (March 16, 1912): 799, reprinted in AMA, *Nostrums and Quackery*, 397. For other examples of "sliding-scale" prices, see Young, *Medical Messiahs*, 77; "J. Lawrence Hill, A.M., D.D., M.D." *JAMA* 56, no. 2 (July 14, 1911): 135; and "The American College of Mechano-Therapy," *JAMA* 53, no. 9 (August 28 1909): 729–30.
53. Mark Sullivan, "Did Mr. Bok Tell the Truth?" *Ladies' Home Journal*, January 1906, 18. Sullivan provides a firsthand account of the systematized means for processing customer correspondence: "Each letter is scanned with a speed born of long experience, and on it is marked a figure, 1, or 6, or 21—any number from 1 to 30. Then it is turned over to a typewriter, who looks in her 'form-book' for letter No. 1, or No. 6, or No. 21 ... This 'form-book,' much more than the 'medicine,' is the most laboriously and carefully-contrived asset of these companies."
54. Angel, Kwolek-Folland, *Incorporating Women: A History of Women and Business in the United States* (New York, 1998), 112.
55. Angel Kwolek-Folland, *Engendering Business: Men and Women in the Corporate Office, 1870–1930* (Baltimore, MD, 1994), 4. See, too, Sharon Hartman Strom, *Beyond the Typewriter: Gender, Class, and the Origins of Modern American Office Work, 1900–1930* (Urbana, IL, 1992).
56. Engelman "The Face that Haunts Me," 136.
57. "Dr. Bertha C. Day." *JAMA* 56, no. 13 (April 1, 1911): 985.
58. Young, *Medical Messiahs*, 70.
59. Adams, *Great American Fraud*, 59.
60. James Graham Cook, *Remedies and Rackets: The Truth about Patent Medicines Today* (New York, 1958), 29.
61. Kwolek-Folland, *Engendering Business*, 182.
62. Strasser, *Satisfaction Guaranteed*, 212–13.
63. On mail-order businesses, see Susan Strasser, *Satisfaction Guaranteed: The Making of the American Mass Market* (Washington, DC, 1989), 211–20; Richard B. Kielbowicz, "Rural Ambivalence Toward Mass Society: Evidence from the U.S. Parcel Post Debates, 1900–1913," *Rural History* 5, no. 1 (1994): 81–102; Howard R. Stanger, "The Larkin Clubs of Ten: Consumer Buying Clubs and Mail-Order Commerce, 1890–1940," *Enterprise & Society* 9, no. 1 (2008): 125–64; Andrea Tone, *Devices & Desires: A History of Contraceptives in America* (New York, 2001).
64. Morris Fishbein, *Fads and Quackery in Healing* (New York, 1932), 328.
65. Strasser, *Satisfaction Guaranteed*, 213–15.
66. Joseph Turow, *Niche Envy: Marketing Discrimination in the Digital Age* (Cambridge, MA, 2006), 48–49.
67. "Another Scheme to Work the Doctor," *JAMA* 51, no. 21 (November 21, 1908): 1795.

68. "Stuart's Plas-tr-pads," *JAMA* 58, no. 6 (February 10, 1912): 425.
69. Young, *Medical Messiahs*, 80–81.
70. British Medical Association, *More Secret Remedies*, 241.
71. "The Broader Aims of the Council on Pharmacy and Chemistry," *JAMA* 50, no. 13 (March 28, 1908): 1055.
72. Adams, "Strictly Confidential," *Collier's*, November 17, 1906.
73. "The Broader Aims of the Council on Pharmacy and Chemistry," *JAMA* 50, no. 13 (March 28, 1908): 1055, reprinted in AMA, *Nostrums and Quackery*, 644. This supports the claim of *Collier's* Mark Sullivan that Pinkham bought mailing lists and letters from letter brokers. *The Education of an American*, (New York, 1938), 187. See, too, Stage, *Female Complaints*, 165; and Melvin Linwood Severy, *Gillette's Industrial Solution*, (Boston, MA, 1908), 199–200.
74. "The Broader Aims of the Council on Pharmacy and Chemistry," *JAMA* 50 (March 28, 1908), no. 13: 1055, reprinted in AMA, *Nostrums and Quackery*, 644–45.
75. Adams, "Aftermath," *Collier's*, January 5, 1907.
76. Young, *Toadstool*, 213–14; Mark Sullivan, "Did Mr. Bok Tell the Truth?," *Ladies' Home Journal*, January 1906, 18.
77. Adams, *Great American Fraud*, 166–69.
78. S. Roland Hill, *Mail-Order and Direct-Mail Selling* (New York, 1928).
79. See Marchand, *Advertising the American Dream*.
80. See Robinson, *Measure of Democracy*; James R. Beninger, *The Control Revolution: Technological and Economic Origins of the Information Society* (Cambridge, MA, 1986); Jean M. Converse, *Survey Research in the United States: Roots and Emergence, 1890–1960* (Berkeley, CA, 1987); Robert Bartels, *The Development of Marketing Thought* (Homewood, IL, 1962); Douglas B. Ward, "Tracking the Culture of Consumption: Curtis Publishing Company, Charles Coolidge Parlin, and the Origins of Market Research, 1911–1930" (PhD diss., University of Maryland, 1996); and Coleman Harwell Wells, "Remapping America: Market Research and American Society, 1900–1940" (PhD diss., University of Virginia, 1999).
81. Turow, *Niche Envy*, 46–50.
82. Michel Foucault does not treat power-knowledge relations involving marketing *per se*, but the following works by him illuminate the concept in other fields: *The Order of Things: An Archeology of the Human Sciences* (London, 2002) and *Discipline and Punish: The Birth of the Prison*, 2nd ed. (New York, 1995).
83. Stephanie Clifford, "Online Age Quiz is a Window for Drug Makers," *New York Times*, March 26, 2009.

CHAPTER 5

Making Metropolitan Markets: Information, Intermediaries, and Real Estate in Modern Paris*

Alexia M. Yates

At the first International Congress of Built Property, held in Paris in 1900, lawyer André Jacquemont decried the uncertainty of information in French urban property markets. In the current state of affairs, he insisted, “I don’t see how capitalists—either individuals or companies—who want to build in order to manage a property would know whether tenants would respond to their product.” Property, he complained, was the only product in France that did not enjoy effective marketplace transparency, a condition necessary for the simplicity and rapidity of transactions as well as the informed behavior of investors, builders, tenants, and buyers. Repeated speculative building booms, as well as the proliferation of joint-stock real estate companies that mobilized seemingly immovable assets in the form of company shares and exchangeable mortgage titles, testified to an obvious commoditization of property and revealed the limits of conventional approaches to its ownership and distribution.¹ No doubt reflecting on the 253 property development companies that were formed in Paris between 1870 and 1900, Jacquemont echoed the concerns of many legal experts and industry observers when he questioned the utility of the continued categorization of property transactions under civil rather than commercial law: “speculation on buildings has taken on such proportions that one could ask whether the word ‘merchandise’ from article 632 of our Commercial

Code could not also apply to buildings.”² These transformations, as well as the unique housing conditions that resulted from a spectacular building and population boom in the French capital, prompted debate on the nature of a rationalized marketplace for both property and housing in the period leading to and following the Great War. In particular, a newly specialized commercial intermediary, the estate agent (*agent d'affaires*), undertook to redefine the nature of the property and housing markets as part of a project of occupational professionalization.

This chapter focuses on a particular moment in the elaboration of a commercialized market for property and housing in France, illuminating the role of estate agents as generators, purveyors, and managers of information on Paris’s real estate market. At precisely the moment when property owners and developers, industry observers, and legal commentators were contesting the status of property transactions as either civil or commercial acts, thus bringing into debate the legal framing of property as a commodity and raising the (political, economic, and social) question of its most appropriate forms of circulation, the specialized estate agent began to formulate a distinct professional identity, declaring himself the privileged mediator of urban property markets. Agents emerged alongside other property brokers, principally public officials such as notaries and solicitors, to act as specialized intermediaries for the sale of apartment houses, private residences, and commercial properties, as well as for the rental of apartments, houses, and estates. They presented their offices, journals, and registers as invaluable information nodes where buyers and sellers “find solutions in only a few hours or days rather than invest the large amounts of time often required without the intervention of an agency.”³ Through their newly founded trade newspapers and the exploding property advertising press of the fin-de-siècle, these real estate intermediaries constructed a language of professional specialization that constituted urban property owning as a service, tenants as clients, and the marketplace itself as a commercial arena amenable to the intervention of the professional property agent.

The use and creation of information networks as crucial tools of managing and rationalizing markets have recently become topics of great importance to historians interested in the evolution of capitalism and economic behavior.⁴ For understanding the role of information in constituting markets, real estate markets provide unique case studies. The goods in which these markets deal—buildings, properties, and rentals—are immovable; what circulates is information in the form of advertising that singularizes a given article of real estate, professional networks that facilitate the encounter of supply and demand, and legal documents that formalize and ensure

ownership. These networks, the types of knowledge they produce, and the spheres of uncertainty they perpetuate are the product of historically and locally specific competitions and negotiations among various actors to define the conditions of production, distribution, and consumption of space. In the sense that real estate markets are the product of diverse and contingent social forces, they are just like any other market: embedded within their social context and dependent on that context for meaning and organization.⁵ To emphasize that markets are social products has become a commonplace, though one that may be particularly appropriate for the study of real estate markets. Owing to the nature of their products, these markets are highly localized, fractured, and subject to a high degree of informational inequality, making them particularly embedded. Moreover, depending on the historical moment, actor, and geographic location, transactions in property markets can be extremely individualized and personal, as opposed to standardized and anonymous, making their enmeshment in social and cultural conditions—not to mention specific spaces—especially obvious.⁶

Approaching the real estate market as a social product allows us to focus particularly on the processes of “marketization” that contribute to its establishment and maintenance. As discussed recently by Koray Çaliskan and Michel Callon, exploring marketization implies more than merely pursuing the social construction of markets. Rather, it requires a specific analysis of the actors and networks at work in the elaboration of market models and market sites, integrating a discussion of the various kinds of epistemological labor (expert and lay) required for the functioning of markets while also accounting for the materiality of both markets themselves and the goods with which they are concerned.⁷ This dual emphasis on knowledge and materiality is particularly appropriate for the study of property markets. The nature of their commodities, notably the resistance of land and buildings to physical relocation, has a significant impact on the form of these markets, rendering their efficiency dependent on the centralization of information about and representations of the land and buildings available for sale or rental.⁸ The marketization of housing thus involves the establishment and management of networks of information by recognized intermediaries.

Working at the level of both the individual agency and the occupation as a whole, Parisian estate agents formulated projects to equalize marketplace information, such as centralized exchanges (*bourses des immeubles*) comparable to the boards of trade already in existence for stocks, bonds, and commodities. They also engaged in efforts to develop systems of mandate- and commission-sharing similar to the multiple listing services (MLS) that would be well established in the United States by the 1920s. The technologies of

these systems—the paper registers, professional membership cards, and centralized market sites—sought to coordinate competition and provide more perfect access to market knowledge, thus establishing the necessary distributive networks to improve the liquidity of real estate.⁹ Formulated alongside and in competition with the model of marketplace organization established by other market mediators, debates about the appropriate forms of distributive mechanisms offer a privileged site for analyzing the processes of commodity formation and market management.

Paris's Housing Market in the Fin-de-Siècle

In the final decades of the nineteenth century, several factors combined to create a new constellation of production and distribution networks in the capital's housing market. The liberalization of the limited liability joint-stock company in 1867—meaning that such enterprises could be formed without the authorization of the government—made entry into property speculation easier, particularly for those with little initial capital. The late 1870s also saw the working out of a comprehensive credit network for the building industry through the coordination of the semipublic mortgage institution Crédit Foncier (founded in 1852) with Sous-Comptoir des Entrepreneurs (the traditional lending body of the building industry, created in 1848) and the newly created subsidiary lending and investment institutions Compagnie Foncière de France (1881) and Rente Foncière (1879). The ease with which property development companies could be formed and credit obtained led to the century's largest building boom in the late 1870s, a boom fueled in part by the need for capital generated by an immense stock market boom to find productive employment.¹⁰ This parallelism in the financial and real estate markets came to a conjoined end in 1882, when the failure of the Catholic bank Union Générale brought on a market collapse. In the ensuing crash, credit institutions tightened their purse strings, and mortgage defaults began as the country entered one of its longest periods of economic depression that century.

Companies that had subsidized the construction of new apartment buildings intended for quick resale found themselves acquiring large stocks of residential property from ruined building entrepreneurs in an effort to recoup their investments. These new buildings, generally composed of middle- and upper-class apartments for which supply now easily exceeded demand, faced highly competitive sales and rental marketplaces. Both the vast numbers of buildings to be managed—Compagnie Foncière de France acquired 167 apartment buildings within only a few years—and the abundance of available apartments required that firms rationalize their management services

and focus attention on the aggressive marketing of their buildings. Corporate owners established management offices and rental bureaus in their buildings and contracted the services of specialized estate agencies to publicize their availabilities. They cultivated an image of themselves as service providers, courting tenants as clients to whom they were accountable. As a promotional circular from Rente Foncière advertised, their clients would undoubtedly find many occasions to congratulate themselves for having chosen as their landlord “a company whose overriding concern is to be pleasant to our tenants and to ensure that they receive all the respect and consideration due to them on the part of our personnel and concierges.”¹¹

The commercialization of property management occurred alongside the emergence of a newly specialized class of business actors who made their livelihoods through the marketing of rental housing, property sales, and property management in the capital. Known as *agents d'affaires*, these intermediaries undertook a variety of enterprises that bridged the legal, financial, and commercial arenas. They sold stocks and bonds, drew up contracts for corporate arrangements, brokered various forms of merchandise, advised businessmen on legal matters, and sold commercial and residential properties. All this in addition to their rather more dubious spheres of activities: researching persons of interest for clients, trading in patents, running employment agencies for often desperate jobseekers, and brokering marriages. These intermediaries embodied market relations. When career guide author Edouard Charton described the field disparagingly in 1842, he referred to them as the “living incarnation” of publicity journals.¹² They were quintessential actors in what contemporaries and historians have observed to be the increasing importance of distribution, marketing, and consumption with regard to production in the second industrial revolution.¹³

While the field’s origins can be traced to the eighteenth century, the last decades of the nineteenth century saw a drive toward specialization, occurring both spontaneously within the field and as a result of specific professionalization projects undertaken from the 1870s onward. The rapid proliferation of agents specializing in property brokerage can be glimpsed through the city’s commercial services guide, the *Annuaire Didot-Bottin*. In 1855, the guide listed 249 agents d'affaires in the capital city, grouping them under the heading of “Estate Agencies and Commercial and Property Sales.” By 1862, this group already grew to more than 350. In addition, a new category appeared, listing “Apartment and property rental agencies.” From 1870, however, the group of agents d'affaires was hollowed out in favor of more specialized categories. In addition to rental agencies, a listing that continued to grow throughout the final decades of the century, others such as property managers, commercial property brokers, and the entire heading

“Buildings, Sale and Purchase of”—all occupations falling under the purview of the estate agent—were introduced for the first time in the 1880s and 1890s. The more sophisticated category of *hommes d'affaires* appeared following the formation of the Company of Businessmen of the Seine in 1876. This was an association of agents d'affaires who identified themselves closely with the legal profession and whose ambitions to represent the elite of the profession prompted them to discard the commercially inflected term “agent.” Between 1899 and 1902, Maxime Petibon’s annual *Manuel Officiel des Affaires Immobilières et Foncières de la Ville de Paris* listed 125 substantial real estate agencies in the capital city alone.¹⁴

Estate agents were aiming to carve a place for themselves in an already populous field, divided among professional monopolies that carried out property sales through highly formalized informational networks. Solicitors, or *avoués*, enjoyed a monopoly on many court-ordered property sales (those resulting from bankruptcies or other legal proceedings, as well as the sale of buildings held *indivisum* by heirs). Through the centralization of information on these sales at the Civil Tribunal of the Seine, this profession had established “a kind of property marketplace,” lauded by some as more efficient than wandering through the many offices of those other court-appointed sellers, public notaries.¹⁵ The latter were public officials charged with the authentication of private contracts. They were in charge of some kinds of legally mandated sales, such as the sale of lands belonging to minors, and were the traditional agents for private property sales in France in the nineteenth century. Notaries were the privileged councilors for all issues of family patrimony. Their offices held the legal lifeblood of the family, its marriage contracts, testaments, and property deeds, all of which ensured the family’s multigenerational survival in the face of individual impermanence.¹⁶ As both informational nodes and repositories of their clients’ wealth, these individuals played an important role in investment matters, connecting borrowers and lenders for various kinds of credit arrangements and floating bonds on behalf of different institutions.¹⁷ As historians Philip Hoffmann, Jean-Laurent Rosenthal, and Gilles Postel-Vinay have shown, however, this power declined significantly in the period following 1850, owing to the availability of alternative networks that limited the ability of notaries to maintain monopolistic privileges on information, particularly in the capital city.¹⁸ Indeed, as one treatise on the profession remarked in 1907, notary monopolies had suffered damage simply because of the increase in education and literacy levels among the general population.¹⁹ Moreover, the author continued, recent decades had seen a general “commercialization of affairs” and a preference for rapid capital circulation that rendered the notary and his weighty tomes of accumulated family history an unsuitable intermediary.²⁰

Estate agents played an important role in this commercialization of affairs. As a public official, the notary was legally prohibited from engaging in commercial acts while in office. One of the easiest ways for notaries to divest themselves of any commercial trappings was to collaborate with estate agents, who were themselves often drawn from the ranks of the legal profession.²¹ Many agents in fact trained formally with notaries but were barred from advancing to their own offices by the prohibitive costs of purchasing an office. Indeed, when estate agents began to organize their own professional associations in the 1870s and after, they trod a fine line between asserting respect for the profession that trained them and insisting upon their own right to an independent position in the market.

Notaries represented a model of marketplace organization that was based on traditional distinctions between investment and speculation and whose governing mechanisms were partially centralized and yet opaque. The holders of Paris's 122 notary offices did not share information easily even among themselves. They undertook property sales in one of two ways. In those instances where a notary was aware of a client or fellow official interested in the purchase or sale of a property whose availability had come to his attention, a private sale might be arranged. Alternatively, notaries sold properties through auctions held in their offices, as well as through weekly public auctions at the Chamber of Notaries in the heart of Paris. The publicity, schedule, and form of these sales remained consistent from the eighteenth through to the twentieth century. They were advertised according to a standardized form at designated locations across the city and in a variety of official publications, and they followed a fixed schedule. The information publicly available regarding property sales carried out by both solicitors and notaries was tightly regulated. Only certain numbers of flyers could be printed per sale; the number of journals in which a sale could be publicized was fixed; and the information contained in each advertisement was highly standardized, as in some cases it formed the preliminary basis of the legal contract attending the sale.²²

Advertising was subject to such careful standards owing to the nature of the auction itself, which was seen as the most perfect manifestation of the current demand for a particular product. Publicity had to be reliable, predictable, and effective in order for interested parties to become aware of a property, and to convince the vendors that the turnout accurately reflected the need and desire for the property on the market. In these cases, the market was intensely localized and ephemeral, materialized in the office, public hall, or café that housed the sale for the few moments it took for three candles to burn and extinguish themselves. In Paris, the sites of auctions were more formalized and were open only to recognized legal officials

hired to represent their clients in public proceedings. The Parisian Chamber of Notaries introduced this rule in order to avoid possible abuses resulting from the difficulty in establishing an individual's identity in a city as large as the capital.²³ A solicitor or notary attending an auction had to produce proof of his mandate on behalf of a client and bore instructions as to the maximum level of bid he was permitted to offer—a limitation that, it might be imagined, could impinge upon the establishment of the *juste prix* [fair price] thought to result naturally from the auction house encounter of supply and demand. Supporters of the solicitors' monopolies over certain property sales defended such representation as a mode of achieving perfectly fair competition, free of the intimidation and aggressive passions that could materialize in the auction room when individuals were known to one another.²⁴ While not necessarily an inefficient system of distribution, the public auction—and the notarial procedure more generally—was encumbered by both inflexible regulations and high fees that seemed increasingly out of step with the requirements of contemporary capital circulation.

The progressively more assertive interventions of estate agents into the arena of property sales explicitly sought to provide an improved market model to that guarded by notary networks. This aim did not necessarily require supplanting notaries. One estate agency, founded in 1874, called itself the Mandataire du Notariat and proposed to position itself as a national publicity venue for notaries, providing a framework for more consistent and efficient exchange of information. In the agency's opinion, real property required a much-improved marketplace in order to compete with the rising appeal of movable assets and the growing popular taste for the rapid circulation of capital.²⁵ Yet this appeal for improved rationality did not extend to proposals for complete transparency. As the agency was careful to publicize, the advertisements they proposed would provide thorough information on the nature of the property for sale but would not include the exact address, thereby obligating interested parties to contact the notary involved.²⁶

Referencing the legal and practical limitations upon the sphere of activities of the notary, this agency proposed a mutually beneficial collaboration between commercial intermediaries and public officials.²⁷ When a small group of elite estate agents in Paris founded the Company of Businessmen of the Seine in 1876, collaboration on equal footing with notaries was an explicit goal. Article 27 of the group's founding statutes asserted, "In their relations with public officials, members are required to express all consideration due to these individuals, and to assume the role of useful and devoted auxiliaries."²⁸ The report that accompanied the founding of this organization expressed confidence that the business opportunities of the capital city were sufficient to ensure that estate agents could earn an honorable

and useful living “without at all intruding on the prerogatives of public officials.”²⁹ This stance of mutual aid and fraternal respect was to be particularly expected from a body whose founding members included several ex-notaries.

Notaries, however, took a far from benign view of the formalization of this occupation and its challenge to their potential monopoly on property transfers. From the mid-nineteenth century, they both asserted and sought to extend their official privileges, defending an allegedly exclusive right to perform public property auctions and lobbying to increase the types of private contracts that required notary authentication.³⁰ When the Professional Union of Estate Agents of France and Its Colonies was founded in 1898, it consequently took an aggressive stance toward notaries and their professional monopolies. As competition between public officials and estate agents increased, the Company of Businessmen of the Seine moved closer to the position of the Professional Union of Estate Agents.³¹ In 1907, the two groups collaborated to draft a report in support of government regulation of their profession, arguing that the very fact that they operated competitively in the marketplace was evidence of their superiority over the protected legal professions. Public officials, the report insisted, “confined as they are within narrow rules, and because of their monopoly, are alien to the emulation born of individual initiative, and don’t render all the services for which they were created.” The authors put it frankly: “these organizations, venerable by virtue of their age, no longer fit with the intensity of modern activity.”³² In the place of a closed network of privileged intermediaries, increasingly assertive real estate agents proposed a market model based on transparent information networks that were better adjusted to the needs of contemporary property circulation. The real estate agency itself was proposed as an “unofficial, unceasing marketplace” in a way that was antipathetic to the requirements, and in some cases, the inclinations, of the notarial profession.³³

Commercializing the Property Market

As the initiators of the Mandataire du Notariat agency indicated, real property competed for investor attention as the nineteenth century progressed. By the 1880s, movable assets had reached parity with real property in the portfolios of French investors and would surpass it by the period of the Great War.³⁴ Far from simply reflecting the movement of investment capital from a less dynamic to a more fluid arena, the increased prominence and popularity of stock market engagement encouraged fundamental alterations in the nature of real property ownership as well. For financial observer Alexis Bailleux de Marisy, the increased involvement of joint-stock companies

and other corporate bodies in the construction and distribution of housing capitalized on public opinion and taste with regard to wealth and property: “clear public sentiment favors the movable form as today’s preferred mode of participating in property ownership; making land, the buildings it supports and the revenues it generates, into paper shares that can be folded and placed in a wallet, that can be passed from hand to hand, seems the highest form of progress.”³⁵ A legal expert presented similar views to the Central Society of Architects at its annual meeting in 1884. Faced with increasing distaste for the material inconveniences of owning and managing real property, he opined, the mobilization of property via new corporate forms offered a hopeful alternative for investment in real assets:

The ease with which an urban property can be transformed into shares represented by stocks belonging to different individuals, who in turn receive their income via an administrator, is noteworthy. The buildings owned by insurance companies are an example of this transformation. There are new opportunities here. This may be the future of property.³⁶

Observing the same phenomena, the anonymous author of a treatise on the property investment firm Rente Foncière commended the company in 1880 for doing away with ownership by notarized act, which he characterized as “primitive, rudimentary, repellent, bureaucratic, expensive, and generally repulsive for modest purses.” In its place, the firm instituted ownership in small portions achieved by simple stock transactions. Combining the mobility and accessibility of stocks and bonds with the security of investment in land, these combinations had the further virtue of introducing transparency to a market whose valuation mechanisms were understood as obscure. Once transformed into stock quotes, the author continued, real property assumed a value both “precise and incontrovertible, determined and declared each day by stock exchange prices” and “subject neither to manipulation nor fraud.”³⁷

Recognition of the significance and potential of this transformation prompted Jacquemont to voice his concerns to the International Congress of Built Property in 1900. In his eyes, property required a market suited to increasing demand for its circulation. One indication that legislators were beginning to acknowledge the inadequacies of the legal frameworks governing property transactions was the passage of the law of August 1, 1893, which sought to end the ambiguity hounding corporate involvement in property development by automatically qualifying all joint-stock companies as commercial entities. Formerly, these companies were deemed either commercial or civil personalities, depending on the types of activities they

pursued. Real estate development and investment companies, even those that mobilized millions of francs of property and bonds on behalf of shareholders, were subject to the civil rather than commercial code, owing to the legal impossibility of defining property as merchandise. The 1893 law was formulated specifically in response to the quandary that these enterprises presented to commonsense understandings of market activities, offering a route to facilitate the business endeavors of property development companies while avoiding the far more revolutionary act of redefining the status of property itself as a commodity.³⁸

In the eyes of many observers, while the division of buildings into shares by property investment companies might be grudgingly tolerated in the name of democratizing access to property and proprietorship, increasing the circulation of property was fundamentally akin to its demoralization. At the same congress at which Jacquemont suggested that the assimilation of property to merchandise be made easier, a heartily applauded presentation maintained the opposition of France's organized property holders to projects to reform the nation's land registry for fear that such reforms aimed to improve the circulation of property: "And *voilà*, all at once, the property right thus represented as a security ceases to be connected to the material object to which it refers Rather than an object of exclusive, material appropriation, or of purely individual use value, property has become a true instrument of exchange and circulation."³⁹ Thus abstracted, land mobilization would represent the triumph of urban-style speculation over traditional landholding patterns, for as another commentator reminded attendees, "the trade in these property securities won't occur in the village square, between people in clogs, but in the city, at the stock exchange."⁴⁰

At the heart of such debates lay a contest between models of the property marketplace that embraced or rejected its integration with the increasingly popular stock market. Some projects for improved real estate market communications adopted the physical centralization of the stock or commodities exchange while acknowledging the differences that had to be maintained between markets dealing with movable and immovable assets. In 1899, Charles Paulet and Etienne Oudin, the former an author of a treatise on commodities markets and the latter a property owner, published a preliminary plan for a *bourse immobilière*, or property exchange. Citing the critical place that real estate affairs occupied in economic and everyday life, the authors sketched a plan for a centralized location intended "not, of course, to determine real estate prices," as central exchanges did for other forms of property, "but simply to encompass all acts and operations bearing some relation to real estate." An exchange would provide a center of calculation for organizing and coordinating information about the housing market,

“a meeting place, at once central, permanent, and professional . . . , to which anyone interested in real estate questions would be admitted for an annual fee.”⁴¹ This membership fee would be kept low, at twenty francs, in order to allow broad access, and the property sales and rental division—consisting of twenty offices, one for each district in the capital city—would provide free information to the general public. In this way, real estate investment could compete effectively with other forms of investment and speculation, such as stocks and bonds, which benefited from their own centralized marketplaces.

The stock market provided the dominant model for marketplace organization as estate agents undertook to rationalize their advertising and information networks and establish modern agencies. The agency of John Arthur et Tiffen presented projects for a Bourse des transactions immobilières, or Real Estate Transactions Exchange, to readers of its pioneering journal, the *Grand journal officiel de la location et de la vente des terrains et immeubles*, in 1884. As the agency explained, the real estate crisis of the early 1880s had its roots in completely unorganized and ineffectual information management: “All stocks, state securities, shares and bonds in corporations, . . . any and all types of goods and commodities have central sites, exchanges, markets, where supply and demand meet. There is nothing similar for real estate; nothing is organized; everything is abandoned to accident, to chance circumstances, to random, fortuitous encounters.” Such problems were by no means limited to the sales market. Tenants were equally abandoned to their fates. Indeed, their incapacity to effectively navigate the housing market was a crucial factor in the difficulties plaguing investors in the property market. The agency proposed that its own offices serve as an innovative “central site, a market, an exchange, concentrating supply and demand for all real estate business, sales, rentals, and loans.”⁴²

Referring to an agency as an “exchange,” or *bourse*, was a frequent occurrence among estate agents of this period. The phrase evoked centralization, specialization, and the incessant encounter of supply and demand necessary to efficient market organization. Edmond Schwob described his agency, founded in 1879, as a “building exchange,” a central marketplace rendering distribution and consumption of properties an unproblematic question of choosing from a catalog.⁴³ Agents emphasized that such bureaus were public sites that aimed for appealing display and encouraged casual browsing, unlike the intimidating and silent offices of the notary. The Bourse des locations immobilières, or Rental Exchange, an agency founded by A. Chusin in 1874, established its offices in the prestigious Galerie Vivienne in the city’s second district, emphasizing that here a client would find “a perfectly arranged site, to which access is open for all.”⁴⁴ Searching by desired

neighborhood, price range, or type of property, clients were supposed to be able to find what they were seeking at a glance. Owing particularly to their dual involvement in both the sales and rental markets, estate agents lauded their ability to decode the rapid transformations in the capital's urban fabric and replace confusion with efficient and transparent provisioning. Real estate publications vaunted their methodical presentations, which prevented useless expenditures of time and money. The *Annonce Immobilière* asserted, "One of the most serious disadvantages of the publicity tried thus far is the absolute lack of method, the total absence of organization," and promised frustrated clients that their maps, regularized shorthand codes, floorplans, and expert counsel would demystify the increasingly complex spaces of the city.⁴⁵ Importantly, the aid of an agent was alleged to easily replace, or at least reduce, the physical exploration of the city's spaces, captured in repeated descriptions of exhausting climbs up stairwells and exasperating interviews with building concierges. With the assistance of dedicated professionals, the aimless wandering of streets and corridors would be a thing of the past.

Managing information was thus crucial to both assuring the competitive edge of an individual agent and crafting arguments for the particular utility of the estate agent in the urban property market. Lacking the official status, professional networks, and social standing enjoyed by the notary, the estate agent had to be extremely enterprising when it came to tracking down properties and clients. The "current affairs" archival collections of the Bibliothèque Historique de la Ville de Paris, as well as private collections at the Archives de Paris, contain dozens of client solicitation letters sent by estate agents to property owners in an effort to drum up business for their agencies. These letters vaunted the experience and respectability of the agency, explained the social status, professional capacities, and business networks of its director, and occasionally listed the most recent property sales mediated by their agents before ending with the hope that the addressee would consider the agency when it came time to buy or sell.⁴⁶ Others clearly thought this a time-consuming avenue. In 1887, the director of public works for the city of Paris received a request from an agent named Lescure who wished to obtain daily access to applications for building permits. While the municipality's official publications already included summaries of the owners, architects, and addresses of new buildings in the city, Lescure wanted "details on the division of apartments, the number of stories, and the size of the building," which would allow him to locate likely new clients (or perhaps even broker an apartment without the owner's permission).⁴⁷ Finally, two of the most important tools at the disposal of estate agents remained publicity, and like the buyers and tenants they were aiming to assist, an agent's own explorations of the city, undertaken in order to locate likely clients and sites

of business. As the authors of the *Moniteur de la Location* exclaimed in 1881, “My God! [Our method] is naively simple. Instead of choosing to wait for the tenant on our curule seat, we go and look for him wherever he might be found, in the street, in the cafe, in the reading room, the club, etc., etc.”⁴⁸

Through these various methods, estate agents worked to establish themselves as information nodes that linked buyers and sellers, owners and tenants, in order to render the capital’s property relations more rational. Indeed, through their advertising and self-promotion, agents were in the process of creating both commodities and consumers for their services. Not only did the confusing urban environment necessitate their expert guidance, but the conditions of the property and housing market—namely overproduction resulting from the construction boom—meant that property owners were advised to engage in competitive marketing. The firm of John Arthur et Tiffen stressed in 1884, “Tenants go to the most skillful, to those who know how to draw them in with well-crafted advertising, and they’re right to do so; apartments having become commercial goods, they ought to be offered like merchandise.”⁴⁹ If tenants were to be pursued cunningly, so were buyers and sellers. To take an example from fiction, Frédéric Haverkamp, an estate agent created by author Jules Romains in the interwar period, establishes his agency in 1908 with the maxim to treat the client as he himself would like to be treated, “to impress upon him that his satisfaction is our priority, so that he has no reason to regret his troubles; that the first payment we expect from him is his respect.”⁵⁰ Such a level of customer service requires consummate organization; Haverkamp transforms his methodical surveys of the city’s neighborhoods into a scientific filing system, and Romains goes so far as to reproduce a copy of the filing cards employed.⁵¹ As Haverkamp explains, “An agency is an information center. Hence, the particular importance that must be paid to filing.... The properties for sale are your merchandise. It’s your job to enable the buyer to circulate easily among them, as he would in the aisles of a department store.”⁵² The job of knitting these individual offices into a larger informational web that could best serve the interests of all agents was one of the goals of the professional associations that emerged to represent and support the specialized real estate agent.

Organizing Information and Professions

The organization of information entailed the greater coordination and regulation of those professionals who possessed knowledge about this market. Organized real estate agents were among the most vocal supporters of more thorough forms of marketplace centralization. The first substantial professional organizations—the Company of Businessmen of the Seine and the

Professional Union of Estate Agents of France and Its Colonies—supported the principle of association itself as an avenue of market rationalization. Article 28 of the company's founding statutes addressed dishonest competition, warning adherents, "in their relations with each other, the greatest brotherhood must always exist between them, and be maintained by the honesty of their methods."⁵³ In the interests of personal accountability and transparency, members were forbidden from establishing agencies that did not include their founder in their name. The association sought to establish the means by which reputable agents could distinguish themselves from the obscure crowds of operators that plagued what was fundamentally an open and unspecialized occupation. This effort to achieve distinction included prohibiting members from forming partnerships with individuals who did not fulfill the conditions for membership.

It is easy to understand why some agents might have desired this form of organization. The field was a highly competitive one, and a high degree of mistrust existed among agents. With no formal requirements for entry, the range of individuals who called themselves estate agents and scoured the streets of Paris for clients was quite broad, which contributed greatly to the public's poor impression of the field. Bankruptcy dossiers from the end of the century show that people came to the occupation after leaving their positions as tailors and dairymen. A 1906 letter sent from an estate agent to solicit clientele for his property sales services was signed "Claude Moreau, ex-secretary of the Parisian Hairdresser's Union."⁵⁴ Amidst this flotsam, the estate agent was consigned to ceaseless struggle for distinction and survival. Author Aurélian Scholl described the desperation of their situation in 1885: "Some estate agents succeed and swim in deep waters; but the majority wade, sometimes above, sometimes below the tide, trying to evade the current that drags so many poor devils to the dregs of Parisian life.... Above them a monopoly, around them relentless competition. Slacken for an hour, and misery is waiting to pounce."⁵⁵ As protection against this competition, some agencies engaged in a kind of occupational policing, having their agents sign contracts that prohibited them from setting up rival bureaus within certain distances and spans of time.⁵⁶

As a more commercially oriented grouping than the Company of Businessmen of the Seine, the Professional Union of Estate Agents sought more institutionalized networks of information sharing. The organization adopted a journal published by real estate broker Antoine Jauffret as its publicity organ in 1899. *La France Immobilière* announced that its goal, as the natural auxiliary of all real businessmen, was to increase business by improving efficiency for buyers and sellers while also allowing "the *intermediary* to expand his networks and offer his clients a larger amount of supply and demand."⁵⁷ By 1901, the organization had established what it called

a *bureau centralisateur*, a service that offered to centralize the sales and purchase demands of agents, enabling the two sides of the market to meet in exchange for a portion of the commission in the event that its intermediation resulted in a successful transaction. The journal steadily increased its length and the percentage of each issue dedicated to publicity for commercial and residential property sales. In 1904, the bureau became a commercial enterprise distinct from the professional organization, and the commissions it generated increased from 742 francs in its first year to 71,166 francs in 1907.⁵⁸ Assuming agents were earning between 3 and 5 percent commission—the amount could vary widely and was subject to arbitrary reduction by the courts—this larger figure represented property sales worth between 1.5 and 2.3 million francs. As a notice in 1908 reminded readers, such a service required absolute honesty among its participants in order to function, in addition to the adherence of large numbers of agents. In fact, by 1911 the enterprise closed. The editors of *La France Immobilière* declared their intention to continue the service as an aspect of the professional organization, but warned members, “It can no longer be only fifty, but all of you who will contribute to make this work, for it’s all or none that must be involved in its services.”⁵⁹ These enterprises and the syndicate more generally suffered from a lack of interest and commitment among members of the estate agent community. Membership remained low, and the journal, much declined in frequency, continued only owing to the determined labor of Jauffret.⁶⁰

The most substantial forms of professional organization emerged in the wake of World War I in response to a greatly changed property market and the introduction of state intervention in the distribution of housing. The year 1916 saw the introduction of legislation freezing rents in the capital and other large metropolitan areas, christening a diversity of rent and property categories that significantly complicated the housing market while halting investment in real property. Following the cessation of hostilities, a housing crisis in Paris occurred because of a combination of rent control legislation, high building costs, and increasing demand as both foreigners and domestic workers moved to the city. Legislators once more turned their eye to the status of property as a commodity and introduced a 1919 law creating the infraction of illicit speculation in rents. This law attempted to apply the principles of previous legislation regarding wartime speculation on a variety of merchandise to urban housing and to hold accountable any individuals deemed to be exaggerating rent levels beyond the “natural” limits determined by supply and demand.⁶¹

The legitimacy of applying these standards to the housing arena was doubtful to many. Legally speaking, renting was a civil act, not a commercial one. Moreover, several of the elements necessary to constitute illicit

speculation in the commercial realm either did not exist or were difficult to quantify in the civil realm. As one legal observer summarized:

The truth is that there is no marketplace for rents, there is no Exchange that centralizes supply, there's nothing that makes the play of supply and demand transparent. Different markets form from neighborhood to neighborhood, and different prices apply according to the needs of each client; the laws of supply and demand have a very small influence.⁶²

In seeking to regulate the market for housing, then, legislators had to create one, or at least something whose conditions were amenable to public intervention. The 1919 legislation sought to remedy the opaqueness and unevenness in the marketplace by including stipulations requiring property owners and managers to post notices of their available apartments on their buildings. While agents had been trying for decades to convince property owners and tenants alike of the limited usefulness of isolated "For Rent" or "For Sale" signs, the search for housing in the capital continued to depend in significant measure on individuals walking the streets seeking notices of availability.⁶³ Simply removing a sign hung on a building facade could thus severely restrict information networks.

Indeed, organized tenants' groups in the immediate postwar period were particularly concerned by the ability of property owners, in concert with estate agents, to dissemble the existence of available lodgings. For these groups and their political allies, the logic of the consumer marketplace translated easily to housing politics. Hiding vacancies was deemed one of the main ways by which owners could hoard merchandise to drive up its price. Accusations of conspiracies in the housing market were abundant. In May 1919, a Parisian representative in the Chamber of Deputies wrote, "There are no more 'For Rent' signs; it seems the Association of Property Owners has recommended that its members take in all their signs, in order to increase the price of rents." Moreover, he continued, "it's fruitless to walk the streets in search of lodgings; you're obliged to undergo humiliating treatment at the hands of expensive and cynical intermediaries who've generated a new industry in collusion with property owners and concierges."⁶⁴ In a letter in early 1919 to the minister of justice, Paris's prefect of police agreed that some owners were not posting their apartments when they became available, though he asserted that this was due not to an effort to inflate market prices, but rather to their fear of taking tenants who would not pay but would be difficult to evict under the conditions of new legislation.⁶⁵

As with other commercial intermediaries dealing in necessary goods during and after the war, estate agents were accused of exploiting circumstances

to manipulate markets at the expense of consumers. Tenant rights activist Maurice Maurin wrote in 1919 of “the scandalous and immoral collaboration between building managers and apartment rental agencies,” whom he accused of angling to maintain artificially high rents.⁶⁶ A newspaper article chronicling the search for housing in the capital expressed amazement that moving trucks blocked the streets despite the complete absence of “For Rent” signs. When the author asked a friend in the moving industry to explain this, he was informed that apartments were plentiful: “The clever ones who want housing—and whose wallets are sufficiently fat—go through certain agencies and get what they want.”⁶⁷ According to critics of the profession, the conditions of the postwar housing market had put estate agents in a position to exert domineering influence over distribution networks. The public’s desperation for housing helped reinforce this dynamic as individuals paid huge commissions for decent apartments and gladly offered “inscription fees” in exchange for the hope of being offered one of the apartments advertised by an agency in its alluring window display.⁶⁸

Facing what they understood as the increasing monopolization of information by estate agents that threatened to replace democratic, locally based signage networks with citywide communication via “publicity columns and shady rental bureaus,”⁶⁹ housing activists called for the establishment of municipal rental offices. All property owners would be obliged to announce their vacancies immediately to these offices, located in each district of the city. In language that could easily have been that of a self-promoting real estate agent, Maurin described how the process of finding housing would be rendered more efficient:

No need to search through neighborhoods and streets, to climb story after story, to deal with the insolence of concierges and suffer their repugnant extortion. You want to live in a specific district, neighborhood, a given region? It’s easy. You go to the town hall, you consult a table or a special register, and you see immediately whether you can find something suitable in terms of price, size, floor, etc.⁷⁰

Henri Sellier, housing reformer, urbanist, and member of the General Council of the Seine, proposed similar bureaus, confessing his astonishment that the housing market of the capital city did not already possess such an invaluable mechanism. While rationality had entered every other aspect of modern life, “the inhabitant of the immense agglomeration that is Greater Paris has no means at his disposal other than those of the Middle Ages when it comes to finding housing.” The absence of a centralized rental bureau was so irrational as to be nearly unthinkable, bringing to mind “a modern

city in which the inhabitants have no means of illumination other than candles.”⁷¹

It is in this context that estate agents founded their longest lasting professional association, the Association of Real Estate Agents of France.⁷² Presided over by Edmond Largier, an established real estate agent in Paris, its initial membership of sixty-three agents was drawn principally from the capital, but quickly expanded across the country. By 1923, it boasted 120 members, by 1925, 250, and by 1927, 400, of which the group’s annual report noted only around forty were from Paris. In 1928, membership reached more than 500 agencies across France. As with the organizations already discussed, this body aimed to govern the behavior of its members and delineate a secure professional identity for the occupation. While estate agents had long enjoyed a reputation for dubious business practices that was far from enviable, the field was, in the context of the postwar housing crisis, a target of particularly virulent resentment and accusations. The first issue of the association’s journal remarked upon the frequency with which “ignorant individuals have accused our occupation of being one of the causes of the present housing crisis, because they think it’s in our interest to drive prices up.”⁷³ The group was formed in particular response to legislative propositions, made by Parisian deputy Arthur Levasseur, that sought to centralize the process of housing distribution in large cities. In the context of proposals for new legislation governing rental agreements, Levasseur called for the creation of mandatory housing registries that would become the sole information network for apartment and house rentals. He explicitly sought to replace rental agencies and emphasized, “No rental contract could be established outside the offices of this bureau.”⁷⁴

The organizers of the Association of Real Estate Agents of France were outraged by this proposal for “the suppression *pure and simple* of rental agents and building managers!”⁷⁵ Denying any complicity with efforts to manipulate the housing market, they stressed that they had abandoned the time-honored practice of receiving their rental commissions from property owners and instead received them from tenants (a move that would not, of course, absolve them of charges of exploiting desperate homeseekers).⁷⁶ Indeed, in the interests of protecting themselves from accusations of illicit speculation in rents, the association renewed emphasis on the role of the real estate agent as a simple indicator in the market, a publicity node that served merely to inform buyers and sellers without exerting any influence over prices.⁷⁷ The closest Levasseur’s proposals came to realization was in 1926 with the passage of a new law governing urban housing rentals. Articles 25 and 26 of the law of April 1 reiterated the obligation for owners and managers to post vacancies publicly on the front of their buildings, as well

as the requirement to declare vacant lodgings at the city hall or, in cities where they existed, the municipal housing office.⁷⁸ Moreover, it prohibited any form of private publicity for those apartments whose availability was not publicly posted and declared. Without obliging proprietors to negotiate solely through municipal information conduits, the law sought to maintain a duality in the marketplace, ensuring transparency that was supposed to prevent the unfair monopolization of housing information by privileged intermediaries. It seems, though, that enforcement of these regulations was virtually nonexistent.⁷⁹

In the face of calls for their replacement by the disinterested networks of a state bureaucracy, real estate agents set about assuring the public that their field could unambiguously dedicate itself to the public good. Professional organization promised to improve their reputation by serving to distinguish competent, trustworthy professionals from the fly-by-night brokers operating with false advertising columns from shady courtyard offices. Membership in a professional association announced a committed and responsible commercial identity while also creating the necessary framework to allow the policing of the field under the name of protecting the public. Moreover, it could serve as the basis for establishing mechanisms by which to order the marketplace through regulating information networks. Without ensuring that sharing information did not put an agent at risk of having his client stolen by a competing agent, there was little incentive for collaboration on any but a very localized scale between agents who knew and trusted one another. The failure of the Bureau Centralisateur had shown the difficulties of institutionalizing networks of mandate- and commission-sharing. But the association was convinced that the postwar situation would encourage a new perspective. Their journal observed in 1921, “The spirit of those former times was, let’s be frank, one of jealousy; the feeling that we see growing today among colleagues, of respect for the right of a fellow agent to the deal that he’s contracted, didn’t exist.”⁸⁰ A report on relations among its members that the association presented to the first general assembly in 1921 stressed:

The exercise of our profession requires a broad interpretation of our interests, which might, at first glance, appear to be in conflict with those of other agents; we must, when it’s in the general interest, seek out collaboration, complement our efforts, ally ourselves in such a way that the proportion of transactions carried out by the members of our Association continually grows.⁸¹

As a particular element securing this openness of information, members were required to limit their collaboration with agents who were not part of the

association, sharing no listings or information of any kind with agents outside the organization. If such relations were absolutely necessary, compensation for nonmember agents ought to be limited to 25 percent of the commission.

The association sought to increase business by improving the impression the field made among potential clients and by promoting trust among members. Standardization practices, such as encouraging the use of form contracts and stipulating regular commission rates, also aimed to improve transparency and reliability, as well as generate increasing levels of business. When it came to institutionalizing pathways of mutual cooperation, however, the actions of the association were both slow and limited in scope. It had little to say, for example, on one of the most important mechanisms for improving information sharing in the property marketplace: exclusive listings. Exclusive contracts are key preconditions to extensive networks of information sharing; agents are willing to publicize their affairs only when they stand little chance of losing the client to a competing agent. Exclusive contracts also contribute to lowering commission rates. Where agents do not face the risk of incurring costs and exerting time and energy on a deal that they may lose at any moment, they are willing to lower their fees, which in turn increases the likelihood that a client will seek their services. In fact, it appears that such contracts were employed where possible. A distance education course in real estate sales produced by the Institut Foncier, a bureau operating in Nantes, recommended to agents, "Insist on having an *exclusive* contract for a certain period of time, so that you'll be the only person able to undertake the transaction and a third party won't be able to come along with a purchaser and complete the deal at precisely the moment when you were about to do the same."⁸² And the association recommended, for example, that exclusive contracts signed between a client and an agent should be respected, even by an agent that had previously contracted, nonexclusively, with the same client.⁸³ Yet some members remained unconvinced of the utility of exclusive agreements, accusing these contracts of limiting freedom of trade and frustrating competition, not to mention impeding the free circulation of property.

The association did move quickly to secure its members discounted rates for collective publicity columns in large circulation newspapers such as *Le Figaro* and *L'Ami du peuple*. By 1929, it had successfully created a real estate section in the *Journal des débats*. On the other hand, suggestions that the association create its own advertising publication that grouped the sales and purchase offers of its members were repeatedly relegated for indeterminate "further study," despite meeting with general approval.⁸⁴ As for the possibility of instituting a centralized exchange, the association let its views be known by reprinting the articles of Lucien Lagrave, a real estate expert who

wrote for *Le Figaro* and his own *Revue de la propriété immobilière*. Lagrave firmly denied the utility—or even the possibility—of a physically centralized property marketplace, suggesting instead that estate agents should standardize and stabilize the market through reforms of a “psychological” rather than material nature.⁸⁵ Lagrave insisted that a thoroughly regulated and professionalized corporation would best ensure investor confidence and achieve the conditions of regularity and reliability necessary for market coherency.⁸⁶

The association evidently agreed that professional organization was the most important element in managing the informational inequalities of the market. It was not until 1935 that they created a “Real Estate Marketplace,” a twice-monthly occasion for agents to convene in Paris in their recently established permanent headquarters in order to exchange information and, it was hoped, conduct transactions.⁸⁷ As a prerequisite to establishing the infrastructure of formalized information-sharing networks, the association dedicated significant energy to lobbying for the establishment of official licensing requirements and the introduction of an occupational monopoly. Heir to several such projects undertaken by the Company of Businessmen of the Seine and the Professional Union of Estate Agents in the late nineteenth and early twentieth centuries, the association also took inspiration from the success of their American brethren in achieving state delimitation of entry to their profession.⁸⁸ Largier reported that, owing to occupational licensing, the field of American real estate “has been entirely freed of parasites and its reputation much improved in the eyes of both its clientele and the public authorities.”⁸⁹ The association developed regulatory models throughout the interwar period based on a combination of moral and intellectual competency modeled specifically on regulatory practices in the United States.⁹⁰ Regulation, however, consistently met with the disapproval of legal and commercial commentators owing to its infringement on the freedom of enterprise, and it faced considerable opposition from notaries hostile to the formalization of a field dedicated to property distribution.⁹¹ After an effort to achieve official regulation of the occupation in 1935 failed, Largier noted with some resignation that notaries were represented significantly in both the Chamber and the Senate, and “any project that injures the interests of notaries thus runs a high risk of generating such opposition that it won’t even make it to the stage of naming an official reporter.”⁹² Lagging far behind their American counterparts, French real estate agents did not achieve a true professional charter and official parameters until the Hoguet Law of 1970.⁹³

Conclusion

Throughout the early decades of the Third Republic, Parisian real estate agents struggled to lay claim to a form of professional expertise in improving

and managing the information networks of the capital's property market. While sympathetic observers agreed that an agent was an invaluable catalyst, without whom the encounter of supply and demand was left to the whims of hazard, others were more reluctant to accept such claims of invaluable utility. The fictional Haverkamp's wary client expressed a commonly held assumption: "the entirety of [your] job is to place two men together who could just as easily have come to an agreement on their own."⁹⁴ As agents formed their first national association in 1898, they portrayed themselves as the only solution to the chronic inefficiencies that characterized both property markets in general and the particular networks of the French property distribution system. They worked to surmount the inherently localized nature of the property market with networks of fraternal collaboration. Yet their efforts to achieve market rationalization were not merely part of the specialized agent's profession-boosting discourse. Scientifically organized advertising, innovative merchandizing, and professional organization to limit competition were critical contributors to the marketization of housing and property, establishing new models for understanding and effecting the distribution of real estate as a commodity. With their offices proposed as sites of neutral intermediation, their press vehicles working to standardize urban space and the information available on residential property, and their occupational organizations seeking to impose forms of cooperation that would improve the reliability of market encounters, estate agents provided new frameworks for the organization of competition among autonomous individuals and institutions.

Estate agents were embedded within broader changes in the Parisian property market in the last decades of the nineteenth century, changes that led many observers to call for reforms in the information networks that governed the distribution of both property and housing. The boom and bust in residential construction placed new weight on the information networks that structured housing distribution. As Jacquemont observed, not only did investors require reliable information on the need for and desirability of properties in local markets, but once developed or purchased, these properties required professional management and competitive marketing. Firms such as the Compagnie Foncière de France and the Rente Foncière streamlined their internal information systems in order to track maintenance costs and revenues from individual buildings while also contracting with professional estate agents and installing rental bureaus on the main floors of their new apartment buildings. At the same time, the generalization of stock market participation and subsequent introduction of efforts to accommodate real property to the desires for liquidity and circulation provided by movable assets contributed to the persuasiveness of the stock market as a model for the organization of the property market. Yet both the immovable nature

of property and its legal framing were such that its physical centralization in a commodities exchange remained elusive. Postwar legislation on housing distribution epitomized these contradictions. Apartments, assimilated to merchandise that could be hoarded and speculated upon, were located within both a centralized distribution network in the form of municipal bureaus, and a diffuse, spatialized network that provided housing information through streetfront advertising of availabilities.

Examining the actors and institutions that struggled to establish and manage information networks in the urban property market in this period highlights the imaginative labor and embodied skills that undergird market formation. Market encounters are the product of deliberate mediation by individuals operating from specific toolboxes to establish networks that aim to improve participants' capacity for action. This examination also draws attention to both the historical reality and heuristic utility of failed paths on the route to marketization. Estate agents were repeatedly unsuccessful in achieving market monopolization in France. Indeed, defying the commonly held assumptions about the business cultures of the United States and France, efforts to achieve occupational monopolies and organize restraints on trade have been far less successful in the French than in the American case. Work to establish a rationalized market for real estate under the control of a narrowly defined group of experts is ongoing in France. In May 2009, in the context of another bust in the property and housing markets (this time on a global scale), several real estate groupings combined their efforts to introduce the first truly broad-based infrastructure for information sharing on the model of the American MLS. Known as AMEPI (Association des mandats exclusifs des professionnels de l'immobilier, or the Association of Real Estate Professionals' Exclusive Listings), this system seeks to improve the market share of real estate agents by augmenting the number of listings of any participating agency as well as by encouraging the diffusion of exclusive listings. Unlike the MLS, however, the AMEPI is a purely professional tool; listings on its network are not available to the public.⁹⁵ The politics of controlling market information remains very much at the heart of the professionalizing project of French real estate agents.

Notes

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1. Georges Rondel, *La mobilisation du sol en France: Ses origines, son avenir, son application actuelle* (Paris, 1888). On real estate development in this period, see Gérard Jacquemet, “Spéculation et spéculateurs dans l’immobilier parisien à la fin du XIXe siècle,” *Cahiers d’histoire* 21, no. 3 (1976): 273–306.
2. André Jacquemont, “La spéculation sur les immeubles et ses mécomptes,” in *Premier Congrès International de la propriété bâtie: Exposition Universelle Internationale de 1900, à Paris* (Paris, 1901), 201–7, quotation 201. On the legal debate surrounding the commercial nature of real estate transactions, see Georges Dreyfus, *De l’exclusion des opérations immobilières du domaine du droit commercial* (Paris, 1905).
3. *Enquête pour contribuer à l’étude du projet de réglementation de la profession d’agent d’affaires: Poursuivie et présentée par le Syndicat professionnel des hommes d’affaires de France et des Colonies et la Compagnie des hommes d’affaires du département de la Seine* (Meaux, 1908), 4.
4. See, for example, the contributions to Dominique Margairaz and Philippe Minard, eds., *L’information économique XVIIe—XIXe siècle* (Paris, 2008); and Alex Preda, *Information, Knowledge, and Economic Life: An Introduction to the Sociology of Markets* (Oxford, 2009).
5. The notion of embeddedness stems from Karl Polanyi’s now famous analysis of market society in *The Great Transformation* (New York, 1944). For its many afterlives, see Jens Beckert, “The Great Transformation of Embeddedness: Karl Polanyi and the New Economic Sociology,” in *Market and Society: The Great Transformation Today*, ed. Chris Hann and Keith Hart (Cambridge, MA, 2009), 38–55.
6. C. M. Hann, “Introduction: The Embeddedness of Property,” in *Property Relations: Renewing the Anthropological Tradition*, ed. C. M. Hann (Cambridge, UK, 1998), 1–47.
7. Koray Çaliskan and Michel Callon, “Economization, Part 1: Shifting Attention from the Economy towards the Processes of Economization,” *Economy and Society* 38, no. 3 (2009): 369–98; and “Economization, Part 2: A Research Programme for the Study of Markets,” *Economy and Society* 39, no. 1 (2010): 1–32.
8. Real estate, in particular, lives a sophisticated parallel life as both a material entity providing use value and as capital capable of producing value through exchange. For a discussion of the parallel lives of assets, see Hernando de Soto, *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else* (New York, 2000), chap. 3. This chapter is concerned chiefly with the immovable aspects of the real estate market—land, buildings, and apartments—rather than its movable elements.
9. Arthur D. Austin, “Real Estate Boards and Multiple Listing Systems as Restraints of Trade,” *Columbia Law Review* 70, no. 8 (December 1970): 1325–64.
10. This, at least, was the opinion of many informed contemporaries. See, for example, *Commission d’enquête sur la situation des ouvriers de l’industrie et de*

l'agriculture en France: Déposition de M. Albert Christophe, député, Gouverneur du Crédit Foncier de France (Paris, 1884), and Paul Leroy-Beaulieu, “La Construction des maisons de luxe et des maisons à bon marché à Paris: 1er article,” *Economiste français* (April 15, 1882): 437–39.

11. Bibliothèque Historique de la Ville de Paris [hereafter: BHVP], *Actualités Série 78: Logement*, undated circular.
12. Edouard Charton, *Guide pour le choix d'un état, ou Dictionnaire des professions* (Paris, 1842), 4.
13. Michael S. Smith, *The Emergence of Modern Business Enterprise in France, 1800–1930* (Cambridge, MA, 2006); see especially pt. I, chap. 3.
14. Maxime Petibon, *Manuel officiel des affaires immobilières et foncières de la ville de paris* (Paris, 1899–1903). Figures from the *Annuaire Didot-Bottin* were compiled by sampling the commercial listings at five-year intervals from 1870 to 1930, with the additional inclusion of volumes from 1855, 1862, and 1866.
15. Ernest Vallier, *Les avoués au XXe siècle* (Paris, 1908), 21.
16. Jean-Paul Poisson, “Un lieu de mémoire, l’étude du notaire,” in *Etudes notariales*, ed. Jean-Paul Poisson (Paris, 1996), 5–30.
17. See, for example, Mark Potter and Jean-Laurent Rosenthal, “The Burgundian Estates’ Bond Market: Clientèles and Intermediaries, 1660–1790,” in *Des personnes aux institutions: Réseaux et culture du crédit du XVIe au XXe siècle en Europe*, ed. Laurence Fontaine et al. (Louvain-la-Neuve, 1997), 173–95.
18. Philip T. Hoffman, Gilles Postel-Vinay, and Jean-Laurent Rosenthal, *Priceless Markets: The Political Economy of Credit in Paris, 1660–1870* (Chicago, 2001).
19. J.-Joseph Pagès, *Le Monopole des notaires et les avantages de la vénalité des études* (Toulouse, 1907), 99.
20. Ibid. See also Albert Amiaud, *Etudes sur le notariat français: Réformes et améliorations que cette institution réclame* (Paris, 1879), 27.
21. On the legal experience and orientation of the *agent d'affaires*, see John Savage, “The Problems of Wealth and Virtue: The Paris Bar and the Generation of the fin-de-siècle,” in *Lawyers and Vampires: Cultural Histories of Legal Professions*, ed. W. Wesley Pure and David Sugarman (Oxford, UK, 2003), 171–210; and Anne Boigeol and Yves Dezalay, “De l’agent d’affaires au barreau: les conseils juridiques et la construction d’un espace professionnel,” *Genèses* 27, no. 1 (1997): 49–68.
22. Chambre des avoués de première instance de la Seine, *Ventes judiciaires de biens immeubles: loi du 22 juin 1841, mai 1894* (Paris, 1894), 35–40. While similar regulations on publicity did not apply to voluntary sales, the same practices were usually followed.
23. M. Rivière, ed., *Pandectes françaises: Nouveau répertoire de doctrine, de législation et de jurisprudence* (Paris, 1888), 3:154–55.
24. A. de Coston, *De l’office du juge en matière de ventes judiciaires d’immeubles* (Paris, 1891), 131–32.
25. “Notre programme,” *Le Mandataire du notariat: Journal des intérêts pratiques des notaires* (January 1, 1874): 1.

26. "Immeubles à vendre ou à acquérir: Création d'un registre de publicité," *Le Mandataire du notariat: Journal des intérêts pratiques des notaires* (March 1, 1874): 5.
27. "Administration du Mandataire du notariat," *Le Mandataire du notariat: Journal des intérêts pratiques des notaires* (January 1, 1874): 7.
28. Compagnie des hommes d'affaires du département de la Seine, "Statuts," 1876.
29. Compagnie des hommes d'affaires du département de la Seine, "Rapport présenté à l'Assemblée générale des Hommes d'affaires du département de la Seine, le 29 novembre 1876, par M. De Saine, secrétaire de la Commission d'organisation, au nom de cette Commission," (n.p., n.d.), 23.
30. On the rights of private individuals to hold public auctions of real estate, see *Dictionnaire du notariat par les notaires et jurisconsultes* (Paris, 1854), 1:526–28; and Albert André, *Traité pratique des ventes d'immeubles amiables, judiciaires, et administratives* (Paris, 1894), 270.
31. Amédée Gabillon, Mémoire présenté au nom de la Compagnie des Hommes d'affaires de la Seine (Paris, n.d.).
32. *Enquête pour contribuer à l'étude du projet de réglementation de la profession d'agent d'affaires*, 3–4. For an enlightening discussion of the positive connotations of "emulation" with regard to self-fashioning in nineteenth-century France, see Carol E. Harrison, *The Bourgeois Citizen in Nineteenth-Century France: Gender, Sociability, and the Uses of Emulation* (Oxford, 1999).
33. *Enquête pour contribuer à l'étude du projet de réglementation de la profession d'agent d'affaires*, 4.
34. Hubert Bonin, *L'argent en France depuis 1880—Banquiers, financiers, épargnans dans la vie économique et politique* (Paris, 1989), chap. 9; Pierre-Cyrille Hautecœur ed., *Le marché financier français au XIXe siècle*, vol. 1, *Récit* (Paris, 2007), 14.
35. Alexis Bailleux de Marisy, "Les Nouvelles sociétés foncières: Mœurs financières de la France, IV," *Revue des deux mondes* (November 15, 1881): 432–52, quotation 444.
36. "Conférences de la Société Centrale des Architectes. Séance du 24 avril," *Semaine des constructeurs* (May 10, 1884): 533–34, quotation 534.
37. Archives Nationales du Monde du Travail [hereafter: ANMT], 65 AQ I 263: Dargent, *La Rente Foncière Parisienne—Ses avantages, sa hausse progressive, augmentation constante du revenu et du capital* (Paris, 1880), 11.
38. Dreyfus, De l'exclusion des opérations immobilières du domaine du droit commercial, 50–57.
39. "Jeudi 31 mai: La Propriété bâtie et le crédit hypothécaire dans les différents états: Rapport de M. Hermance, docteur en droit," *Premier Congrès international de la propriété bâtie*, 174–78, quotation 175.
40. "Jeudi 31 mai: La Propriété bâtie et le crédit hypothécaire dans les différents états: Réponses de M. Baudelot (avocat à la Cour d'appel de Paris) et de M. Aubépin (avocat à la cour d'Appel de Paris)," *Premier Congrès international de la propriété bâtie*, 179–82, quotation 182.

41. ANMT, 65 AQ I 31: Charles Paulet and Etienne Oudin *Bourse Immobilière: Projet de Création* (Paris, 1899), 1, 2.
42. “La Bourse des transactions immobilières,” *Le Grand journal officiel des locations et de la vente des terrains et immeubles* (December 25, 1884), 25–26.
43. *Journal des propriétaires, des acquéreurs et des locataires: Journal d'annonces, avis divers*, January 5, 1891.
44. *Le Guide des locataires: Journal de l'administration de la Bourse des locations immobilières*, May 1, 1874, emphasis original.
45. “Pourquoi nous avons fondé *L'Annonce immobilière*,” *L'Annonce immobilière: Journal hebdomadaire*, October 15, 1884, 3–4. Examples of rationalizing the city’s geography included the “new patented method” introduced by the *Journal de L’Union des propriétaires* in 1896, designed to improve the market’s efficiency by replacing street names with a coded number system (*Journal de L’Union des propriétaires: Organe spécial de ventes et locations directes*, August 15, 1896). The real estate journal of John Arthur et Tiffen agency, the *Grand journal officiel des locations et de la vente des terrains et immeubles*, founded in 1884, included color floorplans with the advertisements.
46. BHVP, Actualités Série 78, Logement: Letters from C. Gosset, J.-B. Boisselot, the Agence Lagrance, William Tiffen of John Arthur et Tiffen, Charles Theuret, N. Keim & Fils, Edmond Largier of the Agence Largier, the Paris-New-York Agency (c. 1890–1914), and many more.
47. Archives de Paris [hereafter: AP], VO NC 182: Lettre, Lescure à M. le Secrétaire général de la Préfecture de la Seine, 8 février 1887; lettre, Lescure à M. le Directeur des Travaux de Paris, 18 février 1887.
48. A. Aubert, “Aux propriétaires,” *Moniteur de la location*, February 20, 1881.
49. “Causerie Foncière,” *Grand journal officiel des locations et de la vente des terrains et immeubles*, October 1–15, 1884, 19.
50. Jules Romains, *Les hommes de bonne volonté* (Paris, 1932), 4:28.
51. *Ibid.*, 4:31.
52. *Ibid.*, 4:28.
53. Compagnie des Hommes d’Affaires du Département de la Seine, “Statuts,” 1876, art. 28.
54. Claude Nicolin (bankrupt 1868; AP, D.11 U3 593) worked as a tailor in Rouen, bankrupting himself twice before coming to Paris and engaging in a commercial property sales business. Similarly, Claude Debray (bankrupt 1870, AP, D.11 U3 680) worked as a metalworker and dairyman before an expropriation indemnity allowed him to venture into the apartment rental business. Claude Moreau, client solicitation letter (1906), BHVP, Actualités Série 78, Logement.
55. Aurélian Scholl, *Fruits défendus* (Paris, 1885), 216, 213.
56. In 1875, the renowned firm of John Arthur et Cie. drove one of its former employees, Daniel J. Costigan, bankrupt as he tried to defend his competing real estate agency from the 25,000 francs in damages that his former employer demanded for the alleged violation of Costigan’s hiring contract, which prohibited him from opening a similar business within seven years of leaving John

Arthur et Cie. Arthur did not succeed in collecting his 25,000 francs; the courts viewed his contract as an infringement of the freedom of commerce, but the court costs ruined Costigan. See AP, D.11 U3 798.

57. "Notre but," *La France immobilière*, January 1898, original emphasis.
58. "Bureau centralisateur du Syndicat professionnel des hommes d'affaires de France et des colonies," *La France immobilière et commerciale*, June 1908.
59. "Assemblée générale annuelle, 7 mai 1911," *La France immobilière et commerciale*, June 1911.
60. "De l'Indifférence des Hommes d'Affaires," *La France immobilière et commerciale*, January 1912.
61. Law of October 23, 1919, art. 6–7. See Louis Bouzinac, *Les loyers: Le Régime définitif des prorogations: La Spéculation illicite: Analyse et commentaires de la loi du 31 mars 1922 et formulaire* (n.p., n.d.).
62. Archives de la Chambre de Commerce et de l'Industrie Parisienne, III 4.42 (1): J. Tchernoff, "La Spéculation illicite," *Revue pratique de législation et de jurisprudence du Tribunal de commerce de la Seine*, 22 (November 15, 1919), 83–97, 91.
63. On the inefficiency of the posted sign, see, for example, *L'Annonce immobilière: Journal hebdomadaire*, October 15, 1884.
64. BHVP, Actualités Série 78, Logement: Lauche, "La Crise du logement," *L'Eveil des locataires: Organe de la Confédération des locataires de France et des colonies*, May 10, 1919, 1. On tenants' organizations in the interwar period, see Susanna Magri, "Le mouvement des locataires à Paris et dans sa banlieue, 1919–1925," *Le Mouvement social* 137 (October–December 1986), 55–76.
65. Archives Nationales [hereafter: AN], F7–13755: Lettre du Préfet de Police à Monsieur le Garde des Sceaux, Ministre de la Justice, 10 février 1919.
66. BHVP, Actualités Série 78, Logement: Maurice Maurin, "Les Offices municipaux de location," *L'Eveil des locataires*, May 10, 1919.
67. AN, F7–13756: Léon Osmin, "Rien à louer mais ... on déménage," *Populaire*, June 21, 1922.
68. AN, F7–13756: Henry Prete, "Allons-nous longtemps encore laisser agir librement les mercantis du loyer?," *Peuple* October 15, 1923; Henry Prete, "On se demande pour quelles raisons la police tolère les agissements des escrocs du logement," *Peuple*, October 18, 1923.
69. AN, F7–13756: "Se déciderait-on enfin à poursuivre les mercantis du loyer?," *Peuple*, November 4, 1923.
70. BHVP, Actualités Série 78, Logement: Maurice Maurin, "Les Offices municipaux de location."
71. BHVP, Actualités Série 78, Logement: Henri Sellier, "La Guerre a aggravé le problème des loyers," *L'Eveil des locataires*, May 31, 1919.
72. Founded in 1921, the Chambre syndicale des agents immobiliers de France has since been absorbed into FNAIM, the Fédération national des agents immobiliers. I would like to thank Délégué Général Michel Terrioux and Odile Benedetti for their assistance with the archives of the association.
73. "Pourquoi nous devons être unis," *Bulletin officiel de la Chambre syndicale des agents immobiliers de France* 1 (July 1921).

74. Arthur Levasseur, “Une organisation à améliorer: Les offices municipaux,” *Courrier des loyers*, reprinted as “Agences de locations—Régisseurs,” *Journal de l’homme d’affaires* 7 (April 15, 1921): 183.
75. “Comment la ‘Chambre syndicale des agents immobiliers de France’ a été constituée,” *Bulletin officiel de la Chambre syndicale des agents immobiliers de France* 1 (July 1921), original emphasis.
76. “Rapport du Conseil d’administration: Assemblée générale du 28 janvier 1922,” *Bulletin officiel de la Chambre syndicale des agents immobiliers de France* 4 (April 1922). In 1929, the association’s president Edmond Largier, now himself a deputy in the national legislature, succeeded in voting an amendment to the rental legislation of June 29, 1929, that penalized agents who accepted commissions before carrying out services for their clients with fines of 1,000 to 5,000 francs. This amendment was an effort to moralize the profession in the eyes of consumers, as well as a means to strike against agents operating outside the boundaries of the association. See Maurice Jacquault (président), “Mise au point rectificative,” *Bulletin officiel de la Chambre syndicale des agents immobiliers de France* 42 (October 1931).
77. “Compte-rendu de l’Assemblée générale du 23 mars 1921: Rapport de M. Esnault,” *Bulletin officiel de la Chambre syndicale des agents immobiliers* 1 (July 1921).
78. Law of April 1, 1926, art. 25. Paul Colin, *Codes et lois pour la France, l’Algérie et les colonies: Supplément: mise au courant à la date du 15 août 1927* (Paris, 1928), 147.
79. The leftist newspaper *L’Humanité* reported in the summer of 1926 on the complete absence of any kind of public registry of available housing in Paris. AN, F7-13756: L. Dieulle, “Locataires—A quand l’établissement de la liste des locaux vacants?,” *L’Humanité*, June 24, 1926.
80. “Pourquoi nous devons être unis,” *Bulletin officiel de la Chambre syndicale des agents immobiliers de France* 1 (July 1921).
81. “Compte-rendu de l’Assemblée générale du 23 mars 1921: Rapport de M. Champonnois sur les relations réciproques entre confrères,” *Bulletin officiel de la Chambre syndicale des agents immobiliers de France* 1 (July 1921).
82. Institut Foncier, *Cours Immobilier* (Nantes, 1919), lesson 30, p. 5, original emphasis.
83. “Projet de réglementation des relations professionnelles entre confrères,” *Bulletin officiel de la Chambre syndicale des agents immobiliers de France* 42 (October, 1931).
84. “Compte rendu de l’Assemblée générale du 20 février 1928,” *Bulletin officiel de la Chambre syndicale des agents immobiliers de France* 28 (April 1928), and “Assemblée Générale du 18 février 1929: Compte-rendu,” *Bulletin officiel de la Chambre syndicale des agents immobiliers de France* 33 (May 1929).
85. Lucien Lagrave, “Faut-il, peut-on envisager la création d’un marché immobilier?,” *Revue de la propriété immobilière* 5 (May 1932): 69.
86. Lucien Lagrave, “Les agents immobiliers,” *Bulletin officiel de la Chambre syndicale des agents immobiliers de France* 50 (October 1933); Lucien Lagrave,

“Un problème qui se pose: Les agents immobiliers et le marché immobilier,” *Bulletin officiel de la Chambre syndicale des agents immobiliers de France* 60 (September–October 1935): 3–4. See also Lucien Lagrave, “Pour un marché immobilier,” *Le Figaro*, April 13, 1932

87. “Création d’un Marché Immobilier à la permanence,” *Bulletin officiel de la Chambre syndicale des agents immobiliers de France* 68 (June 1935): 1.
88. Regulatory proposals had previously been presented in the Chamber of Deputies in 1886, 1898, and 1913.
89. “Assemblée générale du 27 février 1933,” *Bulletin officiel de la Chambre syndicale des agents immobiliers de France* 47 (April 1933). For the US case, see Jeffrey M. Hornstein, *A Nation of Realtors: A Cultural History of the Twentieth-century American Middle Class* (Durham, NC, 2005), chap. 3.
90. The specific plan referenced here was drawn up in 1932. See “Assemblée générale extraordinaire: Rapport de M. Arnould,” *Bulletin officiel de la Chambre syndicale des agents immobiliers de France* 81 (November 1936): 4.
91. For an example of the hostile opinion of notaries on estate agents’ professionalization efforts, see Ledoux, “Le statut des agents immobiliers: Extrait du rapport de l’Assemblée générale de l’Association nationale des Notaires de France, publié dans la *Revue politique des idées et des institutions*, 30 mars 1935,” *Bulletin officiel de la Chambre syndicale des agents immobiliers de France* 79 (July–August 1935): 2–3. See also Archives de la Chambre de Commerce et de l’Industrie de Paris III – 4.13 (8): “Chambre de Commerce de Paris: Réglementation de la Profession de Mandataire en Vente de Fonds de Commerce et Immeubles: Communication de la Fédération nationale des Groupements de Conseils mandataires et défenseurs, 31 mai 1934: Note présentée, au nom de la commission du Commerce et de l’Industrie, par M. Jacques Lebel, 16 octobre 1934.”
92. “Assemblée général ordinaire: Rapport de M. Arnould,” *Bulletin officiel de la Chambre syndicale des agents immobiliers de France* 81 (November 1936): 7.
93. The group was briefly regulated, along with most other occupations, under the 150 commercial and industrial committees created in 1940 by the Vichy regime. This regulation was done away with soon following the end of hostilities. *Guide professionnel des agents immobiliers et mandataires en vente de fonds de commerce de France* (Boulogne-s-Seine, 1947), 8–10.
94. Lucien Lagrave, “Les agents immobiliers,” *Bulletin officiel de la Chambre syndicale des agents immobiliers de France* 50 (October 1933); Romans, *Les hommes de bonne volonté*, 5:39.
95. In this respect, the AMEPI also differs from one of the most popular modes of disseminating listing information to consumers currently available to French brokers, the website SeLoger.com. On the role of agents in the French market today, see Loïc Bonneval, *Les agents immobiliers: Pour une sociologie des acteurs des marchés du logement* (Lyon, 2011).

CHAPTER 6

Introducing Small Firms to International Markets: The Debates over the Commercial Museums in France and Germany, 1880–1910

Séverine Antigone Marin

On February 20, 1899, one could read in the *Deutsche Export-Zeitung* the following story. A firm from Coburg specializing in basketwork had written to the paper to inquire about exporting its products to East India. The journal then made its own inquiries with the federal Ministry of the Interior, the Berlin Chamber of Commerce, and the Association of Berlin Manufacturers and Merchants. No answer came from the ministry, and the chamber of commerce explained that answering such queries was not part of its mission. The professional association was a bit more helpful and provided some statistics about German basketwork exports to East India in 1896 and 1897. The numbers, however, were quite discouraging, as was the accompanying comment: only the most sophisticated products had a chance, and even these kinds of exports were rapidly vanishing.

The newspaper offered this story to illustrate the problem that it believed Germany faced—the lack of a commercial museum to provide manufacturers with the necessary market and export information. Such institutions flourished throughout Europe and the world during the last twenty years of the nineteenth century because they were seen as the ideal way to provide

firms with access to all the economic information that was available on the planet. Not only was their geographical scope ambitious, but so was the depth of information that they provided. Such extensive coverage meant that these institutions had to receive state backing for at least part of their financing. This was not a problem, however, for the motivation of the states was strong. Crisis loomed over a large part of the industrialized world in the 1880s and was interpreted as yet another consequence of overproduction, which was supposed to be solved with the conquest of new international markets, including colonies. There was also a widespread conviction that the economic competition on these international markets was no longer solely technological, but involved expertise in marketing, which depended heavily on the quality and quantity of commercial information about these markets available to businesses. Yet the traditional trade houses were deemed incapable of dealing with this modern world in which privileged information on trade supposedly no longer existed. Finally, governments and peoples alike were convinced that the international status of a nation depended on its importance in international trade more than anything else. As a consequence of this neomercantilism, as it became known, each firm, however small, had the patriotic duty to participate in the great national struggle and try to export as much as possible.

When the first commercial museums appeared in the early 1880s, they seemed to provide the perfect answer to all these considerations. Yet some thirty years later, the outlook of these museums was not very bright and the scale of expectations for them much reduced. This chapter argues that the presupposition that led to the creation of these institutions—the need to have more and better commercial information—was false. At the end of the nineteenth century, the problem was already the same as it is now, that is, how to put the considerable amounts of information available to practical use.

The historiography touches the question of commercial museums only a little. For the United States, one can read a chapter of Steven Conn's book on American museums with great profit. For Germany, Hans-Peter Ullmann offers a thorough investigation of the Imperial Commercial Office (*Reichshandelsstelle*) project. For France, there are some articles about the Commercial Museum of Bordeaux, as well as some analyses that are part of more general histories of the Commercial Chamber of Paris.¹ Besides the fact that the subject *per se* has not been treated, the different authors have all restricted themselves to national—in some cases even local—explanations: the beginnings of American imperialism, the relationships between the state and economic circles in France, and a supposed German “special path” (*Sonderweg*). By contrast, this chapter emphasizes the international dimension of these institutions, whose legitimacy was first and foremost based on

conceptions of global economic competition. The chapter draws on French and German archives because, apart from the merits of both national cases, each offers useful comparative and transnational insights. The French example enables a productive comparison with Belgium's institutions and a particular perception of the German reality, whereas the German case reveals a distinctive debate about the success of Philadelphia's commercial museum.

The Commercial Museums: A Novelty?

One of the most important arguments used by the advocates of commercial museums was the need for export-oriented firms to adapt to the new conditions created by modern international trade. Embracing novelty was considered proof that one understood the new course of history, and in this evolutionist view, legacies of the past either were almost forgotten or served as a negative foil. Yet these "new" institutions were, in fact, connected with the past.

Exports Made Easier

One can trace the ancestors of the commercial museums to the traveling exhibitions in the 1820s that were organized in the German states to promote new technologies, or to the Conservatoire national des arts et métiers in France, which was founded in 1819 to enable Parisian manufacturers to catch up with the British technology and to teach them a higher sense of quality. In the 1880s, such ideas were still popular in France as a result of the economic crisis, whereas in Germany they had begun to fade, ultimately disappearing during the 1890s. Germans still took pride in the efforts that had been made at the beginning of the nineteenth century in Prussia and Württemberg—with Ferdinand Steinbeis—to expose local manufacturers to foreign technologies, but the celebration of this past was also a way to say that this period of apprenticeship was over. The 1893 Chicago World's Fair had indeed proven that German technology was now at the leading edge of progress. Interestingly, it was at that time that the idea of a technological catching-up gained popularity in Great Britain. By 1897, exhibitions of foreign manufactured objects were considered useless by many European experts, whereas British projects around a future Commercial Intelligence Department involved precisely such exhibitions. The reason for this discrepancy was the fear that British industry experienced at the end of the nineteenth century, which was expressed in slogans like the "American danger" or "Made in Germany" and which generated a general call to catch

up with these new rivals.² Whatever the time gap, however, the persistence of these ideas, albeit now with social Darwinist tones, showed that expertise catch-up, whether technological or commercial, remained central to the debates about national economic achievements in an international context.

On the other hand, drastic changes had occurred in the way international trade could be conducted. These developments concerned maritime and railway transportation as well as postal communications. First, there was regularity. Ships no longer departed only after being fully loaded, but according to a precise schedule. The most important consequence was that there was no longer any need of insider information about which ship would be the first to leave port. In addition, there was the increased frequency of transatlantic crossings, which in particular meant a more frequent information cycle, encompassing the sending of a letter and receipt of its answer.³ Second, there was an increased density in the means of communication. Throughout the whole industrialized world, it was easy for each firm to feel connected through roads, railways, and ships—all with potential markets. Finally, there was standardization. In particular, the creation of the Universal Postal Union put an end to all the complexities linked to the existence of numerous bilateral treaties and the variety of taxes and standards to be found in each country.⁴ Even national statistics were gradually standardized, causing some people to hope that statistics would become the new *lingua franca* of modern times.

All of these changes led the average manufacturer, who was growing increasingly more familiar with global geography largely because of the press, to think he could now remain in touch with potential clients all over the world on a regular basis. The modern businessman no longer traveled throughout the world but remained seated behind a desk and conducted his affairs via telegraph.

Commercial Knowledge and Museography

It is striking how strongly the name “commercial museum” was criticized and yet how long it remained the most frequently used term in contemporary debates. At the time, some explained it as a convenient habit, whereas historians have pointed to the notion of sacrality that “museum” contained: “artists had their museums, as well as scientists and explorers, so the businessmen had to have their own too” as a way to demonstrate their respectability.⁵ Considering the debates around the term, however, one has to go further. The word museum was chosen because it conveyed two themes of the utmost importance in the nineteenth century: the quest for universal knowledge and the need to educate the citizenry.

Universal knowledge was seen as the foundation upon which all modern science rested. Modernity provided the technological means to assemble an exhaustive collection of information, which explained why encyclopedic knowledge came to be considered quintessentially modern in the nineteenth century. World's fairs represented the climax of this trend by exhibiting, in an orderly fashion, all the planet's novelties, technological or social.

However, the commercial museums aimed to correct two major drawbacks of the world's fairs. First, their exhibitions would not be temporary, which hindered the possibility of learning, but instead at the constant disposal of manufacturers and businessmen. Second, objects would be exhibited not for prizes or publicity but rather to afford visitors an accurate representation of foreign competitors' industrial production. Thus, the common concept of "universalism" that was employed for both world's fairs and commercial museums acquired two different meanings. The world's fairs, like fine arts museums, presented the universality of human genius. The universalism of commercial museums was not so glorious, aiming merely at showing the most diverse collections of manufactured objects. Still, with this ambition came an important problem. How was one museum, even a big one, to encompass the industrial world's constantly expanding and changing range of goods? The solutions were not theoretical but practical.⁶ Imported raw materials were offered pride of place. For the manufactured objects, commercial museums chose to select the most interesting objects, that is, those with a comparative advantage over national products on the international market, whether technological or commercial. In this way, the commercial museums promoted the very existence of a national industry and national economic community. In practice, however, the encyclopedic ambition of these projects was usually subordinated to the needs of local economic interests, which not only reduced each museum's scope but also called into question the existence of a national industry and a national economic community.

Education of the nation was the goal assigned to all museums over the course of the nineteenth century, and this mission came to be seen as essential. Such education was not only artistic, as the American example of the Smithsonian Institute showed. The end of the nineteenth century witnessed the creation of numerous museums that celebrated the progress of humankind and civilization. In Paris, for instance, there was the Musée d'économie sociale, which exhibited models of social regulation from different countries along with many other projects on education, health, and urbanism intended for civil servants, employers, and workers alike.⁷ This was precisely the public that the commercial museums wanted to address. What could be better than to make the workers understand that the quality of their work

was being challenged by accomplishments abroad? But the content of this education had yet to be defined. The museums of applied arts had set a somewhat questionable precedent. The opening of the South Kensington Museum in 1852 had been followed, between 1860 and 1880, by initiatives in Vienna, Hamburg, Stockholm, Budapest, and Berlin. Each time, economic motivations were put forward. In an era of triumphant free trade, their partisans emphasized the necessity of improving and therefore expanding national manufactured output.⁸ As the evolution of the Union centrale des beaux-arts appliqués à l'industrie shows, however, the development of applied arts came at the expense of more strictly industrial goals. Created in 1864 as a producers' association committed to making art affordable for the public through industrialization, it became, by the 1880s, a group of wealthy aesthetes trying to give craftsmen the status of artists.⁹

More broadly, the commercial museums were not the place to provide a technical education, though their proponents were reluctant to let go of the "catch up" watchword, as the recommendations of the Chamber of Paris demonstrated as late as 1889.¹⁰ Not only did technical schools already exist, but exhibitions in commercial museums insisted less on technological achievements and more on commercial successes, which meant an emphasis on marketing tools such as packaging and labeling, often considered a weak point of would-be exporters.

This emphasis raises another important question: why did these museums not develop any commercial training? This is all the more surprising because some commercial museums found their origins in collections developed for commercial schools. This was the case, for example, for the Commercial Museum of Brussels, whose collections originated in part from those of Antwerp's Institut supérieur du commerce, which for the instruction of its students had collected samples initially sent by Belgian diplomats for the country's manufacturers to examine.¹¹ Furthermore, commercial education was spreading throughout the industrialized world in the last years of the century through the foundation of postsecondary business schools, and there were attempts by small commercial schools to build—for the benefit of their students—their own "commercial museums," most of the time meager collections of raw materials found in the colonies. The fact remains, however, that no commercial museum intended to hold conferences on the subject of international trade, and the example of the Commercial Museum of Vienna, which had developed an "export academy," was not imitated. The reason appears to be that the public of the commercial museums were businessmen, not students. The "education" that the commercial museums offered consisted of a plethora of foreign samples and practical information, but without any theory with which to make sense of the displays. After all, the museums'

approach was consistent with the solely descriptive content of contemporary textbooks on international trade. It was up to the manufacturers visiting the museums to draw the necessary conclusions for their own businesses. The museums' confidence in their audience's ability to do so can be easily explained: it was members of the intended audience who, through their chambers of commerce, had promoted the creation of commercial museums in the first place because these businessmen had been convinced that they only lacked the requisite practical information, not business knowledge, to benefit more from international trade.

Building Commercial Museums

The chronology of the discussions around commercial museums followed a classic pattern. After the first period, in the 1880s, when different solutions were explored, depending on national traditions or imperatives, a basic trans-national consensus emerged at the end of the following decade. Thus, there was a great variety of commercial museums, each a little different because of its geographic or temporal context, but these differences were secondary in comparison to the common features that all of these institutions shared.

First Rule of International Trade: Copy Thy Neighbor

Whatever the country, the ultimate justification for building a commercial museum was that the other countries already had one or had serious plans to establish one. The argument was made in one of two ways. The first was to hold up a model worthy of emulation, and the second was to draw up a list of all the commercial museums in the world.¹² Each method had flaws, but both were popular. For the French, the Commercial Museum of Brussels, founded in 1882, proved particularly attractive, whereas the Germans insisted on the importance of the Commercial Museum of Vienna. This difference showed that communities of language were important in establishing the most valuable model, even if that could not be the sole determinant. In fact, the Philadelphia Commercial Museum was an important point of reference for the Germans, and the French insisted upon the success of the Stuttgart Exportmusterlager, although the latter, whose name pointed to the exhibition of products designed for export, was not, strictly speaking, a commercial museum. In other words, the model was also determined by the most important commercial competitor, although this general rule had exceptions. The Germans, for example, were keen to celebrate the achievements of France's Office national du commerce extérieur, even though they had nothing to fear from French competition. This last example showed

that the third criterion for choosing a model to emulate was the structure of the institution and how that fit into the program of the supporters of the commercial museums in each country.

On the other hand, lists were particularly useful to prove that the absence of a commercial museum was a dangerous anomaly in the modern world. If these museums were to be found in such remote places as Guadalajara or Belgrade, what were the Germans (or the French) waiting for and how could the national economy cope with such a disadvantage?¹³ In fact, lists contributed to confusion in the debates because they had to be long in order to look impressive, which meant that they had to encompass very different realities. The first problem had to do with the size of the institutions listed. It was true, for example, that France could boast the existence of sixteen commercial museums on its territory at the beginning of the 1890s, depending on who was counting.¹⁴ Of course, none of these was a match for the national commercial museums. They had been founded by municipalities, not even big ones, to help local businessmen adapt their production and marketing to international standards. Even at this local scale, successes were modest to nonexistent, not least because local businessmen did not necessarily perceive common interests with the other businessmen in their community. The second difficulty arose from the tendency to list very different kinds of institutions in order to create a massive effect. For example, the Stuttgart Exportmusterlager exhibited only products made in Württemberg and was open only to foreign buyers in order to prevent imitation on the part of other German manufacturers. Its logic was thus completely different from that of the commercial museum, and yet it appeared in every list on the subject because of its successes. Finally, the rhetorical device of lists led to exaggerated emphasis of seemingly original institutions because it aimed to demonstrate the great variety of existing solutions. For example, a French report on commercial museums in Europe detailed at length a German invention that used boats to organize itinerant commercial exhibitions so as to be able to reach faraway but important markets. Such a novelty could only kindle the imagination and be read as further proof of the audacity of the German business spirit; however, the reality was not as brilliant. These boats had been a project developed by the Deutsche Gesellschaft für Angewandte Geographie, a society committed to the expansion of German foreign trade whose reputation was significant but whose means remained modest. That is why the exhibitions on the boats, far from being new, depended mostly on what had been already accomplished by some consuls who had created permanent exhibitions of German products in various South American cities.¹⁵ This project was therefore insignificant, but it served as still more proof for the promoters of commercial museums that

audacity and imagination commanded the actions of foreign competitors and had to be emulated.

Looking for the Perfect Formula

To organize the collections of a commercial museum, one had to choose between two options, comprehensive coverage or specialization in colonial products. The first choice was perfectly illustrated by the Commercial Museum of Brussels, which tried to organize the most complete exhibition of foreign products—to the point that it had to publish a flier to guide the visiting manufacturer through its vast collections. This choice was also made in Budapest and in the project for a Commercial Intelligence Department proposed by the British Board of Trade in 1898. But critics abounded. They focused on the rapid obsolescence of such collections, which could never be up to date, and on how these collections could never be complete enough. The difficulty lay not only in encompassing the wide variety of foreign industrial production, but also in providing information about these products. At a minimum for each exhibited object, the commercial museum had to provide the cost price, the retail price, the markets where it was sold, and details about its packaging. The task of collecting and labeling was formidable, as were the costs of maintaining such exhibits, whereas interest in them was dubious at best. It was becoming easier and easier for a producer to get to know whatever product he needed for comparison by traveling, by reading the professional press, and also through the multiplication of professional exhibitions. The latter, temporary, but far more numerous and frequent, represented a real alternative to commercial museums, combining the ever-growing commercial needs for publicity with monitoring technological developments, both without the help of the state, as it was not a question of “catching up.”

Specialization offered an alternative that permitted exhibitions without huge initial costs. Not only raw products from the colonies were displayed, but also the industrial products that used these materials and the industrial products that the colonies imported. The promotion of trade within the empire was a favorite idea among colonialists, which helped explain why this formula could be found in the Commercial Museum of Bordeaux, the Commercial Museum of Haarlem, or, on a larger scale, the Imperial Institute of London. There was even a colonial exhibition in Vienna, which was all the more striking because this commercial museum had first tried to exhibit a comprehensive collection of industrial products. Only after several years was a decision made there to offer a more specialized exhibition centered around decorative arts and ethnographic objects from the Near

and Far East. Finally, the case of the Philadelphia Commercial Museum is interesting because it combined both logics that governed the commercial museums' collections. It took over many objects left after the Chicago World's Fair in an effort to provide a fairly accurate representation of the latest achievements in the industrial world, but the assistant director, Gustav Niederlein, who traveled extensively in Europe in 1894 and 1895 for the purpose of collecting, also showed a deep interest in everything related to the colonies. In particular, he requested samples of colonial products from the South Kensington Museum, the Imperial Institute, the Musée colonial in Paris, and an import-export company in Holland that worked with the Congo.¹⁶ This interest was linked not only to the desire, shared with Europeans, to benefit from the natural resources of these countries, but also to a more American idea to teach people about the multifariousness of the world at a time when diversity was gaining importance in the United States itself.

Whatever collections a commercial museum maintained, its center was the information office, located in large rooms with numerous clerks at the ready to search imposing files for answers for members of the public, who could make inquiries in person. The catalog of the Philadelphia museum in particular was applauded by several German authors.¹⁷ Much of this information comprised official statistics and legislation. There were the official publications on customs duties, transportation and insurance rates, and official forms that were published by every country to regulate the importation of goods on its territory. Belonging to these official publications, one could also find public tendering procedures published by the various states as well as consular reports from around the world. The latter were valued because they often mirrored the strong and weak points of industry in the countries where their authors held a post. There were also private publications. The most valuable of these were the directories of import-export houses, for they contained the addresses of potential clients or intermediaries. However, the most important information—about the creditworthiness of potential clients or suppliers—was not to be found in publications, but had to be asked about directly.

The growing importance of credit-rating agencies in this period did not mean that assessing creditworthiness was an easy task.¹⁸ Contemporaries recognized the need for more transparency in a context of increasingly impersonal exchanges, but this need had not obviated that for secrecy in the conduct of business, and it had also given birth to a number of agencies, against which angry customers or victims of their inquiries often filed complaints.¹⁹ It is hard to know what difficulties, if any, the commercial museums encountered when searching for information about credit.

However, it is curious to note that most of the contemporary commentators on commercial museums failed to underline the existence of information about the creditworthiness of potential clients. They were often equally disdainful of the collections of economic and commercial literature, which all the museums had. But this attitude may be explained by the fact that these collections were probably as little used as those in the libraries of the chambers of commerce.

National governments played a special role in the collection of this material because they provided all official data. A system of information exchange between countries had already been forming before the creation of commercial museums, but these new institutions certainly sped up and improved the process. More crucial for the legitimacy of the commercial museums, however, was their ability to establish their own networks, which could take different forms but which were always based on the manufacturers and merchants themselves, both at home or abroad. This enabled the museums to refute critics who pointed out that much of the official information was already available in the libraries of the chambers of commerce gathering dust.

The network of the Philadelphia Commercial Museum was particularly impressive, boasting 30,000 firms in the United States and 20,000 in foreign countries. This network bore great resemblance to those developed by American credit-rating agencies, whose services the museum certainly made extensive use of. The extent to which this network was typically American cannot be determined from the sources, but other means were used elsewhere. In France, for example, the idea was to use the network created by the French chambers of commerce abroad and to create “counselors for foreign trade,” an honorary title given to industrialists willing to help their countrymen with their experience through specific advice or through regular consultations.²⁰ In Hungary, the important Commercial Museum of Budapest chose yet another path. It established several agencies in the Balkans—in Sarajevo, Belgrade, Bucharest, Sofia, Philippopolis, Rustchuk, Constantinople, and Thessaloniki. These agencies had to provide commercial information about local trade, but they could also serve as commercial intermediaries for would-be Hungarian exporters. Their success remained modest, however, as the absence of imitation by other countries shows. More generally, any solution that bore a more national character was not imitated but widely cited. Its value lay in the evidence it offered about the determination of other nations to advance their foreign trade.

There were two ways for the museums to disseminate this information, via correspondence and during client visits. Answers could be given immediately, but there was usually a delay of several days. Service was open to nationals and foreigners, though not always the latter, and there was

a system of subscription with certain privileges attached, such as regular information mailings. Another way to spread the information was via the museums' publications, which were also exchanged for those of other museums. Whether weekly bulletins or monographs, they did not seem to add much to the printed information already available in sufficient quantity to scare off would-be exporters. More interesting was the solution to give information to the daily press twice a week, like in France, but this material could only have a general character, which was rather unsatisfactory for practical decision making.

The success of these institutions is difficult to assess. Most of the authors who described them around 1900 were convinced of their usefulness but furnished only some numbers about visitors and letters received. For example, the French Office national du commerce extérieur received seventy letters daily on average just months after its creation in March 1898, and the Commercial Museum of Brussels received more than 40,000 visits that same year. By way of comparison, the Exportmusterlager of Stuttgart averaged thirty-three letters received and forty-six sent on a daily basis in 1903.²¹ For this last example, at least, we have the number of contracts signed thanks to this institution's role as an intermediary, but such a figure—3,169—is not sufficient to draw a picture of this or any other institutions' activities.²² We do not know the identity of the museum's visitors, whether they were able to make use of the information provided, and if they established contacts for their exports. More importantly, perhaps, we do not know how many of these visitors were already engaged in the export trade and came only to add to their knowledge.

What Role Did the State Play?

The state provided money. This was true for every commercial museum, even though some were private institutions, for example, in the United States or the Netherlands, or were created by the chambers of commerce, most notably in Italy.²³ These differences were not always the consequences of a long national tradition. Great Britain's Imperial Institute and Commercial Intelligence Department were public institutions, for example, although the country usually favored private economic solutions. Indeed, national traditions were not important. What mattered was the current backing of the state, financial and political, as manifested, for example, by no less than President McKinley at the inauguration of the Philadelphia Commercial Museum. In fact, it would be misleading to separate public and private interests in this case because they worked hand in hand.

The state also granted access to its diplomatic network. This had been made possible thanks to the reform of the consular system, which followed the same pattern in every country during the 1880s and 1890s, each government keeping an eye on the innovations of the others. The economic relevance of the consular reports was thus gradually improved, and the consuls tried harder to focus on the commercial possibilities that the district to which they had been posted presented to national producers back home, sharing advice on how best to market their goods. They tried to write more often too, because the process of publishing their annual report was so slow. From time to time, depending on the importance of their district, they also sent up-to-date analysis that could be published within weeks, if not days, in the official press. But manufacturers and exporters still deemed these improvements insufficient. They wanted direct access to the consuls, unimpeded by the government, so that the latter would be able to answer precise questions. Many countries found a compromise, authorizing this access, but only to commercial museums as institutions. This was the case in France, Austria, Hungary, and the United States. German businessmen emphasized the latter example not only because of the importance of American competition for them, but also because the engagement of the U.S. federal government seemed to form a striking contrast with the attitude of their own. Whereas President McKinley admonished consular agents to fully cooperate with the Philadelphia Commercial Museum, the German federal government refused such collaboration. It wanted to maintain control over the content of exchanges between its consular agents and the business world; however, perhaps more importantly, it was also willing to safeguard the authority of semiofficial institutions like the chambers of commerce and the big professional associations, which enjoyed a special relationship with the state. The Imperial German government's opponents, promoters of a commercial museum for the whole country, held up the success of the Philadelphia museum, less because of the promise of modern efficiency it offered (they did not mention the other great novelty of the time, the credit-rating agencies, whose activities were so similar) than because of its implication that the state should ensure the democratization of commercial information to level the playing field in exports.

Regardless of differences among countries, the creation of commercial museums did not imply a change in the basic nature of the help that the state provided. In particular, the tasks of the consuls remained much the same, if more elaborated. They already sent samples of foreign products. In the 1890s, when they were in their home countries, they organized consultations inside chambers of commerce for would-be exporters. The continuity

of these efforts in favor of the commercial museums can be explained by the fact that, in all countries, only the state had the financial capacities and network to gather the required information. It is also true that, in some countries, the state was all the more willing to help because such aid was part of a tradition. This was the case in Belgium, for example, where in the 1840s, the state took charge of the railway network's construction. From this perspective, by helping the commercial museums, the state was just carrying on with the same policies—or at least the same policy logic—that had promoted the development of transportation and communication networks, including postal and telegraph services.

However, there was also the new idea, spread by social reformers in Europe and the United States, that the state should represent the common good in the face of competing economic interests.²⁴ Thus, it had to provide, or at least guarantee, equal access to useful economic information for reasons of justice and democracy. The national dimension of commercial museums was thus essential and contrasted with the local or regional solidarities that so often prevailed in the industrial world. Furthermore, commercial museums provided open access to information that often was already known but only available to members of a professional association in a consequently limited scope.

An important justification for an increasing commitment of the state was economic efficiency with a philosophical twist. The size of international markets seemed to force industrial interests to combine their efforts on a national scale because the time for sheer individualism was past. For example, some authors advocated that industrialists join together and send travelers to exotic markets in order to share expenses and allow more regular visits to these clients in the export country. Another popular idea of the time was that several manufacturers could jointly create big warehouses in major foreign markets in order to save money and be more efficient. In this context, the action of the state was not a political choice but a necessity born of modernity. Far from being explained by national traditions, its participation, from an evolutionist perspective, was the expression of a new historical stage. This reading of modernity, which found its justification in the “organic growth”²⁵ of foreign markets, made the “extinction” of the individual exporter an inevitable consequence. From then on, each industrialist had an economic and patriotic duty to participate in the battle for export. To facilitate such activity, the state had to forbid interest groups from keeping requisite information to themselves, thus ending their privileges and democratizing access to this essential product. The state had to make this information accessible to all the country's business networks in the name of national interest. All industrialists of a country were expected to help each

other because they were supposed to share a common interest in the growth of their country's exports. This did not suppress competition among them, but the intervention of the state was supposed to make this competition fair, in contrast to the wild competition of the liberal era.

Criticizing Direct Exportation

The expression “direct exportation” pointed to the elimination of import-export houses and other intermediaries between the industrialists and their foreign clients. The growing availability of commercial information and the idea that modernity implied the triumph of producers over merchants made it a popular catchword at the turn of the twentieth century. Commercial intermediaries had to develop a defense against it and detail the nature of their contested expertise.

What Were the Uses of Commercial Information?

Commercial museums were subject to three major criticisms. The first was that there was too much information and not enough time to make sense of it all. Contrary to the clients of the credit-rating agencies, the would-be exporter who went to the commercial museum was supposed to be in the dark about his prospects, not even knowing where to sell his products abroad. He was looking for general information so that he could build a strategy, but he was on his own in this work. Critics of commercial museums pointed to the comparable underuse of the libraries in the chambers of commerce, but the testimony of the German commercial attaché in New York City, G. D. Waetzoldt, provides the clearest account of the difficulty business owners had assimilating already available knowledge. Describing his tour of the German chambers of commerce to give advice to would-be exporters, he recalled having but a few visitors in his office. Lack of time was most frequently put forward as an excuse for not coming to see him, and some believed that the modern businessman had time only for his newspaper, which was supposed to be a universal medium that contained all the information he needed. Furthermore, Waetzoldt explained that the visitors he received had only the slightest idea about the conditions entailed in exporting to the United States, and they usually asked questions that they could have easily found answers to in the consular reports.²⁶ In light of this experience, one can raise doubts about the contents of the many letters that commercial museums received.

The second criticism addressed the value of the commercial information on offer at the museums. Its quality and accuracy had always been

considered a major problem, and it was one of the reasons why many contemporaries believed that producers needed to switch over to direct exports without the help of intermediaries. Modernity implied ever more sophisticated production that could be explained and sold only by specialists. Just as specialization was becoming a catchword for modernity, however, it seemed to some that insisting on giving government—via its consuls—an important role in gathering economic and commercial information ran counter to this historical development. Ironically, those merchants accused of not being specialized enough were themselves turning the same criticism against the government. The Manchester merchants, for example, fiery opponents of the commercial museums, considered the information collected by the consuls of interest only “for the economist, the statistician,” but they thought it was never precise enough for commercial transactions.²⁷

The third criticism concerned the notion of common interests among national economic circles. In fact, the state was criticized by some for helping manufacturers at the expense of merchants. Not only was that unfair competition, but it did not boost national exports. What one side in the country gained, the other supposedly lost.²⁸ Furthermore, there would be fewer people with enterprising minds because the industrialists received assistance from the state, whereas, because of this unfair competition, merchants would not be able to benefit from their efforts to open new markets. In this view, there was no such thing as a national community of economic interests. Moreover, consuls were sometimes accused of presenting a negative image of national trade because, in their zeal to help improve national exports, they voiced general criticisms such as ignorance of foreign languages, which applied to some manufacturers but certainly not merchants. In fact, these arguments were voiced by merchants from different countries such as not only Great Britain but also France—including many members of the Paris Chamber of Commerce—and Germany.

Which Firms Should Export Where?

As surprising as it might sound, this question was rarely asked. In fact, only after the debates surrounding the commercial museums had slowed down did some academic works, around 1905, offer information on the subject. Most of these books concentrated on the geography of trade. Only Johannes H. Boeck tried to develop a profile of the export-oriented firm, which he did using two criteria, product type and size.²⁹ For him, the main argument for a firm to invest in direct exportation was seen as its capacity to develop mass production. Small enterprises—heavily dependent on fashion, with a production of great variety and very little standardization—were not in a

good position to export by themselves. This relative originality of thought did not extend to his explanations, however, and the author relied on the familiar argument of a lack of competence in packaging or transport while overlooking another, more important problem. This type of production was very difficult to categorize following the tariff lists established by U.S. customs, for example, which meant an increase in the possibility of error and ensuing penalties.³⁰ It was far safer to have a professional exporter deal with this formidable administration.

The advocates of direct exportation shared a popular idea at the time that the growth of international trade was necessarily extensive, that is, made possible only by the opening of new markets "overseas." This attitude lent particular importance to the colonies, not only those belonging to one's own country but all of them. In his study of the Philadelphia Commercial Museum, Steven Conn underlines how American manufacturers thought they could enjoy the benefits of European colonization without having to bear its financial and military costs. It is also remarkable to see the interest that Italians and Belgians showed in establishing commercial agencies in Bombay, a move encouraged by Indian importers, one of whom, for example, also offered valuable advice to American manufacturers during the International Commercial Congress in Philadelphia in 1899.³¹

Gradually, however, a pattern emerged, above all in the academic literature, of distinguishing among three groups of markets. From a European point of view, the first group comprised countries from Western Europe, that is, England, France, Germany, Belgium, the Netherlands, Switzerland, and Italy. The density of their transportation networks, their long history of interstate trade, and the similarity of their economic structures provided a solid framework for the small manufacturer willing to take his chances. On the other hand, these countries were also so alike in their production and markets that it was difficult for a newcomer without great means to find a place for his products. The second group included the United States, Latin American countries, and Russia. Their structures were quite similar to those in the first group, making it relatively easy for a small manufacturer to export there; however, distance and some differences made it more expensive. Finally, the third group, comprising the rest of the world, was considered inadvisable for small firms because of the complexity of dealing with the combination of distance, very different cultures, and trade restrictions desired by merchant lobbies, such as the Chinese in both their own country and in the Dutch East Indies.

These definitions were not rigid. For German businessmen, the Scandinavian countries belonged to the first group because of historic links, whereas doing business in Scandinavia was very different for the French,

Italians, and Austrians. By contrast, Austrians could deal with the Balkan market without difficulty; the Germans could, too, though to a lesser degree, but this was not true for the British. Classifying the Levant was also difficult. Did it belong to the second or third group? The answer depended on whether one considered the distance or the existence of Armenian or Greek merchant lobbies. Finally, not least because of the importance of German migration there, the United States was seen by many Germans as an extension of the European markets, as were several South American countries, an idea that proved illusory on a number of occasions.

The overseas countries seemed to be the most promising markets, but they were also the most difficult, all the more because most of the small and medium firms looked to exports only as a way to get rid of surpluses. The problem was that not only did they lack the means for such expansion but they were also reluctant to engage large sums of money for something that remained secondary to their overall business strategy. And there was no way, despite what the commercial museums seemed to promise, to engage in direct exportation cheaply. For example, the information about clients' needs provided by the consuls and passed on by the museums was even more general than what an exporter could have offered. More importantly, satisfactory credit information for these overseas markets was not available, not even from the credit-rating agencies. Of course, the latter boasted—like the commercial museums—that their services were available worldwide, yet in these countries, they lacked the type of information network upon which they relied in the United States and Europe. Considering the expenses linked to the shipment of catalogs, samples, and products, the risk seemed far too great in relation to the potential benefits. That did not mean, however, that nobody risked it. On the contrary, attempts were made by enough firms to allow a market to develop that included, among other participants, the commercial newspapers that published the advertisements and the shippers who were paid without having to bear any commercial risk. Still, these difficulties showed that the justification of the commercial museums was quite flawed. The very markets that they claimed were most promising were the ones for which direct exportation was least advisable.

Enhancing the Status of Commercial Expertise

Understanding direct exportation as a goal for all companies—as much of the contemporary commercial and economic literature at the beginning of the twentieth century did—implied that exporters should be considered a dying breed. The argument against such merchants was threefold. First, they relied on confidential information and the possession of warehouses where

they could stock merchandise for potential clients; however, commercial information was becoming publicly available, and harbors had undergone major transformations to accommodate an exponential growth in traffic, in particular with the construction of big warehouses for rent right on the docks. Second, at the same time that the exporters' advantages were vanishing, it became clearer that these merchants suffered an additional serious drawback, lack of technical specialization. In a world in which technology was increasingly sophisticated and products were becoming more and more diverse, these merchants would never be able to properly explain the advantage of a specific product over that of its competitor as well as the product's own manufacturer could. Finally, exporters did not share the same interest in a particular product that its manufacturer did.

We have seen, however, the difficulties producers had when left alone with large quantities of information to make sense of. This circumstance explains why, in a country like Germany, where exports were assuming an ever more important place in national economic life, that an alternative both to exporters and commercial museums was developed. *Exportmusterlager* were created in major German commercial cities to allow manufacturers to negotiate directly with foreign clients. The most famous by far was in Stuttgart and exhibited the products of all the regional firms that paid a yearly subscription for the rental of an exhibition space so that clients did not have to tour around Württemberg to make up their mind and put in an order. As an exhibiting space, it offered the advantages of direct exportation without the burden of traveling to foreign countries in order to find new clients. More important, for a small fee, the *Exportmusterlager* could even provide expertise about payments, shipping, and customs duties. Such help was much more practical than what the commercial museums offered. In some cases, the *Exportmusterlager* could even conclude deals for its members. Although these institutions caught the eye of foreign observers, they did not, even in the case of Stuttgart, reach the level of an important export house because, even in this case, the burden of adapting production to foreign markets had to be carried by firms that were not prepared to do so.

These disappointments notwithstanding, the exporters themselves built a case in favor of their interests in a way that was quite similar in France, Britain, and Germany. First, they tried to reverse the "historical" argument. The evolution of the economy favored specialization, they claimed, which meant that the producer had to concentrate on making the finest product, while the exporter should be left to handle all commercial aspects.³² Still, at a time when advertising was slowly coming out of its infancy, exporters did not pretend they were doing any marketing. Their competency was more technical. Besides commercial correspondence, it had to do with sending

out good salesmen knowledgeable in the language in which they canvassed as well as in the products for sale. Merchant houses had the means to hire the best employees in these areas and to have salesmen not afraid of canvassing markets for a new product because these men had other wares from which they could make a profit at the same time. In this sense, commercial expertise was at least as much human as technical.

Most important was that the world of exporters had not changed as fast as was generally claimed. First of all, their commercial networks, particularly for the biggest places like Hamburg and New York, were still in place. For example, if European buyers were keen to bypass merchant houses in Hamburg by visiting regional Exportmusterlager (which, however, benefited only the most important regional firms), the Hamburg exporters retained Latin American, Asian, or South African buyers as customers who, if they were supposed to visit several places during their stay in Europe, would only also visit Paris and London. After all, in Hamburg they could find not only German products, but also all sorts of goods from different European countries. Another reason for trusting the exporters was that these were best able to provide their customers with long-term loans, unlike most manufacturers. This opportunity mattered in a world where overseas banking was not easily available everywhere. Finally, the exporters themselves proved adaptable, sometimes transforming themselves into agents, which allowed them to take fewer risks because they did not have to pay in advance for the merchandise they would sell later.

In spite of all the progress made, economic information remained scarce for the exotic markets that were deemed most promising. But it would be an error to insist too much on this scarcity of information because it would mean following the logic of the period, whose limits we have seen. More importantly, even for the other markets, it seems, one could not really hope to establish long-term trade relationships without using personal spokesmen in the form of commercial travelers or representatives. They collected more precise information; transformed general information that was to be found, for example, in consular reports into knowledge useful for the firm; and were able to establish a trusting relationship with their customers. In short, they contrasted with the anonymity of the information provided by commercial museums and made it possible for a firm to create a network with which to do business.

Conclusion

It is difficult to assess the historical importance of the commercial museums. Some of their typical nineteenth-century features, like the permanent

exhibitions, disappeared quickly enough, but the idea of a central office for commercial information remained longer, even if their concrete manifestations soon lay dormant. On balance, their short lifespan represented a failure. The explanation for it lay therein that commercial museums were a product of nineteenth-century modernity, which confused information about markets with knowledge of them. From the eighteenth century onward, consuls, commercial attachés, and other experts had tried to provide information about what the foreign markets wanted, but their advice could only encompass categories of products. If the products of a manufacturer appeared to be a match, the next step was for him to send catalogs and hope that they would awaken the interest of potential buyers. If a contract was signed, one had to obtain the necessary information for shipping and receiving payment. The commercial museums represented the latest stage of this logic; however, the evolution of the traveling salesman and the progress of advertising showed that another logic was beginning to develop, one that insisted on educating potential buyers to become interested in products that were ever more differentiated.³³ The new importance that attached to the particular product had consequences not only for sales techniques, but also for understanding markets by gathering information about them. Contrary to the commercial museums, credit-rating agencies—the other leading institution that provided commercial information—did not have the problem of adapting from a nineteenth- to a twentieth-century modernity because they were not trying to be universal. On the contrary, they focused on a very precise question, the creditworthiness of a potential business partner. Thus, they dealt with a problem of anonymity in the markets that appeared in the nineteenth century and only grew with the years.

Looking at credit-rating agencies offers another clue about the failure of commercial museums. What their advocates had overlooked was the development of a market for commercial information whose growth during the twentieth century was impressive. It was not only the credit-rating agencies, but commercial newspapers and shipping intermediaries (services provided more and more by transportation companies like Hapag) that benefited from this increasing need for commercial information and the expertise to make sense of it. This need was better satisfied by private agencies linked by contract to their clients than by a big public service—even in those cases where it was sponsored by private interests. Indeed, the idea of such an institution relied on two presuppositions that proved false. The first was that solidarity existed among economic interests throughout the world that would be willing to exchange information in order to make the globe a more efficient market. That sounds naive today, but one has to remember that this period witnessed many international economic congresses in which businessmen

and scholars gathered in order to promote reforms of many kinds that would serve global economic interests, such as changes in the calendar. It was no coincidence that some of these meetings were held under the auspices of commercial museums.³⁴ Participants had the feeling that they were working for the greater good, as opposed to taking sides in the conflicts born out of politics. That this aim proved elusive does not require further elucidation.

The second false idea was that the economic circles of one country shared the same interests when it came to international markets. To be more precise, the conviction was that, before the open rise of antagonistic interests such as the agrarian ones in Germany, for example, at a time when exporters were supposed to become a thing of the past, a community of interest existed among all the manufacturers willing to export. After all, if one takes the example of Germany, the several attempts to bring together the two major and rival economic associations seemed to indicate concern for overcoming differences in the name of common interest in international trade, where all German manufacturers were confronted with foreign competitors but could boast the quality of “Made in Germany.” It is also true that, given the choice of selling German wares or foreign products of the same quality, the merchants of Hamburg often gave preference to the national ones because, far from being “cosmopolitan,” as the accusation often went, they depended on financial, social, and political networks within the country. Still, these elements should not hide a crucial reality. The image of national communities united in order to win the economic war that globalization seemed to represent had far more to do with rhetoric than reality.

Commercial museums were part of this nationalist rhetoric. They were promoted as an essential tool to help the country succeed in the global economic competition. The paradox, typical of the nineteenth century, was that these museums also wanted to celebrate the universalism of this first era of globalization. The museums failed because international trade had less to do with nationalism and internationalism than with individuals and transnational networks.

Notes

1. Steven Conn, *Museums and American Intellectual Life* (Chicago, IL, 1998), chap. 4; Hans-Peter Ullmann, “Staatliche Exportförderung und private Exportinitiativen: Probleme des Staatsinterventionismus im Deutschen Kaiserreich am Beispiel der staatlichen Außenhandelsförderung (1880–1919),” *Vierteljahrsschrift für Sozial- und Wirtschaftsgeschichte* 65, no. 2 (1978): 157–216; Colette Zytnicki, “Mercure au Musée: L’exemple du Musée colonial de Bordeaux, 1901–1937,” *Outre-Mers: Revue d’histoire*, nos. 356–357 (2007): 111–23; Christophe Bouneau

and Philippe Lacombrade, “Préoccupations internationales et action locale (1890–1914),” in *La Chambre de Commerce et d’Industrie de Paris, 1803–2003: Histoire d’une institution* (Geneva, 2003), 131–76.

2. Egbert Klautke, *Unbegrenzte Möglichkeiten: “Amerikanisierung” in Deutschland und Frankreich, 1900–1933* (Stuttgart, 2003).
3. Seija-Riitta Laakso, *Across the Oceans: Development of Overseas Business Information Transmission, 1815–1875* (Helsinki, 2007).
4. See Léonard Laborie, “Mondialisation postale: Territoires et innovations tarifaires dans la seconde moitié du XIXe siècle,” *Histoire, Economie et Société* 2 (2007): 15–27.
5. Colette Zytnicki, “Mercure au Musée.”
6. Congrès international de géographie économique et commerciale, Paris août 1900. 2e section—question III: Quel est le caractère et quelle doit être l’organisation d’un Musée d’échantillons? Rapport présenté par Philippe Delmas et Albert Mengeot, extrait du *Bulletin de la Société de géographie commerciale de Bordeaux*, 1900.
7. Christian Topalov, ed., *Laboratoires du nouveau siècle: La nébuleuse réformatrice et ses réseaux en France, 1880–1914* (Paris, 1999); Janet Horne, *Le musée social: Aux origines de l’Etat providence* (Paris, 2004).
8. The Lyon Chamber of Commerce, which in 1856 decided to create the Musée d’art et d’industrie, explained that “this special museum will provide our manufacturers who are looking for new patterns with archives in which they will be able to find new inspiration again and again. These archives will contain varied designs in the art of silk from all periods of history.” Natalis Rondot, *Musée d’art et d’industrie* (Lyon, 1859), 32.
9. Deborah L. Silverman, *Art Nouveau in fin-de-siècle France: Politics, Psychology, and Style* (Berkeley, CA, 1989).
10. In the discussions about the creation of a commercial museum in Paris, it was stipulated that this institution had to offer technical and commercial training, a goal that explains why, two years earlier, the chamber of commerce had suggested—also for the sake of economy—locating this museum inside the Conservatoire national des arts et métiers. Archives de la chambre de commerce et d’industrie de Paris: VI-2-12 (10) and (11) Office public de renseignements commerciaux, II-4-60 (1): Musées permanents.
11. This was no exception. For example, a museum was created inside the Ecole supérieure de commerce et d’industrie of Bordeaux in 1877. There could be found 7,000 samples of colonial products, mainly those of significance for local business. See Albert Mengeot, *De la création à Bordeaux d’un musée commercial et colonial, musées étrangers et français, offices de renseignements, organisation d’un bureau régional d’information* (Bordeaux, 1900).
12. Auguste Deleuil, *Annuaire des musées commerciaux français à l’étranger* (Paris, 1887); F. des Tournelles, *Les Musées commerciaux à l’étranger: Rapport de mission présenté à M. Le sous-secrétaire d’Etat aux colonies* (Paris, 1888); Gaston Cadoux, *L’influence française à l’étranger: Notre commerce d’exportation et nos*

consuls (Paris, 1889); Cadoux, *Les attachés commerciaux et les consulats: Rapport à M. le Ministre des Affaires étrangères à la suite d'un voyage d'études en Suisse, en Allemagne et en Autriche-Hongrie* (Paris, 1891); Paul Vibert, *La concurrence étrangère: Les musées commerciaux et l'Exposition universelle de 1889* (Paris, 1892); Paul Raché, *Was tut Deutschland für seinen Aussenhandel?* (Berlin, 1899); Max Vosberg-Rekow, *Die Errichtung einer Centralstelle zur Förderung des deutschen Aussenhandels* (Berlin, 1900); Wilhelm Wendlandt, *Handels-Auskunftsstellen des Auslandes* (Berlin, 1900); Max Gätcke, *Das kaufmännische Auskunfts Wesen in den Vereinigten Staaten und in Grossbritannien* (Berlin, 1901); Abraham Neufeld, *Die führenden Nationalämter: Ein Beitrag zur Frage der Errichtung einer Reichshandelsstelle* (Berlin, 1903); *Die Organisation des Exports*, special issue of an article series from *Deutsche Export-Revue* (Stuttgart, 1904); *Handwörterbuch der Staatswissenschaften*, ed. Johannes Conrad et al., 3rd ed., vol. 3 (Berlin, 1909), s.vv. “Exportmusterlager” and “Handelsmuseum”; O. Piequet, V. Baehr, *Rapport sur les musées commerciaux en Allemagne* (Rouen, 1909); Aimé Serre, *L'Office national du commerce extérieur: Historique-fonctionnement* (Paris, 1927).

13. Tangier, Oran, Bucharest, Sofia, Belgrade, Québec, Guadalajara, Montevideo, Sydney, Melbourne, Tokyo, and Osaka are listed at the end of the century, even if the authors conceded that most of these museums led a precarious existence.
14. Emile Monod, *Les musées commerciaux: Leur organisation et leur fonctionnement* (Paris, 1887). For Germany, the author listed Berlin, Karlsruhe, Dresden, Düsseldorf, Frankfurt am Main, Munich, and Stuttgart, though this country, like France, had no national commercial museum at the time.
15. These exhibitions had themselves been criticized for showing mostly plain objects, whose quality and prices seemed reminiscent of the “bad and cheap” reputation that German production had been trying to move away from since the 1870s.
16. Conn, *Museums*, 137.
17. For a more critical view of this model, see Moritz Schanz, “Amerikanische Exportförderung,” *Deutsche Industrie Zeitung*, no. 2, January 11, 1908.
18. Rowena Olegario, *A Culture of Credit: Embedding Trust and Transparency in American Business* (Cambridge, MA, 2006); Hartmut Berghoff, “Civilizing Capitalism? The Beginnings of Credit Rating in the United States and Germany,” *Bulletin of the German Historical Institute* 45 (Fall 2009): 9–28.
19. R. Loriot, *Des agences de renseignements commerciaux et de leur responsabilité* (Paris, 1907).
20. Madeleine Barbier Decrozes, *Du Protectionnisme à la mondialisation, 1898–1998: Histoire des conseillers du commerce extérieur de la France* (Paris, 1999); Laurence Badel, “Pour une histoire de la diplomatie économique de la France,” *Vingtième Siècle: Revue d'histoire* 90, no. 2 (2006): 169–85.
21. XX. *Jahresbericht* of the Stuttgart Exportmusterlager, April 1, 1904.
22. The turnover of the commercial agencies established by the Commercial Museum of Budapest never exceeded several hundred thousand francs, barely the level of a small commercial establishment. “Agences commerciales en France et à l'étranger,” Archives nationales (hereafter: AN), Ministère du commerce, F/12/9135.

23. The German and the French administrations kept detailed files on the subject. The following information comes from “Handelmuseen, Exportmusterlager,” Bundesarchiv-Auswärtiges Amt (hereafter: BA-AA), R-901, 2527–29; “Commission chargée d’étudier la création des musées commerciaux,” AN, F/12/9123; “Musées commerciaux français à l’étranger,” AN, F/12/9130; “Musées commerciaux étrangers,” AN, F/12/9131; “Agences commerciales en France et à l’étranger,” AN, F/12/9135.
24. See Daniel T. Rodgers, *Atlantic Crossings: Social Politics in a Progressive Age* (Cambridge, MA, 1998); Pierre-Yves Saunier, “Circulations, connexions et espaces transnationaux,” *Genèses* 57 (2004): 110–26.
25. Wilhelm Wendlandt, *Die Förderung des Aussenhandels* (Halle, 1903).
26. “Besuch der Handelsattachés im Deutschland,” BA-AA, R-901, 3346–51.
27. Arthur Raffalovitch, *L’Etat et les renseignements commerciaux* (Paris, 1899).
28. Staatssekretär von Schön used this idea during debates in the Reichstag about the consular reports of 1909 and 1910. B. v. König, “Die Konsularische Berichterstattung und der amtliche Nachrichtendienst,” *Bank-Archiv* 10 (1911): 291–95, 313–16, 331–34, 343–48.
29. Joh. H. Boeck, *Der Exportbetrieb* (Heidelberg, 1908).
30. Séverine Antigone Marin, “L’espion américain, un fantasme de l’industrie allemande vers 1900,” *Revue d’Allemagne* 41, no. 1 (2009): 19–39.
31. *Official Proceedings of the International Commercial Congress: A Conference of all Nations for the Extension of Commercial Intercourse held under the auspices of the Philadelphia Commercial Museum: October 12 to November 1, 1899* (Philadelphia, 1899).
32. Paul Behm, *Der Handelsagent: Seine soziale Stellung und volkswirtschaftliche Bedeutung* (Berlin, 1913).
33. See Marie-Emmanuelle Chessel, *La publicité: Naissance d'une profession: 1900–1940* (Paris, 1998); Walter A. Friedman, *Birth of a Salesman: The Transformation of Selling in America* (Cambridge, MA, 2004).
34. See *Official Proceedings of the international Commercial Congress*.

CHAPTER 7

Making the Ledgers Talk: Customer Control and the Origins of Retail Data Mining, 1920–1940

Josh Lauer

By the 1930s, American business had begun to take consumer research seriously. “Probably at no time in the last decade has actual knowledge of consumer buying habits been as vital to successful and profitable retailing as it is today,” a *New York Times* writer observed in 1931, reporting on new efforts to analyze customer sales data.¹ Enterprising merchants had always sought to attune themselves to the whims of their customers; however, during the early decades of the twentieth century, new social-scientific methods emerged as promising alternatives to informal observation and intuition. The concept of market research, separate from earlier cost-analysis studies of distribution and merchandising, took on special luster as American retailers sought to direct their promotional efforts with greater accuracy and predictability. By relying on “a ‘hunch’ and a ‘guess,’” the *New York Times* reporter noted, “stores in countless instances have advertised merchandise, say on Thursday, when even trifling analysis would show its best consumer response on Tuesday.”²

Though the first quarter of the twentieth century is conventionally associated with the rise of monolithic mass markets and the quest for an idealized “average” consumer, this perspective is misleading. As Susan Strasser has noted, examples of market segmentation—that is, the identification of different consumer groups based on demographic or personal

characteristics—can be found during the 1910s, as companies such as Proctor & Gamble sought to promote new products to an ethnically diverse nation.³ During the 1920s, researchers from various industries—from advertising and publishing to manufacturing and radio—subjected Americans to an onslaught of household surveys, questionnaires, interviews, and opinion polls designed to produce insights into their buying habits, brand and product preferences, and psychological dispositions.⁴ At the same time, statistical information was recognized as a valuable resource for analyzing consumers, especially income, occupational, and demographic data provided by the United States Census Bureau and the Department of Commerce, the latter of which published its own market research series beginning in 1929. Indeed, rather than approaching American consumers as an undifferentiated mass, these forays into consumer research revealed important regional and socioeconomic distinctions.

Significantly, early consumer research initiatives collected either anonymous aggregate data (as with government statistics) or required the active engagement of self-selected samples (as in the case of surveys, polls, and interviews). Few, if any, connected consumer behavior to specific individuals in a way that permitted the behaviors of identifiable consumers to be tracked invisibly and unobtrusively over time. Such consumer surveillance, now pervasive, was facilitated by late twentieth-century information processing technologies, notably database computing, that automatically recorded the details of individual transactions, from credit card purchases to telephone calls. Such “transactional” data—information that consumers routinely give to retailers, financial institutions, and service providers in the act of making a purchase, opening or managing accounts, or using a product or service—could be converted into valuable intelligence for classifying the preferences, perceived values, and demographic characteristics of consumers. Since the 1980s, transactional data has been a staple of direct marketing, relationship marketing, and market segmentation.⁵ More recently, the harvesting of consumer information has been integrated into the design of digital and web-based technologies and promoted under the banner of “interactivity.”⁶

Though early twentieth-century merchants did not have sophisticated databases at their disposal, the dream of tracking individual consumers and delivering perfectly tailored and timed promotional messages was already alive. During the 1920s, this dream found expression in the development of “customer control,” an early and ambitious attempt to harness transactional data for the purpose of target marketing.⁷ This little-known marketing innovation occurred not in the research bureau of a major corporation or prestigious university, but in the obscure credit departments of large retail

stores. There, progressive credit managers experimented with new filing and punch card systems to mine the personal information and sales records in their voluminous credit files. By analyzing variables such as age, gender, marital status, occupation, and purchasing history, credit managers looked for spending patterns and formulated targeted promotions for narrow segments of the buying public. Customer control was rudimentary by contemporary standards, but the logic of retail data mining and target marketing was the same. The history of customer control reveals the early stirrings of discriminatory marketing strategies and the systematic disaggregation of the American mass consumer during the 1920s and 1930s.

Credit Management and Technologies of Control

The development of mass retailing heralded a vast expansion of consumer credit in the United States between 1880 and 1920. Sprawling department stores, installment houses, and large specialty shops offered a new world of goods and liberal credit terms to laborers, office workers, and an aspirational managerial class.⁸ But while mass credit boosted sales and sped the turnover of merchandise, the authorization and management of each store's credit accounts—often numbering in the thousands—was daunting. Unlike the local shopkeeper, who typically knew something about each of his or her neighborhood customers when making credit decisions, mass retailers dealt in volume and impersonality. In order to rationalize their credit protocols, many large retailers began to establish in-house credit departments during the 1890s and hired newly professionalized credit managers to oversee their operation. Eager to assert their legitimacy, these upstart business specialists adopted state-of-the art filing technologies to reconstitute and control the disappearing consumer body. Credit seekers were compelled to supply credit managers with detailed personal information in interviews and applications, and this information was entered into elaborate internal record-keeping systems used to track accounts, establish credit limits, and verify identities. Until the 1920s, many retailers viewed their credit departments as a begrimed expense rather than a source of profit.⁹ This changed, however, as credit managers discovered—almost by accident—that the information housed in their departments could be mined for targeted sales campaigns.

Office filing equipment underwent dramatic changes at the turn of the twentieth century. Until this time, business records were preserved in ledger books, pigeonholes, spike files, and assorted boxes, all of which were limited in their capacity to compile, combine, and retrieve information. Records contained in ledger books, for example, were entered chronologically as the volume filled, thus requiring supplementary indices to locate information

scattered throughout multiple volumes. Likewise, documents housed in pigeonholes or bundled in boxes required time-consuming unpacking and rifling whenever information was needed. The introduction of card file systems during the late 1870s (pioneered by librarian Melvil Dewey) and vertical filing during the 1890s permitted more flexible and efficient record-keeping with far-reaching implications. The resulting “filing revolution,” as JoAnne Yates has explained, not only accommodated the growing demands of business correspondence and corporate management, but also opened up vast reservoirs of underutilized or forgotten information. And, significantly, it allowed organizations to accumulate new forms of sales and marketing intelligence.¹⁰ These new filing systems, as Yates suggests, revolutionized the idea of information as something that could be easily stored, handled, located, and made useful in contexts previously too cumbersome or expensive to exploit. “It is not long ago,” the credit manager of Manhattan’s Franklin Simon department store remarked in 1920, “when not much attention was given to the systematic filing of records, but not so now.”¹¹

Advances in filing technology permitted retailers to document the identities and activities of large populations with greater ease and precision. By the 1910s, card file systems were standard in retail credit departments. Within such systems, individual consumers were represented by a single master card on which their full personal and financial information was transcribed. Though the format of such cards varied considerably among credit departments, all contained fields for the subject’s name, address, occupation, and income. Additional information was also recorded, such as the individual’s marital status, age, length of time at his or her current residence and job, status as a renter or homeowner, names and addresses of references, bank accounts, lists of credit accounts and balances with other merchants, and notes regarding the individual’s character or appearance. As the credit manager’s gaze shifted away from the corporeal customer into the filing cabinet, “visualization” became the mantra of rational credit management. The new principle of visibility was linked to the introduction of “visible” card file technologies developed and marketed by Rand, Kardex, and Remington during the early decades of the twentieth century.¹² “A science of credit control is being developed,” a writer for a company magazine published by Rand asserted. “In short, executives are demanding and getting a complete picture of activities as they occur.”¹³

From Prevention to Promotion: Credit as a Business Builder

Nineteenth-century mass retailers were wise to the fact that credit customers spent more in their stores than cash customers. Cash customers, it was

often pointed out, flitted from store to store and were no one's customer. Though some merchants continued to resist credit, clinging to visions of a cash-only utopia, others embraced the intimacy of the creditor-debtor relationship. The latter viewed charge accounts as a means to insinuate themselves into the households of their customers, a position that—if handled adroitly—fostered good will and bonds of loyalty, if not actual fealty, to the store. While interviewing a New York retailer in 1889, an out-of-town journalist was shocked not only by the lengths to which the proprietor went to accommodate his fickle credit customers, but also his seemingly masochistic desire “to swell their number.” When the incredulous visitor could not grasp the point of such solicitude, the retailer revealed his motive:

Mercy! what a greeny you are.... [A] lady who has a bill at our store spends all the way from fifty per cent. to five hundred per cent. more than if she hadn't. Not only does she buy every thing she wants at this store where she has a bill, passing all the rest every day, but she buys things she does not always want and can not always afford. You need not laugh; men do the same thing. We are glad to get men to run bills here as well as women.¹⁴

Working for such large retailers and installment houses, the credit manager initially performed a security function, interrogating applicants and scanning the information environment for evidence of deceit. As early credit professionals continuously lamented, they were viewed rather resentfully by their employers as a necessary evil, a costly and unproductive expense that was merely tolerated as a preventative check.¹⁵ In general, early efforts to classify credit customers and monitor spending behavior were punitive, insofar that their primary purpose was to identify and exclude the worst risks. During the 1920s, however, as retailers sought to expand and intensify their sales, credit managers turned to customer behavior not only for warning signs but sales opportunities.

Seeking to gain the respect of their employers, credit managers began to assert their contributions as “business builders.” This new identity, which began to crystallize after World War I, reflected an increasingly service-oriented role while taking credit applications and promoting the advantages of their establishment to new customers. A sharp economic downturn in 1920–21 was an additional spur. Faced with contracting profits, credit managers were urged to “get the sales point of view” and adopt “constructive credit” policies that placed customer service at the forefront.¹⁶ In their daily customer interactions, which so often touched upon delicate personal matters, the credit manager was in a unique position to cultivate grateful and

loyal patronage. While such intimacy also lay at the heart of the Pauline injunction to “owe no man anything”—debt, after all, placed borrowers in a compromised and weakened position—credit managers sought to turn this vice into a virtue. “The Credit Department,” a national association figure proclaimed, was “the tie that binds the customer to the store.”¹⁷

As an agent of salesmanship, the credit manager’s first responsibility was to solicit new customers. Newspaper advertising and mass mailings were common, but a more judicious approach involved direct mailing campaigns aimed at only the best prospects. No stones were left unturned in compiling lists of potential customers. Credit managers scoured city directories and telephone books (both of which could be used to target individuals in desirable neighborhoods) as well as birth and marriage records, tax lists, building permits, automobile registrations, hunting licenses, and bank and college directories. The local newspaper was also a cheap and handy source of business leads. “Watch the newspapers for live items such as: ‘Mrs. Jones is going to Europe’; ‘John Smith elected to head Elks,’ [sic] or ‘Miss Evelyn Blank is home from Vassar.’”¹⁸ Engagements, weddings, birth announcements, real estate transactions, and news concerning the social, political, business, or church activities of prominent community members were all eyed for angles to drum up new business. No publication was too marginal or sacrosanct. Credit managers looking to solicit new business even pored over the *Congressional Record*. Some stores also ran new customer contests among their employees to identify new prospects.

Among these myriad sources, one was particularly cherished: credit rating books. These volumes, descended from the commercial rating books published by R. G. Dun and the Bradstreet Company, contained the names and addresses of all adults in a given town or locality, followed by an alphanumeric code to indicate the creditworthiness of each. In many cases, these books also noted the occupation of each individual and the marital status of the women. Though the widespread use of telephones in credit bureaus diminished the prevalence of rating books by the 1920s (inquiries and reports were conveyed orally), where they did exist, merchants eagerly mined them. Credit managers compiled lists of individuals with good credit ratings in the books and, like “pre-approved” credit offers that flooded the credit card market in the 1970s, sent each a personally addressed letter indicating that the store had opened a charge account in his or her name. “Rating books issued by retail commercial agencies, if available, are especially valuable in that the names of the desired class of customer may be segregated,” a Washington, D.C., retailer explained.¹⁹ Merchants had recognized the sales potential of credit rating books as soon as they appeared in the late 1850s. Indeed, this “misuse” of the books had been one argument against their

publication by pioneering commercial reporting firms such as R. G. Dun and Bradstreet.

The transformation of credit information from an instrument of prevention to one of promotion signaled a major development in the history of American business practice. Alert retailers had always scanned their ledgers for useful information about their existing customers. “Merchants are prone to regard their customers only in the mass; it is better to think of them as units, each of which is a little center of influence that may help to make or mar your fortune,” an unnamed “Tradesman” observed in 1889. He recommended that merchants use a “moderate-sized blank book” to record each customer’s name and address, his visits and sums spent, discounts, and “personal peculiarities.”²⁰ Early attempts to produce transactional data, however, were laborious and required an iron will to maintain. Yet their potential value inspired continuous effort. At Wanamaker’s in Philadelphia, for example, managers tracked the activity of that department store’s credit customers by referring to the ledgers at regular intervals. This “plan,” in place by 1902, was designed to identify credit customers who had drifted away and who might be lured back to the store with a personalized appeal for their missed business.²¹ During the early 1920s, a business consultant urged credit managers to make their “ledgers talk” by analyzing the buying habits of the store’s customers and designing targeted promotions.²²

Mass credit policies, with their generous customer service and elaborate authorization, billing, and collection procedures, were expensive to maintain. But as this consultant anticipated and credit managers soon discovered, the systematic record-keeping necessitated by mass credit was its own reward. Not only did credit customers spend more than cash customers, they also produced vast reservoirs of valuable information in the process. For unlike cash customers, who came and went anonymously, credit customers submitted their entire personal and financial history to the credit manager in exchange for their trust. New bookkeeping devices developed during the early 1920s also allowed credit managers to track the financial behavior of individual customers with greater specificity. The Elliott-Fisher bookkeeping machine, for example, enabled the “100% informed credit manager” to itemize all of the store’s transactions in detailed daily reports. “You not only can tell when purchases are made,” according to an advertisement for the system, “but the character of the goods bought, and how and when paid for—all *without* extra work.”²³ “I think there is no place in a department store where there is so much record of information that is of value as in the Credit Department of the store,” a Detroit sales executive noted in 1926. “It is sometimes difficult to get that information out, but once you have analyzed it and once you have been able to get that information,

it is illuminating.”²⁴ The task of such extraction took on new urgency after the economic crash of 1929.

Customer Control

By early 1930, many credit managers began to turn to their accumulated files to study the buying behavior of customers already on their books. This new practice of systematic analysis became known as “customer control.” The basic premise underlying customer control was that a store’s established credit customers were its most valuable customers. Previously, credit promotions focused on attracting new customers. As many merchants came to realize, however, it was far more difficult and expensive to secure new customers than it was simply to reclaim those it already had. Mailing lists of the store’s existing charge customers, the credit manager of Neiman-Marcus remarked, were “almost invaluable,” as they represented the “most fertile channels” for direct advertising.²⁵ Credit managers thus searched their files for inactive accounts and sent these customers letters urging them to return to the store. In some cases, a special promotion was used as a pretense for the correspondence, but more frequently, retailers addressed the recipients as valuable customers who were missed. A San Francisco men’s clothing store sent its inactive customers the following letter, which appealed simultaneously to the moral distinction and social leveling of American credit:

Not all of us have our names in the Social Register—

All of us, whether of high or low estate, are catalogued in the records of the merchants with whom we trade.

The merchant’s faith in his customers is the life of his business....

You who have justified that faith have built for yourself a credit record of more value than the Social Register can ever convey.

May we see you again—real soon?²⁶

Letters of this kind could be remarkably effective. In 1929, for example, a Minneapolis store drummed up \$10,000 in business over four months by simply sending letters to inactive charge customers, a handsome 38 percent return on the cost of the mailing.²⁷

One of the first firms to demonstrate the efficacy of customer control was Chicago clothier Capper and Capper. In 1929, the store’s addressograph machine was modified to classify the buying habits of its existing credit customers. A printed card was attached to a name plate for each customer, with the position of moveable tabs on the frame used to indicate in which departments (suits, coats, hats, men’s furnishings, and sports apparel) the customer

had made purchases and whether or not a purchase had been made during the previous season. Additional colored tabs indicated whether the customer lived within the store's delivery range, bought expensive items, made purchases at any of the store's seven branch locations, or purchased during sales. Female customers were classified separately by marital status and the departments (men's or women's) in which they made purchases.²⁸ Since women often shopped for the entire family, a pattern of buying exclusively in the men's departments suggested that she might be persuaded to buy for herself as well in the women's department. Conversely, if only buying for herself, she might be persuaded to make purchases for her husband. Using this system to mail personalized letters to different classes of customers, Capper and Capper revived some 3,500 inactive accounts and more than doubled the number of its customers making purchases in more than one of the store's departments during the first year.²⁹

As the Great Depression curtailed consumer buying power, retailers looked to customer control as a way to extract greater sales volume from their tried and trusted customers. As a Bloomingdale's executive remarked in 1931, the credit manager was moved into a "promotional rather than a critical capacity."³⁰ In 1932, business publisher Dartnell conducted a survey of 415 retailers and found that "the vast majority" had either already implemented a customer control system or were making plans to do so.³¹ According to the report, credit-granting stores were at the forefront of the movement. A variety of customer control systems were put into use during the 1930s.³² Some were manual, such as visible index or loose-leaf systems, in which each customer's sales activity was coded with check marks in small boxes on individual cards or sheets. Each box represented a different field, typically one of the store's departments or the month or season. When a mailing campaign was planned, clerks reviewed the coded cards or sheets and compiled a list of customers meeting the selected criteria. Other systems, however, were mechanical. In addition to the addressograph system used by Capper and Capper and others, sophisticated punch card systems were developed. Punch cards not only permitted more detailed and elaborate classification schemes, but the retrieval process was generally faster and more accurate than that of manual systems, as the punched holes transferred sales and customer information directly from the store's ledgers. The manufacturer of one such system, Selectric, claimed that "an average office girl" could maintain cards for 20,000 customers and produce an entire customer list in just several hours.³³

Though customer control was initially embraced as a means to revive inactive accounts, its broader applications were immediately apparent. While tracking the purchasing patterns of their customers, retailers were surprised

to learn that most buyers concentrated their purchases in one or two of a store's departments, ignoring the others altogether. Customer control thus turned to the problem of getting customers to spend both more heavily and more expansively. "The ideal system is to have every charge customer trading in all of the major departments of the store," the credit manager of Denver's Cottrell Clothing Company noted, "and the customer's control system is an excellent guide to the purchasing habits of the customers."³⁴ Customer control allowed retailers to identify departments that individual customers neglected and to design personalized letters encouraging them to visit these "forgotten" departments. In this way, customers who regularly purchased hosiery from the store but never bought shoes might be sent promotional materials directing them to the advantages of the latter department. In one case, an unnamed Chicago department store sent promotional letters to charge customers who had purchased in the women's ready-to-wear departments but had never bought a coat. "While apparently you have never purchased coats from us, we would like to tell you about 'Shagmoor' coats. These coats are ideal for spring wear—they are dust-proof, rain-proof, and wrinkle-proof, making them particularly good for motoring." Following the mailing, 300 customers from a list of more than 16,000 bought coats for the first time, amounting to sales in excess of \$21,000.³⁵ Information collected by customer control systems was used to produce increasingly personalized entreaties. "We notice from our records that you have made several purchases in our Clothing Department but have not visited our Furnishings Department," a letter used by Cottrell read, adding, "We are now showing some new numbers in Stetson hat [*sic*] which I am sure will look well with that suit you bought from us recently."³⁶ By encouraging their active customers to buy in all of the store's departments, they hoped to wrestle money out of the hands of competitors for the same customers.

Likewise, customer control systems allowed retailers to direct promotional mailings to the primary buyer of the account, thus reaching more deeply into an entire family of customers. As already noted, many women did the majority of their family's shopping, buying goods for themselves as well as their children and spouses. However, direct mailing campaigns were typically addressed to the account holder, often the woman's husband. This presented a missed opportunity on two counts; the man to whom the mailing was addressed was not an active buyer, while the actual user of the account was ignored completely. Using customer control to classify each account by gender and marital status, promotional campaigns could be designed to reach husbands and wives, as well as the children through appeals to their mothers.³⁷

Customer control could also be used to gather useful feedback from inactive customers. A list of such customers might be sent a letter that not

only invited their business, but also queried them as to the reason they had dropped off. In 1930, for example, a California clothing chain mailed its inactive customers a letter that provided an opportunity to indicate the reason for their absence. “You see, some people think a Credit Man’s worries are all about the people who owe money, but that isn’t true,” the letter read. “His biggest worries are about the good customers who don’t use their credit accounts. That makes him scared. He wonders if something could possibly have happened to offend them.”³⁸ Indifference was usually the cause of inactivity, followed by moves out of the area and price considerations. But in some cases, as these letters revealed, an unresolved grievance kept an otherwise profitable customer away. By attending to such cases, customer control served an important public relations function. In this regard, such letters resembled the “customer research” questionnaire program developed at General Motors during the same time. In both cases, targeted mailings served the twin purposes of “information-gathering” exercise designed to incite customer feedback and public relations ploy to create a semblance of personal interest in the views of the individual consumer.³⁹

Even satisfied customers were entreated in goodwill initiatives. “After a credit department has made every safe and sane effort to get you on the books it struggles valiantly to keep you there,” the credit manager of New York’s James McCreery department store told a reporter.⁴⁰ A fawning letter of appreciation sent to the store’s best customers could do more in the long run than the most closely tailored promotional campaign. “You will probably be surprised to have a letter from our Credit Department,” one such letter opened. “Of course the reason a customer like you does not hear from us is that your account is never past due.” This congratulatory letter, according to a trade magazine story, was well received by the store’s customers. “John, what do you think of this bunk?,” one woman said to her husband upon reading the letter. Deeply impressed, the husband replied, “Well, from now on buy all you can from the store and show them you appreciate the interest they have shown in recognizing your prompt-pay record with them.”⁴¹ Promotional campaigns developed through customer control systems also enabled retailers to assess the success of their promotional campaigns with some degree of accuracy. Changes in sales activity and volume immediately following a direct mailing were noted, and the purchasing patterns of those who received promotions were analyzed.

As customer control became more sophisticated, retailers attempted to further differentiate their clientele by price line, taste, and average expenditures. Customers with the means to buy expensive items were identified and addressed separately. “Obviously there is little use in inducing a customer to buy a \$3,000 mink coat if an analysis of her credit purchases reveals that the top price of previous coat purchases averaged \$50.00.”⁴² One retailer

demonstrated the usefulness of income segmentation while seeking to boost sales of fur coats. Among the store's 40,000 charge customers, 10,000 female customers who had never purchased a coat but had the resources to do so were mailed invitations to an exclusive one-day private sale. The event produced \$25,000 in sales and was a smashing success.⁴³ Additionally, price buyers (those who waited for sales) and quality buyers were classified separately, permitting retailers to tailor different promotions for bargain hunters and full-price customers. Moreover, customer control allowed merchants to appeal to upper-income customers exclusively, in a way that did not leave them feeling that they were "being lumped with laborers, clerks, women and children and besought to buy, buy, buy."⁴⁴ At the same time, individuals in lower income brackets were tracked for promotional efforts. Customers who had recently completed installment purchases or budget plans, for instance, were regarded as good prospects. "This class of people," the credit manager of a Davenport, Iowa, department store noted, "have respect for the credit obligations which they have assumed and are the type which will make the most desirable charge customers."⁴⁵

Customer control sought to reclaim, albeit by mechanical artifice, the personal equation that was lost in the development of impersonal mass retailing. Where once the neighborhood storekeeper had known all of his or her customers and could make recommendations to suit individual tastes, the modern department store was a selling machine that processed thousands of transactions each day. "The individual customer disappeared in the great crowds that thronged the stores," one proponent of customer control observed. "Little attempt has been made to analyze these crowds, to reduce them to the individual customer and know for certain whether or not profits came in equal proportion with numbers. The time for that is coming."⁴⁶ Customer control offered a way to personalize mass retailing by appealing directly to the special interests and habits of individual customers. "Never before has it been so necessary that the credit department 'know your customer,'" one customer control advocate asserted. It was necessary, he added, "to know them well enough to promote new business through the contact their account affords to the credit department."⁴⁷

Breaking Up the Mass

Underlying the development of customer control was a more profound realization: not all customers were equally valuable. In 1930, Robert B. Gile, manufacturer of the Selectric system, conducted a nationwide survey of more than 100 department, specialty, and men's clothing stores and reported that 40 percent of a store's customers purchased 77 percent of its

merchandise.⁴⁸ Several years later, another study indicated that 16 percent of charge customers bought 49 percent of a store's merchandise.⁴⁹ These stunning findings not only reinforced the importance of courting one's existing customers but also suggested that whole segments of the buying public were not worth the expense of engaging at all. Indeed, according to Gile, a full 60 percent of a store's patrons produced little or no profit. What Gile and his contemporaries intuited would come to be known as the Pareto principle, or 80/20 rule, famously codified by management consultant Joseph M. Juran a decade later.⁵⁰ Applied to retailing, Juran's concept of "the vital few and trivial many" suggested that 20 percent of a store's customers produced 80 percent of its sales. By this logic, a retailer was wise to direct his promotional effort to the small but profitable segment of regular customers rather than the "trivial many." Invoking a Dust Bowl metaphor, Gile claimed that so much wasted effort on useless land was akin to "dry farming."⁵¹

Used to identify the most profitable segments of a store's patronage, customer control facilitated a more sweeping form of market discrimination with important ties to credit rating. The most valuable credit customers, after all, were those who demonstrated their ability and willingness to pay. In one case, a clothing company sought to revive a list of some 2,000 inactive customers by appealing directly to their superior credit status. "When we say you are a preferred credit risk, we mean just that," the promotional letter explained. "A customer to whom we can point with pride, your record here entitles you to a splendid credit rating...."⁵² In contrast, trouble accounts or individuals with poor credit ratings for whatever reason were by definition excluded. The exclusionary effects of customer control were illustrated by a Chicago men's clothing store whose promotional campaigns addressed only its "very best paying customers," roughly a third of its 20,000, with all those deemed "poor credit risk[s]" eliminated.⁵³ Customer control developed in credit departments rather than sales or advertising departments precisely because it was there that the financial viability of each customer was known and from which inferences could be made. Within such systems, the credit and purchasing histories of individuals appeared together, one informing the other. As the author of a 1933 business thesis indicated, "credit ratings, credit limit, overdue amounts, dates and amounts of installment payments, chronic conditions in connection with adjustments and returned goods, and similar information" enhanced the value of customer control records as sales tools.⁵⁴ As the privilege of credit was diluted through ubiquity, customer control introduced a new and intensified form of target marketing and nascent customer relationship management that fostered bonds of loyalty by rewarding the profitable few.

Yet customer control was complex and required a level of organization and investment well beyond most retailers. Dismissing customer control as

“well nigh impossible for any but a group of true geniuses,” a St. Louis direct mail expert conceded, “It is unquestionably a wonderful thing to be able to write to a large portion of your 100,000 customers each month and say, ‘Mrs. Smith, six weeks ago you purchased half a dozen pairs of silk stockings from us, size 8 1/2, and we trust that they have been entirely satisfactory and that we may have the pleasure of selling you some more during the next week when we have a special on two of our leading hosiery lines.’”⁵⁵ By the late 1930s, customer control was touted as a powerful marketing tool. “A new technique is now being developed by certain progressive stores which makes a customer of theirs virtually a guinea-pig subject to the most elaborate and ramified classification of customer data the modern punch card equipment permits.”⁵⁶

Long before the introduction of database computing, early twentieth-century credit managers demonstrated how personal and financial information could be used to identify and segment consumer markets. As the credit manager of San Francisco’s Emporium department store observed in 1929, “Mass supervision of credits and collections has developed a machinery which is impersonal in its mechanism but is so devised and maintained as to have all the appearance to the customer of intimate personal contact.”⁵⁷ Equally important, however, the history of customer control illustrates the power of transactional data, which would become a key commodity in the late twentieth-century information economy. It is therefore of little surprise that each of the three major American credit bureaus—Equifax, TransUnion, and Experian—currently offer a variety of consumer marketing and data analysis programs for business clients. The development of transactional data analysis, to which early credit departments (and later national bureaus) contributed, can thus be viewed as a notable chapter in the early history of consumer surveillance.

While the specter of mass society loomed in the minds of early twentieth-century politicians and intellectuals, credit managers were already beginning to deconstruct it. In an age of mass consumption and mass advertising, customer control was far ahead of its time. The forces of target marketing that broke up the American mass market during the late twentieth century began with the dissection of local retail buyers a half century earlier. Ironically, the seeds of segmentation and target marketing were sown in the drive to produce a stable, predictable American mass market—a shape-shifting entity whose close examination highlighted differences and similarities among its various constituent parts. The democratization of American mass consumption during the first quarter of the twentieth century thus contained a now familiar countermovement toward tribalization, as consumers were already being sorted into income, demographic, and lifestyle enclaves.

Notes

1. “Stores Need Facts on Buying Habits,” *New York Times*, April 5, 1931, 46.
2. *Ibid.*
3. Susan Strasser, *Satisfaction Guaranteed: The Making of the American Mass Market* (New York, 1989), 14, 161. See also Joseph Turow, *Breaking Up America: Advertisers and the New Media World* (Chicago, 1997), chap. 2.
4. For an overview of early consumer marketing, see Douglas B. Ward, “Capitalism, Early Market Research, and the Creation of the American Consumer,” *Journal of Historical Research in Marketing* 1, no. 2 (2009): 200–223. On the development of “scientific” advertising research, see Pamela J. Kreshel, “Advertising Research in the Pre-Depression Years: A Cultural History,” *Journal of Current Issues and Research in Advertising* 15, no. 1 (1993): 59–75. For connections between consumer research and social-scientific inquiry during the 1920s, see Sarah E. Igo, *The Averaged American: Surveys, Citizens, and the Making of the Mass Public* (Cambridge, MA, 2007). On the development of market segmentation in mid-twentieth-century America, see Lizabeth Cohen, *A Consumer’s Republic: The Politics of Mass Consumption in Postwar America* (New York, 2003).
5. On the development of database marketing and transactional data, see Oscar H. Gandy, Jr., *The Panoptic Sort: A Political Economy of Personal Information* (Boulder, CO, 1993); and Turow, *Breaking Up America*.
6. Mark Andrejevic, “The Work of Being Watched: Interactive Media and the Exploitation of Self-Disclosure,” *Critical Studies in Media Communication* 19, no. 2 (2002): 230–48.
7. Customer control was occasionally referred to as “constructive credit” or “customer analysis.”
8. On the history of consumer credit before 1940, see Lendol Calder, *Financing the American Dream: A Cultural History of Consumer Credit* (Princeton, NJ, 1999); Martha Olney, *Buy Now, Pay Later: Advertising, Credit, and Consumer Durables in the 1920s* (Chapel Hill, NC, 1991); and William Leach, *Land of Desire: Merchants, Power, and the Rise of a New American Culture* (New York, 1993).
9. See, for example, Dean Ashby, *Credit Sales Promotion and Customer Control*, mimeograph (St. Louis, MO: National Retail Credit Association, [1936]), 1–4, located in University Library, University of Illinois, Urbana-Champaign.
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11. William H. J. Taylor, “Credit Office Efficiency,” *Credit World* 8, no. 12 (August 1920): 10.
12. See Kardex (Towanda, NY: Kardex Company, [192?]); *The Age of Vision in Business Affairs* (Towanda, NY: Rand Kardex Service Corporation, 1926); and

Visible Records: Their Place in Modern Business (Buffalo, NY: Remington Rand, 1930). See also Frederick W. Walter, *The Retail Charge Account* (New York, 1922), 158–66.

13. G. L. Harris, “What Progress in Management?,” *Executive* 1, no. 5 (November 1927): 10.
14. “The Ways of Women,” *Observer-Journal* (Dunkirk, NY, January 7, 1889), 1.
15. See, for example, “To the Retail Merchant and Store Owner,” *Credit World* 8, no. 7 (March 1920): 5.
16. Fred E. Kunkle, “The Buyer’s Strike and the Credit Manager,” *Credit World* 9, no. 10 (June 1921): 21; L. M. Crosthwaite, “Constructive Credit Granting,” *Credit World* 9, no. 5 (January 1921): 10–11.
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18. Daniel J. Hannefin, “Building Prospect Lists—A Continuous Process,” *Credit World* 17, no. 6 (February 1929): 12.
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22. Kunkle, “Buyer’s Strike,” 22.
23. Advertisement for Elliott-Fisher, *Credit World* 8, no. 12 (August 1920): 5 (original emphasis).
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26. John T. Bartlett and Charles M. Reed, *Credit Department Salesmanship and Collection Psychology* (New York, 1932), 245.
27. Robert B. Gile, “Developing the Retail Store’s Best Market,” *Credit World* 18, no. 4 (December 1929): 5.
28. *Getting More Business from Store Customers: A Study of Retail Customer Control Plans, Report No. 1037* (Chicago, IL: Dartnell Corporation, [1932]), 5–6. See also, Bartlett and Reed, *Credit Department Salesmanship and Collection Psychology*, 224–27.
29. *Getting More Business from Store Customers*, 5.
30. “Hails White-Collar Buyer,” *New York Times*, May 20, 1931, 49.
31. *Getting More Business from Store Customers*, 2.
32. For an early overview of customer control that details the mechanics of various systems, see Orville Wendell O’Neal, “A Study of Customer Control from the Standpoint of Sales Promotion,” (MBA thesis, University of Texas at Austin, 1933). Discussion of “mechanical systems” and “simple control systems” is also available in Bartlett and Reed, *Credit Department Salesmanship and Collection Psychology*, 219–27, 236–40.

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34. William E. Glass, "Sales Promotion Thru the Credit Department," *Credit World* 18, no. 4 (December 1929): 9.
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44. Gile, "Developing the Retail Store's Best Market," *Credit World* 18, no. 4 (December 1929): 6–7.
45. Ashby, *Credit Sales Promotion and Customer Control*, 19.
46. Robert B. Gile, "Customer Control," *Retail Ledger* (July 1930): 8.
47. Ashby, *Credit Sales Promotion and Customer Control*, 32.
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50. Joseph M. Juran, "Universals in Management Planning and Controlling," *Management Review* 43, no. 11 (1954): 748–61; see also Juran, "The Non-Pareto Principle; Mea Culpa," *Quality Progress* 8, no. 5 (1975): 8–9.
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52. Bartlett and Reed, *Credit Department Salesmanship and Collection Psychology*, 248.
53. Getting More Business from Store Customers, 21.
54. O'Neal, *A Study of Customer Control*, 82.
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CHAPTER 8

Markets, Consumers, and the State: The Uses of Market Research in Government and the Public Sector in Britain, 1925–1955

Stefan Schwarzkopf

Business historians have developed a lively interest in the various roles that states played in the emergence of stable economic institutions. The state as an institutional actor helps enforce contractual commitments, property rights, and regulatory frameworks. An additional role of the state, which comes into focus here, is as a provider of goods and services. Inasmuch as these goods and services—like transport, healthcare, infrastructure, utilities, fuel, education, telecommunications, information, and entertainment—have to meet the needs of trade customers and citizens as their consumers, the state has to engage in information-gathering activities that help ascertain the specific needs of customers and citizens. In addition, it has to define ways to meet these needs in the most efficient and cost-effective way in order to ensure a “fit” between policies and end-consumers so that market actors can link up efficiently with lower search costs and risks (opportunity costs).

In this chapter, I use the case of British government departments and public sector organizations in the interwar and immediate postwar years to show how market and consumer research methods developed in the realm of state and public administration. While most business historians

have searched for the origins of market and consumer research in the sphere of the market itself, for example in advertising agencies, retailing, media research, and industrial psychology,¹ they have overlooked how both the British and the American states, in the words of Oz Frankel, “marched with great fanfare into the marketplace for knowledge.”² In relation to this marketplace, I argue, the British state, government, and public sector in general increasingly took on managerial functions and therefore provided an important breeding ground for the development of methods to observe markets and to measure and interpret consumer behavior.³

The British State and Market and Consumer Research

Between the 1920s and the 1940s, in particular, Britain witnessed a rise in the number and influence of public bodies, governmental departments, and quasi-autonomous nongovernmental organizations (so-called quangos) that regulated economic activities and provided vital goods and services. Following Theda Skocpol and Stephen Skowronek, Britain proved somewhat different in this respect from the United States, as it was characterized by strong civil service ministries and a parliamentary polity as opposed to the American “state of courts and parties.”⁴ Among such organizations were the Empire Marketing Board (1926–31), the Colonial Empire Marketing Board (1932–39), the Milk Marketing Board (1933–93), the London Passenger Transport Board (1933–48), the British Broadcasting Corporation (1927–), the Ministry of Information/Central Office of Information (1939–), the General Post Office (1660–1969), and the Stationery Office (1786–1996), all of which measured the activities of millions of British and foreign consumers with regard to foodstuffs, entertainment, transport, information, and telecommunications. The market research departments of these public bodies and government institutions did not confine their inquiries to the activities of home consumers, but often collected marketing-relevant information from across the British Empire. A state-driven market research “industry” emerged that recorded everything from fish consumption among Scottish working-class families and the uses of telegrams by middle-class housewives to seasonal fluctuations in milk prices in Canada and the sugar content of various types of Australian apples.

One of the most important moments in the management of public opinion and mass communication in Britain was the founding of the Empire Marketing Board (EMB) in 1926. In an attempt to placate those who pressed for a tax preference system among the different nations that made up the Empire combined with a tariff barrier around Britain for non-Empire

goods, the EMB was set up to facilitate and promote inter-Empire trade and thus keep alive the vision of Britain as a free trade nation.⁵ The EMB had three principal aims: to support scientific research, to promote and engage in economic analysis, and to conduct publicity campaigns for Empire products in Britain. Its key aims were to link up Empire producers and consumers more efficiently, increase consumer demand in Britain for Empire-produced goods, economically stabilize the Empire, and thus make preferential tariffs unnecessary.

Scientific research took up the largest proportion of the EMB's resources, for which it was promised a budget of £1 million. The board assisted over 120 agricultural and medical research projects, and it regularly issued market intelligence notes, pamphlets, economic surveys, and market analyses in order to assist Empire producers. As part of its publicity brief, a major aim of the EMB was to promote "Empire-buying" behavioral patterns among British consumers. On large-scale posters, in press and magazine advertisements, in radio talks, in Empire Fruit exhibitions, through Empire Shopping Weeks, in dedicated Empire shops, through shop window display weeks, on school tours, and through around 100 educational films produced by its own film unit under John Grierson, the EMB told British consumers to buy Britain's and its Empire's products.

The board occupied a key position because its research and information campaigns lowered search costs for buyers and opportunity costs for sellers. It gathered information and developed unique expertise in relation to distribution chains for food products, their pricing, and adequate promotion to end-consumers. The board therefore acted as a marketing research unit for the Empire itself, and it set its focus on new product development, on researching retail and distribution methods, and on consumer research. As part of its emphasis on helping manufacturers, exporters, and importers understand global food markets in general and the British market in particular, the EMB supported extensive product research on canned fruit, dried fruit, and the canned fruit market. What is surprising is the enormous detail that the board provided to international producers, distributors, and sellers. The board's *Canned and Dried Fruit Notes* and its *Weekly Fruit Intelligence Notes* recorded every imaginable fact about the world's fruit market and Britain's place within it from the number of cases of imported fruit per week to wholesale prices of English canned fruit; expected harvests of prunes, oranges, grapefruits, apricots, grapes, apples, bananas, tomatoes, spinach, and so on; the monthly export rates of canned fruits from the United States; and how much of these canned goods were imported into Britain. British wholesalers, buyers at grocery multiples, and shopkeepers who wanted to

know exactly how many cases of pineapples were shipped from Malaya in the second week of July in any given year could find the figures in these publications, together with statistics on the development of pineapple prices over the year.⁶

Equally extensive research was conducted into banana breeding and the behavior and diseases of bananas in storage and transport; milk quality and the fluctuations of milk prices in various parts of the Empire, especially Britain, New Zealand, and Canada; and various aspects of nearly all other tradable agricultural commodities, such as rice, sugar, wool, hardwoods, fish, jute, coffee, tea, and tobacco.⁷ The case of rice is of particular interest with regard to the relationship between market knowledge and statecraft. Although it had been recognized that Britain relied heavily on food imports and that parts of the Empire like Ceylon could not produce enough rice to meet their own needs, other parts of the Empire, such as India and British Guiana, were important exporters of rice. Statistically, these exports made the British Empire a net exporter of rice during much of the 1920s and 1930s. Thus, the Empire included both countries with a strong interest in higher world prices for rice as well as those that had an interest in lower prices, which would have helped to feed their populations, as was the case in Malaya and Hong Kong.⁸ Globally sourced market research data, therefore, were used to identify Empire countries that could produce foodstuffs that had to be imported from the United States, Europe, and South America, and to find retailing and distribution methods that prevented the decay of foodstuffs, for example, refrigeration. Research findings were then translated into marketing communications tools, such as posters and public exhibitions. In its review of the 1934 Food Refrigeration Exhibition in London, *The Listener*, a BBC publication, underlined the political rationale behind the gathering of market-relevant data: “When you see that a small country like England has to have feeders all round the globe you know at a glance that her food situation is precarious. Protecting Britain’s food supply ... points to the possibility of a higher standard of national security.”⁹

In order to help balance producer, distributor, and consumer interests within the Empire, the EMB used the entire range of market statistical and research tools, and it even produced marketing-relevant maps of various parts of the Empire.¹⁰ These activities were driven not only by a positive vision of international trade, but also by profound skepticism about the efficiency of markets and by the realization that adverse information asymmetries, opportunity costs, and market failure were ubiquitous characteristics of global markets. The board’s civil servants, agricultural researchers, and marketing specialists believed that in order to turn the Empire into an efficient internal market, more information was needed about products

and consumers. Consequently, nothing escaped their attention. A powerful Empire and a healthy people needed to know everything from the vitamin content of the mango to the average protein and fat content of soybeans in India and the weekly prices of unsalted Lithuanian butter.¹¹

The Politics of Market Research

These issues were not at all marginal. At home, the question of milk—its quality, supply, price, and consumption—was highly politicized, and each party from the Conservatives to the Communists attempted to present itself as the one with the best solutions for the problem of excess production, volatile prices, and the need for increased consumption. In a 1937 pamphlet entitled *Milk*, the Communist Party of Great Britain attacked the Milk Marketing Board for “robbing the babies” by allowing price-fixing to happen among the big dairy combines and by mismanaging expensive advertising campaigns. In this and many similar pamphlets, the National Government of Conservatives and Labour was criticized for ignoring market research data on milk consumption and thus “injuring the consumer.”¹²

In addition, as Richard Hawkins and Howard Seftel have shown, the American fruit industries, like Hawaiian pineapples, Florida peach canning, and the Californian raisin growers’ cooperatives, conquered increasing shares of the global market for fresh, dried, and canned fruits during the 1920s and 1930s.¹³ They excelled in the branding of fruit, product design, and packaging and in global advertising campaigns for their products, thus leaving Australian apple producers and the Malayan pineapple industry far behind. In 1939, the successor of the EMB, the Colonial Empire Marketing Board, supervised the “test marketing of an experimental consignment of canned pineapple fruit and juice from Zanzibar” in Britain, an exercise designed to take market share away from the American pineapple industry.¹⁴

The EMB was keen to use market, consumer, and product research to help Empire producers catch up; however, at the same time, both the EMB and the Intelligence Branch of the Imperial Economic Committee clearly focused a lot on what could be called descriptive rather than applied marketing knowledge. In one of the numerous statistical publications appearing in the mid-1930s, readers learned that there were 10,781,000 apple trees in Australia, but that did not tell marketing departments much about how to create an attractive advertising campaign or how to design appealing cases, cans, bags, and fruit wrappers. Although there were over 50 million apple trees in the Empire in 1935, it was still a net importer of apples, and the United States was the world’s largest apple exporter.¹⁵

In order to create a more consistent link between Empire producers and home consumers, the EMB therefore needed to better understand the British consumer. Under the guidance of a number of public relations and advertising executives who served on the publicity committee of the EMB, the board conducted research that allowed it to segment its target market by classifying national newspapers and magazines and by placing different styles of advertisements in each of the different classes. “Class A” papers (for example, *The Times*) received advertisements that focused on cultural and economic aspects of the Empire; “Class B” papers (for example, the *Daily Mail*) were supplied with advertisements that focused on specific commodities that consumers should buy; “Class C” papers (for example, *News of the World* and *John Bull*) and “Class D” papers (women’s papers like *Good Housekeeping*) received dialogue-style or “gossipy” advertisements; “Class E” papers (targeting the working classes and Labour Party voters) were supplied with advertisements that made the case for the Empire from a working-class and employment point of view; whereas “Class F” papers (trade papers) carried advertisements that persuaded storekeepers to stock the products for which demand had been created in the papers of classes B through E.¹⁶

The experts at the EMB thus performed basic operations such as market segmentation, targeting and positioning advertising messages, and coordinating demand-oriented (“pull”) and supply-oriented (“push”) advertising. Behind what is often seen as a merely educative and “high-brow” poster campaign, machinery was at work that engaged a government department in consumer-research-oriented, integrated marketing communications during the late 1920s and early 1930s. Not only did the EMB campaign co-ordinate press and poster advertising, it also supported the poster campaign with specially themed booklets for which members of the public could write in. It organized exhibits at grocers’ exhibitions, trade fairs, fruit shows, and the annual Ideal Home Exhibition in London, and it built up a comprehensive database of institutions such as schools and Women’s Institutes, which regularly received copies of EMB posters and pamphlets.¹⁷

The EMB’s publicity committee also engaged in very basic market research, as it analyzed the 200 to 300 letters that reached the EMB each month. From these letters and the retailer reports it gathered, the EMB gained an idea of which poster designs worked better with the public and how often designs had to be changed to keep the public interested.¹⁸ The board’s officers tried to estimate the attention value of the EMB poster designs by measuring the percentage of people passing a poster display in Piccadilly Circus who stopped and scrutinized it.¹⁹ In May 1928, the committee made efforts to establish the efficacy of its milk campaign by “keying” advertisements in the *Daily Mail*. Consumers who read the advertisements

were encouraged to send back a coupon with a unique number (“key”) to receive a booklet on milk. Based on this information about the campaign’s audience, the schedule of the 1928 milk campaign was revised and new appeals were created.²⁰ In the same year, the advertising agency London Press Exchange (LPE) surveyed 1,000 retailers for the EMB with regard to whether the campaign had increased the sale of Empire goods. The survey found that it had only done so in higher class shops and among consumers with higher discretionary income. Accordingly, the publicity committee was advised by the LPE to increase demand “in the cheaper side of the trade.”²¹

The advertising industry brought not only important explicit knowledge about market research and the integration of communications tools to the EMB, but also implicit (tacit) knowledge of consumer behavior. In 1929, for instance, the publicity committee decided to discontinue press advertising for a certain amount of time before the general election because it had been advised by its advertising agencies that publicity during election periods normally received much less attention while readers were engrossed by election news. Similar tacit knowledge about consumer behavior came to the fore when the EMB was advised to choose morning hours on the BBC for its publicity broadcasts, as this was usually the time when housewives listened to the radio.²² Other market research activities performed by the EMB included retail marketing surveys, which recorded retail trends and consumer demand for Empire products. The data thus obtained were deemed “of practical value to the overseas producer in enabling him to adjust production and marketing methods to existing conditions and to anticipate changes in demand.”²³ Such experimental surveys were carried out for butter in Midland towns and London, for cheese in London, and for the retail marketing of South African oranges in Liverpool.²⁴

The London cheese survey was based on interviews with London shopkeepers and greengrocers between June and November 1928. During these months, the investigators visited 500 shops across the city and studied the availability and prices of specific types of cheese. Although the ultimate interest of the investigators was the consumer, the absence of both retail audits and the concept of market share made it necessary to study what was sold over the counter as an approximation of existing consumer demand for different types of products. The investigators found, among other things, that the demand for colored cheese was higher in boroughs with a larger proportion of Irish and north country families and that both independent and multiple retailers welcomed the introduction of processed, branded, prepackaged cheese, because this type of product entailed “no waste or deterioration, no risk of over-cutting, and no expenditure of time and labor on unpacking and stripping, while the product carried a fair and fixed margin

of profit. The small margin obtainable on bulk cheese was frequently eaten up by waste and over-cutting.”²⁵

Researching the Telephone Consumer

After the adoption of Imperial Tariff, which buried the idea of British free trade, the Empire Marketing Board was dissolved in early 1933. The various members of its publicity committee and its entire film unit were now taken over by the General Post Office (GPO), a government department that ran the postal and telecommunications services in Britain. Stephen Tallents, who had been the very entrepreneurial and progressive secretary of the EMB between 1926 and 1933, was asked to revamp the GPO’s publicity unit. His task was to ensure that British consumers were aware of the Post Office’s range of services, which included not just the transportation and delivery of letters and parcels, but also the installation and provision of telephones, and telegrams, overnight mail, and money transfers. The GPO’s publicity unit was responsible for communicating price offerings and changes in service and for creating wider demand for postal and telephone services. With the help of advertising professionals, Tallents again ran advertising and public relations campaigns, which included posters, leaflets, press advertisements, and educational and documentary movies produced by the GPO film unit.²⁶

The GPO publicity unit set up dedicated showrooms in London and other large cities, showcasing the product and service offerings of the Post Office. In these showrooms, the GPO ran basic forms of market research by showing consumers various makes of telephones in different colors in order to find out which models and colors were most popular.²⁷ The GPO campaign of the mid-1930s thus offered consumers a glimpse at a service- and marketing-focused organization that had fully adopted the marketing industry’s *raison d’être*. Tallents had already proclaimed this emphasis as early as 1926, when he reminded his staff at the EMB that they “must study the needs, tastes and difficulties of the consumer.”²⁸ In accordance with this motto, the new GPO publicity machinery not only issued colorful, artistic, and widely praised poster designs, but it also tested and measured the effectiveness of its advertising appeals with the same precision as other commercial concerns during the 1930s. Regional reports on the effectiveness of the various marketing tools were studied regularly.²⁹ In June 1935, it researched the responses of 2,000 consumers to a questionnaire asking them through which media they had learned about the Post Office’s telegraph services and recent rates reduction. The findings showed that most people had gathered this knowledge from newspapers and radio broadcasts, which the GPO

used to adjust its media schedule.³⁰ The GPO's publicity committee also evaluated which type of advertisement in which medium garnered more inquiry forms, and it statistically analyzed the relationship between expenditures on trade exhibits, direct mail campaigns, and related efforts, on the one hand, and their financial return through newly acquired customers, on the other.³¹

The aforementioned advertising and public relations experts who cooperated with the EMB and the GPO on their campaigns came from various London-based advertising agencies. Outstanding among these businesses for its professional input in the governmental and public sector was the W. S. Crawford agency.³² The increasing interlocking of expertise between government and the private sector in the fields of communication, propaganda, and marketing became one of the most outstanding features of the 1930s. Advertising agencies like Crawford's benefited from this crossover. One of the EMB's research officers, Herbert Broadley, for example, joined Crawford's in 1933 and successfully built up a small food market research section at the agency.³³

Concern for people as citizens and consumers also motivated various government departments to treat consumer research more seriously.³⁴ Advertising agencies benefited directly from the transfer of marketing and statistical know-how from these departments when building up their own in-house research departments. Crawford's early market research and publicity work for the EMB, for example, drew heavily on an economic report written for the Ministry of Agriculture in 1927.³⁵ Unlike any of its competitors, this agency was under pressure to balance its claims to creative leadership and artistic freedom with the increased interest among some clients in the opportunities afforded by large-scale statistical market investigations. It was only after his association with the EMB in 1927 that the agency's founder and owner, William Crawford, became an exponent of market and consumer research.³⁶ By the time his agency had published its first major market research handbook in 1938, a number of social studies on food, poverty, and income had appeared in this field employing similar methods.³⁷ Later, Herbert Broadley also became the chairman of the research committee for the Institute of Practitioners in Advertising, acted as the deputy director of the United Nations Food and Agriculture Organization, and served as UNICEF representative for Britain.³⁸

The story behind Crawford's research survey published in 1938 as *The People's Food* allows some insight into the propinquity between "commercial" and governmental consumer research during the interwar years. From his advisory work for the Milk Marketing Board and the National Milk Publicity Council, Crawford knew John Boyd Orr, the eminent

nutrition scientist and later Nobel Peace Prize winner. Orr, who had access to Crawford's research department during the 1930s, in turn contributed a chapter on nutrition to Crawford's study. The survey also benefited from collaboration with members of the government's Market Supply Committee, the Nutrition Committee, and the Ministry of Labour.³⁹

When Broadley forwarded drafts of the study to the Ministry of Health, however, the minister, Kingsley Wood, advised his civil servants to ensure that Crawford's final report would be "innocuous." The Ministry had been much embarrassed by Orr's earlier findings that some 8 million people in Britain could not afford optimum nutrition.⁴⁰ When it turned out that Crawford's study corroborated these views, the Ministry's civil servants accused Crawford of being "propagandist" and espousing a peculiar kind of market socialism. One civil servant remarked that because the book had a purely commercial outlook, with the "man in the street" and the "woman in the home" in mind, it would be "as much of a boon to socialist candidates as it will be to producers and manufacturers."⁴¹ The fact that market research on people's food consumption could be part of both a commercial and a progressive social agenda was proven by the left-wing think tank Political and Economic Planning (PEP). In 1937 and 1938, PEP accused the government of not doing enough consumer and market research. Quoting a Crawford survey finding that 70 to 90 percent of the population ignored advertising with nutritional information, it called on government and food producers to conduct more market research and stop "trying to sell things in the dark" without sufficient knowledge of people's needs.⁴²

The example of the crossover between Crawford's consumer research and the market research activities of various government departments shows how interwar governmental marketing activities were an important site for the professionalization of twentieth-century British marketing practices. Rather than contributing to a merely commercial restructuring of the bourgeois public sphere—as Jürgen Habermas has claimed—market research in Britain emerged as the result of a coevolution of socially progressive research conducted by both public bodies and private advertising agencies.⁴³

The BBC and London Underground

The gradual collusion between these two worlds in the interwar years can be studied using the example of the BBC Listener Research Department (renamed Audience Research in 1936). Its first director, Robert J. Silvey, had formed a market research department at the London Press Exchange advertising agency.⁴⁴ The BBC listener research unit again hired experts from the advertising industry in order to find out how average listeners reacted

to programs. To ascertain the number of listeners each program attracted, a national quota sample of 2,250 men and women was asked each day which programs they had listened to the previous day. The BBC also had a volunteer panel of 6,000 people whose opinions it regularly sought and analyzed. Other techniques it employed during the late 1930s included listener panels consisting of hundreds of people sending in reports over several months on what they had listened to; a “Barometer” of up to 22,000 people recording their listening on a week-by-week basis on log sheets; and random sampling in which direct queries were sent to license holders in order to ascertain their listening habits.

A statement from the 1939 *BBC Handbook* illustrates that British public institutions developed a marketing perspective on the license-paying citizenry relatively early: “No one whose business it is to supply things to people—least of all those who supply entertainment—can afford to be ignorant about what people want.”⁴⁵ Hilda Matheson, one of the key figures in BBC listener research in the 1930s, connected this marketing outlook to the requirements of a liberal democracy and argued that caring about listeners’ needs and demands allowed them in turn to identify with public institutions such as the BBC. This process was necessary to “make the modern state work.” Matheson also reminded people that market research should not misunderstand the “listening audience” as a grey mass of “average” listeners but as a “public of infinitely varying elements.”⁴⁶ The realization that the allegedly homogenous masses consisted of different segments with a variety of habits and needs was a key moment in the emergence of market research as concept and practice.

Matheson’s views were echoed by William Beveridge, then director of the London School of Economics and later author of *Social Insurance and Allied Services* (the Beveridge Report), which served as the basis for the postwar welfare state and the creation of the National Health Service (NHS). In a 1935 radio debate about the relationship between the BBC and its listeners, Beveridge stated, “The proposition that I have to advance is that the B.B.C. cares nothing for its listeners. I submit to you that this is a proposition which cannot be questioned or debated seriously—because it is self evident.... Does the B.B.C. study its listeners? Every single one of you knows that it does nothing of the sort. Nobody in this audience today, nobody in the B.B.C., knows how many listeners are listening, or if any listeners are listening.... The B.B.C. is the most devoted believer in one-way conversation that the world has ever seen.”⁴⁷ Internal and external criticism such as this led to the formation of the BBC’s Audience Research Department in 1936.

It is important, of course, to keep in mind that the BBC was not the same as “the state” and was never state-owned. Nonetheless, it was created during

the 1920s as a public body that financed itself out of a general levy (license fee) and not as a commercial organization financed by advertising revenues. Its resource base and unique outlook on its target listeners as needing to be educated, informed, and entertained brought the BBC very close to the public service model on which state and government institutions were based.

Another nonstate organization of this type that pioneered consumer surveys from the 1930s through the 1950s was the London Passenger Transport Board (LPTB), London's public transport authority. Under its director of publicity, Frank Pick, the LPTB engaged extensively both in advertising and public relations, as well as in consumer research. Members of the board's publicity committee realized that it was difficult to find out precisely what impact a poster had on consumer satisfaction, passenger numbers, and visitor numbers to specifically advertised destinations. Yet a clearer idea as to the precise impact of posters would have allowed the underground and bus services to sell advertising space in a more efficient way and use posters to respond better to passenger demands for information and entertainment.

In the absence of accurate and direct evidence, Pick asked somewhat disappointedly in 1936, "Is publicity of any use? If you ask, for example, whether a particular poster or notice has done any good you can never get an answer, or very rarely. The publicity department tries but it is not successful in producing evidence of the gains which flow from its efforts."⁴⁸ As a way of gauging the public's response to Underground posters, the Transport Board opened an official poster shop in 1933 and sales figures of particular poster designs became a point of consideration for art commissioners at the LPTB: posters that sold well matched the public taste, and its designers were therefore often employed for further poster series. Thus, poster sales statistics allowed some crude form of consumer research during the 1930s.⁴⁹

By the 1950s, direct consumer research became more common.⁵⁰ In 1951, London Underground issued a poster entitled *Literary London* that promoted the houses of Charles Dickens, John Keats, Thomas Carlyle, and Dr. Johnson as tourist destinations. The Underground's publicity department compared visitor figures between April and July 1951, when the poster was exhibited, with those used in the same period the year before. Since visitor figures were up by 65.7 percent, this information was used to promote the efforts of the publicity department to potential advertisers.⁵¹ However, as Michael Saler and Claire Dobbin have shown, between the 1920s and the 1950s, London Underground refused to engage in what its director of publicity during the 1950s, Harold F. Hutchison, described as "playing down to the lowest common factor of what consumer research indicates as public taste."⁵² Underground poster publicity deliberately tried to challenge public taste and present modern designs that attracted talk-of-the-town attention.

The consumer research activities of the GPO, the EMB, the Milk Marketing Board, the BBC, and London Underground followed an ethos of engaging with people as independently minded citizens whose opinions and behavior mattered not only for the commercial success of an organization, but also because they constituted the building blocks of a new democracy. The consumer research activities of the EMB, for example, were never a mere tool of jingoist “Empire-building,” but driven by social scientists seriously concerned with the inefficiencies of markets that were supposed to provide the right type of food at the right quantity and right price for the British home population.⁵³ The food marketing surveys produced by the research sections of the EMB provided estimates for the supply and consumption of foodstuffs in Britain that were later taken up again in the Ministry of Labour’s Cost of Living Index and in John Boyd Orr’s nutrition survey of 1936–37. The latter, in turn, was supported by the government’s Advisory Committee on Nutrition.⁵⁴

Government Research during World War II

At the outbreak of war in autumn 1939, the earlier work of the Economic Advisory Council and various other scientific research groups under the supervision of the Cabinet Office was continued in the form of a new socio-logical research unit, the Wartime Social Survey, later renamed the Social Survey Department. The Government Social Survey became responsible for investigations with regard to home morale, the mobilization of men and women, people’s responses to government information campaigns, their food and fuel consumption, and their understanding and use of food and clothing coupons. David Caradog Jones, a pioneer social survey researcher, described the purpose of the Social Survey unit in terms of making “social administration more efficient,” and incidentally, also serving “the valuable democratic purpose of interesting the public in what the Government is doing.”⁵⁵

During the 1940s and 1950s, Social Survey employed hundreds of social scientists and survey workers, who mostly relied on the then standard methods of random sampling (controlled for age, sex, income, occupation, social status, and so on) and survey questionnaires, whereby the latter were coded and tabulated by the statistical staff of specific ministries and departments.⁵⁶ Reports carried out by Social Survey included studies on the public reception of Ministry of Information films (September 1941), studies for the Ministry of Food on national bread, milk, and egg consumption queues and the distribution of oranges (December 1941), a study for the Ministry of Information on the sizes of newspaper and cinema audiences for various

means of war-related publicity (January 1942 and July 1943), surveys on typical wartime meals (May–July 1942), studies into the public's attitudes toward fuel rationing (May 1942–November 1943), and numerous studies on topics such as the people's reaction to various propaganda campaigns, cooking habits, milk consumption, consumer demand for brushes and brooms, cake consumption in private homes, the uses of bicycles, consumer attitudes about shop closing hours, attitudes toward proposed New Towns, public opinion about "colonial affairs," cinema going, and more.⁵⁷ This research ushered in a new type of investigative perspective that embraced the totality of consumers' lifestyles, including their media use, income, food, and social class as well as their attitudes, interests, and opinions.⁵⁸

Out of the work of the Social Survey unit from 1940 were born two continuously running surveys, the National Food Survey (NFS) and consumer expenditure surveys. The latter included surveys on consumer expenditures and behavior in areas that could not easily be covered by official statistics, including consumer expenditures on clothes dying and cleaning, clothes mending and alterations, shoe repairs, domestic property improvements, hairdressing, cosmetics, vacations, betting, and meals consumed in catering establishments (all between 1948 and 1950).⁵⁹ The NFS, for its part, has become the longest-running continuous survey of household food consumption and expenditure in the world. When set up in 1940 by the Ministry of Food to monitor the diet of urban working-class households, its focus was initially to ensure that the government had information on workers' food consumption. This information was used in pricing and rationing policies and in finding the right "pitch" for food propaganda campaigns during the war. In 1950, the NFS was extended to become representative of households throughout the United Kingdom. During the postwar years, it studied around 15,000 households annually.⁶⁰

The connections between governmental consumer surveys and the commercial market research and opinion polling industries had always been close, yet they intensified even more during the war. From 1941, the Social Survey unit was run by Louis Moss, who before the war had been the manager of the British Gallup Poll organization, the British Institute of Public Opinion Ltd. Consequently, Social Survey relied on commercially tried and tested consumer research methods, such as random sampling, survey questionnaires, and household panels (diary method), and the survey work was "farmed out" to commercial market research and advertising agencies like J. Walter Thompson (JWT) and the London Press Exchange (LPE). During the war and into the 1950s, it was the market research department of what was then Britain's largest advertising agency, the LPE, under Mark Abrams, which conducted regular fuel and food surveys and surveys into people's

understandings of the news.⁶¹ Both Mark Abrams and John Rodgers, the chairman of the British Market Research Bureau (BMRB), a subsidiary of JWT London, were involved in propaganda and media research. Abrams first worked at the Propaganda Research Unit of the BBC and later was at Supreme Headquarters Allied Expeditionary Forces (SHAEF). Rodgers was with the Commercial Relations Division (Board of Trade) and the Special Operations Executive (SOE).⁶²

In turn, members of the governmental and public research departments played an important role in the establishment of a professional and viable market research industry in Britain after World War II. In November 1946, when the Market Research Society was formed by twenty-three researchers in London, one-third of its first members came from public and governmental organizations: the Association for Planning and Reconstruction, the British Export Trade Research Organisation (BETRO), the Ministry of Food, the Government Social Survey, and the BBC.⁶³ These and other organizations also developed into lucrative clients for the young British market research industry. When Abram's market research department at the LPE became an independent company called Research Services Ltd. after the war, its clients included the Social Survey Division of the Central Office of Information, the Ministry of Food, the War Office, the BBC, the British Transport Commission, the Dollar Exports Council, the East Midland Gas Board, Holborn Borough Council, the London Transport Executive, and the Peterlee Development Corporation.⁶⁴

Abrams's work, writings, and career embodied a characteristic attitude among mid-twentieth-century British market researchers. Like many other social researchers, he hoped that market and consumer research could help balance and steer the often diverging incentives provided by "free" market forces and the welfare state. Referring to a specific survey on consumer demand for sweets and milk conducted in 1949–50, Abrams wrote, "For the administrators and economists of the Welfare State, that particular enquiry can be regarded as a real step forward. It showed how by the joint use of temporary uncontrolled markets and of social surveys the Government of a Welfare State can keep in touch with consumers' wishes and base its control over consumption and production on something more than the slide-rule calculations of planners."⁶⁵

Conclusions

From the 1920s onward, market research staff in the civil service and public organizations worked toward a style of economic policy that relied on marketing-based tools to overcome inefficiencies in the market. Before academic

research in economics caught up with the importance of information asymmetries, public and governmental market researchers realized that these market inefficiencies stemmed from uncertainty and scarcity of information. Although both the Milk Marketing Board and the Empire Marketing Board (later renamed Colonial Empire Marketing Board) focused mainly on supply management and price stabilization, some of their work, at least, clearly focused on the demand side. Like Keynes, the various marketing boards' market researchers realized that uncertainty was the root of economic instability. Government departments and other public bodies, therefore, had a duty to remove uncertainty and information asymmetry.

The example of British public and governmental market and consumer research activities before the 1950s allows historians to look at the roles of the state in the twentieth century in new ways. Particularly in the case of Britain, these roles were manifold and not only connected state activities to internal sociopolitical problems (social structures, poverty, prices, market information, public opinion), but also to the external situation of the state vis-à-vis export markets and colonies. As shown by Keith Middlemas, Frank Trentmann, Martin Daunton, Sandra den Otter, and others, the British state and the actors that created, sustained, and promoted its sphere of influence saw themselves as guardians of free trade and commerce with nations abroad and of a crisis-avoiding social equilibrium at home. For this reason, it became more and more accepted that the state needed to identify, organize, and distribute information in order to make the free flow of goods, people, finance, and services across national boundaries as efficient as possible.⁶⁶

Because of Britain's unique situation in global political-economic structures, there emerged during the interwar years a dense web of research departments staffed by civil servants, marketing researchers, and statisticians who amassed a wealth of data to steer the economies of the colonies and dominions and stabilize the British home economy as the most important power base of British political institutions. Decision-makers in this web saw the colonies and dominions mostly as extractive economies and ignored export marketing opportunities for British goods in Australia, South America (especially Argentina), Europe, and even India. As a result, British governmental departments became highly innovative in using market research for their activities on the internal market but failed at providing export market research information. Contemporaries noticed that the provision of the latter type of data was a particular strength of U.S. government institutions. The trade journal *Advertiser's Weekly*, for example, complained about the lack of accessible market research data of the kind that was made public by the U.S. Department of Commerce. British manufacturers often had to pay their advertising agencies hefty sums to compile even basic information about

foreign markets.⁶⁷ Both government and industries in Britain recognized this shortcoming and, in 1945, set up an Export Promotions Department at the Board of Trade (formerly the Department of Overseas Trade), the Dollar Exports Board, and the British Export Trade Research Organisation (BETRO). The latter organization, which financed itself out of contributions from large British companies and various government grants totaling some £134,000 by 1951, researched and pooled information for the benefit of exporting companies.⁶⁸

Looking at the case of prewar and wartime surveys, it is abundantly clear that market and consumer research was not a birth child of the marketplace alone, but instead emerged as a set of instruments within the public sector and was often driven by governmental departments. Therefore, the history of market and consumer research in Britain cannot be written purely as a “business history,” but needs to be understood within a much wider framework of politics and society. By enlarging the framework of analysis, business historians will be able to challenge popular assumptions about early twentieth-century Britain as a (civil) society without a state. In contrast, Karl Polanyi’s and Alexander Gerschenkron’s theses about the vital role of the state in the processes through which market economies expand and finally produce market (or market-based) societies are vindicated if one looks at the emergence and role of public and governmental market research in mid-twentieth-century Britain. As regards consumer and market research, British society knew no absent state, but instead had one of the most active and innovative states and public sectors during the first part of the twentieth century.

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CHAPTER 9

Mrs. Housewife and the Ad Men: Advertising, Market Research, and Mass Consumption in Postwar Britain*

Sean Nixon

This essay reflects on the ways in which market research in Britain helped to produce understandings of and information about the “mass market housewife” in the 1950s and 1960s. The figure of the mass market housewife was central to postwar advertising and market research.¹ Her preeminence as the lynchpin of domestic consumption owed much to the centrality of the household in the regime of mass consumption that came to dominate both American and European societies from the 1920s and especially in the years after 1945. Victoria de Grazia has shown how new standards of elementary comfort—indoor toilets, running water, heat, electricity, and piped gas—first pioneered in the United States, helped to shape a “new household” that was itself central to the displacing of an older regime of bourgeois consumption in Europe. Within this new household, domestic consumption was the responsibility of women above all, and de Grazia sees what she calls “Mrs. Consumer” as the privileged agent of this new regime of mass consumption.² Within a context shaped by broader changes in the world of work, including the relative decline of domestic service, the role of Mrs. Consumer was elaborated upon by the manufacturers of domestic technologies and commodities, by architects and government planners, and by evangelists in women’s magazines.³ Market research, however, was also crucial in the “assembling” of the modern housewife.

It played an important linking role within the various interventions into domestic living by helping to consolidate the figure of the average housewife as a knowable social type upon whom manufacturers and advertisers could act. It is the knowledge generated by market research about the housewife that this chapter sets out to explore. It does so through a case study of the market research used and generated by the London subsidiary office of J. Walter Thompson advertising. JWT London was the largest advertising agency in Britain in the 1950s and 1960s and was known as the "Mum" agency because of the amount of work it did for companies in the groceries sector that targeted the mass market housewife. The chapter focuses on how JWT sought to understand the ordinary housewife and her consumption habits.

In exploring JWT London's approach to the mass market housewife, the chapter draws on recent sociological arguments about advertising and market research that have conceptualized these practices as technologies or sociotechnical devices for "making-up" the consumer, that is, devices for formatting and framing consumer dispositions. It draws, in particular, on the arguments of Michel Callon, as well as Nicholas Rose and Peter Miller.⁴ For Callon and his coauthors, market competition, particularly within what he calls the "new economy" or the "service economy," depends upon the "qualification" and "requalification" of products. These connected processes work to stabilize or temporarily fix the qualities or characteristics of goods and are typically performed by designers, advertisers, and marketing professionals more broadly. (Re)qualification leads to the "singularization" of goods, that is, their differentiation from other goods in the wider field of comparable goods.⁵ Singularization, however, is not an end in itself, but is associated with the attempt to attach goods to those who might consume them. Callon and his coauthors propose that a distinctive dynamic of market competition is at work here, as various "professionals of qualification" seek to establish the goods' characteristics and entangle these with consumers' routines and habits. This process also involves the attempt to disentangle consumers from competitors' goods in order to free them for new attachments. Consumers play a key role for Callon in this process because they are active in the evaluation and qualification of goods. The evaluation of goods by consumers is not, however, the expression of an intrinsic capacity to choose, but rather depends upon the existence of "socio-technical devices that support consumer evaluation."⁶ These are devices and material forms like advertising, design, shelf display, and the ordering of retail spaces that endow consumers with consuming capacities. Such technologies help to make consumers up as subjects of consumption who can evaluate between different goods.⁷

Miller and Rose develop similar formulations. In an influential essay, they foreground the role played by market research in shaping the relationships between consumers and commodities. In particular, they document the influence of ideas of the human personality and techniques of group discussion derived from the psychological sciences to argue that these research techniques work to draw out and render instrumentalizable the inner motivations of consumers. In other words, they contend that market researchers sought to forge connections between consumers' desires and specific goods by forcing these feelings into the open in the research encounter. Miller and Rose describe this process as "mobilizing the consumer"—that is, "affiliating . . . needs with particular products" and "simultaneously making up the commodity and assembling the little rituals of everyday life that give that commodity meaning and value."⁸ Out of this process, they argue, comes "an unprecedented and meticulous cartography of everyday life and consumption" through the technology of market research.⁹

Miller and Rose's conception enables us to grasp the way research opens up the practical uses, symbolic dimensions, and emotional dynamics of everyday goods in the lives of consumers. In exploring the use made of market research by JWT London, however, this chapter also seeks to revise certain aspects of Miller and Rose's essay, together with the approach developed by Callon, while continuing to draw on their broad insights. First, the chapter proposes a more differentiated sense of the various marketing and market research paradigms that advertising agencies used. Postwar market research in Britain was alive with controversies about the best way to measure markets, define consumers, and understand consumption. This disputation and struggle for professional leadership among differently constituted practitioners disappears in Miller and Rose's essay and is not discussed by Callon in his general conception of the qualification of goods. Moreover, Miller and Rose occlude these intellectual and practical debates by privileging the influence of the psychological sciences on market research. In doing so, they come close to rehearsing an argument, evident both in contemporary postwar accounts of advertising and more recent scholarship, that postwar market research was subject to growing sophistication under the influence of the psychological sciences. The evidence developed here suggests that an agency like JWT London used different ways of measuring markets, apprehending consumers, and understanding the use of goods by consumers. Their approach certainly included the application of forms of psychological knowledge, but the agency's overall approach to consumers and consumer markets revealed that these were neither the only nor necessarily the most important forms of research. In this regard, JWT London

was broadly typical of British advertising and market research. This circumstance should prompt us to qualify those claims that see Freudian thought as triggering some kind of “Copernican turn” in marketing in this period.¹⁰

Second, the chapter seeks to bring a more international and specifically transatlantic dimension to the understanding of postwar market research than is the case in either Miller and Rose’s essay or Callon’s various articles. One notable feature of postwar market research in Britain was the influence of commercial techniques first formulated in the United States, including applied psychological knowledge. Like many other aspects of advertising in the 1950s and 1960s, market research moved in an eastward direction across the Atlantic. U.S. advertising agencies and market research companies dominated this movement, and their actions were underpinned by the investment of U.S. manufacturing companies in Britain and by the initiatives of government departments on both sides of the Atlantic that sought to facilitate the transfer of commercial know-how from the United States to Britain. JWT London’s parent company was an important player in this world. Through its offices on both sides of the Atlantic, it helped to disseminate to Britain research methods and techniques first pioneered in the United States. These U.S.-derived techniques formed a visible presence within postwar British market research and constituted a key point of reference for British-based practitioners. Of course, this influence was not totalizing. Nor did it go unchallenged. Staff at JWT’s London office, like colleagues elsewhere in British advertising, selectively appropriated and reworked elements of U.S. market research, frequently combining it with more indigenous traditions of social research. Nonetheless, even as they rejected elements of “American” approaches to the consumer, they still had to reckon with the intellectual authority and commercial force of these methods in this period.

J. Walter Thompson and the Role of Market Research

JWT London presented itself to clients and the wider advertising industry as an exponent of well-researched advertising.¹¹ This self-positioning echoed that of its parent company in the United States, where from the early part of the twentieth century, it had been known for its pioneering studies of consumer behavior and for the weight it placed on “scientific” studies of the consumer in the development of advertising. The London office of JWT followed the lead of its parent and made extensive use of market research. Although some of this research was undertaken by JWT London’s marketing department, the agency also used the services of a subsidiary company, the British Market Research Bureau (BMRB), to conduct market research for JWT London’s clients and for businesses that did not advertise with

the agency.¹² By the 1950s, BMRB was one of the three largest research companies in the United Kingdom and employed 150 full-time staff.¹³ The research that the agency and BMRB conducted was broadly representative of the paradigms of consumer research being undertaken in Britain in the 1950s and 1960s, including the use of official statistics and surveys produced by the agency.¹⁴ Two of the most important were retail audit research and consumer purchasing panels. Retail audit research used a representative panel of shops drawn from the *Census of Distribution*, and it collected weekly figures on the sale and resale of a selected range of goods. From these data, researchers could generate evidence on the current size of particular markets and track any trends in sales. Consumer purchasing panels (CPPs), which JWT had developed in the United States, typically consisted of some 2,000 households that reported on a regular basis the various purchases they had made of selected branded goods. The CPPs produced data not only on the volume of purchases, but also on which households were buying the goods.

Across this range of research, markets and consumers were rarely defined as a homogeneous mass market, but rather demographic categories were used to classify consumers. The most important were the well-known demographic categories of class or occupational description.¹⁵ These classifications were complemented by attention to the importance of age as a key indicator of purchasing behavior and hence market description. Much of the impetus for this attention to age was driven by commercial interest in the growing youth market.¹⁶ Although JWT London was not heavily involved in selling to teenagers, its market research engaged with the idea of segmenting consumers by stages of the life cycle, and it used this technique to study the mass market housewife. Perhaps the most significant wider development in market research with which JWT and BMRB engaged in the 1950s and 1960s was motivation research. This work had its immediate roots in American commerce. Its most celebrated exponent was the Austrian-born Ernest Dichter. His central ambition was to explain not what consumers bought but why they bought, and his approach offered a radically different paradigm for understanding and segmenting consumers. Dichter deployed in-depth interviews with consumers in order to understand the symbolic meaning of goods and the deeper psychological needs they might serve. His Freudian approach not only introduced a thicker idea of human subjectivity into market research, it also worked to segment consumers less by social class or sex or age (though these categories were often still part of his consumer research) than by psychological disposition. Thus, in early research conducted in the late 1940s into the consumption of home appliances, Dichter developed a threefold classification of women: the “career woman” who disliked domesticity and hated housework; the “pure housewife”

who identified so strongly with her role as guardian of the home that she was anxious about the role played by home appliances and expressed hostility toward them because they undermined her role; and the “balanced woman” who was the most fulfilled emotionally because she knew she was capable of both housework and career.¹⁷ Later Dichter recast his conception of the “balanced woman” as the kind of women who could be encouraged to see housework as an arena of creativity in which she could “use at home all the faculties she would display in an outside career.”¹⁸

Ditcher’s conception of these psychological categories was informed by his own highly positive view of consumer society. He saw the whole process of market research as therapeutic for the consumer, not only useful for selling goods. In fact, Dichter was driven by a wholly positive conception of the private pleasures of consumption and saw his work as contributing to the unblocking of feelings of guilt about consumption within the population, which derived from the puritan culture of self-restraint.¹⁹ Ditcher argued that the central aim of advertising was to give the customer permission to “enjoy his life freely” and “to demonstrate that he is right in surrounding himself with products that enrich his life and give him pleasure.”²⁰

His attention to the psychological segmentation of consumer types—rather than his therapeutic model of consumption—gave Dichter’s work much of its appeal, although his approach was by no means uncontroversial in Britain. Dichter established an office in London in 1957, but the business was slow to grow.²¹ By the early 1960s, his UK operation was only contributing between 3 and 5 percent of the parent company’s international turnover.²² Dichter complained to journalists that Britain remained the “most puritanical country in the world” and that British consumers were resistant to expressing themselves through goods despite growing affluence.²³ British market researchers and advertising agencies were also publicly critical of motivation research. The Institute of Practitioners in Advertising (IPA), in a publication for its members on the subject, cautioned against a doctrinal application of motivation research, suggesting that “motivation research . . . is part of a co-operative enterprise, not a separate entity governed by laws peculiar to itself and proceeding to its own esoteric and isolated conclusions.”²⁴ As Mark Abrams, director of Research Services Ltd, suggested, market researchers had “no future as ‘engineers of consent,’ assembling and reshuffling a known spectrum of unconscious desires.”²⁵

JWT’s parent company was not the most psychodynamically orientated, although it did use forms of motivation research in the United States. In the United Kingdom in 1957, BMRB established a group under one of its senior researchers, Norman Philip, to look into the use of the technique. This group included the four psychologists employed by the company, among them

Pamela Vince, who had recently worked on the study of the child viewer and television led by Hilde Himmelweit for the Nuffield Foundation.²⁶ BMRB insiders claimed that JWT's approach to psychological motivations was distanced from the more "flamboyant Freudian versions."²⁷ Moreover, senior figures within BMRB and JWT London were critical of the universal claims of motivation research. John Treasure, former head of BMRB and JWT London's chairman, claimed that continuing cultural differences militated against the exclusive use of motivation research. As he put it, "it may well be that basic motivations are the same in all countries. However, national habits, traditions and attitudes still differ widely and are a vital factor in ... marketing."²⁸ The pull of motivation research within JWT London was evident, however, when, three years after Treasure's article, another senior staffer within the company circulated a memo that voiced concerns about the need to develop more research of this sort. As the memo noted, JWT London was "fantastically deficient about the basic information about consumers, about attitudes and motivations particularly."²⁹ This circumstance led to a recommendation that the London office should develop "new methods of defining the population in terms of personality groups and more refined user groups."³⁰ Dichter himself visited JWT London in 1965 and met with four account teams, including those for Brillo and Persil, to see what assistance he could offer.³¹ During his visit, Dichter found an agency, as we have seen, not only with a number of trained psychologists and those interested in consumer motivations, but that was also committed to other kinds of qualitative consumer research and quantitative surveys. The pragmatic mixture of approaches to the problem of consumer behavior ran right back through most of JWT London's postwar consumer studies and campaign planning, and it was strongly present in its research on ordinary women. It was notably evident in the agency's work in the late 1940s and early 1950s for the Pin-up home perm account, to which I now turn.

Pin-up Home Perm

Pin-up home perm was launched by the American company Pepsodent in 1946, although it was not promoted nationally in Britain until 1948. At the time of the first promotion, JWT London estimated, with data drawn from retail audits and consumer purchasing panels, that 73 percent of British women were potential buyers of home perms. This figure excluded those with naturally curly hair and those who preferred to leave their hair as it was. The number suggested a potential market of 11 million women for Pepsodent's product. However, there was an immediate problem for JWT in that 9 million of these women were already obtaining shop perms. JWT's

principle aim, then, was to convert as many shop permers to home permers as possible.³²

In January 1950, the BMRB undertook research to ascertain the characteristics of existing home perm users. It expressed the results in demographic terms, identifying the particular age and class grouping most likely to use a home perm. The research revealed the preponderance of young and youngish working-class women among consumers of the product. Thus, 30 percent of home permers were under twenty-four years old, and 50 percent were between twenty-five and thirty-nine. At the same time, 60 percent of all home perm users were from the lowest social class, named D in the study; 35 percent were from class C; and only 5 percent came from classes B or A. This research complemented earlier studies by BMRB that had sought to investigate women's hair doing and shampooing habits. For example, an extensive set of qualitative interviews with 4,144 women about their hair care habits was undertaken in August and October 1948.³³

This interest in women's hair care practices was central to a further qualitative study undertaken in 1950. The research was conducted not by BMRB but by the Tavistock Institute of Human Relations (TIHR).³⁴ Pepsodent approached TIHR to assist it in understanding more about the users of home perms, so the institute began a ten-month study on the Pin-up perm in January. The result was a pioneering study in which the institute offered a psychodynamically orientated approach to consumer behavior at a time when psychology had a limited presence in British market research. The scope and ambition of the report was evident in its methods and title. It used group discussion and nondirective interviews to explore the "attitudes of women towards their hair."³⁵

The report started from the observations that attaining a good appearance was central to fulfilling the adult feminine role and that achieving this result required the acquisition of particular skills and social judgements. The report noted that the contemporary ideal of good appearance included the valorization of wavy or curly hair, which was associated with softness, naturalness, smoothness, and shininess. Straight hair, by contrast, was seen as masculine or childish.³⁶ Moreover, the report's authors argued that curly or wavy hair expressed female sexual maturity. Besides detailing this cultural ideal, TIHR sought to reflect on women's psychological relationships to their hair and hair doing. They argued that hair doing satisfied the obsessional needs of women and stemmed from a wish to control their untidy hair, that is, put it in order. At the same time, hair doing involved destructive and reparative tendencies. Washing hair was seen as a destructive act in which hair lost its shape, so this process was often postponed.³⁷ However, the restoration of the hairstyle could, conversely, offer women pleasure—that of succeeding

with the shape. Other anxieties could also surface around hair care, including aggressive feelings about the routine of hair drying, which the authors saw as a legacy of the child's dependency on her mother in the early years of hair care. As they put it, "unconscious difficulties in the daughter-mother relationship persist in adult attitudes towards hair doing."³⁸

Complementing their exploration of the psychology of hair, the report's authors detailed some of the sociological aspects of home perming. In so doing, they delved into the habits of use already associated with home perms. The most notable observation concerned the distinction between three kinds of home-perming culture that the researchers drew. The first of these revolved around what the report called "gatekeeper groups." These centered on women who had certain hairdressing skills and assisted others in doing their hair. As the report noted, the "gatekeeper" role satisfied social and creative needs for these women. The second home-perming culture involved "solos," women who had the same skills as "gatekeepers" but who had not collected a group around them. Finally, there was the "two-person relationship" in which friends or relations offered each other mutual support in the problem of home perming.³⁹

Cutting across these different ways of doing home perms, the Tavistock Institute found recurring problems that worked to limit women's use of Pin-up. Among these were guilt that came from asking shop hairdressers to cut one's hair in preparation for the home perm (the hair had to be tapered for the perm to work properly), concerns about the unpleasant smell of the lotion, and the length of time taken to process the perm—including the preparation of curling the hair and waiting for the lotion to work. In addition, women expressed disappointment that home perms did not last as long as shop ones and also required more upkeep in the form of weekly washing and overnight curling to keep the hair in good shape.⁴⁰

The TIHR's report was discussed by JWT staff, the client, and Miss Hurstfield of TIHR at a meeting held at Park Royal, Pepsodent's UK head office, on November 15, 1950. It was later circulated among the relevant staff within the advertising agency. The response of agency staff revealed some resistance to the approach adopted by Tavistock. Michael Stern, JWT representative on the account, for example, confessed that he could not find a "single new contribution" in the research, insisting that it said nothing that they had not already thought of or discovered "in a quantitative way using normal consumer research."⁴¹ The small sample—and its psychological focus—concerned Stern. As he put it, "by its very nature an enquiry of this sort can do no more than throw up ideas for further investigation and discussion, since, however deep the probing of the psychologists, the statistical inadequacy of a sample of 80 still prevents us from drawing any

definite conclusions.⁴² Rather instrumentally, Stern proposed that the research should be used to support some of “our views previously rejected by the client,” notably the disadvantages of promoting overnight processing, and other than that “we should encourage the client to forget it the best he can.”⁴³ A more positive response was offered by Mr. Silvester, Stern’s colleague. While he too began by confirming that the report “brings us nothing new—but does confirm our thinking on a number of points,” he went on to suggest that Tavistock’s finding about the deterrent effect of the time it took to do a home perm was a helpful observation, and he proposed that Pepsodent should try to speed up the process.⁴⁴ What was also notable about Silvester’s comments was that he was drawn, like the Tavistock researchers, into the world of women’s hair care and all its paraphernalia and rituals. Thus, he proposed that the company should offer instructions on how to achieve the best results after the perm. This meant advising women on not only “shampooing, but also how to set their hair at night, the use of hairnets and the importance of general regular brushing etc.”⁴⁵ Despite intellectual reservations about the research methods of the Tavistock Institute, then, at least one key member of the JWT team was drawn onto the terrain of the intimate rituals of hair doing documented by the report, even as he downplayed the psychological understandings that it privileged.

Brillo Pads

An interest in women’s domestic routines and the psychological dimensions of commodities was also evident in JWT’s work for Brillo, the U.S. soap pad manufacturer. JWT London began working on the Brillo account in 1958 and was tasked with researching the appeal of Brillo’s “unique” steel wool cleaning pads impregnated with detergent. In a booklet produced by the agency for Brillo sales staff, JWT emphasized its interest in what it called “Mrs Brillo Consumer.” Mrs. Brillo Consumer represented the 15 million households in Britain that had shaped a “consumer revolution.” This was a revolution in domestic consumption expressed through the purchasing of electric and gas cookers, furniture, washing machines, fridges, and television sets.⁴⁶ Alongside this increased purchasing power came more leisure, including travel abroad. The result was “easier, more comfortable lives.” Into this world of what the booklet called the “new British home” entered Brillo, offering the housewife the possibility of new levels of hygiene and greater speed in the performance of domestic tasks. The report was notable for how it represented Mrs. Brillo Consumer. Using caricature, it counterposed her to the old housewife, the latter round and prematurely aged, weighed down by a heavy iron pan. Next to her, Mrs. Brillo Consumer embodied the new,

modern housewife: taller, slimmer, and neater—replete with a contemporary perm and benefiting from having bright, shiny pans.

JWT's research for the account built on this positioning of Mrs. Brillo Consumer and focused on the routines of domestic life that the pads were designed to alleviate. This led JWT to reflect on the problem of washing up and how it could understand the satisfactions and the drudgery of this task for housewives. JWT captured the fundamental problem in a 1965 memo: "washing up, when it comes to utensils, is a nasty chore and the primary need is for something which will get it done easier and faster and in the less objectionable way." The agency realized that, in promoting Brillo to meet this function, it had to insert itself into domestic routine and take care not to overpromote the use of Brillo. As they put it, "once a week, on Sunday after the main meal, is the time for a real blast at the pots and pans. Ask them to do it everyday and, regardless of the miraculous qualities of the product, you are asking them to take on extra work."⁴⁷

With these reservations in mind, JWT sought to link the product with certain social and psychological aspects of washing the pots. This meant picking up on the pride women felt in having done the washing up and in achieving clean pots. Although evidence from research suggested that "pots and pans are not objects of admiration and many housewives don't expect them to be shining," it was felt that housewives did reveal pleasures, as well as practical satisfaction, from getting the pots washed. As JWT noted, "there is something in Dichter's observation that washing up can be a source of some perverted enjoyment in anticipation of meals to come or whatever."⁴⁸

The symbolism of "shine" also surfaced in JWT's deliberations, despite the view that most women did not expect their pots to glisten. Shine, JWT argued, was evidence of better cleaning and could be linked with hygiene to reinforce its value as a sought after property that Brillo could deliver. The copy strategy for 1965 certainly picked up on this thinking. Playing on consumer anxieties, JWT proposed to suggest that dull pans could be dangerous. As the memo noted, "[dull pans] are a threat to health. Only a pan so clean it shines can give the housewife the assurance that every particle of food has been removed." The strategy, then, was to "sell the shine that only Brillo can deliver."⁴⁹ In a meeting with Dichter just prior to this strategy's formulation, the account team reflected in a "brainstorming" session on "surfaces." Handwritten notes made by the team reveal some of the themes they were considering. Thus, there was the observation that certain surfaces "need nourishing and feeding"; "stainless steel gives you away, but aluminium doesn't"; "some surfaces I can neglect, others betray me"; "the pleasure in polishing, the caress of material things"; and "wipe on, wipe off satisfaction."⁵⁰

These impromptu attempts to map the psychological and symbolic dimensions stimulated by surfaces, including the surface of pans, offered ways for the agency to connect Brillo to the values and desires of its potential consumers—and added something to the washing up routines that other research conducted by the agency had also documented. This preoccupation with both the housewife's domestic routine and rituals and her subjective investments in the performance of her domestic role was also evident in a major study conducted by BMRB for JWT in the mid-1960s. The report was called *The New Housewife*.

The New Housewife

The New Housewife study, based on research conducted in the autumn of 1964 and the spring of 1965, represented an important synthesis of the client-specific research that JWT London had been conducting since the late 1940s on the “mass market housewife.” The research combined a strong class analysis of housewives with attention to life-cycle classifications and a developed sociology of family and kinship structures. The report was written by Mollie Tarrant, a consultant researcher for both JWT and BMRB. Tarrant was relatively well-known because she had been one of Mass Observation’s most active fieldworkers in World War II and was later the managing director of Mass Observation, when it moved into the field of commercial market research in the 1950s.

The New Housewife began by noting that it had been prompted in part by the notable increase in the number of new housewives over the previous decade. This increase was caused by the general expansion of the population and by many women marrying younger.⁵¹ It further suggested that these young married women accounted for a significant proportion of consumer expenditure. The reason was clear:

These young women have set up home for the first time and face a lifetime of running it. They have new and wide responsibilities—for the daily diet, for the upkeep of the home and the miscellany of purchases that sustain it; for children, for the family's health; for entertainment, and for many other things. Some of them, 48 percent of married women aged between 16–34, work outside as well as inside the home; and young women and young housewives, experimenting and adapting at each stage of their lives, are important arbiters of the future.⁵²

In opening up the “attitudes and behaviour” of the “new housewife,” the report was concerned centrally with how established habits and ideas were

changed or reworked by young women as they experienced transformations in their life situation through marriage and the setting up of their own home. In exploring these changes, the report signaled the explanatory value of the concept of stages in the life cycle. Life cycle was important, it contended, because “habits were trimmed to meet the demands of life situations,” and this “trimming” of habits had a significant bearing on consumption.⁵³

As well as life cycle, the report sought to locate the new housewife in a broader social context in order to understand the ways in which social class might shape the housewife’s consuming habits. The report also sought, rather innovatively, to understand the community relations and kinship structure in which the new housewife lived. It suggested that these social relations, and the values bound up with them, were in a particularly fluid state, with the geographical and social mobility of the postwar years having recast them. In particular, “increased social and consumer opportunity” was throwing up new challenges and opportunities for young housewives. One consequence for young working-class housewives was the possibility of a more middle-class lifestyle, as older patterns of working-class life were disrupted by the decline of the extended family and the availability of labor-saving devices, both of which combined to bring middle-class and working-class homes closer together.⁵⁴

The report was especially interested in the changing form of working-class family and community life and the effect of these relationships on the take-up of new domestic habits and routines. These community and kinship ties were central to understanding, in particular, the role of tradition in inhibiting the acquisition of new habits at a stage of life when change was most likely. As the report suggested, “[our interest in social groups] underlines our interest in social interaction and social dependencies, since it is in situations like those of early marriage when group loyalties are confirmed or in the process of reformation that we might expect a higher potential for change.”⁵⁵ To this end, the report was interested in the continuing role of the young housewife’s mother in the transmission of “backward looking tendencies” and in containing the development of new habits and ideas.⁵⁶ It sought to explore the mother/daughter relationship by, first, drawing upon sociological understandings of the form of “matriilocality” evident in working-class communities, that is, the tendency of young working-class women to live close to their mothers. Noting that one-third of young housewives lived within walking distance from “Mum,” the report cited supporting evidence from Willmott & Young’s 1958 book *Family and Kinship in East London*. Thus,

Peter Willmott and Michael Young have given detailed accounts of the way marriage often begins in the maternal home and is afterwards

sustained and highly influenced by mother-daughter relationships and close kinship ties. If “Mum” lives near or is easily reached, she has more opportunity to “teach” her, and geographical proximity is one obvious measure of potential influence.⁵⁷

This influence could be both positive and negative for the report. Mum was there to offer advice and companionship, but there might also be conflicts with her over the young wife’s independence and performance of the housewife role. This influence was explored by documenting the “pattern of dependency” between mothers and daughter. The report suggested that there were ten distinct groupings among its sample that revealed marked patterns of divergence between women in their feelings and attitudes toward this dependency. These included “[r]ejecting mothers with dependent daughters” (11 percent): “they want their daughters to live further away, but the daughters want to be near so they can get advice quickly.” There were also “[m]utual rejectors” (8 percent), where “both Mum and daughter think the daughter should live further away so she can be independent;” and the “[m]utually sociable or affectionate” (3 percent), who wanted to be near because they enjoyed each other’s company.⁵⁸

The report drew from these classifications pointers toward how these familial ties might shape the openness of housewives to acquiring new habits and routines. This theme was later explored by asking the same groups of women about their attitudes toward the housewife role and the broader idea of “home-centeredness,” that is, the wider view of domesticity and the organization of home life.⁵⁹ Again, the aim was to show how these attitudes might shape purchasing decisions, especially of food and major household items. The report revealed evidence of an identification by many women with the homemaker role. This included the stated views of the majority that they liked housework, with two-fifths of the new housewives being what it called “housework enthusiasts.” The report was appropriately skeptical of this finding, however, suggesting that “housewives *qua* housewives have reputations to maintain and can hardly be expected to undermine them.”⁶⁰ It sought to disaggregate the responses of housewives to their social role and noted how, amidst the generalized enthusiasm for housewifery, some domestic tasks were less favored than others. These included cleaning, dusting, bed-making, and washing up, whereas cooking, preparing meals, and shopping (especially for clothes) were popular activities.⁶¹ Most striking, however, was the report’s claims about the way class differences shaped identification with and performance of the housewife role:

We have a very clear picture of the newly married working-class housewife’s enthusiasm for housework, of her relatively greater interest compared

with the middle-class housewife in all household jobs bar cooking and preparing meals, of her more emphatic involvement in and more conservative reactions to the whole idea of housework, and of her “better” training before marriage.⁶²

The young housewives’ approach to homemaking typically followed that of their mothers, and there was a tendency to seek to replicate their parents’ example of running a home.

The report noted, however, that purchasing decisions concerning convenience products were shaped by two central preoccupations—whether the commodity added to the pleasures of already enjoyed tasks or whether it helped overcome some of the dislike of boring or distasteful jobs.⁶³ An important ambition of the research here was to assess how well disposed housewives were to convenience products and domestic aids and whether they experienced these as a threat to their role and prestige as providers of a clean and comfortable house. Echoing Dichter’s U.S. study of thirty years earlier, the report produced a classification of housewives based on an attitude scale in order to draw out the degree of identification women had with the housewife role and, therefore, the extent to which they saw household aids as assisting them in that role or undermining their status.⁶⁴ From this, it produced a general observation that most of its new housewives “felt that they had enlarged opportunities in domestic life” compared to their mothers. These were opportunities fostered by the availability of “frozen and convenience foods, more choice, the availability of washing machines, detergents and washing up liquids and the existence of better and more hygienic packaging.”⁶⁵ The young women it interviewed, then, especially those in the early years of marriage, emerged from the report as strongly identifying with the image of the modern housewife and as seeing this role as a progressive development from the experiences of an earlier pre-affluence generation of women.

Conclusion

The New Housewife report’s long and detailed study of the sociology of young married women was a striking piece of research, given its attention to the community and kinship relations that shaped individual consumption. If such an approach acknowledged the family relationships and social dependencies upon which the ideal of the individual consumer rested, its approach to the study of consumer behavior was entirely consistent in other ways with a dominant principle of postwar market research. This was the concern to detail and to capture *new* consumer habits. Like much contemporary sociology, postwar market researchers were riveted by aspects of social and cultural

change, and they were principally interested in established patterns of life only inasmuch as they inhibited this change and formed blockages to new consumption.⁶⁶ Certainly in their studies of the mass market housewife, JWT London and BMRB were concerned with attending to those points where commodity use met social change. Clearly, the pace of postwar social change, especially in relation to the transformation in class-cultural patterns of consumption, encouraged market researchers to look to innovations in the social use of goods.

Advertising agencies and their clients sought to understand these innovations in order to promote the consumption of their products. In the case of JWT London, this was particularly true in relation to a whole range of groceries and domestic products that centered upon ordinary womanhood and contemporary ideals of femininity. Products like Pin-up and Brillo offered women new kinds of convenience, comfort, and cleanliness that were integral to the “revolution” in domestic consumption associated with the new, postwar household. They also generated new work for women. The market research registered this aspect of women’s lives. It most often did so in neutral language and emphasized both the pleasures and the pains of housework, cooking, and the maintenance of a good appearance. The recognition within market research of some of the social and psychological dilemmas thrown up by the world of domestic goods for women was part of its more general attempts to understand the world of mass consumption. This amounted to an analysis designed to capture the banal domestic routines and habits of consumers. It led market researchers into an immersion in the lives of ordinary women and threw up at times startling juxtapositions. In the case of JWT London, this meant scenarios in which advertising people working for an urbane, West End London agency (which JWT London was) grappled with the intimate details of ordinary women’s hair care, cooking, and pot washing.

This endeavor involved the deployment of a range of different ways of measuring consumer markets and apprehending consumers. Psychological models of the human personality and psychologically derived techniques of research undoubtedly offered researchers some of the most imaginative and insightful ways of exploring how consumers experienced the world of goods. Researchers at BMRB and staff at JWT became more open to these approaches as the 1960s progressed; however, these were not the only ways these practitioners understood the consumer and consumer markets. Sociological analysis, together with forms of economic measurement, was deployed in order to assist in the entanglement of consumers with specific goods. In fact, by exploring the pragmatic deployment of these divergent kinds of research practices, it is possible to see how market research sought

to facilitate the stitching of consumers into particular kinds of consumption practices. It did so, as we have seen, by seeking to understand the connections that existed between commodities and the habits, routines, and inner motivations of consumers. This was a process that involved both technical and representational practices in an attempt to manage the commercial relations between advertisers and consumers. These techniques were forged in a distinctive transatlantic commercial world in which market research techniques developed in the United States found their way into Britain under the auspices of international advertising agencies like J. Walter Thompson and consultants like Ernest Dichter. These techniques were combined in Britain, however, with more homegrown approaches to the sociology, demography, and psychology of consumers and markets. Out of this mix emerged knowledge of consumers that advertising people and market researchers felt was appropriate to the cultural peculiarities of the British. As with other aspects of the eastward movement of advertising practices and techniques, then, the transfer of this commercial knowledge proceeded through selective appropriation and hybridization rather than a simple “Americanization” of the world of British advertising.

The market research explored in this chapter undoubtedly sought to “make up” its target groups as certain kinds of consumers, indeed as certain kinds of women. The “mobilizing” of these consumer dispositions and attributes, however, was an act of forging connections among consumer practices, consumer desires, and specific commodities—not a constitution of these dispositions *ex nihilo*. If, as Miller and Rose suggest, consumers emerged as a highly problematic entity in postwar market research, this was at least partly because they brought to the moment of exchange and the use of goods sedimented dispositions and values together with a deeper range of subjective attributes. Market researchers were strongly drawn to these aspects of consumers’ subjectivities, and it was often the emotions and feelings of the consumer that advertising agencies themselves sought to arouse and stimulate. Although we might question some of the details of their analysis, particularly the versions of psychoanalysis they used, such an endeavour is one from which sociologists and historians of consumer society might learn. Certainly, the attention by sociologists to the sociotechnical devices of consumption, productive though it is, works with a deliberately “thin” conception of the human material upon which the devices of the market work. Finding ways of researching the subjectivity of consumers—their conscious and unconscious feelings, the human relationships in which they are set—would enrich our understanding of the world of goods and the human attributes, capacities, and relationships shaped in and through them.⁶⁷

Notes

*Two archives were consulted for this study: J. Walter Thompson Collection, History of Advertising Trust (hereafter: JWT/HAT), Raveningham, Norfolk; and J. Walter Thompson Company Archives, John W. Hartman Center for Sales, Advertising, and Marketing History, Duke University, Durham, NC (hereafter: JWT). I am grateful to Mark Harvey, Angela McRobbie, and Mike Roper for their comments and support.

1. The *Times* estimated that the housewife accounted for 90% of money spent on food and household goods; “The Housewife—A Sitting Target,” *Times*, October 18, 1962, vii; “The Women’s Market,” *Advertiser’s Weekly*, January 15, 1960, 24–34; “Selling to Women,” *Advertiser’s Weekly*, January 8, 1960, 40; “Young Homemakers,” *Advertiser’s Weekly*, April 20, 1962, 3; J. Walter Thompson, *Shopping in Suburbia* (London, 1962).
2. Victoria de Grazia, *Irresistible Empire: America’s Advance Through Twentieth-Century Europe* (Cambridge, MA, 2005), 417–54.
3. Some sense of the relative decline of domestic service is documented by Selina Todd, who notes that, in 1921, domestic service was the largest employer of women under twenty-five in the United Kingdom; however, by 1951, only 5% of these women were in service. The rest had moved into clerical work and retailing; Selina Todd, *Young Women, Work, and Family in England 1918–1950* (Oxford, UK, 2005), 33. The “modern housewife” had her roots in the interwar period, and the *Daily Mail* was central to the promotion of this ideal in Britain, notably through the paper’s sponsorship of the Ideal Home Exhibition. Adrian Bingham notes, however, that the ideal of the “modern housewife” remained the preserve of the prosperous middle class until the 1950s; Adrian Bingham, *Gender, Modernity, and the Popular Press in Inter-War Britain* (Oxford, UK, 2004), 92. On the role of women’s magazines, see Janice Winship, *Inside Women’s Magazines* (London, 1987). For a compelling account of the French experience, particularly in relation to the role played by women’s magazines, see Kristin Ross, *Fast Cars, Clean Bodies: Decolonization and the Reordering of French Culture* (Cambridge, MA, 1996). The classic work on the North American experience can be found in Susan Strasser, *Never Done: A History of American Housework* (New York, 1982).
4. Michel Callon, Cecile Meadal, and Vololona Rabeharisoa, “The Economy of Qualities,” *Economy and Society* 31, no. 2 (2002): 194–217; Michel Callon and Fabian Muniesa, “Economic Markets as Collective Calculative Devices,” *Organization Studies* 26, no. 8 (2005): 1229–50; Michel Callon, Yuval Millo, and Fabian Muniesa, eds., *Market Devices* (Oxford, UK, 2007); Peter Miller and Nikolas Rose, “Mobilizing the Consumer: Assembling the Subject of Consumption,” *Theory, Culture and Society* 14, no. 1 (1997): 1–36.
5. Callon, Meadal, and Rabeharisoa, “Economy of Qualities,” 201.
6. *Ibid.*, 204.
7. Callon also notes how consumers test products in their homes and how the social networks in which they are caught shape the process of evaluating goods.

However, he asserts that these “informal evaluations” are “always based on material devices in which bodies are involved”; Michel Callon and Fabian Muniesa, “Economic Markets as Collective Calculative Devices,” *Organization Studies* 26, no. 8 (2005): 1245. These arguments are central to Callon’s claim that agency is not a capacity contained in human beings. Rather, agency is the product of hybrid collectivities comprising human beings and material and technical devices—what Callon calls “agencements.” See Callon, Milo, and Muniesa, eds., *Market Devices*.

8. Miller and Rose, “Mobilizing the Consumer,” 4.
9. *Ibid.*, 4.
10. Adam Arvidsson, “The Therapy of Consumption: Motivation Research and the New Italian Housewife, 1958–62,” *Journal of Material Culture* 5, no. 3 (2000): 254; Vance Packard, *The Hidden Persuaders* (London, 1957).
11. J. Walter Thompson, *40 Berkeley Square* (London, 1967), 3–4.
12. Formed in 1933, BMRB was tied to JWT London by shared board membership, and there was some movement of staff between the two companies. See “Early Days of BMRB,” JWT London, 1964, Edward G. Wilson papers, box 2, JWT; John Downham, *BMRB International: The First Sixty Years* (London, 1993).
13. JWT & BMRB, Dec 1957, Edward G. Wilson papers, box 2, JWT. Market research in Britain was dominated by practitioners with a background in economics and statistics. For example, many of the members of the Market Research Society had degrees in economics and allied studies from the London School of Economics. On the “LSE factor,” see Ian Blythe, *The Making of an Industry: The Market Research Society 1946–86* (London, 2005), 35.
14. The *Census of Population*, the *Census of Distribution*, and the *National Income Blue Book* were used by market researchers to estimate the size of consumer markets.
15. Mark Abrams, *Education, Social Class and Newspaper Reading* (London, 1963), 4.
16. The best-known example of this approach was Mark Abrams, *The Teenage Consumer* (London, 1959), though other researchers sought to survey the youth market and drew attention less to the teenager than the “young married” or “young homemakers.” See *Advertiser’s Weekly*, April 20, 1962, 11; December 2, 1960, 31, 32; February 21, 1958, 23, 26; January 23, 1959, 31, 32; July 3, 1964, 21.
17. Daniel Horowitz, *Anxieties of Affluence: Critiques of American Consumer Culture, 1939–1979* (Amherst, MA, 2004), 57.
18. *Ibid.*, 57.
19. *Ibid.*, 56.
20. *Advertiser’s Weekly*, November 8, 1957, 22, 24.
21. The office was in Victoria Street, London. See *Advertiser’s Weekly*, September 13, 1957, 11; “Pioneer of Motive Research,” *Times*, April 14, 1959, 7.
22. John Pearson and Graham Turner, *The Persuasion Industry* (London, 1965), 175.
23. *Ibid.*, 176.

24. IPA, *Motivation Research* (London, 1960).
25. For the debate on motivation research in Britain, see "Motivation Research today," *Advertiser's Weekly*, March 25, 1960, 22, 24; "The bases for creative advertising research," *Advertiser's Weekly*, August 19, 1960, 20, 22; "The sins of motivation research," *Advertiser's Weekly*, July 10, 1964, 22, 24; "Motivation Research Today 3," *Advertiser's Weekly*, September 9, 1960, 48–52; *Times*, April 17, 1959, 5; *Times*, April 22, 1959, 5; "Contribution from Some Personality Theories to Market Research," *Commentary: The Journal of the Market Research Society*, no. 3 (1960): 1–15; Harry Henry, head of research at the U.S.–owned agency McCann-Erickson, developed a version of motivation research that was distinct from Dichter's techniques. See Harry Henry, *Motivation Research: Its Practice and Uses for Advertising* (London, 1958); Harry Henry, *Motivation Research and the TV Commercial* (London, 1959). For evidence of some of the studies Dichter produced for British clients, see Stefan Schwarzkopf, "Culture" and the Limits of Innovation in Marketing: Ernest Dichter, Motivation Studies and Psychoanalytic Consumer Research in Great Britain, 1950s–1970s," *Management and Organizational History* 2, no. 3 (2007): 219–36.
26. See Hilde T. Himmelweit, Abraham Naftali Oppenheim, and Pamela Vince, *Television and the Child: An Empirical Study of the Effect of Television on the Young* (Oxford, UK, 1958).
27. Downham, *BMRB International*, 95.
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29. "A JWT Programme for Advertising Research," JWT London, 1964, box 579, JWT/HAT.
30. *Ibid.*
31. Memo from Noel Bews to Brillo account team, February 1, 1965, box 113, JWT/HAT.
32. JWT Comprehensive Review, 1948–54, 5, box 650, JWT/HAT; Pin Up Research Summary, 1954, box 650, JWT/HAT.
33. JWT Comprehensive Review, 1948–54, 5, box 650, JWT/HAT.
34. TIHR had been formed in 1947 and sought to apply psychoanalytical concepts to the study of groups and organizational life.
35. TIHR, "An Appraisal of the attitudes of women towards their hair," November 11, 1950, doc. no. 262, box 650, JWT/HAT, 1.
36. *Ibid.*, 1.
37. *Ibid.*, 7.
38. *Ibid.*, 7.
39. *Ibid.*, 5–6
40. *Ibid.*, 8–9
41. Pin Up, Tavistock Institute Final Report, memorandum to Mr Sylvester from Michael Stern, January 26, 1951, box 650, JWT/HAT.
42. *Ibid.*
43. *Ibid.*
44. Tavistock Institute Report, from R. Sylvester to Mr Mitchell-Innes cc Mr Stern, 26/2/51, box 650, JWT/HAT

45. Ibid.
46. On the “revolution” in domestic technologies, see Sue Bowden and Avner Offer, “The Technological Revolution that Never Was: Gender, Class, and the Home Appliance Market in Interwar England,” *The Sex of Things: Gender and Consumption in Historical Perspective*, ed. Victoria de Grazia and Ellen Furlough (Berkeley, CA, 1996), 244–74; and Avner Offer, *The Challenge of Affluence: Self-Control and Well-Being in the United States and Britain since 1950* (Oxford, UK, 2006).
47. Brillo: components of the advertising, from John O’Keefe to Daniel Curling and Sir John Rogers, December 3, 1965, box 443, JWT/HAT.
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51. BMRB, *The New Housewife* (London, 1967), 1.
52. Ibid., 1.
53. Ibid., 2.
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55. Ibid., 1.
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66. See, *inter alia*, Mike Savage, *Identities and Social Change in Britain since 1940: The Politics of Method* (Oxford, UK, 2010).
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CHAPTER 10

Subliminal Seduction: The Politics of Consumer Research in Post–World War II America

Kenneth Lipartito

On September 12, 1957, audiences at a Fort Lee, New Jersey, drive-in movie theater became the unwitting subjects of a psychological experiment. James Vicary, a forty-two-year-old marketing consultant, convinced the theater owners to flicker images across the screen at one-three-thousandth of a second, faster than the eye could see. As patrons watched Kim Novak and William Holden cavorting in the film *Picnic*, the words “eat popcorn” and “drink Coca Cola” infiltrated their subconscious. When Vicary revealed the test to the public a few days later, he bragged that his hidden messages had induced a surge in popcorn and soft drink sales of 50 and 18 percent, respectively. In little more than a year, Vicary predicted, cinemas across the nation would be using this new, unorthodox selling technique.¹ Subliminal advertising, a term not found in the *Reader’s Guide to Periodical Literature* before 1957, rivaled reports of UFOs and communist spies for the top story of the year.²

Almost immediately came warnings of a dark new era of unfreedom. “Welcome to 1984,” wrote Norman Cousins in *The Saturday Review*. His anti-subliminal diatribe, “Smudging the Subconscious,” appeared on October 5, just one day after another shock—the Soviet launch of Sputnik. Cousins demanded that subliminal technology be regulated, or better, eliminated. “[T]ake this invention and everything connected to it and attach it to the

center of the next nuclear explosive scheduled for testing,” he advised.³ Vance Packard, longtime critic of American consumerism, launched his exposé of advertising, *The Hidden Persuaders*, that same year. Subliminal methods of market persuasion, Packard reported, drew on the same nefarious techniques that were being used to brainwash American soldiers in Korea.

Fears of consumers programmed into Manchurian Candidates quickly spread anxiety about subliminal techniques beyond the marketplace. What worked in selling products might work in politics, as well, sending the electorate “goose-stepping to the polls.” “I was frightened by the further possibilities of subliminal suggestion,” wrote Rabbi Aaron Gewirtz to the *New York Times*. “Such a weapon in the hand of irresponsible or malicious persons could result in the molding of our social and political attitudes and beliefs to the point where democracy would be a mockery and freedom meaningless.”⁴ The rabbi’s words echoed across the socioeconomic spectrum. Mrs. Forest Radcliff of the United Church Women of Southern California saw subliminal advertising as a violation of God-given free will, “the fundamental principles on which our free society exists.”⁵ Secularists found much to object to, as well. Aldous Huxley condemned subliminal messaging as another example of technology run wild. In an interview with Mike Wallace’s appropriately titled series *Survival and Freedom*, he opined that subliminal methods made “nonsense of the whole democratic procedure” because “democracy depends on the individual making an intelligent and rational choice.”⁶

Here, then, was an issue on which the right and left of 1950s America could agree. Whether one feared Nazi totalitarianism, Godless communism, amoral science, or unregulated corporate power, advertising to the unconscious touched a raw nerve with Americans of many political positions. Subliminal advertising suddenly brought home the Cold War fear that freedom was under siege, but it connected the danger not just to communism or fascism. It brought it to the doorstep of American consumer society. Cold War liberals had proudly proclaimed that the market and pluralistic politics distinguished free world ideals of democracy and individualism from the unfree ideologies of the extreme right and left, but subliminal advertising shook their faith.

Confronting the Subliminal Menace

Despite calls to ban the practice, subliminal advertising attracted the interest of marketing entrepreneurs and enterprising broadcasters over the next year. *Popular Science Monthly* offered for sale the “Precon TV Projector,” which made pictures with a rapidly pulsating light “intermixed with the

regular video signals" to create a message the viewer "feels" but does not see.⁷ James Vicary quickly pushed back against critics, declaring that his invention was protected by the "freedom to communicate" and threatening to take his case to the Supreme Court if anyone blocked his way.⁸ Given the public distaste for commercial advertising on television, some psychologists noted, perhaps subliminal messages were a step in the right direction. Being dimly perceived or not perceived at all, such messages would relieve the viewer of the need to turn off or tune out obnoxious "liminal" commercials.⁹ Vicary agreed, pointing out the insufferable nature of so-called regular commercial advertisements: "Just before John kisses Mary some sewer-clearing commercial interrupts the show." "Sometimes I wonder," he wrote, "how many people really *watch* TV commercials."¹⁰

Advertisers, the source revenue for radio and television, had always suffered from doubt as to whether their commercials reached the intended customer. Subliminal techniques promised a way to assuage that doubt without massive data collection, probing psychological studies, or open-ended advertising budgets. Subliminal technology could "close the loop" between message, medium, and consumer—the holy grail of advertising since time immemorial. But a closed loop meant a closed mind that could neither see nor escape the message.

Prosubliminalists soon lost ground as political opposition geared up. Democratic Senator James Wright of Texas introduced a bill calling for a fine of \$5,000 and thirty days in jail each time a broadcaster aired a subliminal message. Michigan Republican Charles Potter demanded that the FCC protect the public from subliminal propaganda "made to order for the establishment and maintenance of a totalitarian government."¹¹ As was often the case in the 1950s, a menace to democracy translated into subversion of the young. Utah Representative Dawson warned that subliminal advertising "might make beer drinkers out of unsuspecting teen-agers," apparently a novel threat to the congressman.¹²

Lured by the promise of pinpoint advertising but wary of political fallout, television broadcasters treated subliminal technology with caution. The spread of television to the home had already raised new issues of privacy, decency, and protection of the family. What further criticism might subliminal advertising bring? National broadcasters soon made clear that they would rather play it safe. All three networks—NBC, ABC, and CBS—announced by December that they would not carry subliminal commercials.¹³

Still, the technology was just too tempting to resist. With opinion polls showing the public evenly divided on subliminal advertising, some risk-taking entrepreneurs moved forward.¹⁴ In January 1958, producer Hal Roach declared that he would use the technique in a feature-length film.

He would not sell products, however, but only subliminally heighten the emotions of the story. Appropriately enough, the picture was to be entitled *E.S.P.*, and Roach engaged a member of the UCLA psychology department as a consultant.¹⁵

When national broadcasters backed away, local stations stepped forward. Precon Process and Equipment Company delivered the necessary equipment for subliminal broadcasting to station KTLA of Los Angeles. Taking the political uproar into account, the station promised to inform viewers when subliminal signals went out. At first, it would only broadcast neutral messages—drive safely and support the March of Dimes. Station managers hinted, however, that advertising would be added if the early tests panned out.¹⁶

Hoping to convince politicians that there was no danger, James Vicary broadcast a closed circuit test for the Federal Communications Commission in January 1958. As in the New Jersey movie theater, the message was “eat popcorn.” It flashed across the screen while the FCC commissioners and several congressmen sat in attendance. This time the results were less impressive. No one rushed out for a snack, though Congressman Potter of Michigan was quoted as saying, “I think I want a hot dog.”¹⁷ Further television experiments yielded disappointing results, as well. The Canadian Broadcasting Corporation ran a test that same month, subliminally projecting the message, “telephone now.” Audience reaction was varied—that is, random. Roughly 51 percent said they felt motivated to do something, though mostly it was to get up from the couch to eat. Only one viewer reported she had felt “compelled” to do as directed.¹⁸

Less than a year after subliminal advertising had stirred so much controversy, the fad was on the wane. In March, KTLA canceled its plans, citing uncertainty of the FCC’s position and a heavy negative response from viewers.¹⁹ In June, the National Association of Broadcasters amended its television code to prohibit the transmission of information by subliminal means.²⁰ By the end of 1958, subliminal advertising was turning into a joke. Chevrolet promoted its new cars with a skit featuring Pat Boone and Dinah Shore singing a jingle with this verse:

Hey, have you heard the crazy new way
To send a message today?
It’s flashed on a screen, too quick to see
But still you get it subliminally.²¹

Subliminal advertising had promised to answer the great marketing question—how to capture the elusive consumer. Yet broadcasters and advertisers turned and ran from what might seem the ultimate selling technology.

Fear of public backlash was part of the reason. But perhaps more important was doubt that it actually worked.

The Science of the Subliminal

Subliminal advertising gained credibility in part because it was linked to an older and much sounder scientific literature on subliminal perception. As early as 1884, studies had shown it possible to elicit measurable responses from people exposed to stimuli below the threshold of conscious perception.²² In 1917, Austrian neurologist Otto Poetzl used a tachistoscope—the same device that Vicary deployed in his Fort Lee tests—to flash landscape images at subjects for one-hundredth of a second. The next day he asked them about their dreams. Some reported details of the landscape slides, leading Poetzl to conclude that subliminal impressions had been recorded by their unconscious minds.²³

Before World War II, scientists had answered the question, “do we perceive subliminal stimuli” with a definite “yes.” What effect this had on behavior, however, was still in the realm of speculation and fiction. But in the 1940s and 1950s, research shifted from subliminal perception to subliminal influence. Studies showed that subliminal messages could affect or reinforce states of mind, as when the words “angry” or “happy” were superimposed on images of neutral faces. In such experiments, subjects tended to ascribe the suggested emotion to the image.²⁴

Although the new research supported claims for subliminal effects, it also undercut theories that people could be controlled or commanded to do things they did not want to do. In fact, evidence pointed in the opposite direction. People were influenced subconsciously in the same manner and direction that they were consciously. Subjects responded to subliminal messages more strongly when they were already disposed in the direction of the message.²⁵ They also reacted most profoundly to the most intense stimuli. Indeed, it seemed likely that measured effects were not truly subliminal in some cases. To researchers, “subliminal” functioned as a statistical concept—the limit at which 50 percent of a group consciously perceived a stimulus and 50 percent did not. This meant that for “strong” subliminal messages—the most effective ones—it was almost certain that some people had a liminal or conscious perception.²⁶ Dropping the level of intensity down so low that no human could perceive the message led to outcomes no better than chance. In short, at the very moment when subliminal sales gurus like James Vicary were making their pitch to advertisers, research was showing that there was nothing special or particularly influential about subliminal perception.²⁷

Not surprisingly, then, efforts to repeat Vicary's results failed. In 1958, the British Broadcasting Corporation flashed for one-twenty-fourth of a second the message "Pirie breaks world record," and then asked viewers to write if they had seen anything. The BBC received 430 postcards, 20 correct, 134 partially correct, though a London newspaper had revealed the contents of the message the day after the broadcast, invalidating the results. A more exacting repeat of the experiment produced a disappointing outcome of 2 correct and 15 partially correct responses. Laboratory experiments in carefully controlled environments fared even worse. When psychologists showed a group of subjects a bowl of rice subliminally named "Wonder Rice," the experimental group did no better than the control group in identifying the product's name.²⁸ Another experiment flashing the word "beef" obtained equally insignificant results when the test subjects were asked to choose from a tray of beef and other sandwiches.²⁹ Psychologists continued to experiment, but the best study, conducted in 1970, was inconclusive. Tests over the years have sometimes generated statistically significant results, but then any experiment repeated enough times will yield the occasional statistical outlier in a classic "fooled by randomness" manner.³⁰

If there was any doubt about the whole affair, it surely was settled in 1962, when James Vicary admitted that his original study had been a fabrication. There had been no increase in popcorn or drink sales that night in Fort Lee. It was all a hoax to revive the sagging fortunes of his research firm. His admission was widely reported in the trade press.³¹

Here, one might imagine, the story ends. But it does not. "Subliminal" had so thoroughly pervaded the national vocabulary that it had become a permanent fixture in discussions of advertising and psychology. In 1963, a year after Vicary's confession, newspapers were inserting the word into any story about indirect selling methods. An article in the *New York Times*, for example, reported that insurance companies at the New York World's Fair had employed a "soft sell or subliminal approach," with pavilions displaying a giant screen ticking off the increase in U.S. population second by second to remind visitors that insurance was the business of life and death. Subliminal had evolved into a substitute for metonymy and metaphor. In other cases, it was transformed to mean indirect, as when the *Times* termed "subliminal" the Traveler's Insurance diorama at the fair displaying two million years of human history under the banner "man fights to protect what is his."³²

Between the mid-1960s and mid-1970s, there was a lull in reporting on subliminal advertising. Then, from 1975 through 1985, a spate of provocatively titled books appeared: *Subliminal Seduction*, *Media Sexploitation*, and *The Clam-Plate Orgy*. All were authored by Wilson Brian Key, who proclaimed that he had uncovered the hidden secret of how "Ad Media"

manipulated the public, almost always by infusing messages with subconscious sexual references. Key focused not just on television and the movies but on virtually all advertisements, even printed ones, where it would seem impossible for a communication to be subliminal. Nonetheless, he found the word “sex” minutely inscribed on everything from ice cubes to Ritz Crackers, supposedly read and not read at the same time by the consumer.³³

Subliminal now mutated into a way to describe how advertising played on the prurient interests of a “not so innocent” public. It was, Key proclaimed, a vast conspiracy of big corporations and big government to control minds.³⁴ Returning to the themes of the Cold War, he wrote, “subliminal indoctrination may prove more dangerous than nuclear weapons. The substitution of cultural fantasies for realities on a massive, worldwide scale threatens everyone in this precarious period of human evolution.”³⁵ Sealing the deal with circular logic, he scoffed at critics by noting, “advertising agencies would not spend billions of dollars collectively on advertisements using such techniques if there were no basis for using them.”³⁶

Key had clearly moved far from the original concept of subliminal advertising. Nonetheless, his books revived interest in the subject. In 1978, police in an unnamed Midwestern city tried to apprehend a murderer by placing subliminal descriptions of the crime into frames of television news footage. A department store in Toronto broadcast subliminal messages to deter shoplifters.³⁷ Opinion polls taken in 1983 showed that over three-fourths of the public knew about subliminal advertising; of those who knew, a large majority (68 to 85 percent) believed that it was common and effective.³⁸

Another lull followed the appearance of Key’s work before the issue resurfaced once more, this time in relation to another product of commercial culture—rock music. Responding to reports that heavy metal bands embedded subliminal lyrics into their songs by recording sound backward, legislatures in Arkansas, Texas, and Canada moved to ban the practice, known as “backmasking.”³⁹ When two disaffected teenagers committed suicide in 1985, their parents sued the band Judas Priest, claiming that their song “Better by You, Better than Me” contained the hidden command “do it” in the lyrics. The young rock fans had been listening to their songs while consuming quantities of beer and marijuana in the hours leading up to their deaths. At the 1990 trial, University of Michigan psychologist Howard Shervin concluded that subliminal messages could have contributed to the suicides. The band was acquitted when the trial judge found insufficient evidence that such messages could affect “conduct of this magnitude.” But he also wrote in his summary, “subliminals were there,” even if they were only unintentional.⁴⁰

Claims for the powers of subliminal techniques have continued to appear in popular culture down to the present. In the 1990s, New Age entrepreneurs

offered for sale subliminal self-help audio and video tapes to expand memory, heighten sexual prowess, raise self-esteem, improve employee efficiency, and even overcome the trauma of sexual abuse.⁴¹ In 2000, the Republican Party sought to associate the opposition with negative images by flashing the word “Democrat” on the screen in such a way that “rat” was highlighted.⁴² And finally, in 2004, August Bullock, taking up where his mentor Wilson Brian Key had left off, wrote *The Secret Sales Pitch: An Overview of Subliminal Advertising*, which is still in print.

It is not hard to see that periodic outbursts of fear over things subliminal can be tied to moments of political and cultural anxiety. James Vicary appeared on the scene with the nation suffering Cold War fevers over brain-washing, communist infiltration, UFOs, and nuclear war. The 1970s and early 1980s were marked by mistrust of business and government following the Vietnam War and Watergate. The back-masking controversy followed in the wake of a deep cultural division between the right and left on such matters as teenage sexuality, drug use, and the virtues of the free market.

Still, across the decades, in different contexts, one consistent refrain sounded in all the subliminal controversies—the threat to freedom in an American society that placed premier value on individual choice. As recent historical scholarship has argued, the politics of postwar America centered on citizen consumers. Freedom had become linked to the ability of individuals to express their sovereign wants in the marketplace and in the voting booth. In this context, subliminal persuasion was indeed a technology of unfreedom, for it could threaten individual choice in both places.⁴³

Intellectuals, The Public, and Mass Media

Choice and freedom were linked in Cold War America through the work of liberal thinkers who sought to contrast a democratic America with fascist and communist nations. Radical ideologies, they argued, yielded neither material wealth nor personal freedom. A free American dedicated to individualism, however, enjoyed both consumer abundance and democratic institutions. Social science acted in service to American society by tracking and measuring individual attitudes and beliefs through opinion polls, focus groups, community studies, psychological tests, statistics, and surveys. It was in this context that subliminal advertising appeared so threatening. It put the tools of social science and psychology to the tasks of manipulating and controlling individuals.

The subliminal scare was part of a long debate about the persuasive power of the new science of advertising and the emerging technologies of mass media. In the early twentieth century, social scientists began to question

how rational people really were, finding that they could be influenced by emotion-laden symbols and carefully crafted messages. This measuring of the public and its beliefs was taken up by advertisers starting around World War I. They used some of the first opinion polls and conducted statistical analyses correlating buying habits with conditions of life. Newspapers, popular magazines, advertising agencies, manufacturers, and retailers participated in this initial wave of market research. In the 1920s, professional pollsters such as Daniel Starch, George Gallup, Archibald Crossley, and Elmo Roper joined them. Pollsters offered expert advice to advertisers, producers, radio broadcasters, newspapers, and others seeking to understand what the public wanted.⁴⁴ Early marketing experts maintained that good data connected supply with demand in an efficient and rational manner.⁴⁵ But their studies also showed that people consumed goods for emotional reasons—to decrease their insecurity, or boost their sense of status, or simply to follow what friends and neighbors did. Armed with the tools of behavioral science, advertisers refined their techniques of persuasion and increased the accuracy of their predictions.⁴⁶ No one had demonstrated that advertising could control what people bought, but the idea of a science of persuasion had taken root.

The research on media and persuasion also addressed politics. Like the market, politics was seen as an arena of individual choice. In one case, citizens cast votes for the candidates they preferred, and in the other, consumers voted with dollars for the goods they desired. Indeed, George Gallup and other pollsters moved into political polling only after they had developed their techniques in the study of consumers and markets. But whether studying people as consumers or as voters, one had to account for the nonrational and emotional. Social scientists in the 1920s thus highlighted the alienation of rootless individuals in mass society, the breakdown of community in the urban era. As consumers and as citizens, they feared, modern men and women would be subject to manipulative influences, the powers of which had been starkly revealed in the emotion-laden propaganda of World War I. At the same time, social scientists believed that social control, properly exercised by experts, could tamp down dangerous emotions and replace the lost community life and social harmony of the past with expertise drawn from the sciences of society.⁴⁷ Thus, the techniques of social research and public persuasion, while revealing dangers, also seemed to offer the solution to those dangers.

In the 1930s, social investigators had a chance to prove that they could benefit society when they served in the programs of the New Deal. They found work in the Department of Agriculture's Division of Program Surveys, as well as in a number of other agencies. The Office of War Information

tracked public morale and labor attitudes and studied the opinions of officers and enlisted men. The Department of the Treasury launched effective mass campaigns to sell war bonds (in a manner similar to the bond drives of World War I). At the Department of Agriculture, Rensis Likert developed the efficient and low-cost probability sample technique for collecting data representative of larger populations before moving on to help found the University of Michigan's Institute for Social Research in 1946.⁴⁸

After World War II, investigators used these research techniques in a broader study of individual motivation to develop a general theory of persuasion. This focus on persuasion reflected the memory of fascist and communist propaganda in the 1930s and 1940s. Mussolini and Hitler had successfully deployed radio broadcasts and propaganda films to foment nationalism and create cults of the leader. Indeed, similar media techniques were used in Franklin Roosevelt's fireside chats, if to different ends. From mass rallies in Nuremberg to bond drives across the United States, propaganda proved a powerful device for organizing and motivating large audiences.⁴⁹ Theodor Adorno, Herbert Marcuse, and other members of the Frankfurt School concluded that alienation and anomie resulting from relentless capitalism and soulless modernity had warped people, making them susceptible to irrational appeals. Popular indictments of the weak-willed masses appeared in books such as *The Authoritarian Personality* (1950). Respected scholars Seymour Martin Lipset and Richard Hofstadter condemned working-class authoritarianism and populist paranoia, arguing that the population of the United States was hardly immune to mass media manipulation.⁵⁰ If persuasion were not carefully monitored, postwar citizen consumers might be led down the path of authoritarian politics, into a maze of mindless consumption, or both.⁵¹

Although wartime experiences and early postwar writings had primed social thinkers to fear the power of persuasion, a spate of new research on advertising and media surprisingly suggested that perhaps there was nothing to fear after all. A group of liberal American sociologists argued that people were more resistant to propaganda and less easily manipulated than commonly thought. The entire premise of behavioral psychology, which viewed individuals as empty vessels reacting to stimuli, came under scrutiny, as did assumptions of rootlessness and alienation under capitalism. The central figure in this rethinking was Paul Lazarsfeld.

Born in Vienna in 1901, Lazarsfeld had moved to America before the *Anschluss*, traveling the country on a Rockefeller grant and working for the Federal Emergency Relief Administration between 1933 and 1935. After a stint at the National Youth Administration, he set up a research center at the University of Newark (now Rutgers, Newark). Forming a connection with

public opinion specialist Hadley Cantril at Princeton, Lazarsfeld managed the Rockefeller-funded Princeton Radio Project, which studied the social impact of that relatively new medium. The project housed a veritable “who’s who” of mid-twentieth-century media studies: Cantril, Theodor Adorno, psychologist Gordon Allport, and future CBS president Frank Stanton.⁵²

Lazarsfeld was uniquely situated to manage this research. In Vienna, he had undertaken one of the first attempts to measure radio-listening audiences. His participation in the classic community study *Die Arbeitslosen von Marienthal* (1932) had also introduced him to the devastation wrought on working-class culture by the Great Depression. His own works of social inquiry borrowed techniques from market research to investigate why workers chose the political alliances they did. It was a question, Lazarsfeld admitted, asked with an eye toward developing more appealing promotional materials for the socialists in the same manner that advertisers tested campaigns for products. Eventually, Lazarsfeld moved his research shop to New York and secured an appointment at Columbia University, where he continued for the rest of his career.⁵³

Through the 1950s, the focus of Lazarsfeld’s work was on politics and media, using both field and quantitative methods, but framed by action theory (in German, *Handlungstheorie*), which had close connections to the methods and questions of market research. In Lazarsfeld’s view, one “could hardly find better material than [advertising] to develop systematic knowledge,” since the analysis of consumer actions “goes far beyond its commercial implications into general problems of human behavior.”⁵⁴ The action framework was equally valid for politics. Voting and buying could both be conceived of as short-term strategic decisions responding to innate preferences and immediate environment.⁵⁵ In contrast to the behavioral approach advocated by psychologists such as Edward Bernays and John Watson a generation before, action theory gave much more attention to objectives, meanings, and social situations. It connected people’s decisions to the way they thought and reasoned.

In 1955, Lazarsfeld and coauthor Elihu Katz published *Personal Influence: The Part Played by People in the Flow of Mass Communications*. A culmination of decades of research on media and mind, it made a strikingly different case from the common wisdom on what influenced the public. Research in the 1930s and 1940s had warned of “media effects,” seeing people as passive subjects of powerful media technologies; Lazarsfeld and Katz argued that media influence was less direct, its persuasion less manipulative than earlier critics had feared. Friends, neighbors, family, and trusted community leaders spread information and provided validation and credibility for messages, which were actively discussed and debated by citizens, not passively received.

Media critics, Katz and Lazarsfeld argued, “had in mind … an atomistic mass of millions of readers, listeners, and movie-goers prepared to receive the Message … and [saw] every Message as a direct and powerful stimulus to action which would elicit immediate response.” This could only be true in a society “characterized by an amorphous social organization and a paucity of interpersonal relations.”⁵⁶ Such a society had long been decried by modernity’s detractors, but Katz and Lazarsfeld found that people still lived in communities, still placed their faith in institutions, and still belonged to groups (though not clearly defined classes, as Marxists argued). “No longer can mass media research be content with a random sample of disconnected individuals as respondents … Respondents must be studied within the context of the group or groups to which they belong....”⁵⁷

Lazarsfeld and Katz drew on the findings of human relations expert Elton Mayo from the 1920s and 1930s. In his famous “Hawthorne Studies,” undertaken at Western Electric, Mayo had discovered that workers were not isolated individuals ground down by the speed and pace of industrial work. Rather, he uncovered at the Hawthorne plant in Chicago a hidden world of social order and meaning among the workers. Managers desiring to influence worker performance had to operate through this shop-floor culture and attune their incentives to its norms and values. Lazarsfeld and Katz took this insight a step further, arguing—against the beliefs of their peers—that primary groups still mattered in the mid-twentieth century. They moved the discussion from the site of work and production to the home, community, and site of consumption.⁵⁸ Like Mayo, they found that group relationships and a *gemeinschaftliche* or collective sort of culture adhered even in a modern society.⁵⁹

Personal Influence eschewed the sort of structural analysis that engaged the Frankfurt School. It argued against the position that industrial life was inherently alienating, consumption inevitably unfulfilling. Consumption need not be empty or inauthentic if individuals had the ability to sort information and make their own choices.⁶⁰

Although Lazarsfeld had determined that neither politics nor consumption were under imminent threat from mass propaganda, there was still room for improvement. Should individuals find their wants frustrated and desires unfulfilled, they might once again succumb to irrational appeals and radical ideologies. In line with other postwar liberals, Lazarsfeld believed that the methods of social research could prevent such an outcome through their wise application in managing social problems and curing social ills.⁶¹ As Mayo used what he learned in the bank wiring room to promote a human relations approach to labor management, so now would social scientists use insights about communications to improve the efficiency of consumption.

Corporations, Consumption, and Market Surveillance

Consumption became a major focus of post-World War II social inquiry, as Keynesian economic theory emphasized the consumer as the engine of growth. While the macroeconomy might be largely in the hands of government, business itself had direct, day-to-day contact with consumers and, therefore, the sites of sales and purchases. Adopting the new techniques for understanding communications and behavior, firms could claim to be doing their part in keeping up consumer demand with enticing appeals and cheery, optimistic sales campaigns that boosted consumer confidence. Seen this way, advertising and commercial messages took on positive roles in society.

“A satisfied people is a stagnant people,” declared Du Pont executive J. W. McCoy in 1949. Job one was the cultivation of demand, a responsibility of businessmen, who constituted the “trained professional army of peace that fights for a higher standard of living against want.”⁶² Auxiliaries in this army included sociologists and anthropologists, who moved between business, government, and university.⁶³ Du Pont, for example, employed sociologist John Dollard to study scripts for the company-sponsored television drama *Cavalcade*, seeking to uncover how the “dramatic effects of stories worked in the minds of viewers.” Depending on the script and its “reward scope,” the company would produce appropriate advertisements for the episode’s target audience. Thus, the story “How to Raise a Boy,” set in a rural locale, offered possibilities “among farmers and the groups which are interested in the agricultural community.” Du Pont’s advertising agency worked with the Grasselli Division, which made fertilizers and plant foods, placing advertisements for the upcoming episode in other media—*Better Farming, Milk News Weekly*—and hosting screenings before 4-H Clubs, Future Farmers of America, and the USDA. People might well get their information from groups and respond to opinion makers, but there was no reason a firm could not tap those outlets to enhance mass media persuasion, as well.⁶⁴

Using “depth psychology,” freelance consultant Ernest Dichter asserted that he could teach advertisers and marketing managers how to read the public, and could show them how to design products, packages, and advertising displays that appealed to hidden consumer wants and desires. Although he eschewed quantitative analysis, Dichter followed his former statistics teacher Lazarsfeld in regarding all social phenomena as amenable to the same research methods. “Buying [is] one of the major activities in modern life...” Dichter wrote, “which allows to a very high degree the expression of individual preferences... very often representative for [the consumer’s] whole personality.” Or as he pithily summed up, “tell me how you buy and I will tell you who you are,” a rhetorical formulation he would rework numerous

times in his career.⁶⁵ The reverse was presumably also true. Once someone was thoroughly studied, it would be easy to figure out what they wanted. Dichter's motivational research lab used visual stimuli and role playing so that the respondent revealed "his real emotions and feelings," which determined his preferences.⁶⁶

Although Dichter emphasized individual psychology in vaguely Freudian terms, his work nonetheless spoke directly to the concerns about social structure and social integration that stood behind Lazarsfeld's synthesis on persuasion. Motivational research sought to understand the hows and whys of consumption in the context of everyday American life—the supermarket, the suburban household—where it acquired meaning. Dichter, like Lazarsfeld, Dollard, and other postwar liberals, emphasized the healthy integration of individuals within their social roles, not the alienation and loneliness of one-dimensional men and women. Good advertising based on scientific market research would serve "to reduce the amount of thought, effort, [and] waste[d] motion" in order to lighten the "emotionally exhausting process of choice and shopping."⁶⁷ In the same manner that human relations experts had lessened labor conflict in the age of production, so would marketing experts soften tensions and smooth anxieties in the age of consumption.

This therapeutic view of consumption reflected Dichter and the others' belief that people faced life choices fraught with anxiety. Modern men and women "need to feel that they have roots and stability in a dynamic and dangerous world," Dichter wrote.⁶⁸ The problem facing consumers was less making choices than being convinced they had made good ones. Men read more advertisements after a big purchase like a car than before.⁶⁹ Women, "liv[ing] in an era of unprecedented change" confronted the "exciting—although occasionally frightening—feeling of being a part of the march of progress." Her mental position, Dichter advised, should be "reflected in store displays, product designs and advertising."⁷⁰

The looming danger that social scientists perceived in the 1950s was that unresolved emotions and hidden aggressions would foster the authoritarian personality. Psychological conflicts, uncertainty, and the chaos of ordinary life would lead people into the hands of demagogues who offered comforting but dangerous political ideologies. With Joseph McCarthy dominating the airwaves, it was not hard to see such dangers. Dichter wrote as though Americans lived on a razor's edge of joyful consumption, at any moment about to fall into the depths of fear and alienation. People needed a "well organized, clearly spelled out world.... Every little brick which is at the right place in this world, is a parcel of their feeling of security. Change the place of one brick, and they feel threatened."⁷¹

Social theories of persuasion and motivation told advertisers how to make consumption a fulfilling and elevating experience. It was not just a matter of getting people to buy more, though Keynesian economic policy certainly required that. It was getting them to choose goods that produced psychological as well as material satisfactions. The economic need for confident consumers met the psychological need for satisfying consumption. Through the goods they purchased and the meanings they attached to those goods, people would actualize their highest potential.

The emphasis on persuasion thus required, indeed justified, closer surveillance of the consumer. Ignorance yielded poor messages that missed the deeper meanings of products. Dichter frequently described his technique as offering “x-ray insight” into the real motivations, the true feelings of the buying public.⁷² New methods of social research and new technologies made it possible to train a powerful lens on consumers. With the expansion of media, business acquired the potential to, as a Du Pont marketing executive put it, “draw a true bead on the heart of the consuming public.”⁷³

Since the 1920s, market researchers had recognized that mass media both enabled the wider dissemination of messages and served as a gateway into the public mind. Radio, for example, permitted sellers to better predict the relationship between money spent on advertising campaigns and the resulting messages received by the public. Taking advantage of the relatively high diffusion of telephones in the United States, polling experts conducted audience surveys immediately following broadcasts. They asked respondents what advertisements they had heard and what they remembered about the products advertised. By the 1950s, such techniques were being applied to television audiences in an even more efficient manner.⁷⁴ Probability sampling and the near universal diffusion of telephones reduced the size and cost of a valid sample, while direct dialing made it possible to mechanize the process of calling. Sociologists and psychologists closed the loop by penetrating the mind of the viewer, feeding back to advertisers and marketers the information they needed to design effective campaigns and sponsor attractive programs—giving them more bang for the advertising buck.⁷⁵

The Seduction of the Subliminal

In the optimistic 1950s, good sales techniques and methodologically similar social research were seen as offering the scientific expertise necessary to protect democracy, promote individualism, and keep the economy percolating. But like nuclear weapons, the thing that kept Americans safe and free could also destroy them or demand unquestioning obedience. Were motivational

researchers like Dichter merely helping producers give consumers what they wanted? Or were they tilting the playing field so that producers had the power to negate consumer choice? The point of marketing techniques that probed the unconscious mind, after all, was to get below the surface to something the consumer was unaware of. Meeting unexpressed wants might be the highest form of service, or it might simply be a way to foist on people goods they did not need. Critics from different political positions such as William Whyte, Andrew Hacker, Vance Packard, C. Wright Mills, Joseph Wood Krutch, and Frederick Hayek condemned the methods of mainstream social scientists as serving up “predictable man.” Probing the minds of workers and consumers did not make them free; it rendered them pliable and accepting of the status quo.⁷⁶

Subliminal advertising arrived on the scene in the middle of this debate. Herein lay the source of all the anxiety over this one highly questionable, indeed likely fraudulent, technique. It stepped beyond the legitimate state of the art in ways that excited the deepest fears of an American society uncertain about the fate of freedom and individuality in the modern world. By promising a way to reach directly into the consumer’s mind, it upended the claims made about the virtues of social investigation applied to marketing and advertising. Optimists like Lazarsfeld and Dichter had argued that persuasion worked through the social system to promote healthy and functional consumption. Subliminal advertising, pessimists now countered, showed clearly that what producers really wanted was a way to circumvent social groups and psychological meanings to make consumers predictable and controllable. It might have been a myth that people could be reached subliminally, but it was too powerful a myth to ignore.

Market research once deemed legitimate now had to contend with the “ghost” of subliminal advertising. “Many seem to think that there is a strong link associating motivation research with subliminal advertising,” noted Bertrand Klass of the Market Planning Corporation. Claims that motivational research “is capable of reaching into the unconscious for more complete *explanations* of human behavior,” Klass pointed out, quickly turned to fear that it could “reach into one’s unconscious mind to *influence* his behavior.”⁷⁷ The relationship between subliminal methods and the then new medium of television was especially troubling. As Ernest Dichter, wrote “When the public tunes in to a half hour television show it does so because the show itself has a very specific appeal and offers specific gratification. We want to capitalize on this psychologically ‘captive’ audience.”⁷⁸ A captive audience responding to cleverly formulated emotional appeals was, in the public mind, very close to a captive audience under the control of hidden subliminal messages.⁷⁹

The debate about subliminal advertising revealed a deep unease over the state of America's market-driven, consumer democracy. Postwar liberals like Paul Lazarsfeld had made strong claims that persuasion was not nearly as powerful, propaganda not nearly so effective as more radical critics such as the Frankfurt School had argued. But such claims seemed much weaker when new technologies were on offer to reach directly into the mind to control behavior and desire. It no longer seemed so safe to assume that American-style capitalism could supply a healthy way to actualize human potential through consumption, as optimists such as Ernest Dichter had maintained. Expert knowledge, vital to the effective working of a functional liberal social order, was being tarnished by ghost images of thought control and brainwashing. Subliminal advertising, true or not, had introduced new doubts that social science was merely the selfless servant of mankind or that communications and consumption could reinforce, rather than undermine, the liberal democratic order.

Notes

1. Gay Talese, "Most Hidden Hidden Persuasion," *New York Times*, January 12, 1958, SM22.
2. Timothy E. Moore, "Subliminal Advertising: What You See is What You Get," *Journal of Marketing* 46, no. 2 (1982): 38–47.
3. Norman Cousins, "Smudging the Subconscious," *Saturday Review* 40 (1957): 1.
4. *New York Times*, January 26, 1958, SM4.
5. "Subliminal Message: A Progress Report of the Assembly Governmental Efficiency and Economy Interim Subcommittee on Subliminal Messages," California Assembly, January 1960.
6. *New York Times*, May 19, 1958, 45.
7. *Advertising Agency Magazine*, May 23, 1958, 19.
8. Talese, "Most Hidden Hidden Persuasion."
9. Israel Goldiamond, "The Hysteria over Subliminal Advertising as Misunderstanding of Science," *American Psychologist* 14, no. 9 (1959): 598–99.
10. Talese, "Most Hidden Hidden Persuasion."
11. *New York Times*, October 6, 1957, 38.
12. *New York Times*, January 29, 1958, 24.
13. Val Adams, "Networks Ban Subliminal Ads," *New York Times*, December 4, 1957, 61.
14. Ralph Norman Haber, "Public Attitudes Regarding Subliminal Advertising," *The Public Opinion Quarterly* 23, no. 2 (1959): 291–93.
15. *New York Times*, January 14, 1958, 42.
16. *New York Times*, January 22, 1958, 54.
17. *New York Times*, January 14, 1958, 66.
18. *New York Times*, February 8, 1958, 35.

19. *New York Times*, March 7, 1958, 49.
20. The code covered 308 television stations around the nation. The broadcasters had made a preemptive move. It was still unclear how the FCC would rule, but case law favored them. In past rulings, the Supreme Court had held that the public had no general right to privacy from commercial messages, allowing, for example, a street railway to install and broadcast commercials to its riders, even though they were essentially captives to the situation. In *Dumont Laboratories vs. Carroll*, the Court held that only the FCC had jurisdiction over the air-waves, preempting regulation by other entities. In *Public Utilities Commission v. Pollak*, the Court held that street railway riders had no cause against broadcasts supplied by the company.
21. See minutes 4:50–6:37 of “Classic Television Commercials (Part II) (1948) [sic],” from Prelinger Archives, Internet Archive, video, 11:55, http://www.archive.org/details/ClassicT1948_2.
22. Moore, “Subliminal Advertising: What You See is What You Get”; also James V. McConnell, Richard L. Cutler, and Elton B. McNeil “Subliminal Stimulation: An Overview,” *The American Psychologist* 13, no. 3 (1958): 229–42.
23. Talese, “Most Hidden Hidden Persuasion.”
24. S. Bach and G. S. Klein, “Conscious Effects of Prolonged Subliminal Exposures of Words,” *American Psychologist* 12 (July 1957): 397. For more, see Richard Lazarus and Robert McCleary, “Autonomic Discrimination without Awareness: A Study in Subception,” *Psychological Review* 58 (March 1951): 113–22. Advertising Research Foundation, *The Application of Subliminal Perception in Advertising* (New York, 1958).
25. McConnell, Cutler, and McNeil “Subliminal Stimulation: An Overview.”
26. Throwing suspicion on Vicary’s original claim was the fact he had flashed images at 1/10,000 of a second, far below the threshold of the most sensitive human brain, and a level at which no effects on behavior had ever been observed.
27. Only days after the Vicary test, even some nonscientists understood the issue. As *New York Times* columnist Jack Gould pointed out, “Why bother to sneak around to the back door when the front door is open?” Jack Gould, “A State of Mind,” *New York Times*, December 8, 1957, D15.
28. Kathryn T. Theus, “Subliminal Advertising and the Psychology of Processing Unconscious Stimuli: A Review of Research,” *Psychology & Marketing* 11, no. 3 (1994): 271–90.
29. *Advertising Agency Magazine*, May 23, 1958, 19.
30. For a recent study, see Rajeev Kohi, “An Experimental Investigation into the Effect of Subliminal Stimulation on Consumer Behavior” (PhD diss., University of Pennsylvania, 1985). He, too, finds that the most effective examples are closest to consciousness and involve behaviors that subjects are already predisposed to. See also Bertrand Klass, “The Ghost of Subliminal Advertising,” *Journal of Marketing* 23, no. 2 (1958): 149–51.
31. Anthony R. Pratkanis “The Cargo-Cult Science of Subliminal Persuasion,” *Skeptical Inquirer* 16, no. 3 (1992): 260–72; Stuart Rogers, “How a Publicity

Blitz Created the Myth of Subliminal Advertising," *Public Relations Quarterly* 37, no. 4 (1992–93): 12; F. Danzig, "Subliminal Advertising—Today It's Just Historical Flashback for Researcher Vicary," *Advertising Age*, September 17, 1962.

32. *New York Times*, July 6, 1963, 30
33. Sheri J. Broyles, "Subliminal Advertising and the Perpetual Popularity of Playing to People's Paranoia," *Journal of Consumer Affairs* 40, vol. 2 (2006): 392–406; Laura Brannon and Timothy Brock, "The Subliminal Persuasion Controversy: Reality, Enduring Fable, and Polonius's Weasel," in *Persuasion: Psychological Insights and Perspectives*, ed. S. Shavitt and T. C. Brock (Boston, MA, 1994), 279–93.
34. Pratkanis, "The Cargo-Cult Science of Subliminal Persuasion."
35. Wilson Brian Key, *The Age of Manipulation: The Con in Confidence, the Sin in Sincere* (New York, 1989), xviii. For further discussion, see Brannon and Brock, "The Subliminal Persuasion Controversy."
36. Broyles, "Subliminal Advertising and the Perpetual Popularity of Playing to People's Paranoia," 394.
37. Moore, "Subliminal Advertising: What You See is What You Get."
38. Eric J. Zanot, J. David Pincus, and E. Joseph Lamp, "Public Perceptions of Subliminal Advertising, *Journal of Advertising* 12, no. 1 (1983): 39–45.
39. Charles Trappey "A Meta-Analysis of Consumer Choice and Subliminal Advertising," *Psychology and Marketing* 13, no. 5 (1996): 517.
40. Brannon and Brock, "The Subliminal Persuasion Controversy." The case was *Vance & Belknap v. Judas Priest & CBS Records*, 1990.
41. Ibid.
42. Richard L. Berke, "Democrats See, and Smell, Rats in G.O.P. Ad," *New York Times*, September 12, 2000; also "Democrats Smell Campaign Rat," BBC News, September 12, 2000, http://news.bbc.co.uk/2/hi/in_depth/americas/2000/us_elections/election_news/921830.stm.
43. Lizbeth Cohen, *A Consumer's Republic: The Politics of Mass Consumption in Postwar America* (New York, 2003). See also Lawrence Glickman, "The Consumer and the Citizen in Personal Influence," *Annals of the American Academy of Political and Social Science* 608, no. 1 (2006): 204–13; and, in the same volume, Michael Schudson, "The Troubling Equivalence of Citizen and Consumer," 194–206.
44. Jean M. Converse, *Survey Research in the United States: Roots and Emergence, 1890–1960* (Berkeley, CA, 1987), 87–127. On the history of market research before World War II, see Coleman Harwell Wells, "Remapping America: Market Research and American Society, 1900–1940," (PhD diss., University of Virginia, 1999); and Albert Blankenship, *Consumer and Opinion Research* (New York, 1943).
45. This rational approach to marketing was pioneered by Melvin Copeland at Harvard Business School after World War I. His emphasis was a progressive one on the reduction of waste in distribution. See Melvin Copeland, "Marketing," in *Recent Economic Changes in the United States* (New York, 1929).

46. Roland Marchand, *Advertising the American Dream: Making Way for Modernity* (Berkeley, CA, 1985), 11–13; Peggy J. Kreshel, “John B. Watson at J. Walter Thompson: The Legitimation of “Science” in Advertising,” *Journal of Advertising* 19, no. 2 (1990): 49–60; Marvin Olasky, “Bringing ‘Order Out of Chaos’: Edward Bernays and the Salvation of Society through Public Relations,” *Journalism History* 12, no. 1 (1985): 17–21; Kerry W. Buckley, *Mechanical Man: John Broadus Watson and the Beginnings of Behaviorism* (New York, 1989).
47. Dorothy Ross, *The Origins of American Social Science* (New York, 1991), 229–37. David Haney, *The Americanization of Social Science: Intellectuals and Public Responsibility in the Postwar United States* (Philadelphia, PA, 2008), 68–77; Christopher Lasch, *The True and Only Heaven: Progress and Its Critics* (New York, 1991), 356–59.
48. Converse, *Survey Research*, 162–207, 367–73; Seymour Sudman and Norman M. Bradburn, “The Organizational Growth of Public Opinion Research in the United States,” *Public Opinion Quarterly* 51, no. 2, supplement (1987): S67–S78.
49. Haney, *Americanization of Social Science*, 97–102. See also Edward Purcell, *The Crisis of Democratic Theory: Scientific Naturalism and the Problem of Value* (Lexington, KY, 1973).
50. Lasch, *True and Only Heaven*, 445–67.
51. Daniel Horowitz, *The Morality of Spending: Attitudes Toward the Consumer Society in America, 1875–1940* (Baltimore, MD, 1985); Michael Schudson, *Advertising, the Uneasy Persuasion: Its Dubious Impact on American Society* (New York, 1984).
52. Columbia University Library, Lazarsfeld Collection, series I, box 3A, Frank Stanton Correspondence, Statement of Paul Lazarsfeld, December 1972. Converse, *Survey Research*, 267–77.
53. Allen H. Barton, “Paul Lazarsfeld and Applied Social Research: Invention of the University Applied Social Research Institute,” *Social Science History* 3, no. 3/4 (1979): 4–44. For more on Lazarsfeld’s connection to market and media research, see Gerben Bakker, “Building Knowledge about the Consumer: The Emergence of Market Research in the Motion Picture Industry,” *Business History* 45, no. 1 (2003): 101–30.
54. Elihu Katz and Paul F. Lazarsfeld, *Personal Influence: The Part Played by People in the Flow of Mass Communications* (Glencoe, IL, 1955), 7; Glickman, “The Consumer and the Citizen in Personal Influence”; Schudson, “The Troubling Equivalence of Citizen and Consumer.”
55. *Handlung*, with its etymological relationship to the German *Handel*, or trade, suggests a connection between economizing behavior and a more general theory of action under constraints.
56. Katz and Lazarsfeld, *Personal Influence*, 16. For a discussion of the book, see Jefferson Pooley, “Fifteen Pages that Shook the Field: *Personal Influence*, Edward Shils and the Remembered History of Mass Communication,” *Annals of the American Academy of Political and Social Science* 608, no. 1 (2006): 130–56.

57. Katz and Lazarsfeld, *Personal Influence*, 131.
58. Mayo himself recognized the utility of his group methods for advertising. See Harvard Graduate School of Business Administration, Baker Library, Mayo Collection, box 3a, folder 9, Advertising History Foundation, proposal, 1936 (Proposal of July 8, 1936). On the Hawthorne experiments, see Richard Gillespie, *Manufacturing Knowledge: A History of the Hawthorne Experiments* (New York, 1991). The attention to primary groups went back to Charles Cooley in the early twentieth century, as Lazarsfeld acknowledged, and was also present in the work of Lloyd Warner (*Yankee City*, 1937), who was influenced by Mayo. But it was deemphasized in the 1920s in the work of social scientists studying mass society, only to be reemployed by Mayo in the 1930s. See Ross, *Origins of American Social Science*, 243–51. Lazarsfeld noted that works such as *The American Solider* (1949), studies of the World War II bond drives, and his own book on political campaigns, *The People's Choice* (1944), showed that mass media alone could not explain behavior, attitudes, and values. Edward Shils was especially important in drawing out the implications of Lazarsfeld's work for repudiating “the mistaken European view of impersonal isolation” in modern America and insisting on “the persistence of custom and primary ties in the modern world.” See Pooley, “Fifteen Pages that Shook the Field,” 132–33.
59. One implication, according to Lazarsfeld, was that conformity, or following one's neighbors, was actually good because it inoculated citizens against blatant appeals from demagogues and detached radicals. Groups helped people resist undue influence on their opinions. Katz and Lazarsfeld, *Personal Influence*, 64–65, 74.
60. On the methodological convergence of studies of commercial and social phenomena, see Converse, *Survey Research*, 271; Haney, *Americanization of Social Science*, 64–65,
61. Haney, *Americanization of Social Science*, 77–79, 113, 154–56; Ross, *Origins of American Social Science*, 219–56.
62. Hagley Museum and Library (hereafter: Hagley), Du Pont Advertising Department, acc. 1803, (hereafter: Du Pont Advertising), box 1, folder 1, J. W. McCoy, Advertising Department Clinic, Wilmington, DE, August 2, 1949, 5.
63. For an overview of post–World War II market research and the place of social science, see Cohen, *Consumer's Republic*, 292–344; Michael M. Sokal, “The Origins of the Psychological Corporation,” *Journal of the History of the Behavioral Sciences* 17, no. 1 (1981): 54–67.
64. On Dollard's work for Du Pont generally, see Hagley, Du Pont Advertising, box 6; see also box 5, folder 31, Cavalcade of America, “How to Raise a Boy,” April 26, 1955.
65. Hagley, Ernest Dichter Papers, acc. 2407 (hereafter: Dichter Papers), Research Reports, box 1, “Buying Habits of the Esquire-Magazine Reader,” 1939.
66. Hagley, Dichter Papers, Research Reports, box 1, “Our Method, Procedure and Sample for a Motivational Research Study for *Esquire Magazine*,” July 31, 1957. On Dichter, his life and ideas generally, see Daniel Horowitz “The Birth of a

Salesman: Ernest Dichter and the Objects of Desire," 1986, unpublished paper, available at Hagley Museum and Library.

67. Hagley, Dichter Papers, Research Reports, box 12, "A Psychological Study of the Deodorant Market and Opportunities for New Product Developments," vol. I, January 1959.
68. Hagley, Dichter Papers, Research Reports, box 3, "The Role of Advertising in the Sales of Washing Machines," May 1959.
69. Hagley, Dichter Papers, Research Reports, box 1, "The Psychology of Car Buying: A Psychological Study Undertaken to Answer Two Vital questions about Car Buying," January 1940, 64–66.
70. Ibid.; box 24, "A Creative Research Memo on the Psychology of a Woman on Food Shopping Day," September 1955, n.p.
71. Hagley, Dichter Papers, Research Reports, box 1, "A Motivational Research Study of the New Esquire: Magazine of "Shared Excitement," April 1958, 13.
72. See, for example, Hagley, Dichter Papers, Research Reports, box 3, "The Role of Advertising in the Sales of Washing Machines," May 1959; box 12, "Memorandum on Beer," August 1953; box 13, "Report of Meeting with Dr. Dichter, Hudepohl Advertising," June 9, 1954, n.p.
73. Hagley, Du Pont Advertising, box 1, folder 5, "Advertising Most Important Trend," n.p.
74. For a comparison of newspaper and television surveys, see Hagley, Dichter Papers, Research Reports, box 1, "The Continuing Study of Newspaper Reading," prepared by CBS Research Division, May 1940.
75. Concrete examples of how market research was transformed after World War II can be found in Hagley, Du Pont Advertising. See, for example, box 7, folder 14, Gallup & Robinson Television Impact Report on Du Pont Theater; box 8, Plan for "Immediate Recall" Study on Cavalcade of America for Batten, Barton, Durstine & Osborn, Daniel Starch and Staff, March 19, 1954, n.p.
76. On the critics of social science, see Haney, *Americanization of Social Science*, 175–85.
77. Klass, "Ghost of Subliminal Advertising," 146–50.
78. Hagley, Dichter Papers, box 6, "Proposal for a Psychological Research Study on the Effectiveness of Television Programs and Commercials," February 1952, 2.
79. Consumer researchers even used some of the same tools deployed by subliminal advertisers, such as tachistoscopes to measure the average shopper's peripheral vision and visual acuteness. But they denied that the techniques were "brain-washing." Gloria Emerson, "Psychological Allure Clue to Women's Buying Habits," *New York Times*, June 6, 1959, 15. Hagley, Dichter Papers, Research Reports, box 6, "An Outline of the Package Testing Program," n.d.; Hagley, Du Pont Advertising, box 1, folder 8, "Summary of Impact Clinic Presented to E. I. Du Pont de Nemours & Company, Inc," August 17, 1956, Gallup & Robinson; and box 1, folder 1, Digest of Talks given at Du Pont Advertising Clinic, May 28, 1953.

CHAPTER 11

Gender Realignment: The Design and Marketing of Gas Stations for Women*

Greg Donofrio

In the late 1970s, Max Yavno captured a nighttime scene of a young woman refueling a car, bent slightly forward at the waist, her left arm akimbo in the gas-pumping equivalent of classical art's contrapposto pose. A commercial photographer who turned to artistic work near the end of his life, Yavno was known to have a special affinity for female models, a keen interest in women's styles and trends.¹ He carefully chose the subject and her retail setting to communicate a distinct assertion: women were now pumping their own gas.

Yavno's photograph, *Self-Service, 1980*, documents a new commercial landscape, a recent marketing innovation, and an American cultural phenomenon.² All were widely acknowledged at the time but have since become largely taken for granted (figure 11.1). Self-service gas stations are now ubiquitous in most places in the United States.³ Yet, when Yavno framed his photograph, pumping one's own gas represented a radical departure from the service-oriented marketing that had long been considered integral to a station's brand, reputation, and sales strategy. Asked in 1970 to comment on the growing self-serve phenomenon, president of American Oil Blaine Yarrington stated: "I really don't believe there is a large segment of the consuming public that desires to put in their own gasoline and oil."⁴ Major oil companies that operated tens or hundreds of brand-name gasoline stations



Figure 11.1 *Self-Service, 1980*, by Max Yavno

Source: Gift of Albert A. Dorskind, Class of 1943. Photography courtesy of the Herbert F. Johnson Museum of Art, Cornell University.

across the nation were physically, economically, and psychologically committed to the status quo. They envisioned consumers who demanded assistance with windshield washing, oil checking, and other services promoted in station advertising.⁵

Executives who clung to the full-service paradigm in the 1970s were guilty of what academic marketing specialists referred to as the oil industry's "marketing myopia," a nearsighted attention to selling gasoline and the traditional line of automotive products. The influential Harvard Business School Professor Theodore Levitt argued that effective marketing looked "downstream" from the oil fields, beyond the immediate goals of the producer and retailer, to focus on the needs and desires of consumers.⁶ This included the entire constellation of details that influenced the customer's perception of, and experience at, gas stations.

Yavno's photograph recorded the new gas station experience, providing evidence of what *Good Housekeeping* confirmed for its predominantly female readership in 1978: "Pumping your own gasoline at the service station is the 'in' thing to do."⁷ It was easy, economical, acceptable, and perhaps even fashionable. Other national news sources were less sanguine in their assessment of self-service as a marketing innovation whose popularity transformed

the design of gas stations and the experience of patronizing one. In 1977, beneath a captioned photograph of two “girls playing fill-it-yourself,” *Time* magazine reported on the new era of the “No-Service Station,” lamenting that motorists could no longer expect to be greeted by a helpful employee who would fill the tank and wipe the windshield.⁸ Self-service was “becoming a way of life for more and more Americans,” wrote *U.S. News and World Report* in the autumn of 1975.⁹

In contrast to executives like Yarrington who initially resisted the new trend were media analysis and independent station owners who traced the inspiration for self-service gas sales back to the modern “supermarket sales method.”¹⁰ Self-service grocery stores were first pioneered in 1916 by the Piggy Wiggly chain of Memphis, Tennessee. The concept was subsequently refined and expanded into supermarkets around Los Angeles in the late 1920s, which were then widely disseminated throughout the country by the 1950s.¹¹ Comparing the new self-service gas stations to more established supermarkets was logical in that they shared similar economic and operational characteristics.¹² However, shopping for food was traditionally considered a female-gendered activity, and it was marketed accordingly.¹³ From the perspective of traditional gender associations, supermarkets and gas stations could hardly have been more dissimilar.

The transition from full- to self-service gasoline sales required substantial modifications to the designs of stations, pumps, and marketing strategies. Behind each of these design decisions was an array of assumptions about gas stations as facilities zoned by gender where certain spaces, tasks, and products were traditionally associated with either masculinity or femininity. Beginning in the late 1960s and continuing throughout the 1970s, an almost exclusively male oil industry openly debated a series of gender-based questions with serious implications for how it would implement the transition to self-service gasoline marketing. Was a woman willing to pump her own gas? Was she technically capable of doing so? How could gas be marketed without service, especially to women?

This chapter examines how changing gender ideals shaped the design and marketing of self-service gas stations. The oil industry produced, reinforced, and often intentionally manipulated gender ideologies through gas station design and petroleum industry advertising and marketing.¹⁴ Gender is understood throughout this analysis as a cultural construct that influences the structure of social and economic relationships and the associations people have to physical places and artifacts. Borrowing from historians Nina Lerman, Arwen Mohun, and Ruth Oldenziel, gender is broadly defined here “as a set of ideas about maleness and femaleness and the shifting boundaries between them.”¹⁵ Indeed, because gender is malleable, historically

contingent, and socially constructed, it is an effective tool for influencing markets, with very real material and economic consequences for both men and women.

The primary subjects of this chapter are the marketing and design of self-service gas stations built in the United States from the mid-1960s through the end of the 1970s. Because the gender ideals that influenced the design and marketing of these stations developed over many decades, however, this analysis begins much earlier, before World War I, when the petroleum industry first recognized women as a powerful block of consumers. Developing strategies to attract this hitherto unacknowledged market segment presented a new set of challenges.

The realization that a growing number of women were driving cars in the first two decades of the twentieth century both surprised and confused the oil industry. There was initially no data to suggest how to make gasoline or automobile service attractive to women. The predominantly male oil industry assumed cars were driven by men who all shared at least some degree of two supposedly masculine traits: knowledge of mechanics and a universal appreciation for engine performance. Thus, most marketing strategies emphasized quality fuels and expert service. Based on deeply embedded American cultural values and notions of femininity, however, oilmen concluded that women did not share these traits or desires. Oilmen were not unique in their assumption that the proper place for women was in the home, where her scope of expertise was limited to cooking, cleaning, child care, and other household duties.¹⁶ These gender norms remained largely intact until the feminist movement of the late 1960s and early 1970s, just as self-service was becoming the predominant mode of gasoline marketing.

Oilmen looked to a variety of personal and institutional sources of information when designing strategies for marketing to women. In the first half of the twentieth century, independent station owners often relied on their own gendered intuitions about the fundamental nature of women. Or they turned to their wives for advice, as they were encouraged to do by industry periodicals. Following World War II, publishers, advertising companies, and market-research firms increasingly promoted their services as experts about what women thought, feared, and desired. As the petroleum industry gradually consumed these data and services at various levels from the corporate executive to the station owner, assumptions about feminine dexterity, style, and comfort were built into the physical artifacts and cultural milieu of the gas station. The seemingly objective and methodologically sophisticated postwar market research supplemented, but never fully replaced, the earlier sources of informal knowledge and personal intuition.

Women also worked alongside men at gas stations throughout the twentieth century as mechanics and pump attendants, and in various other capacities. In light of this fact, it seems odd, in retrospect, that the oil industry feared women would be unable to operate self-service pumps. However, men and women were assigned to different jobs under changing circumstances. This was another important way in which femininity and masculinity were socially constructed—through actions, design, and marketing. The questions surrounding the adoption of self-service in the 1970s were a continuation of decades-long debates about the gendered basis of technical competence, comfort, and consumption.

The Power of the Purse

The buying power of women consumers gradually came to the attention of gasoline retailers in the late 1920s. Readers of *Petroleum Age* were exhorted to “Look out for the Woman Customer—She may Rule the Market,” noting that over a million automobiles were registered in women’s names and that half of all families with a car had a woman driver.¹⁷ However, marketing to women was considered a waste by many male station owners, who assumed that women were unlikely to purchase gasoline and were incapable of making decisions about automobile service. The first of these assumptions was gradually dispelled by market research conducted in the decades before World War II. One of these early studies, initiated in the late 1920s by a national oil company, concluded that women were the direct buyers—or influenced the selection—of at least half of all gas and oil purchased at service stations.¹⁸ According to one oil-merchandising expert writing for *Petroleum Age* in the late 1920s, it was a woman’s “natural instinct to be a shopper”; the only question that remained was how to anticipate her particular automotive-service needs and desires.¹⁹

Marketing experts drew the buying power of women into sharper focus after World War II using more analytical research techniques. By surveying over “300 authorities,” such as women’s clubs and department stores, researchers from the Hearst Corporation’s Magazines Marketing Division were able to “crystallize authoritative opinion of women’s influence” in more than 200 product categories, including gas and oil. Hearst confirmed that women influenced the purchase of 56 percent of gas and oil and as much as 75 percent of automobiles. This was particularly true in the suburbs, where men often commuted to work by train or bus, leaving the family car at home for women to use for maintaining the household.²⁰

As much as men in the oil industry came to view women as an economic opportunity for service station owners, however, these men also looked upon

women as an “enigma,” a capricious sort of puzzle. “The problem of how to treat women motorists becomes more acute year after year,” the marketing department of *Petroleum Week* advised the journal’s readers in 1959, noting that the number of female motorists swelled from 15 million to 35 million in the past decade.²¹ On the one hand, the problem was that little useful data had been collected to suggest what women wanted. As late as 1959, *Petroleum Week* could claim that no major oil company had ever conducted a separate study of female service-station consumers. On the other hand, marketers increasingly described women themselves as problematic customers, a segment of consumers who were fundamentally different than men. “Men have always tried to appeal to women,” its writers joked. “But oil marketers haven’t quite agreed on how to appeal to women drivers—or even how much effort and money they should spend in trying.” Marketers preferred to envision the public as a monolithic block of shoppers with consistent patterns of consumption on which national marketing campaigns could be based. They were frustrated by women, whom they considered “intimately personal,” “emotional,” and “less predictable than men.”²² Marketing men at Chevron were only able to come up with advertisements, promotional strategies, and survey instruments that they hoped would “get to a woman’s psyche.”²³

The oil industry talked about wanting to know the “buying habits and idiosyncrasies of women motorists,” so that it could “cater to the whims and fancies” of its female customers. But such language suggested that marketing men considered women fickle and, therefore, beyond the point of systematic understanding.²⁴ Still, they had to try. As the president of Coast Oil in San Jose, California, readily admitted, “women run men,” and this personal insight was the key to his business strategy. “Women handle the purse strings,” Richards said, “and everything we do is for them.”²⁵

“New Money” and the “Calls of Nature”

To attract female consumers, gas retailers had to overcome a dual obstacle: advertising media that strongly associated service stations with masculinity, and marketers worried that the technical jargon, smells, and residues surrounding these places offended women. Service stations were “a man’s world of grease, gas, and gears,” according to one woman’s testimonial captured in a Chevron television advertisement from the 1960s.²⁶ The petroleum industry developed a series of station enhancements, operational procedures, and marketing approaches to make women feel welcome and comfortable in this foreign environment. In doing so, the men behind these decisions relied on their own perspectives of what was important to women. Recurring themes

included domesticity, cleanliness, and aesthetics, all of which were first brought together in the form of a toilet.

Blanche Stuart Scott had solved what she referred to in 1910 as the “problem of a tiddy break” by having a blacksmith in Wyoming drill a hole in the floorboard of her Willys-Overland. The opening accommodated a rubber hose attached to a stomach pump purchased at a drug store, forming a contraption into which she and her female copilot could urinate while driving. Scott was halfway through what would become only the second cross-country automobile endurance test completed by a woman. Her invention was necessary because every time she and her copilot stopped by the side of the road to relieve themselves, the mostly male press entourage would gather to see if they needed assistance with the car.²⁷ Discretion was difficult under these circumstances. Toilets were few and far between on the road in those days, when gas stations consisted of no more than a pump at the edge of the street.

One of the first articles to extol the marketing benefits of a proper women’s restroom, written in 1920, struck a number of gendered tones that would resonate throughout the remainder of the century. First, it established that men were “mostly off on women’s likes and dislikes.” Second, the writer observed that many station owners considered women “a nuisance” because they were by nature “totally unmechanical.” As a result, their trips to service stations were often only for small, unprofitable adjustments, not major repairs. Third and most importantly, the male author openly conceded that, while all women were not identical, they nevertheless shared enough similarities to suggest an effective marketing approach. He concluded, “A woman must always be handled psychologically.” Garagemen were encouraged to leverage women’s “sentimentality in little ways,” making small physical modifications and operational gestures that female customers would perceive as major enhancements. One of these enhancements was addressed through the careful design of the women’s restroom, or “parlor.”²⁸

Of course, men appreciated toilets, too, and service stations almost always had them. They were provided for the male employees and were therefore located within the garage in a corner of the service area, often tucked in next to the work benches. Upon request, the public were often welcome to use these facilities. Women, however, were said to find toilets located within the service area an awkward, socially uncomfortable arrangement.²⁹ Moreover, these facilities were frequently described as exceptionally dirty. Despite prevailing American inhibitions that made it “taboo . . . to talk about toilets” in the first half of the twentieth century, the petroleum industry called on station owners to provide proper public restrooms.³⁰ “Surely, human needs are at least as important as automobile needs,” wrote the civic-minded proprietor of a service station in Detroit.³¹

Women were thought to desire cleanliness, but stations owners were also encouraged to consider a woman's sense of style. Having already established that men were ignorant of (not to mention insensitive to) women's needs and desires, Tom Wilder, an editor of *Motor Age*, advised station owners to "call in an expert," a wife or secretary, perhaps.³² This was what counted as market research in 1920. While details might vary, the male editor asserted that "women like comfort, beauty, harmony of color, pleasing contrasts and arrangements of details." Drawings created by Wilder, who in the 1920s frequently surveyed and illustrated emerging trends in station design, showed a parlor featuring rugs, framed art, furniture, and leaded-glass windows in the Arts and Crafts style popular at that time. A key point in this design process, which he repeated in a number of different ways, was to "make [the restroom] the way she would like it rather than the way you think she would like it if she thinks the way you do." In other words, real effort was required. Guesswork and male intuition were inadequate. The garageman's success would depend upon his faculties as "a detective or investigator." The insinuation was that women were a mystery. But cracking their codes was worth a man's while because, if the result was suitably attractive, a woman customer might call her friend to join her for a visit in the station's parlor and—who knows?—they might purchase something of value.³³

Ultimately, financial interests aligned with public interests where restrooms were concerned. "Now that tens of millions of our population are on the move every day in conveyances that heighten the calls of nature," the editor of *National Petroleum News (NPN)* admonished station owners to no longer let their toilets be "an embarrassing liability." To do so was an opportunity squandered. Restrooms could be a valuable promotional asset, "a way to arouse the public's esteem for the oil industry." Public expectations were also said to be rising as a result of increased exposure to new sanitation equipment installed in modern office buildings, hotels, and private homes.³⁴

At the beginning of the 1920s, oilmen seized on the notion that providing a separate restroom for women was the surest way to get them into a service station. While it might not have been clear exactly what women wanted by way of services or advertising promotions, station owners certainly appreciated the anatomical differences between men and women. Restroom enhancements would remain a central feature of advertising and marketing gasoline stations to women for the remainder of the century. From the 1920s until just before the beginning of the women's movement of the 1960s, market researchers invoked pseudoscientific explanations of how, compared to men, a "woman's physical delicateness" made her innately "more sensitive to neatness and order." Men were unfazed, as if by natural adaptation, to the "odors and grease stains" of the service station.³⁵

America's first service station specifically designed for and marketed to women opened in 1930 on a busy corner in Washington, D.C. A metal plaque prominently affixed just to the right of the front door announced its formal dedication to the "service of women motorists." The facility's design, reportedly the product of months spent studying gasoline merchandising, featured a spacious lounge touted as a major selling point. It occupied a third of the overall station building. Cleanliness was again considered one of a woman's greatest desires, but here was a unique twist. When a woman customer needed change, she was given "only new money, coin or currency," which was obtained each day directly from the U.S. Treasury Department only a few blocks away. Automobile attendants were instructed to tell the station cashier whether the change was for a man or a woman; men received "run of the till" money in change.³⁶

The perceived importance of cleanliness to women was amplified in response to a venereal disease scare that swept the nation in the late 1930s.³⁷ As the federal government launched a nationwide campaign against VD, *Good Housekeeping* urged women to "forget their modesty" and join a movement to "crusade for clean restrooms."³⁸ Women were bombarded in the 1920s and 1930s by advertising, marketing, and other media that reinforced the importance of hygiene and highlighted the many products and processes available to help maintain clean homes, safe children, and sanitary bodies.³⁹ In this context, women were not merely considered sensitive to, or offended by, dirty toilets; they had an "innate fear" of them, according to an author prominently identified as a doctor's wife, writing in *NPN*.⁴⁰

The petroleum industry capitalized on these anxieties by turning what might have been a public relations problem into a marketing opportunity, one specially tailored to the coveted female demographic. Standard Oil Company's internal marketing department used its own publication, *Esso Dealer*, to advise station owners that an easy and effective way to attract new business was to advertise clean restrooms. Circulars printed to promote the campaign featured a young woman climbing into a man's car as she commented on her experience with the "cleanest restroom" (figure 11.2). Beneath the illustration, a caption linked restrooms and automobile care by indicating that the bathroom was cleaned for its user's protection, just as Esso protects cars with high-quality service.⁴¹ Together, the graphic and text completed the marketing message: women appreciated the bathroom, while male drivers recognized skillful automobile mechanics.

Although Esso stressed that its campaign was successful without costly new stations or restroom modernization—only diligent use of soap and water were required—the Davidson Enamel Company's advertisement in *NPN* promoted installation of its Veos wall tile as a sure way to amplify



One way to show our appreciation of your calls is by providing clean, inviting restrooms. We do this for your protection—just as we protect your car with skilful service and products unexcelled.

**DEALER'S NAME
AND ADDRESS**



Figure 11.2 Marketing clean restrooms at Esso gas stations

Source: "Dealers Offered Advertising Helps to Feature Clean Toilets," *National Petroleum News*, May 25, 1938, 39.

sales. The gasoline industry was itself the intended audience for the advertisement. The vignette illustrating a mother helping her young daughter out of the family car, however, clearly indicated that women were still the final target of the tile's installation, which was shown in a dramatic before-and-after photographic sequence.⁴²

Not to be outdone by Esso, Associated Oil Company used "advertising directed 'For Women Only'" to ask what would be most pleasing to female motorists because women knew their own desires best. Clean restrooms ranked high as a survey response, which led Associated to craft its "Certified Clean Comfort Stations" program. Associated skillfully used the image of a young female nurse to imply exactly who was certifying its service stations (figure 11.3). In the context of the times, the image had a triple-layered meaning: women were considered innately clean, the reference to nurses evoked the sanitary environment of a hospital setting, and the nurse was a potent antidote offsetting widespread fear of venereal disease.⁴³



Figure 11.3 Marketing clean restrooms with a nurse

Source: Jack Westsmith, "Clean Rest Room Theme Aimed at Women Drivers," *National Petroleum News*, May 25, 1938, 35–37.

Finally, most marketing campaigns focusing on the restroom sought to associate the service station with the family home. Simple marketing transformed a gas station restroom into a woman's "parlor." A rare female owner of stations in South Carolina emphasized how she provided mirrors, fresh linen towels, and talcum powder for free, as well as fine lounge chairs, so that women would "feel at home" in her facilities. On certain special occasions, she gave women bouquets of narcissus and daffodils, freshly cut from her service station gardens.⁴⁴ It was no coincidence that the most popular designs for service stations built in the 1920s and 1930s emulated the appearance of a small house.⁴⁵ Cloaked in the styles of the English Cottage, Tudor, and Colonial Revival, stations designed to look like houses not only reinforced the comforting associations of domesticity, but they also more easily blended into the residential neighborhoods in which they were increasingly being located. On top of that, marketers urged station operators to treat women drivers like "company" rather than customers.

Other more subtle but no less calculated strategies employed artifacts associated with domesticity. A manufacturer of vending machines for service stations recommended that they be stocked with rubber soap dishes, coasters, jar openers, and other common household items. The machines were not intended to make money in themselves; in fact, the items within were sold at cost or even a loss. The manufacturer of these self-service vending machines sought to convince station owners that featuring small and inexpensive items more typically found at drugstores would attract women's attention so that "indirectly they think about us in connection with their



Pure Oil dealers are helpful

After all, that's what friends are for—being helpful. Our business depends on treating customers as friends. We like to check the spare, for instance. We expect to give the extra little services that can keep your car running good, with minimum trouble and maximum economy.

It's our way of showing we really appreciate your business.

Before another day goes by...

BE SURE WITH PURE



Figure 11.4 Advertisement featuring an unusually helpful gas station attendant

Source: Chicago Daily Tribune, April 14, 1959.

automobile needs.⁴⁶ To be sure, the industry wanted women to think of the petroleum industry in connection with their cars, but the purpose of the vending machines was to psychologically distance the service station from its connection to grease and gears and to realign its associations with the home and domesticity.

Sometimes, advertising themes emphasizing family security were amplified to the point of absurdity to stress the extent of a brand's commitment to servicing women, as in Pure Oil's 1959 advertisement featuring a station attendant changing a baby's diaper (figure 11.4). Yet, the illustration also reflected a broadening conception of the station attendant's masculinity. In addition to being a mechanic with the manly technical expertise to use the oil on which he sits, he is also a uniformed representative of a national corporation who possesses administrative skills. Even still, he understands domestic functions and priorities, which makes him sensitive and careful enough to handle a child.

Domestic themes accentuated with costly architectural flourishes reemerged in the following decades. In the late 1960s, Citgo designed its station restrooms so that they were "residential in décor, with vanity counters, bright colors, big mirrors, luminous ceilings, fancy light fixtures, and composition marble basins." A competitor, Sunray DX, used red carpets and full-length mirrors, and it called the ladies' restroom a "dressing room." Meanwhile, the Humble chain of stations built large women's rooms characterized in industry descriptions as "ornate" and referred to in advertisements as "powder rooms." Competition for a superior women's room had become tantamount to a Cold War-era service station arms race. By the end of the 1960s, restrooms were the most expensive part of service stations, measured on a cost-per-square-foot construction basis.⁴⁷

Stations Manned by Women

Women worked at service stations throughout the past century, but their employment was circumscribed by gender ideals that specified the appropriateness of various tasks. Station management assigned women to jobs considered compatible with, or facilitated by, their femininity. Male managers perceived other tasks to require masculine skills that they ascribed to men. They often divided these jobs along lines that mirrored prevailing gender norms. However, station owners and petroleum marketers could also realign gender associations when it served their employment needs, such as in war, when few men were available for hire or when it benefited their bottom lines, as it did during the transition to self-service sales. Despite women

working at service stations in varying capacities, however, men commonly stereotyped them as possessing an innate “weakness and utter estrangement from things mechanical,” particularly where cars were concerned, as historian Virginia Scharff has observed.⁴⁸

The Packard Motorcar Company vowed in 1918 to never go back to using men after two young employees proved their abilities as “woman mechanics.”⁴⁹ This assessment was echoed in the same year by an automobile dealer who claimed that women performed some jobs better than men. The male dealer referenced feminine virtues to explain how women were good listeners and therefore better at following instructions. He also thought they were tidier and that they therefore did not soil customers’ cars. And he considered them especially fast and thorough when washing parts in gasoline “due to housekeeping experience and instinct.”⁵⁰

When working at service stations during World War I, however, women mostly labored in the garage, safely out of public view. It was considered risky from a marketing perspective for women to perform service-oriented tasks that might require customer interaction. Some station owners worried that the spectacle of women working as mechanics would generate unwelcome curiosity, resulting in lost time and profits.⁵¹

Women obtained more publicly visible jobs at automobile service stations during and after World War II. As early as 1942, major oil companies were touting the advantages of what they called “girlpower” ([figure 11.5](#)). One study commissioned by a major oil company and executed by an “independent organization of survey specialists” measured the performance of each gender through a series of tests conducted at gasoline stations at which both men and women worked. Both sexes occupied customer-service oriented positions that required them to change wiper blades, refill vital fluids, and interact with customers. The study concluded that, overall, the performance scores of men and women were basically indistinguishable. Also, perhaps contrary to the original hypothesis, women did not clean restrooms any more effectively than men. It was, however, noted that “girls” around twenty-three years old appeared to be most suited for the job. Women much older than twenty-nine or thirty were determined to be generally stubborn, difficult to train, and unresponsive to disciplinary measures.⁵²

Other observers framed hiring women in terms of benefits versus liabilities. On the positive side, whereas men with career potential often went on to pursue better job prospects, women were always readily available and willing to work part-time. They were also supposedly sociable by nature. Furthermore, housewives who lived near the station in which they worked tended to know their neighbors, and word of mouth had long been recognized as an effective marketing strategy. On the negative side, there were



Figure 11.5 Women training to work at gas stations during World War II

Source: “Dip stick technique is more important than lipstick technique when selling motor oil,” read the original image caption. “Sunoco Trains Fair Sex to Fill War’s Vacancies at Stations,” *National Petroleum News*, February 11, 1942. Photograph courtesy *NPN Magazine*.

some jobs that men considered women poorly equipped to perform because of their perceived anatomical differences. Lack of strength was an assumed deficiency, but it was also thought that women’s joints were “not adapted as well to rotary motions.” Consequently, when Standard Oil hired and trained its first corps of “Chevronettes,” it reserved installing batteries and other jobs requiring “masculine strength” for men. Yet Standard Oil had such confidence in its Chevronettes that more than a third of its entire workforce was female by 1943, and many stations were “completely ‘manned’ by women.” The keys to developing this type of female workforce were “sympathy and understanding of women’s special problems,” in the words of one petroleum industry journalist.⁵³

There were also important social issues to consider when hiring women to work at service stations. Standard Oil predominantly hired Chevronettes who were married. The thinking was that a wedding ring saved gas-buying suitors from the potential for humiliating public rejection at the pumps.⁵⁴ Other proprietors went to even greater lengths to discourage their stations

from becoming pickup venues. Some young women were just always “pulling out their powder puffs and lipstick every five minutes so that they’ll be all prettied up for the next man who drives in,” according to one owner-operator. Careful screening of “girl applicants” was considered vitally important. “The tomboy type is given preference because she isn’t afraid of mussing up her hands,” according to a representative of SoHio. His company would not hire the “petite, entertaining type [who] gets in the way [and] takes up the time of our men in being protective toward her.” Though left unsaid, it might be inferred that the tomboy was less attracted to, or by, the opposite sex, and that the “petite, entertaining type” was too physically alluring for service among virile young men.⁵⁵

That men felt obliged to protect women in the service station environment was yet another marketing obstacle to female employment in this line of work. More problematic than the prospect of customers asking out the “gas girl” was the male driver who drove past a service station with a woman attendant out of his commitment to maintaining traditional gender roles. One feared scenario was that, upon seeing a female attendant, a male customer seeking gas or oil would abruptly drive on to find another station where men were working so as to maintain “his age-long ideas of chivalry.”⁵⁶ Given time to adjust, another station owner thought that “chivalrous males” would grow accustomed to having women perform jobs that they “instinctively feel should be done by men.”⁵⁷ This testimony, too, suggested that graciously (or perhaps gratuitously) protecting women from work that was technical and potentially dangerous was how many men felt they were supposed to express their masculinity.

Like so many Rosie the Riveters, most women hired by service stations during the world wars were considered only temporary help while men were away. In the remaining full-service decades that followed, some women continued to be hired, but they were treated as more ornamental than their hardy wartime sisters. “Serv-ettes” hired by Cities Services stations in the early 1960s reportedly handled only the “simpler, menial tasks allowing [male] station operators and mechanics to do heavier and more intricate repair jobs.”⁵⁸

The late 1950s and 1960s was also a period of market research experimentation for the oil industry. Several major oil companies reverted to a variation on an older market research method to obtain updated information about women. With its 1959 initiative, “Sugar and Spice—Everything Nice,” Pure Oil solicited product merchandising ideas directly from dealers’ wives.⁵⁹ In 1967, Mobile devised a similar husband-and-wife information gathering program called “Teammates for Profits.” These quasi-focus-group strategies were further supplemented by nationwide statistical surveys like

one conducted by the Ethyl Corporation to determine how married couples negotiated the choice of gasoline brands.⁶⁰ Neither research method seemed to change traditional beliefs about gender that informed female-oriented marketing on the eve of the feminist revolution. Some independent stations employed women to serve as bait. In 1963, the same year that Betty Friedan published *The Feminine Mystique*, a station in Florida hired young women to pump gas wearing tight shorts and white blouses. *NPN* reported that “fully nine out of ten male drivers get out of the car to observe”⁶¹ In a gas industry still characterized by fierce competition among major oil brands and smaller independent operators, gender-based marketing was as experimental as ever.

Why Service Mattered

Service-oriented retailing was the predominant mode of gasoline marketing throughout the United States from the first decade of the twentieth century through the 1970s. Consumers could experientially evaluate the quality of service, but gasoline by itself presented a peculiar challenge from a marketing perspective. Because drivers were unable to chemically compare the quality of gas sold at competing stations, they tended to differentiate between brands on a purely psychological basis.⁶² In contrast, buyers of commodities like clothing, food, and durable goods used their senses of sight, touch, smell, taste, and hearing to evaluate purchases. Marketers targeted these senses in tandem with culturally sanctioned norms in various ways to articulate difference among competing brands, or at least the perception of difference. It is no coincidence, for example, that the respected advertising firm Lippencott & Margulies, which created marketing campaigns for the petroleum industry in the 1950s and 1960s, named their promotional magazine *Design Sense*. The inability of most drivers to objectively measure the quality of gas has never prevented manufacturers from promoting the benefits of additives and detergents or touting various claims to superior product quality. Effective marketing campaigns, however, frequently focused on attributes like service and station design that had little or nothing to do with gasoline.

The key to customer loyalty in this highly competitive marketplace was to convince customers that a station hired only the most dependable and skilled automotive technicians. Service was part of that station’s brand, which was further reinforced by marketing campaigns coordinating signage, slogans, and station design. As one study conducted in the 1950s by the Research and Marketing division of the *Chicago Tribune* noted, even though “most people feel that ‘gasoline is gasoline’ . . . motorists still want to believe that gasoline companies and the people who work for them are different.”⁶³

Despite the reality that most attendants performed relatively simple tasks like pumping gas and checking oil, their uniform and station affiliation were perceived as symbols of professional automotive expertise. The *Tribune* study found that drivers “attach great importance to the company’s general reputation and the caliber of the people operating the stations they have personally known or heard about.”⁶⁴ Gas station owners therefore cultivated an image of dependability, which was exemplified by Texaco’s 1950s marketing slogan, “You can trust your car to the man who wears the star.”

Fuel industry experts considered pump-side social interaction between attendants and drivers critical to a business model that depended upon repeat customers of gas sales and car service. With a momentarily captive audience, the attendant was also supposed to sell the customer on the more lucrative, higher-margin service items—tires, batteries, and accessories (so-called TBA sales)—which marketers deemed crucial to a station’s bottom line.⁶⁵ A master’s student who studied customer interaction at service stations in 1973 found that successful sales hinged upon the attendant’s ability to apply “various social maneuvers while waiting upon a client.” In other words, a winning personality and tact, more than mechanical dexterity, were the employee attributes that secured repeat customers.⁶⁶

Women in particular were encouraged by various media sources to depend on such service. *Good Housekeeping* advised readers as late as 1970 to patronize the same station: “You get to know the men who man the pumps and they understand you, your schedule and your car needs.” The magazine suggested women should find a station where service attendants “treat you like a person.”⁶⁷ According to “Women on Wheels,” a major marketing survey conducted for Ethyl Corp by Young and Rubicam, female gas customers were brand loyal. Quality and consistency of service were the most important factors in their choice of gas stations.⁶⁸ There was good reason for oil-men to worry how women would react to the transition to self-service sales.

Self-Service

The 1970s were a tumultuous social and economic period in which the oil industry was forced to rethink strategies for marketing gasoline that it had continually refined, within narrow parameters, over the previous half century. The 1973 Arab-Israeli War and the ensuing oil embargo caused gasoline demand to outstrip supply to a degree not seen since the fuel rationing of World War II.⁶⁹ The oil shortage led to a marketing problem of unprecedented proportions for gas station owners, who scrambled to maintain profits by cutting costs. One solution was to fire the pump attendants and compel customers to refuel their own cars.

As a marketing scheme, self-service is so simple it almost appears obvious. Gas station owners had no control over the price of oil, the minimum wage, or tax rates. But they could alter their management practices, invest in new technologies, and make whatever other design changes were necessary to facilitate customers pumping their own gas. In other words, they were free to reinvent the marketing of their product. Like so many innovations that appear self-evident in hindsight, however, self-service was neither the clear choice nor initially a desirable one for major corporations in the gasoline retail industry. Small, independent stations in Los Angeles had begun experimenting with self-service in the late 1940s.⁷⁰ Despite enthusiastic support for “self-service aspirants” in the 1950s from men like Dan Lundberg, public relations counsel for the fledgling Serve Yourself Gasoline Stations Association, early adopters remained on the fringes of the market for the next two decades.⁷¹ Not until the 1970s was self-service marketing lauded within the industry as a powerful marketing strategy destined to become the retail “phenomenon of our era.”⁷²

The rise of the self-service station paralleled an important trend that the oil industry was acutely aware of: by 1970, nearly one-half of all licensed drivers in the United States were women.⁷³ Given the industry’s assessment of women’s technical capabilities, however, oilmen were initially unsuccessful in their pursuit of women drivers. When a female advertising agent was asked in 1970 to comment on the nature of “approaches . . . traditionally used to communicate with women,” she noted that most were “moronic” and “insulting,” adding that her firm was conducting a poll to find the ten television commercials women hated most.⁷⁴ If the petroleum industry was initially reluctant to believe women would use self-service, however, they also recognized women as a large and potentially lucrative segment of the gasoline market. As a 1972 study conducted by the Bureau of Advertising entitled “The Working Woman” pointed out, 71 percent of employed women purchased gasoline themselves, and 33 percent were responsible for car maintenance. Furthermore, the report promulgated an idea with implications that sent ripples throughout the oil marketing business: as a group, women had “specialized needs.”⁷⁵ While the oil companies had already come to this conclusion in the interwar period, the realization was nonetheless new for the following generation of men marketing gas, and it could not have resurfaced at a better time. At a loss for how to establish brand difference in a time where service no longer mattered, and already poised to initiate total station redesigns to incorporate self-service technology, gasoline marketers recognized a new rationale for providing special amenities for women. If women could be convinced that a particular station or brand catered to their needs, owners could then secure customer loyalty by

supplanting automobile service with gender neutral or, better yet, female-friendly design and advertising.

Gas station design was revolutionized by the rapid adoption of self-service and the industry's desire to attract women. The two were manifested architecturally in a variety of ways, as retailers first tried to make the best use of their existing infrastructure by adapting the now ancillary garage bays for other purposes. Some merely boarded over their garages or converted them into cashiers' booths, but many stations incorporated services or commodities unrelated to the automobile, effectively disconnecting auto repair from gas sales. Among these, the convenience store—or “C-store”—was recognized as the most promising tie-in, which was not surprising given socially constructed notions of gender and consumption.⁷⁶ Reflecting the well-established belief that women were innate consumers, particularly of family-oriented staples like milk, bread, and Band-Aids, the C-store offered a powerful marketing synergy for an industry trying to attract women on the go. In the words of historian Ruth Schwartz Cowan, as women gained increased access to the automobile, “more and more businesses converted to the ‘self-service’ concept, [and] more and more households became dependent upon ‘herself’ to provide the service.”⁷⁷

The C-store concept was presented in industry journals as a way to further domesticate and feminize the male industrial image of the gas station. Retailers hired women employees to emphasize additionally that gas stations were now within the sphere of women. As one self-service proprietor operating fifty stations in the South noted, “we’re making an effort to get women to work in our stores. . . . This is in line with our new image”—one that *NPN* editorialized as “food rather than gas.” In the context of the self-service revolution, in which marketing men consciously courted female customers, such an image was another way of saying “feminine” rather than “masculine,” “domestic” rather than “industrial.”⁷⁸

The issue of female customers pumping gas remained a concern for marketers and station owners, who worried that women might be confused or intimidated by the pump technology. In response to this perceived obstacle, the industry sought ways to promote the momentum of the larger self-service culture. One strategy was to employ a small group of women to set an example for the rest to follow. A popular industry theory held that women behind station registers and pump intercoms encouraged other women to conclude, “if there’s a girl working there, she understands [the technology] and it must be simple enough to operate.”⁷⁹

Landscaping and station beautification were added to restrooms as an essential part of the “total design” marketed to women. In the wake of the

Highway Beautification Act, passed in 1965 and strongly associated with its primary advocate, Ladybird Johnson, Citgo launched a program for visual enhancements to stations that included a landscaping manual, an approach Citgo claimed was “feminine oriented.”⁸⁰ Sun Oil Company pursued a similar, but more aggressive, strategy. Chartering a bus specifically for the occasion, the company sponsored a tour for forty-four area garden club members to visit four Sun stations, where they were asked to judge “each station’s efforts in planting flowers and shrubbery.” And whereas men presumably could have been among the forty-four members, the photograph accompanying the article showed seven women admiring the plantings. “We were amazed and gratified that you have such an extensive beautification and cleanliness program,” commented one member of the tour, adding, “we’ll all be more aware of these facilities in the future”—which, of course, was Sun’s intention all along.⁸¹

As it eventually became clear that the energy crisis was a long-term predicament, gas station architecture adapted accordingly. New stations built in the late 1970s and 1980s favored designs with a small cashier’s window and a large overhead canopy to protect drivers from the elements when pumping gas.⁸² Although by no means an architectural innovation unique to that time (canopies were a popular design feature for service stations in the late 1950s), the canopy became the most visible architectural component of the late 1970s and 1980s gas station, and remains prevalent today.⁸³ In addition to its tremendous advertising potential, the canopy dovetailed neatly with the oil industry’s gendered objective to build an architecture that compensated for supposed female frailty. Attempting to create a “station with women appeal,” Citgo used the canopy with a clear objective: “Where we have a lot of women customers, we’ll put up a canopy. They like the protection they feel it gives them.”⁸⁴ The obvious assumption was that women deemed protection—either from the elements or from would-be attackers discouraged by the canopy lights—more essential than did men.

In addition to architectural and programmatic adaptations, gasoline marketers also manipulated station technology in their attempts to feminize the self-service experience. Changes made to the gas pump, where women had their most intimate interaction with self-service, clearly illustrated the influence of gender. Among the greatest stumbling blocks that men envisioned women having with self-service was the physical manipulation of the pump, because it was a technological device. Simplifying the operation of the gas pump was yet another means that station owners envisioned for establishing superiority over competitors in the minds of women. As petroleum equipment manufacturer Dresser-Wayne found through a survey it conducted in

1972, women were inclined to return to the same station once they learned how to operate the self-service pumps associated with that brand. Because women believed self-service pumps might differ from station to station, the study explained, they wanted to avoid making mistakes and embarrassing themselves in public.⁸⁵

Pump makers, smelling what *Business Week* described as “a lush new market,” played an important role in the 1960s and 1970s, selling the idea of self-service to an industry socially and economically invested in full-service technology.⁸⁶ Their advertisements vividly illustrated a gradual evolution in how the oil industry constructed gender in the context of gas station technology. Men were almost exclusively depicted as the customers and attendants of gas stations until the late 1960s. Then, images of young female drivers appeared in ads accompanied by text dripping with sexual innuendo, which was not only sophomoric but also all too easily derived from the phallic symbolism and action of the fuel pump. Using images of women to lend glamour and sexual appeal to advertisements for all types of commodities purchased by both men and women became common during this period and remains prevalent today.⁸⁷ For pump makers in particular, however, the depiction of seemingly flirtatious, if not promiscuous, young women seduced by an attendant manning a shiny new machine was the ultimate full-service fantasy ([figure 11.6](#)).

The representation of women in pump advertisements changed rapidly as manufacturers pushed the self-service revolution, and possibly also in response to pressure from the women’s liberation movement.⁸⁸ By the early 1970s, women featured in pump ads were noticeably older, professionally dressed, and interacting on their own with the self-service technology ([figure 11.7](#)). Such imagery was offered as visual proof to convince gas retailers that the technology was simple and light enough for women to technically and physically operate. Pump makers were motivated by the substantial profits to be made in the changeover from full-service machinery. In 1966, a conventional pump sold for around \$600, whereas a coin-operated self-serve unit sold for more than \$1,400.⁸⁹

Women’s perceived needs were incorporated into self-service gas pump technology in ways both obvious and subtle. Dresser-Wayne developed a design that incorporated a plastic covering to shield the driver’s hand from the chill of the gasoline coming out of the underground storage tank. This feature was integrated with a lightweight nozzle and hose, which its manufacturer claimed was specifically designed for women.⁹⁰ Marketing to women may have been closer to the true objective. Nearly every pump maker during the 1970s unveiled models that incorporated designer colors and aesthetically pleasing machine housings, all rhetorically aimed at attracting women customers.

Tokheim Pumps Bring Action!

*Get in
on
the
action...*

According to repeated surveys among oil men — majors and independents — more buyers prefer Tokheim pumps than any other make. Tokheim pumps have what it takes to bring action at the island — striking appearance, continuing dependability, highest accuracy, lowest maintenance cost. And yet you pay no more. Get with it. Get with Tokheim — the pump that brings action.

GO TOKHEIM

Systems for the Movement and Measurement of Liquids

TOKHEIM CORPORATION, Dept. A-1, FORT WAYNE, INDIANA 46801

Figure 11.6 Advertisement for Tokheim pumps

Source: National Petroleum News, July 1970. Used by permission of Wayne, a GE Energy Business.

With the technology, architecture, and aesthetic embellishments in place, all that was needed was a public education program aimed at women drivers. Derby Refining Company of Wichita, Kansas, experimented with a series of clinics designed “to acquaint women customers with self-service, and to give them tips on how to use self-service gasoline-dispensing equipment.”⁹¹



Figure 11.7 Advertisement for Dresser pumps

Source: National Petroleum News, August 1976. Used by permission of Wayne, a GE Energy Business.

Once women learned how to use Derby's pumps, the jobber hoped they would return as repeat customers. Another owner in Salt Lake City, Utah, felt that the way to empower women was to show them how to check their own oil and tires. He added his own personal insight to suggest "a woman will always accept being shown how to do something. . . . It's awful hard to tell a man what to do."⁹² Doing its part to provide women with access to technical knowledge, *Better Homes and Gardens* ran an article titled "How to Fill'er Up Yourself," which included advice such as: "at the pump, lift the nozzle from its receptacle and use your other hand to reset the pump readout

back to zero.”⁹³ In consultation with *Good Housekeeping*, Citgo developed a car care and safety program for women marketed under the slogan “There’s a Car Man for every woman at CITGO.” The campaign, described by its creators as the first of its kind to “go after the big market of women in a great big way,” was intended to assure women that, even though the stations were now self-service, a man would still be present to offer technical guidance, should they need assistance. It was Citgo’s way of offering women the perception of service in the self-serve era.⁹⁴

Conclusion

The architectural, technological, and marketing innovations surrounding self-service may not have resulted in stations that felt gender neutral for the women who experienced them in the 1960s and 1970s. Did women perceive the landscaping, convenience stores, canopies, and colored pumps in the ways that their designers intended? Presented here are only the assumptions, intentions, and economic forces that shaped the gendered landscape of the gas station. Accounts of women’s first experiences in these new retail spaces are unfortunately unrepresented in the industry literature and difficult to find in the popular media.

Some sources suggest that women *were* inclined to patronize self-service stations, though not for the reasons that marketers had hoped. According to a graduate student of business administration who wrote his thesis about self-service in 1970, women preferred to pump their own gas because it enabled them to avoid unwanted social interaction with male pump attendants, whose looks and behaviors could be disconcerting.⁹⁵ The image of attendants portrayed in advertising for half a century as handsome, competent, and friendly men sporting clean uniforms and a broad smile full of straight white teeth began to unravel toward the end of full-service era. In reality, it may always have been a fantasy built on marketing. By the early 1970s, working the pump was considered a rotten minimum wage job commonly stereotyped as being held by sleazy, if not also disgruntled, men.⁹⁶

Essentialist notions of gender permeated the discourse surrounding self-service gas stations, and so it comes as no surprise that they were eventually translated into the design of the facilities under discussion. What is remarkable are the subtle ways in which station owners and oil industry executives used their understanding of gender to develop technologies and protocols that they felt compensated for women’s technical and physical disadvantages or complemented their “innately” feminine characteristics. To make women feel comfortable and capable in a formerly male domain, the oil industry demasculinized, sanitized, and domesticated the station environment.

The gas station was not the first traditionally male technical environment opened to women, but its gender associations were permanently restructured in the full-service to self-service marketing implementation of the 1970s. Unlike the way that women were welcomed into the industrial workforce at the beginning of the First and Second World Wars, only to be expelled at their conclusions, the self-service revolution was rapid but lasting. Marketing transformed culture and architecture to such a significant extent that self-service gas stations have essentially become gender-neutral landscapes in which women are treated no differently than men. All of the women-oriented accommodations and advertisements of past generations either have disappeared or have been assimilated as gender-neutral conveniences offered to women and men alike.

Notes

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1. Interview with Marjorie and Leonard Vernon, <http://www.cmp.ucr.edu/exhibitions/yavno/donors.html>.
2. There are at least two variations of the title and date given for this Max Yavno photograph among the several museums that have a copy in their collections. The version featured in this publication, from the Cornell University Herbert F. Johnson Museum of Art, is titled *Self-Service, 1980*. Ben Maddow uses the title *Self-Service, 1978* in his book, *The Photography of Max Yavno* (Berkeley, 1981). It is also unclear if Yavno intended the date to be part of the formal title of the photograph.
3. Two notable exceptions are New Jersey and Oregon, where state laws prohibit self-service gas stations.
4. Interview with Blaine Yarrington, *National Petroleum News* [hereafter: *NPN*] 62 (May 1970): 47.
5. “Self-Service Moves in on the Pump,” *Business Week*, October 1, 1966, 130.
6. Theodore Levitt, “Marketing Myopia,” in *Modern Marketing Strategy*, ed. Edward C. Bursk and John F. Chapman (Cambridge, MA, 1964), 24–48.
7. Charlotte Montgomery, “Speaker for the House,” *Good Housekeeping*, January 1978, 18.
8. “Now, the No-Service Station,” *Time*, August 22, 1977, 43.
9. “Energy, Higher Prices Close In,” *U.S. News & World Report*, September 15, 1975, 13.
10. “Way to Cut Gas Costs: Pump Your Own,” *U.S. News & World Report*, September 15, 1975, 13.

11. Self-service supermarkets featured wide parallel aisles to facilitate swift movement through multilayered shelves on which customers could inspect and select purchases from open product displays. See Richard Longstreth, *The Drive-In, the Supermarket, and the Transformation of Commercial Space in Los Angeles, 1914–1941* (Cambridge, MA, 2000), 78, 111.
12. With large stores and low prices, supermarkets depended on an economic formula that derived profits by pairing high-volume sales with low labor costs. See M. M. Zimmerman, *The Super Market: A Revolution in Distribution* (New York, 1955): 145–46; and James Mayo, *The American Grocery Store: The Business Evolution of an Architectural Space* (Westport, CT, 1993).
13. See Daniel Delis Hill, *Advertising to the American Woman, 1900–1999* (Columbus, OH, 2002), 38–68. For a discussion of food shopping as a historically female-gendered activity, see Rachel Bowlby, *Carried Away: The Invention of Modern Shopping* (New York, 2001), 145.
14. Other industries have also capitalized on gender for commercial gain. In her study of the glass industry, historian Regina Lee Blaszczyk finds that “producers harnessed culturally sanctioned ideas about femininity and masculinity to gain competitive advantage”; *Imagining Consumers: Design and Innovation from Wedgwood to Corning* (Baltimore, MD, 2000), 16.
15. Nina E. Lerman, Arwen Palmer Mohun, and Ruth Oldenziel, “Versatile Tools: Gender Analysis and the History of Technology,” *Technology and Culture* 38, no. 1 (January 1997): 2.
16. Ruth Schwartz Cowan, *More Work for Mother: The Ironies of Household Technology from the Open Hearth to the Microwave* (New York, 1983).
17. “Look Out for the Woman Customer—She May Rule the Market,” *Petroleum Age* 21, no. 1 (April 1929): 22–23, 47.
18. Walter E. Rogers, “Who Really Buys Gasoline and the Oil You Sell at Your Service Stations?,” *Petroleum Age* 21 (February 1, 1928): 20–22. Numerous articles over the next two decades would reach the same conclusion: women represented a powerful market force either as direct consumers or in their capacity to influence the purchases of their husbands. See, for example, “Use Pump Display to get Women Customers,” *Petroleum Age and Service Station Merchandising* 28 (November 1924): 27–28; Leonard Castle, “Ladies Day Idea Stresses Merchandising and Cleanup,” *NPN* 40 (August 4, 1948): 7; and “Chevron West Woos the Ladies,” *NPN* 61 (May 1969): 95.
19. “Look Out for the Woman Customer.”
20. *The Influence of Women on Buying* (New York, [1954?]), 20.
21. “Women Drivers: Enigma to Marketers,” *Petroleum Week* 8 (May 8, 1959): 31–32.
22. Ibid. The oil industry appears to have had a short institutional memory of past research, at least where women were concerned.
23. The article identifies the industry speakers generally as “marketing men”; see “Chevron West Woos the Ladies.”
24. “Can Oil Win Loyalty of 42-Million Women?,” *NPN* 59 (May 1967): 110–12; and Castle, “Ladies Day Idea Stresses Merchandising and Cleanup.”
25. “Can Oil Win Loyalty of 42-Million Women?”

26. "Chevron West Woos the Ladies."
27. Her sponsor, Willy-Overland, would claim it was the first; see Curt McConnell, *"A Reliable Car and A Woman Who Knows It": The First Coast-to-Coast Auto Trips by Women, 1899–1916* (Jefferson, NC, 2000), 89.
28. Tom Wilder, "And Now Your Parlor," *Motor Age* 37 (April 1, 1920): 26–27.
29. Warren C. Platt, "Industry Should Furnish Good Toilets and Make Public Pay for Them," *NPN* 20 (September 12, 1928): 85, 87.
30. *Ibid.*
31. "Pay Toilets Are a Bar to Undesirables," *NPN* 20 (October 17, 1928): 40.
32. Wilder, "And Now Your Parlor."
33. *Ibid.*
34. Platt, "Industry Should Furnish Good Toilets and Make Public Pay for Them"; see also "Pay Toilets Offer Means of Financing Cost of Modern Rest Rooms," *NPN* 20 (November 14, 1928): 100–103.
35. "Women Drivers."
36. Roger B. Stafford, "America's First Service Station Dedicated to Women," *NPN* 22 (April 9, 1930): 89, 92, 96.
37. For the larger context of the venereal disease scare of the 1930s, see Allan M. Brant, *No Magic Bullet: A Social History of Venereal Disease in the United States Since 1880*, expanded ed. (New York, 1987), 138, 146.
38. Walter H. Eddy, "Women Urged to Crusade for Clean Restrooms," *NPN* 30 (March 30, 1938): 25–26.
39. For examples, see Ellen Lupton and J. Abbott Miller, *The Bathroom, the Kitchen, and the Aesthetics of Waste: A Process of Elimination* (Cambridge, MA, 1992), 20–21.
40. Elizabeth Platt Maison, "Women Shun Dirty Stations," *NPN* 30 (April 6, 1938): 33.
41. "Dealers Offered Advertising Helps to Feature Clean Toilets," *NPN* 30 (April 13, 1938): 39.
42. *Ibid.*, and Veos Wall Tile Advertisement, *NPN* 30 (June 19, 1938): 44. Other manufacturers of bathroom products also advertised their products directly to the petroleum industry, including the Bowlus Manufacturing Co. of Springfield, OH, which made "a special appeal to the oil industry with a toilet designed primarily for installation in public places"; see "Pay Toilets Offer Means of Financing Cost of Modern Rest Rooms."
43. Jack Westsmith, "Clean Rest Room Theme Aimed at Women Drivers," *NPN* 30 (May 25, 1938): 35–37. As Roger Horowitz found in his study of the meat packing industry, women have long been considered innately clean; see his article "'Where Men Will Not Work': Gender, Power, Space, and the Sexual Division of Labor in America's Meatpacking Industry, 1890–1990," *Technology and Culture* 38 (January 1997): 191. On the strategic use of nurses in advertising imagery from the 1920s and 1930s, see Lupton and Miller, *The Bathroom, The Kitchen*, 20–21.
44. S. M. Levy, "Letters Invite Women to Station to See Flowers and Shrubbery," *NPN* 22 (April 30, 1930): 85, 88.

45. Chester H. Leibs, *Main Street to Miracle Mile: American Roadside Architecture* (Baltimore, MD, 1985), 100–101.
46. “Use Pump Display to Get Women Customers,” *Petroleum Age and Service Station Merchandising* 28 (November 1934): 27–28.
47. “Can Oil Win Loyalty of 42-Million Women?”
48. Virginia Scharff, *Taking the Wheel* (New York, 1991), 26.
49. The technical dexterity of women was affirmed by a report from the National Industrial Conference Board, which offered “a highly favorable account of the efficiency of women mechanics and metal workers.” The report observed that “in numerous instances their work, in motor car plants and elsewhere, has surpassed that of men.” See “Women Prove Efficient Mechanics,” *Motor Age* 34 (August 22, 1918): 25.
50. “Women as Solution of Service Problem,” *Motor Age* 34 (August 16, 1918): 17.
51. *Ibid.*
52. “Girlpower at Work,” *NPN* 34 (July 29, 1942): 31–33.
53. James H. Collins, “Women and Oil Mix Nicely,” *Petroleum World* 40, no. 12 (December 1943): 34–37.
54. *Ibid.*
55. “Gasoline Gals Peacetime Casualties?,” *NPN* 35 (September 8, 1943): 40–41.
56. “Re-filling Job,” *Business Week* (May 31, 1941): 49–50.
57. “Gasoline Gals.”
58. “Checked this Manpower Source?,” *NPN* 55 (March 1963): 117–19.
59. “Women Drivers.”
60. “Can Oil Win Loyalty of 42-Million Women?,” *NPN* 59 (May 1967): 110–12.
61. “Florida Station Staffed 100% by Girls,” *NPN* (August 1963): 106–8.
62. Daniel I. Veyra, *Fill'er Up: An Architectural History of America's Gas Stations* (New York, 1979), 8.
63. William Earl Henry, *Gasolines, Gasoline Companies and Their Symbols: A Study of Meaning and Reputation of Gasoline* (Chicago, IL, 1957), preface.
64. *Ibid.*
65. For one testament to the perceived importance of TBA sales, see Dan Lundberg, *Getting into “Serve Yourself”* (Culver City, CA, 1950), 58–60.
66. Walter L. Houdyshell, “Service Station Attendants and Their Customers: A Study of Face to Face Interaction,” (MA thesis, University of Montana, 1973), 57, 166.
67. Charlotte Montgomery, “Speaker for the House,” *Good Housekeeping*, August 1970, 48–49.
68. “Most Women are Loyal to One Gasoline Brand,” *Oil & Gas Journal* 60 (November 5, 1962): 71.
69. Daniel Yergin, *The Prize: The Epic Quest for Oil, Money, and Power* (New York, 1991), 588–91.
70. Leibs, *Main Street to Miracle Mile*, 108.
71. Lundberg, *Getting into “Serve Yourself”*, copyright page; Lundberg later became one of the most influential outside analysts of the oil industry with his publications of the *Lundberg Survey* and the *Lundberg Letter*, which remain widely cited statistical sources.

72. Mark Edmond, "Where Self-Service Stands Today: Leveling Off but Boom is Ahead," *NPN* (September 1973): 98.
73. "Majors Aim Efforts at Women Drivers," *NPN* (July 1970): 71; Young and Rubicam, Inc., *Women on Wheels II* (N.p., [1962?]), 1; "And, Speaking of Women. . . .," *NPN* (July 1970): 71.
74. "And, Speaking of Women. . . .," 71.
75. "Report Boosts Women as Market Target," *NPN* (November 1972): 67.
76. "Marketing Trends: What's on the Way," *NPN*, Factbook Issue (1970): 26.
77. Cowan, *More Work for Mother*, 85.
78. Steven Lubar, "Men/Women/Production/Consumption," in *His and Hers: Gender, Consumption, and Technology*, ed. Roger Horowitz and Arwen Mohun (Charlottesville, VA, 1998): 22; "Why Marketers Turn to Convenience Store Tie-Ins," *NPN* (April 1971): 48.
79. Edmond, "Where Self-Service Stands Today: Leveling Off But Boom is Ahead," 104.
80. "Can Oil Win Loyalty of 42-Million Women?"
81. "Station Upkeep Praised," *NPN* (October 1971): 36.
82. Edmond, "Where Self-Service Stands Today," 102.
83. "Canopies: What's Behind an Old Standby's New Appeal," *NPN* 50 (November 1958): 529. One prefabricator of station canopies reported in 1976 that over 90% of his business was "going to the self-service market"; Marvin Reid, "How the Magic of Self-Serve Cost-Cutting Works," *NPN* (July 1976): 64.
84. "Here are the Key Trends and Changes in Station Equipment," *NPN*, special report (October 1970): 95; "Majors Aim Efforts at Women Drivers," *NPN* (July 1970): 71; "CITGO Aims at Women," *NPN* (May 1971): 17; Citgo "Car Man" advertisement, *NPN* (August 1971): 116–17.
85. "Women's Market Surveyed," 58.
86. "Self-Service Moves in on the Pump," 129.
87. Julie Wosk, *Women and the Machine: Representations from the Spinning Wheel to the Electronic Age* (Baltimore, MD, 2001), 118. One study using a content analysis of advertisements published in popular magazines in 1970 found that women were seldom depicted outside the home, especially if unaccompanied by a man or other women. In the rare exceptions in which they appeared alone in a male world, women were "portrayed as decorations." See Alice E. Courtney and Sarah W. Lockeretz, "A Woman's Place: An Analysis of the Roles Portrayed by Women in Magazine Advertisements," *Marketing Science Institute, Report No. 70-146* (Cambridge, MA, 1970).
88. A content analysis of women in magazine ads between 1959 and 1971 found that women were most often shown as beautiful sex objects dependent on men, but that this tendency noticeably decreased between 1969 and 1971 to reflect the changing role of women in society—a result of the sexual revolution, the authors theorize. See M. Venkatesan and Jean Losco, "Women in Magazine Ads: 1959–1971," *Journal of Advertising Research* 15, no. 5 (October 1975): 49–54.

89. "Self-Service Moves in on the Pump," 129.
90. "Too Complicated," *NPN* (June 1971): 55.
91. "Tries Self-Service Clinic," *NPN* (April 1975): 24.
92. James C. Wilson identified a similar attitude among domestic appliance salesmen in the early twentieth century. Summarizing the attitudes of these salesmen, he wrote, "although women might not be technologically competent, they were [thought to be] compliant, pliable, and willing to learn to use any new domestic appliance." James C. Wilson, "Getting Housewives the Electric Message: Gender and Energy Marketing in the Early Twentieth Century," in *His and Hers*, 103. Mark Edmond, "Why Jobber Moves Into Self-Service Marketing," *NPN* (June 1971): 30.
93. "How to Fill'er Up Yourself," *Better Homes and Gardens* (September 1977): 108.
94. "CITGO Aims at Women," 17. Citgo "Car Man" advertisement, *NPN* (Aug. 1971): 116–17.
95. Anthony J. Buchner, "The Application of the Self-Service Concept to Gasoline Retailing," (MA thesis, St. Johns University [New York], 1970). See also Thomas Coyne, "Warns Gas Stations to Change," *Chicago Tribune*, October 14, 1966, C8.
96. Tom Senter, "Strictly Street," *Hot Rod* (Sept. 1972): 14. This stereotype is brilliantly parodied in *The Blues Brothers* movie of 1980, in which Elwood Blues, played by Dan Aykroyd, impersonates a pump attendant to proposition the young female driver of a Jaguar convertible played by the famous English model Twiggy.

CHAPTER 12

The Bad Science and the Black Arts: The Reception of Marketing in Socialist Europe

Patrick Hyder Patterson

Amassive unease about markets marks the history of communist Europe. On one hand, orthodox Marxists were trained to view markets with suspicion, as frank instruments of subjugation. In standard Marxian analyses, the market almost inevitably figured as a primary vehicle of capitalist production relations and, in turn, of the oppressive politics that such economics implied. At the same time, however, pragmatism often enough prevailed over doctrinal rectitude, and even many resolute communists came to recognize, once in power, that the mastery of markets had proven essential to the development of better-functioning domestic economies, and therefore to the establishment of socialist legitimacy among a more contented (or at least less discontented) citizenry. Understanding markets—and better still, *controlling* markets—therefore became, all such misgivings notwithstanding, a primary desideratum of socialist policy makers and business leaders. In many socialist countries, this perceived need led, in turn, to the formation of commercial and academic circles keenly interested in the nature and operation of markets in both their capitalist and noncapitalist manifestations. On the heels of this change in ideas came an institutional shift, seen in the rise of various organizations dedicated to the development of market research. Over time, the many promises of the market even opened the way, at least in some venues, to the importation of

the distinctive principles and practices that had come to be embraced and celebrated in the capitalist West as the complex, comprehensive, and allegedly indispensable “marketing concept.”

This study examines the principal dynamics of the history of marketing in four of the most prosperous and—because of that prosperity—most profoundly affected polities of socialist Eastern Europe, using primary sources from Yugoslavia, Hungary, the German Democratic Republic, and Czechoslovakia. My aim here is to develop an accurate comparative overview of the response to the market sciences in these critical locales. The findings presented cannot, of course, speak to the totality of marketing history in socialist Europe. Some important sites of socialist practice, most notably the Soviet Union, have had to remain beyond the scope of this research. But in most of the other polities not considered here, marketing was substantially weaker, if not indeed largely ignored. In contrast, the four targeted cases, because of their comparatively productive and diversified economies and well-developed commercial structures, go a long way toward allowing us to understand what marketing meant and how it functioned in those places in the socialist world where it had the most potential and was pursued most vigorously.

Before the mid-1960s, most communist governments paid little attention to marketing as such. Yugoslavia offered an early and striking exception to the prevailing pattern, but otherwise, as G. Peter Lauter observed in the midst of a rising interest in the marketing concept during the early 1970s, “all Eastern European socialist countries considered it to be a ‘necessary evil’ which did not merit the same attention as other problems of economic growth.”¹ Gradually, this entrenched resistance abated to varying degrees, but marketing did not (indeed, probably could not) come to socialist Europe in a straightforward, unproblematic way.² Quite to the contrary, it was variously subjected to scrutiny and skepticism, defended as an essential technique of sophisticated industrial management, assailed as an instrument of capitalism, and targeted for modification and harmonization with socialist values as a precondition for acceptance.

Especially early on, marketing as such—and here we must distinguish marketing both from the much narrower practice of market research and from a much wider and more general interest in the function and perfection of market mechanisms—encountered staunch opposition, and in some quarters even outright rejection. Even in socialism’s final decade, marketing could remain a hard sell: in the crisis-ridden Poland of the late 1970s and early 1980s, for instance, members of the economic establishment hewed to the old line and continued to “define the basic problem as a ‘production problem’ rather than a marketing one,” treating the work of Western marketing specialists “at best as premature, and at worst as irrelevant” to the effort to correct the country’s notorious deficits in consumer provisioning.³ But over the course of the 1960s

and 1970s, as the vaunted curative powers of market incentives proved a more tempting remedy for the ills of socialist economic development, marketing as such found increasing acceptance among planners and business specialists in a number of Eastern European communist countries.

This changing reception of marketing must be understood as part of a more general reconsideration of the power and promise of markets that percolated through many parts of communist Eastern Europe beginning in the 1960s. Surveying the various arts and sciences of commercial promotion as part of that reorientation, decision-makers in socialist polities evaluated a wide range of strategies and elements of market communication and market management and, with perhaps surprising frequency given their suspect Western provenance, found them tempting and attractive—or, at the very least, innocuous and potentially helpful, and therefore tolerable. In particular, the creation of distinctive branding and packaging was accepted as thoroughly logical and natural—essentially, a new “must” for socialist commerce—while the large-scale, self-service retailing modes that had been pioneered with such apparent success in rich capitalist countries were in much the same way received as eminently useful and likewise “safe” for the socialist public. Superficially at least, these techniques were perceived as system-neutral. Business specialists, planners, and politicians assumed that they could therefore be adopted more or less intact without substantial ideological, cultural, or social costs. (Even as to the most seemingly innocent of these methods and practices, however, my conclusion is that there were sometimes unrecognized effects that, in the end, proved subversive of socialism.⁴⁾ The related field of advertising posed greater problems, to be sure, as it had long been strongly associated with the profit-hungry deceptions of capitalist sales. But although it elicited considerably more skepticism than “modern” retailing styles, even advertising finally managed to win widespread acceptance in many of these societies, albeit with occasional severe setbacks and reversals, as happened in the East German retrenchment of 1975–76, when authorities in that country banned almost all commercial advertising.

Market research, strictly speaking, found a fairly warm reception. In most cases—and especially after the “thaw” following Stalin’s death in 1953—the planners and policy makers of socialist Eastern Europe clearly acknowledged a need to develop good tools for gauging consumer preferences, purchasing power, the geographic distribution of the customer base, and other factors of demand. As such, various socialist countries ended up producing an enormous literature of professional research on market conditions and consumption structure.

Marketing per se, however, was quite often a different matter entirely. Whereas market research could with comparative ease be treated, like other

innovations, as a system-neutral technology devoid of ideological content, the “marketing concept” came with a decidedly Western pedigree. Marketing arrived as an approach that had undeniably been designed to collect, manage, and deploy information in the pursuit of optimized market efficiency—and thus maximized firm profits. As such, it could come across (not without some reason) as a consummately capitalist construct. Even if marketing was, as its advocates claimed, a science, it could, seen through the lens of traditional socialist ideology, easily appear as a system of knowledge production aimed at manipulating consumers and elevating business interests over social concerns: a bad science. If, on the other hand, all the trappings of mathematically precise science-talk that accompanied the marketing concept as it made its way to the East were more properly dismissed as just so much wishful thinking and puffery, and marketing was, instead, like advertising and public relations, something more akin to an art, it remained equally subject to criticism as a skill that served the same disreputable ends of persuasion and profit: a black art of surveillance, manipulation, and control. At a minimum, then, some level of justification and rationalization often seemed necessary for the introduction of marketing, if not indeed a greater investment in altering, neutering, and sanitizing this suspect capitalist import.

From the Art of Consumer Persuasion to the Science of Consumer Sovereignty: The Theory and Practice of the Marketing Concept and Its Origins in Capitalist Business

As regards marketing’s apparent grounding in capitalist economics, some guiding observations are in order at the outset. Although marketing work may have been, in the words of one of its leading interpreters, Philip Kotler, “traditionally viewed as the business function entrusted with the task of finding customers,” a major change in the self-understanding of the marketing discipline was underway by the mid-1960s that would break with this old tradition and, once accepted as the new business orthodoxy, have enormous implications for the way capitalist commerce was conducted. “Marketing’s short-run task,” as Kotler observed in his advocacy of the new approach, “may be to adjust customers’ wants to existing goods, but its long-run task is to adjust the goods to the consumers’ wants.”⁵ In this revised conception, marketing has come to advocate—and at the same time, at least in its self-image, embody and fulfill—the priority and primacy of consumer desires.

If the principles of the marketing concept are taken seriously, this insistence on consumer sovereignty means that a major role reversal has taken place (or is at least supposed to take place) in the day-to-day practice of business. Whereas “marketing a product” may once have signified an exercise

in the persuasion of customers—that is, doing and saying what was necessary to get shoppers to buy what was already on offer—“marketing” has now come to encompass information flows in the other direction as well. In theory at least, it is now enterprise managers who are being persuaded. Businesses that follow the logic of marketing are, in this view, given inducements to manufacture the goods and provide the services that consumers want. They also obtain sufficient knowledge to make decisions with confidence about what they should offer.

Accordingly, modern marketing—as conceptualized in the capitalist West—functions as a way of understanding and controlling markets that treats distribution and sales as simply one important part of a much broader process that must be monitored, understood, and managed at every key juncture. As such, marketing moves away from being a communication system concerned purely with consumption. It elevates the importance of production and insists that there can be no easy dissociation of production and sales activities. “Marketing may stand officially at the end of the assembly line,” as Kotler put it, “but unofficially its influence must be felt on the drawing boards.”⁶ Even in a capitalist system that prides itself on spontaneity, flexibility, responsiveness, and innovation on-the-fly, marketing has, for this reason, figured as a practice of information management with bold, direct claims about the value of planning. Product development is to be planned, production is to be planned, promotion is to be planned, sales are to be planned.

In the course of all this concern about the start-to-finish conformation of business action in relation to consumer desire, marketing—probably more so than any of the other business fields associated with commercial promotion—has evidenced a pronounced predilection for theorizing, comprehensive systematization, and grand claims to scientific or near-scientific certitude. Even when marketing’s proponents have recognized that the “science” is not quite (or not quite yet) defensible as such, they have typically insisted that a continuing investment in near-scientific management practice will yield results. Kotler’s argument along these lines, for example, stresses that “marketing decisions must be made in the context of insufficient information about processes that are dynamic, nonlinear, lagged, stochastic, interactive, and down-right difficult. These characteristics could serve as an argument for intuitive marketing decision making [but in fact] they suggest the need for *more* theory and analysis in marketing, not less.”⁷ At a minimum, then, marketing understands and presents itself as a science in the making: if not perfect, then at least perfectible. In this respect as in so many others, the self-understanding of modern marketing is remarkably, sometimes even breathtakingly, bold.

And it has grown bold in ways that even marketing’s advocates themselves do not recognize: over time, marketing has evolved into something much

more than just a system of determining customers' wishes and then mapping production to those wishes. As Hartmut Berghoff has argued, the day is long since past when marketing functioned as a more or less limited tool of sales and distribution (*Absatzinstrument*). Over the course of the twentieth century, marketing grew into a far larger philosophy and ideology of management (*Managementphilosophie*) and, indeed, has lately taken on aspects of what Berghoff calls a "universal technology of social formation" (*universelle Sozialtechnik*). As such, marketing not only "serves in the influencing of human behavior" but also, through its function as "a fundamental process of social rationalization," demonstrates broader aspirations to (and real achievements toward) universalization.⁸ Historical examinations of marketing have largely been confined to the narrow spheres of business-enterprise history and the history of academic disciplines. Lamenting that tendency, Berghoff insists, quite rightly, that historians need to be alert to the significance of marketing not just for the predictable domains of business and economics, but for analyses of consumption, politics, and culture as well. This new engagement should, moreover, go forward in a clear-headed, nonpolemical way that leaves to marketing's acolytes and adversaries all the "overestimation and underestimation, the demonization and glorification" that have marked so deeply the discussion of marketing and its social impact.⁹

Given the hostility and skepticism that have long surrounded marketing even in the comparatively forgiving milieu of the capitalist West, and given its audacious claim to represent a definitive and totalizing understanding of market processes, it is anything but surprising that marketing found tough audiences in the socialist East. For many, there was plenty to object to. Perhaps the biggest problem was the one that came into view instantly: as it had been practiced thus far up until the 1950s and 1960s, marketing hit communist Europe as an avowed tool of competitive conquest, a technique by which self-interested (and, implicitly, privately owned) firms might seek to understand and secure their place in markets for goods and services. In this respect, of course, marketing shared something with advertising (which was itself viewed as highly suspect in some quarters).

But there was a difference. Treated as simply a set of "techniques" that could be transferred to the service of socialist production and distribution, advertising lent itself more readily to a process of (real or imagined) socialist neutering. Marketing, however, involved not just techniques and methods, but also an explicit philosophy of corporate performance and market dominance as the natural—and desired—result of a proper respect for the laws and conditions of market operations. On its face, at least, the very logic of marketing was one of competition, increased profits, and market share that understood the interests of the firm as paramount (albeit with a

simultaneous insistence that only through the recognition of the interests of consumers could any business hope to serve its own self-interest). All this was, of course, hard to swallow for convinced communists used to speaking of commerce as a social service.

From the standpoint of orthodox Marxism, there were other problems, too. If the marketing concept has challenged critical aspects of capitalist tradition and orthodoxy by insisting that advertising and sales are not to be mere afterthoughts to earlier, often unexamined production decisions, it worked in a similar way to confound the ingrained expectations and ideological commitments of socialist decision-makers. For Marxist-Leninist systems, the idea that “the consumers’ wants” would, of necessity, figure “on the drawing boards” was nothing short of radical. Production, not consumption, was granted priority. Reversing that equation seemed fraught with risk and was, moreover, an affront to the fundamental Marxist sense of solidarity with worker-producers.

At the same time, however, the rise of the marketing concept also suggested some degree of convergence between the two competing systems, at least as regards techniques if not ultimate ends. As one prominent Hungarian specialist noted in 1968, in the course of her positive and optimistic assessment of marketing’s utility for socialist economics, while expert circles in the communist sphere were starting to appreciate the parallels between their own planning conventions and marketing’s affinities for precise and systematic efforts at market management, Western practice had been moving toward a technocratic, guided mode of its own: “marketing in the capitalist economy emerged in a new form … and planning, which had earlier been condemned as a ‘communist’ tool, came to the forefront.”¹⁰ For those seeking common ground, the ideological terrain left substantial room for compromise and maneuver.

Distance, Skepticism, and Suspicion: The Response to Marketing in East Germany

Given these tensions, marketing (and with it, the field of market research) encountered widely differing reactions across, and indeed often even within, the various socialist societies that confronted it as a candidate for possible domestic adoption. In the German Democratic Republic, marketing per se gained very little traction. Unlike in other comparatively prosperous communist states, it never received widespread and enthusiastic endorsement among the country’s commercial cadres. And in the trade literature of commercial promotion, marketing was marked either indistinctly or negatively, as a suspiciously Western system, a judgment that comes across unmistakably in the spotty, cool, and distant treatment of marketing in

the dominant (indeed, monopolistic) East German advertising journal *Neue Werbung*, the organ of the state-run advertising institution DEWAG.¹¹ The closest comparable domestic concept to the West's "marketing" was the East German notion of *Bedarfslenkung*, literally, "the steering of demand," a process whereby supply, demand, and the "conditions of procurement" [*Vermittlungsbedingungen*]—such as advertising, sales organization, and the formation of prices—would be monitored and guided by industrial producers, merchants, and state authorities.¹² In typical East German fashion, *Bedarfslenkung* was a creature of the overall goals of the party. It promised, as one of its advocates put it, a "process of influence over the development of needs" that would always be linked with the effort "to advance the formation of comprehensively civilized socialist personalities."¹³

As regards the acquisition of the knowledge needed to understand markets, the leadership of East Germany's commercial and administrative-political establishment opted for a considerably less threatening alternative to marketing as such: market research [*Marktforschung*]. In 1962, the government of the GDR established in Leipzig the Institut für Bedarfsforschung [Institute for Demand Research], renamed in 1967 as the Institut für Marktforschung. The impulse toward the market reflected in this initiative was real enough, and the institute's sustained engagement with questions of market composition and consumer desire proved noteworthy in many respects. But as put into practice by the Leipzig group and, more generally, the East German government, "market research" and "demand research" remained rather different creatures from their counterparts in Western capitalist practice. As an arm of the Ministry for Trade and Provisioning [*Ministerium für Handel und Versorgung*], the Institut für Marktforschung was enmeshed in a governmental structure in which a wide variety of competing and often conflicting interests were at play. To complicate matters, it appears to have lacked real power to push production in the direction of the wants and needs that consumers had expressed because, as Philipp Heldmann notes, the ministry in question "had precious little influence over the precise composition of the goods that were on offer."¹⁴

But reading the history of market management in East Germany as some large-scale, ongoing frustration of the Institut für Marktforschung's purposes would presuppose that there existed a clear and consistent intention to bend markets to demand. This seems a faulty premise. Official policy, as Jörg Roesler observes, was by no means focused exclusively on making it possible for citizens to make good on their various consumer desires. Instead, the government sought to cultivate in the populace a sense of "what, under socialist conditions, would be considered rational and sensible consumption," while at the same time, "needs would not just be ascertained, but also instilled

and removed.”¹⁵ The economic initiatives of the GDR, like the leaders who guided them, were never fully reconciled to the idea that markets should, in the main, be constructed so as to follow consumer choices. While East German socialism, like socialisms elsewhere, took real pains to try to find out what shoppers wanted and likewise trumpeted the idea of “serving the customer,” that principle was always held in check by a host of competing governmental interests, and nothing resembling the concept of consumer sovereignty ever took root in a deep, explicit, and meaningful way, at least not among high-level policymakers.

Consumer sovereignty was so alien to the ethos of the GDR and, at the same time, so central to the concept of marketing that, by the mid-1970s, marketing was often subject to outright antagonism in East German professional discourse. Grave reservations over what were seen to be the inherently capitalistic premises and consequences of the practice led prominent experts to conclude that “socialist marketing” as such was unthinkable.¹⁶ The suspicion that marketing might indeed function as a universal technology of social formation in Berghoff’s sense emerged as a prime source of difficulty. Along these lines, two specialists denounced the “marketing philosophy” [*Marketinglehre*] as an overarching ideology of capitalist control that had, since its ascendancy in the United States in the 1920s and in capitalist Europe in the 1950s, extended its power to “virtually all domains of social life”; spread “the demagogic of so-called consumer sovereignty”; and, in the process, “led to open and brutal forms of manipulation of the working masses.”¹⁷ Despite some evident but limited seepage of marketing thought into the methods and concerns of Marktforschung, Bedarfslenkung, and similar, more constrained practices, marketing as such remained in the mainstream of East German discourse a collection of “perverted,” “aggressive” business practices and a “total,” “all-encompassing strategy for guaranteeing sales”—successful on its own terms, to be sure, but ultimately grounded in manipulation.¹⁸ The GDR was an orthodox system that, in the end, remained largely orthodox.

Reversal of Fortune: The Fate of Marketing in Czechoslovakia

Marketing ideas fared somewhat better in another comparatively conservative communist polity, Czechoslovakia. To the extent that officials and commercial professionals there recognized a need to adapt the country’s economy to market forces, they often showed an interest in market research and indeed even in the more controversial marketing concept as well. The changed circumstances that had accompanied the liberalization efforts of the mid-1960s, and especially the run-up to the introduction of the New Economic Mechanism

from 1965 to 1967, made for what seemed to be, to market-minded reformers, a truly propitious time for the introduction of the business methods that had become, as they quite carefully observed, so fashionable and so highly regarded in the developed West. Domestic specialists in this period often spoke about marketing as a more or less fully transferable, system-neutral tool and directed little, if any, criticism toward its capitalist provenance.

The Prague Spring of 1968 was a springtime for marketing, as well. By that time, Czechoslovak business circles included a small but visible and engaged collection of promarketing activists, especially among those connected with advertising. For specialists like these, opening the door to the market, as the New Economic Mechanism sought to do, meant welcoming marketing, as well—and welcoming it without much of the handwringing and controversy that so often accompanied the discussion of marketing in more orthodox communist contexts. In this spirit, for example, Juraj Prachár, one of the country's leading academic advertising experts and for a time a prime promoter of the marketing approach, was able to write about marketing in 1968 as if its efficacy, its reliability, and not least of all its suitability for adoption in a socialist system were all beyond real dispute. Now, Prachár maintained, "the primary problem for the leaders of business enterprises is knowing what they really need, and what they are able to apply from the broad domain of marketing in order to cope with large-scale and difficult commercial problems."¹⁹

Enthusiasm about the potential benefits of marketing approaches was unmistakable. The new terrain in which the Czechoslovak economy found itself, Jaromír Balák asserted, would require a rethinking of production and consumption from a different standpoint, that of market efficacy, and for this task there were ample lessons to be learned from capitalist business practice. Accordingly, this commenter for the leading trade journal *Propagace* believed the reforms brought a remarkable window of opportunity and hope for real breakthroughs in the market sciences. "It's possible that here in our country as well," Balák ventured, "attention and appropriate expenditures will be dedicated first and foremost to market research and to the targeted development of goods and their purchase."²⁰ Although this particular analyst addressed the emerging economic situation primarily in terms of market research [*průzkum trhu*], in his position—and especially his claims about the primacy of market knowledge in production decisions—there were obvious affinities with marketing *per se*, for which Czechoslovak usage often simply adopted the English term.

Meanwhile, other specialists in the country were already looking specifically to marketing ideas and marketing practice. As another columnist argued, also in the early stages of the campaign for the New Economic

Mechanism in 1965, the necessary reforms of business and economic management could only go forward if entrusted to “specifically-tasked workers who have been given an expert education in marketing,” that is, to those who understood how and why, in a marketing-based system, “commercial promotion [*propagace*] will precede manufacturing and not follow it.”²¹ This perspective acknowledged that such a reorientation would require major revisions in both the conceptualization of business and its day-to-day practice, but it insisted all the same that marketing had become nothing less than a necessity. “In the future, only research undertaken on this sort of expert basis,” Oldřich Hofman asserted, “can ensure for us accurate foundations for determining the structure of production plans” and, in the process, ensure the model that was seen to be taking root all over the world might come successfully, with the benefits it promised, to Czechoslovakia.²² While such formulations contemplated that production would now be, to some degree, subordinated to consumer demand, they retained much of the traditional Marxist-Leninist insistence on governmental guidance of economic functions. Production was now to be *determined* by market concerns, it is true, but it was still to be *planned*. As comments like these suggest, in Czechoslovakia, as elsewhere, marketing’s characteristic elevation of planning processes was one feature that ultimately would make it more attractive among socialist audiences and help socialist-zone marketing pioneers justify its acceptance to doubting traditionalists.

Marketing’s confident claims to scientific status gave it another point of correspondence with, and possible entry into, the mindsets of socialist managers and planners. To the extent that marketing could be understood as a science, it could appear as a more or less neutral set of “rules” about the operations of markets, and to the extent that it purported to describe and systematize such natural and neutral rules, it could be more readily harmonized with the standard materialist modes of Marxist social science because of their strong predilections for the scientization of human relations. With these concerns in mind, yet another Czechoslovak commentator during the critical reformist period of the late 1960s praised marketing as nothing less than a collection of “scientific methods of work” in the cycle of production and consumption, noting that “a balanced market will demand an ever stronger retrospective linkage from consumers to manufacturers, which will prevent in advance the production of items with minimal use value, that is, production of the kinds of things that do not suit the consumer.”²³ This formulation constituted a deft transformation of original Marxian understandings of “use value.” Now the desires of potential customers and the requirement that production “suit the consumer” were paramount. In other words, through the spread of marketing thought, something very much akin

to the idea of consumer sovereignty was becoming established in a once-in hospitable communist climate.

Notwithstanding such early and ardent advocacy, however, the history of marketing in socialist Czechoslovakia offered up a decidedly mixed record over the long run. Like other practices associated with commercial promotion, marketing work and marketing ideas were subject to the changing fortunes of the market orientation among communist party elites. The “normalization” period that followed the military suppression of the Prague Spring by Warsaw Pact forces led to a general cooling of enthusiasm about the promise of the market, and the big chill was a long one. The eclipse of marketing was not, however, immediate. One comprehensive marketing handbook²⁴ appeared in 1971, and for at least the first few years of “normalization,” Czechoslovak specialists might still venture that “it is really possible to take full advantage” of promotional activities like advertising and public relations “only in the context of a marketing-based system of management and a marketing-based orientation of the entire commercial and manufacturing policy.”²⁵ Marketing and the even more far-reaching “marketing management” [*marketingové riadenie*] were, from this perspective, both central and essential. More traditional work like advertising certainly could “contribute to the removal of imbalances between production and sales, between what is offered and what is consumed, and to the acceleration of consolidation and equilibrium in the market,” insisted Ján Šaling, but like other elements in the long chain of production and distribution, such efforts now needed to go forward “in the broader, marketing-based conception” of advertising practice.²⁶ These were bold claims.

With time, however, positive references to marketing as such appeared less frequently, and by the mid-1980s, the analysis of business operations in terms of marketing systems was a lot less in evidence in the work of leading Czechoslovak commercial specialists.²⁷ Something much more like the pre-reform orthodoxy had been restored. As one commentator observed during what turned out to be the waning years of communist rule, marketing in its capitalist home

had arisen as a tool [*nástroj*] that had the function of creating the best match between manufacturing and the goods sold, that is, a tool of entrepreneurial management and the steering of the market. In socialist society, no practice under this nomenclature has come into existence, which results from the character of the socialist economy. But in spite of this, it is possible to apply several principles of marketing in our promotional activity, such as the increase of the importance of producer advertising, the systematic evaluation of advertising campaigns, and the like.²⁸

As analyses like these suggested, the marketing concept as such had been forced into the background, shunned as a capitalist tool.²⁹

Seen in the aggregate and in comparative terms, Czechoslovak marketing practice is best described as a weak midrange case: despite moments of keen attention even well after the heady days of mid-1960s innovation, it never really thrived. Instead it limped along, never all that lively, never wholly subdued. Yet even in this relatively restrictive political system, the reaction did not prove monolithic. Marketing ideas continued to spark some interest, and there was some continuing contestation over the proper use of market information in a socialist economy. That much said, however, evidence of the acceptance of marketing approaches diminished noticeably with the dismantling of economic liberalism and the disciplining of its proponents.

In contrast to the often cool reception that marketing *per se* ultimately received from the commercial and political establishments of Czechoslovakia and (especially) East Germany, a markedly different pattern of responses emerged in Hungary and Yugoslavia. Both these systems were, at least from the mid-1960s onward, consistently more open to experimentation with market mechanisms and—just as importantly—open to the very idea of the primacy of market signals as key points of departure for economic decision-making. In addition, both Hungary and (especially) Yugoslavia developed significantly more flexible and tolerant political cultures during this period, a looseness that translated into increased freedom for those in the commercial establishments who had been exposed to, become believers in, and now sought to advocate for the marketing orientation.

In the Mix: A Lasting Place for Marketing in Hungary

Hungary's experience can perhaps best be described as a general, if cautious, endorsement of marketing by influential commercial and policy elites within the apparatus of the state itself—a state that, despite a variety of market-oriented innovations and liberalizations, always retained firm control over economic function and business practice. Viewed over the period from the 1960s until the unwinding of state socialism in 1989, the extent to which Magyar officialdom welcomed marketing (and with it, market research) is striking. In fairly short order, marketing found itself with a solid institutional foothold in the country's business and academic infrastructure. Beginning in 1967, in a period of considerable optimism and excitement about the potential of markets that surrounded the run-up to the introduction of Hungary's own market-reformist New Economic Mechanism in 1968, the country's National Market Research Institute [*Országos Piackutató Intézet*] launched a professional journal. Titled *Marketing, piackutatás*, this was a review devoted

to what had become by that time a hot new business subfield, and it quite often took marketing as such as a key to long-term economic success in production for both foreign and domestic markets.³⁰ (Like other instruments of market culture, marketing always seemed less threatening to the communist order when it was directed outward, that is, when the tool of capitalism was used in competition against the capitalist countries that had perfected it. What is remarkable about developments in Hungary is the extent to which marketing won lasting acceptance as a foundation for domestic commerce [*belkereskedelem*]). To the extent that there were differences between the more Western-minded enthusiasts of marketing *per se* and traditionalist proponents of more limited market science, the title of the state-sponsored institute's new review simply split the difference, pairing the increasingly common English term with *piackutatás*, the literal Hungarian translation of the considerably narrower practice of "market research." Tellingly, however, the journal was renamed simply *Marketing* in 1985, a move that reflected the staying power and relative safety that marketing as such had achieved within the country's business and administrative establishment.

Over time, Hungarian commercial specialists produced a rich, revealing, and ever more sophisticated professional literature devoted to the sciences of market management.³¹ As in other socialist countries, there was widespread and sustained interest in the comparatively "safe" field of market research, but a notable feature of the analytical and prescriptive studies produced in Hungary was the extent to which they regularly incorporated an engagement with marketing on the terms in which that discipline had evolved in the capitalist world. While the country's marketing specialists themselves typically complained (with some reason) about how much their work lagged behind the successes of the West, seen in the comparative perspective of developments within European state socialism, Hungarians actually proved to be among the leaders in marketing, and they did so both early on and consistently. Publishing, academic, and other institutional initiatives for the advancement of the marketing approach went forward with notable success. Beginning in the 1970s, the country also became the site of a number of national and international conferences devoted to the fields of marketing and market research.³²

By the latter years of state socialism, marketing in Hungary had found a fairly secure, if not always entirely unchallenged niche in business circles, prized for what one of its advocates called its capacity to increase the "offensive market power" [*piaci offenzivitás*] of socialist firms and often well-integrated into the normal practice of a wide range of state enterprises.³³ On both the practical and the conceptual level, the extent of the transfer was remarkable. Describing his subject in 1985 as "the marketing concept" [*a marketing-gondolat*], and thus adopting explicitly Western terminology,

Imre Sándor explained marketing as “in essence, a microeconomic category” that signified “the sort of approach, or the sphere of operational activities, that conforms the activities of the firm to the demands of the market, and that elsewhere—where there is the possibility for this—creates the market in its own image, for only in this way is it able to achieve optimal profits.”³⁴ Sándor, a prominent writer on advertising and advocate of the marketing orientation, told students of business practice that “marketing activities” included both an effort to understand markets and to shape them. In the “passive sphere,” businesses working from marketing principles engaged in “the observation of the market” using the particular tool of market research [*piackutatás*], whereas in the “active sphere,” firms sought nothing less than “influence on the market.”³⁵ Hungarian specialists were adopting an understanding of business practice (and indeed, a broader understanding of fundamental economic operations) that closely resembled those typically deployed in Western conceptions of markets and marketing.

Moreover, in the view of Sándor and his like-minded Hungarian counterparts, market research and a scientific approach to the management of markets had become absolutely essential for effective participation in trade and commerce, whether the system in question was capitalist or, like their own, socialist: “It brings to the surface the economic, sociological, and other principles inherent in demand . . . it investigates the conditions that mediate supply and demand, and it furnishes knowledge for a policy of active engagement with the market.”³⁶ As seen in capitalist practice as well, this understanding of the underlying structural and logical relationships between businesses and the market was one that ultimately—and audaciously—subsumed advertising and other aspects of commercial promotion into a broader scheme of “marketing communication,” treating the entire range of such promotional activities (including, for example, public relations, personal sales contacts, media analysis, and the development of “corporate identity” and “image”) as “an organic part of marketing.”³⁷ With time, marketing had become, for many Hungarian specialists, an all-encompassing frame for commerce and the production relations that sustained it. Seen in terms of Berghoff’s typology, it had clearly ceased to function as a mere tool of sales and distribution (*Absatzinstrument*), morphing instead into a distinctive philosophy and ideology of management (*Managementphilosophie*), with the potential, at least, for further expansion into a universal technology of social formation (*universelle Sozialtechnik*). To be sure, the powerful countervailing *Sozialtechnik* of Hungarian socialism held those more universalizing aspects of marketing in check to a significant extent, but the transformation was striking nonetheless.

What we encounter in the work of many if not most Hungarian specialists involved with the emerging field is, as suggested in the contemporary

observations reviewed above, nothing less than a clear and remarkably thoroughgoing transfer of Western-derived notions of marketing qua marketing. But there were limits. Even in the course of his unmistakable endorsement of marketing, for instance, Imre Sándor took care to establish at the outset that marketing communication had to be understood in the context of—and at times, at least ostensibly, subordinated to—broader societal concerns for the management of “the system of social communication” [*a társadalmi kommunikációs rendszer*] and “the economics of Marxist business” [*a marxista vállalati gazdaságtan*].³⁸ Along similar lines, another Hungarian observer, writing in 1979, noted that marketing practice needed to be and indeed was being carried out with a fresh awareness of social and environmental needs, asserting that “consequently, the marketing concept [*a marketing koncepció*] is being renewed, transformed, filled with new content.”³⁹ With little in the way of questioning or challenge, this perspective accepted as essential the “market-centered way of thinking” about economics and business practice, though the commentator insisted that marketing could and would become “humane [and] person-centered” and take on a more comprehensive, socially minded mission: “This is something confirmed by new, sophisticated machines, materials, medicines, and so forth that serve human needs—by goods that are changing and developing on a daily basis, that are designed and packaged in an appealing way, that offer comfort and entertainment, that make life longer, that transform life into something more beautiful. All this is also giving new content to the new marketing concept.”⁴⁰

This sort of ambivalence (or perhaps studied equivocation) about marketing marked its reception in Hungary from the beginning to the end of the socialist period. We see this skepticism, and its origins in a mistrust of capitalist practice, in another representative sample of the domestic commentary on marketing, this one taken from the early years of the encounter with the alluring market science of the West: “The demand of ‘marketing,’” Vilmos Forgács insisted, “takes as its point of departure that in the capitalist market, the primacy of sales [*értékesítés*] has replaced the primacy of production. Today Big Capital, entrepreneurial and speculative, does not say, ‘I have a good manufacturing plant,’ but rather, ‘I have a couple of superb markets.’ Therefore ‘marketing’ is nothing other than the theory and practice of the formation, maintenance, and governance of markets.”⁴¹ This critique treated marketing and market research as “a powerful, systematic, scientific activity” that brought potent and precise tools to business practice to serve the interest of the enterprise, which sought, naturally enough, “the formation of a suitable market for the products and establishment of the most effective sales system.”⁴² Yet even in this ostensibly more cautious early analysis,

the writer mixed skepticism about the instruments of market control—and about the broader marketing process more generally—with considerable admiration for their power and efficacy. “In this activity,” Forgács maintained, “there is a decisive part for the application of advertising, publicity, and *Werbung* [the German term for advertising and promotion], for which it is necessary to bring into existence and manipulate the sort of ‘mental process’ that will guarantee the ‘automatic quality,’ that is, the lasting market share, of the goods in question in a given market.”⁴³

Despite such obvious distancing, critical perspectives like this quite frequently ended up endorsing the marketing orientation and arguing for its further incorporation into the practice of Hungarian business. Whatever obstacles and sticking points emerged were, in the main, treated as surmountable. Forgács, for instance, noted that some critics had raised the prospect that, with rising living standards, Hungarian society would succumb to an “intoxication with consumption.” Such an “epidemic,” according to Forgács, could not occur spontaneously, but instead arose only through the use of what he called “hidden persuaders,” invoking the famous American consumption critic Vance Packard. That outcome, he contended, was something that Hungarian society and its business leaders were determined to avoid: “In this area we do not want to ‘catch up with and overtake’ the USA or the other imperialist countries. But in our socialist management, we do want to put into service all the usable experience that the developed capitalist countries … offer in the field of ‘marketing’ and, accordingly, in the field of commercial promotion.”⁴⁴ In the end, however, this analysis, like so many others in Hungary, saw marketing as an acceptable import product, something that either was or could be rendered system-neutral.

Selling Success: The Proliferation of Marketing Ideas in Yugoslavia

Unpredictable, unorthodox Yugoslavia offered even more room for marketing as such to take root in the institutional culture of the business establishment. Here, however, the situation was not one in which the state apparatus itself had effectively embraced marketing, as had happened to a remarkable extent in Hungary. Yugoslav business was conducted not by the state, but by “self-managed” enterprises, owned and governed by the workers of the particular company. As a consequence of this departure from more familiar state-socialist modes, businesses had both considerable autonomy to respond to markets and a greater need to understand markets. In this, the most innovative of the European socialist systems, there was, from the 1960s

onward, an enormous interest in marketing. By the 1970s, the country had seen the emergence of a number of advertising agencies that understood and described their work in the broader context of marketing functions, and by the 1980s, there were even a few enterprises that explicitly called themselves marketing firms.⁴⁵

But the origins of these developments lay much farther back in the socialist period. The first importations of marketing ideas to Yugoslavia began in earnest as early as the mid-1950s.⁴⁶ Industry leaders in this initial phase looked with great admiration, for example, at the polling and market research operations conducted by dominant Western figures like George Gallup.⁴⁷ Marketing activities of this sort were recognized as “the secret service of industry,” the entrée to precious information that would otherwise go overlooked and unexploited. “Who would believe,” the advertising review *Naš publicitet* asked its readers in 1957, “that three out of five razors in England are bought by women?” According to the trade journal, this was precisely the sort of superior marketing intelligence that Yugoslavs could glean from the methods used in the West.⁴⁸ In some cases, the transfer of ideas from abroad was even more direct, with little or no mediation by Yugoslav specialists. In 1956, for example, *Naš publicitet* invited the British expert Cecil Turner, president of the firm Auger & Turner, to contribute an article on marketing research as practiced in the United Kingdom.⁴⁹

Throughout the middle-to-late 1950s, Dušan P. Mrvoš, one of the principals of OZEHA, the pioneering Zagreb advertising agency that published *Naš publicitet*, made clear his respect for the critical role of markets as fora in which consumers could express their real human needs and interests. In his prominent 1959 textbook on the practice of commercial promotion, Mrvoš described marketing as a tool that would allow companies to plan and manage their production and sales, just as familiar socialist principles contemplated, but with the critical distinction that market principles must prevail. Producers’ efforts to place their goods were to be considered “always from the standpoint of the *consumer*.⁵⁰ The groundbreaking work that Mrvoš undertook before his death in 1959 served as the basis for later efforts by many other Yugoslav specialists, including most notably Fedor Rocco, usually recognized as the dean of the Yugoslav marketing profession.⁵¹

Given the unusually robust state of the field in Yugoslavia, it is accurate to use the term “profession” here. Indeed, by the 1980s, even the term “marketing industry” would not be too strong a characterization. Critically, this was an industry that operated without state ownership or even much in the way of state control. Marketing ideas proliferated, marketing work expanded and gained prestige, and, as time passed, independent marketing agencies came

into existence that sought aggressively to build their businesses and create, as it were, a market for their activities.⁵² At the same time, professionals and academics banded together in the Yugoslav Marketing Association and promoted their work in the lively professional journal *Marketing*. The success of marketing in socialist Yugoslavia was remarkable, and the vitality and sophistication of the field was unmatched elsewhere in the socialist world.

But all this success met with resistance. It prompted a further evolution of the ongoing debate over commercial promotion and, more broadly, over the emerging consumer orientation of the Yugoslav economy—along with still more worries about profit-seeking. Even in unconventional Yugoslavia, a climate of skepticism and mistrust meant that marketing advocates remained continually on the defensive, revealing a clear perceived need to justify their work. In one representative source published in 1981, decades into the campaign to legitimize the marketing orientation, we thus find a writer for *Marketing* reassuring readers that the marketing concept “is completely in harmony with the philosophy of a self-managing society. Our working person plays a two-fold role: the role of the self-manager/producer and that of the self-manager/consumer. Accordingly, the true, ethical concept of marketing can only benefit and aid our worker. It offers him the methods and techniques of trade development, and along with that, of prosperity.”⁵³ Marketing’s advocates typically justified it as a harmless way for “socially owned” business enterprises to generate the highest possible revenues. But in a society based on socialist values, some saw its legitimacy as dubious at best. With time, the criticisms mounted and intensified, even as the marketing approach itself became more familiar and widespread. In the face of this opposition, Yugoslav marketing practitioners habitually protested that, although the concept may have arrived from the capitalist West, they were, in fact, involved in a very different—and still reliably socialist—undertaking. In this spirit, one Yugoslav specialist insisted that “in the framework of the self-management socialist economy...we cannot equate the concept and content of the market orientation [rendered here with the Slovenian *tržništvo*] with the concept and content of marketing [here using the English term, ‘marketing’], especially if the latter relates to different social systems.”⁵⁴ Such claims about the complementary nature of socialist methods and marketing methods were a near-constant in the self-presentation of the Yugoslav marketing industry.

Although Yugoslav marketing advocates always had to both sell their work and sell the marketing concept, these defensive campaigns eventually succeeded in large measure. For evidence of the extent to which communist authorities themselves tended to accept the utility of the marketing orientation, consider the remarks of the country’s general director of the Federal

Bureau for Economic Planning, who spoke in 1970 about the affinities between official strategy and enterprise-level marketing. Marketing techniques were certainly important, Rikard Štajner asserted in the pages of *Marketing*, but he acknowledged that, at the same time, “we must ask whether it is not contradictory, precisely in today’s conditions of ever more rapid technological, economic, and scientific development in the world, for us to be speaking ever more intensively about the need and the real possibilities of long-term planning and programming.”⁵⁵ Fortunately for the proponents of marketing, this official answered that the practice was, in effect, more relevant than ever. The seeming antagonism between the old planning impulses and the contemporary rapid-fire economy, Štajner concluded, “exists only at first glance. Actually, such a contradiction does not exist and cannot exist. Due precisely to these rapid changes . . . it is necessary to maintain a stable basic course, with the capacity for tactical business adaptations. In this I see the importance of long-term developmental programming, accompanied by more complete and more effective marketing.”⁵⁶ By 1979, another *Marketing* commentator could trace out the lines of a transition “from the (non)acceptance to the affirmation of marketing” in Yugoslavia, noting what had become a widespread embrace of marketing concepts both among observers of business practice and within the enterprises themselves. This writer, Croatian academic Antun Kobašić, offered a generally upbeat assessment that contrasted a general societal approval of marketing to a pattern of criticism marked by its scattered, unsure, and behind-the-scenes quality. From the promarketing perspective, great progress had been made, though Yugoslav marketers and advertisers continued to face substantial objections to their work.⁵⁷

Skepticism and even outright hostility persisted right up through the last years of Yugoslav socialism. Thus, for example, when social critic Svetislav Taboroši launched his broadside against “the marketing concept” in 1986, it was primarily to Marxist notions of economics, class interests, and production relations that he turned for support. From this standpoint, a genuinely socialist understanding of marketing offered very little hope that it could be salvaged. The “essence” of the marketing approach was virtually inescapable, Taboroši insisted, and that basic logic held sway beyond the bounds of capitalism, as well. Every variant of marketing, he maintained, treated the consumer as a second-party outsider with interests in opposition to those of the producer, and, try as they might, Yugoslav specialists could not do much to work around the implications of these inherent, quasicapitalist assumptions. As such, the marketing approach was fundamentally instrumentalist and manipulative, Taboroši contended, and the problems associated with it were to be found “in all social environments in which the logic of profit, gain [*dobit*], or some other

alienated surplus of labor represents the motivating factor of economic decision-making for the producer of goods.”⁵⁸ Even in Yugoslavia, where it achieved its most notable successes, marketing remained suspect to the end.

* * *

The reception of the marketing concept in socialist Eastern Europe was, as the foregoing examination suggests, mixed at best. In the eyes of many observers, marketing appeared to be a consummately capitalist tool, and even in those communist countries with the most sophisticated business infrastructures, its importation was by no means a straightforward project. Hungary and Yugoslavia offered, in the end, reasonably supportive environments for the cultivation of a widespread, active, and durable marketing practice. Yet even in these more adventurous settings, marketing often faced serious obstacles and lingering resistance.

The study of the history of marketing and market research in the communist world is still in its very early stages. Much more work remains to be done before we will be able to establish with confidence how marketing shaped the broader social, cultural, and political dynamics of Eastern Europe’s socialist systems. Yet further investigation along such lines holds great promise, since it is clear that, for at least some times in at least some countries, the adoption of the marketing concept, with its insistence on the principle of consumer sovereignty, brought to the daily practice of business a set of values that, in the end, had the potential to undermine the governing economic assumptions of the socialist project.

Notes

1. G. Peter Lauter, “The Changing Role of Marketing in the Eastern European Socialist Economies,” *The Journal of Marketing* 35, no. 4 (October 1971): 16–20, at 16.
2. Academic treatments of Eastern European socialist-era marketing in Western languages are comparatively rare, and most come from within the field of marketing itself and thus typically address the practice along straightforward, business-oriented lines rather than in the social, political, and cultural terms favored by historical analysis. See, for example, J. Hart Walters, Jr., “Marketing in Poland in the 1970s: Significant Progress,” *The Journal of Marketing* 39, no. 4 (October 1975): 47–51. See also Jacob Naor, “Towards A Socialist Marketing Concept: The Case of Romania,” *The Journal of Marketing* 50, no. 1 (January 1986): 28–39.
3. Robert L. King, “Enterprise-Level Marketing Research Activity in Poland: The PREDOM/POLAR Experience,” *Journal of the Academy of Marketing Science* 11, no. 3 (Summer 1983): 292–303, at 292.

4. Along these lines, see Patrick Hyder Patterson, “Making Markets Marxist? The East European Grocery Store from Rationing to Rationality to Rationalizations,” in *Food Chains: From Farmyard to Shopping Cart*, ed. Warren Belasco and Roger Horowitz (Philadelphia, PA, 2009), 196–216, with notes at 285–88.
5. Philip Kotler, *Marketing Management: Analysis, Planning, and Control* (Englewood Cliffs, NJ, 1967), 3.
6. *Ibid.*
7. *Ibid.*, preface, unpaginated (emphasis in original).
8. Hartmut Berghoff, “Marketing im 20. Jahrhundert: Absatzinstrument—Managementphilosophie—universelle Sozialtechnik,” *Marketinggeschichte: Die Genese einer modernen Sozialtechnik*, ed. Berghoff (Frankfurt am Main: Campus, 2007), 11–58, at 12.
9. *Ibid.*, 13, 58.
10. Istvanné Hoffmann, “Előretörő marketing, új reklámfunkciók,” *Propaganda, reklám* 27, no. (1984): 5–7, at 6.
11. My conclusions as to the reception afforded to marketing, market research, *Bedarfslenkung*, and related concepts in this central East German forum for the coverage of commercial promotion derive from a review of the ongoing discussion conducted in the pages of *Neue Werbung* throughout the socialist period, beginning with the launch of the periodical in 1954.
12. Doris Cornelsen and Horst Seidler, *Konsumgüterversorgung in der DDR und Wechselwirkungen zum innerdeutschen Handel* (Berlin, 1985), 21–22. While there are a number of surface similarities between the two concepts, establishing some causal role for marketing theory in the development of *Bedarfslenkung* would require a careful genealogy of ideas that these authors do not undertake. Also of note here are the East German concepts of *Marktbearbeitung*, *Marktpolitik*, and *Verbrauchslenkung*, which were, according to Cornelsen and Seidler, fairly ill-defined. *Ibid.*, 21.
13. Horst Kunde, “Zur Bedarfslenkung im Sozialismus,” *Neue Werbung* 23, no. 2 (March 1976): 6–8.
14. Philipp Heldmann, *Herrschaft, Wirtschaft, Anoraks: Konsumpolitik in der DDR der Sechzigerjahre* (Göttingen, 2004), 211.
15. Jörg Roesler, “Massenkonsum in der DDR: Zwischen egalitärem Anspruch, Herrschaftslegitimation und ‘exquisiter’ Individualisierung,” *Prokla: Zeitschrift für kritische Sozialwissenschaft* 35, no. 1, issue 138 (2005): 35–52, at 42.
16. See, for example, Karl-Heinz Uhlig, “Keine Aussichten für ein ‘sozialistisches Marketing’: Zur Theorie und Praxis des kapitalistischen Marketing,” *Neue Werbung* 22, no. 1 (January 1975): 7–8; Christine Fiedler, “Politisch-ideologische Funktionen des Marketing im Kapitalismus,” *Neue Werbung* 22, no. 2 (March 1975): 43–44.
17. Rolf Gabler and Reinhard Müller, “Konsumerismus—Variante der bürgerlichen Kritik der Konsumgesellschaft,” *Neue Werbung* 21, no. 1 (January 1974): 3–4. See also Fred Tamme, “Ideologie und Werbung: Die Rolle der Werbemittelgestaltung bei der Herausbildung sozialistischer Lebensweise,” *Neue Werbung* 21, no. 1 (January 1974): 45–46.

18. Karl-Heinz Uhlig, "Irrführend, grotesk verallgemeinert und praktisch unbewiesen: Kapitalistische Verkaufsreklame als Teil der Strategie des 'totalen' Marketing," *Neue Werbung* 23, no. 6 (November 1976): 2–3.
19. Juraj Prachár, "Hozzaszólás a marketing terminológiájához," *Kereskedelmi szemle* 9, no. 5 (1968): 22–23, at 23. Prachár's remarks appear here in translation in a major Hungarian business review.
20. Jaromír Balák, "V nových podmínkách," *Propagace* 11 (1965): 1–2, at 2.
21. Oldřich Hofman, "Funkce propagace v nových podmínkách," *Propagace* 11 (1965): 146–47, at 147.
22. Ibid., 147.
23. Zdeněk Červený, "Koncepce práce propagačního útvaru v novém systému řízení," *Propagace* 14 (1968): 157–58, 181–83, at 182.
24. See Juraj Prachár, *Marketing: Obchodná a odbytová politika* (Bratislava, 1971).
25. Ján Šaling, *Spotrebiteľ a reklama* (Bratislava, 1970), 46. While critical of what he described as exploitative aspects of capitalist advertising, Šaling was emphatic about the importance of "marketing management" in propelling Western practice to its sophisticated level of development. Ibid., 57. In this approach, there are strong echoes of Philip Kotler's elaboration of "marketing management" as a total system of enterprise policy and direction; see Kotler's seminal *Marketing Management: Analysis, Planning, and Control*, which had appeared just a few years earlier, in 1967.
26. Šaling, *Spotrebiteľ a reklama*, 52.
27. See, for example, Juraj Prachár, *Principy a technika reklamy* (Bratislava, 1982); Dušan Pavlů, *Propagace, specifická forma sociální komunikace* (Prague, 1984).
28. Pavel Horňák, *Teória propagácie: K základným otázkam teórie socialistickej propagácie* (Bratislava, 1984), 17.
29. The window of opportunity in various market-centered domains of commercial activity appears to have been further closed with the government's restrictive decrees of 1979, a legal and administrative shift that one specialist noted was "most often characterized as the entry into a period of marked restriction of advertising." Zdeněk Červený, "Vztah k propagaci," *Propagace* 28, no. 12 (1982): 1. With commercial promotion now treated as a more unwanted and even suspect pursuit, marketing ideas, too, could come under more scrutiny and pressure.
30. The embrace of the marketing concept is also strongly evident in *Marketing in Hungary*, an English-language professional and promotional review published beginning in 1971 by the Economic and Market Research Institute [*Konjunktúra- és Piackutató Intézet*] of the Hungarian Chamber of Commerce [*Magyar Kereskedelmi Kamara*].
31. A useful overview of the initial years of these developments in Hungary is the 1971 study by Lauter, "Changing Role of Marketing."
32. A useful set of reflections on the state of socialist marketing in light of the state of the field in capitalist countries is *Marketing East/West: A Comparative View: Report on the Work of the ESOMAR East West Working Group* ([Amsterdam], 1973). The assessment is an outgrowth of the 1973 conference of the European Society for Opinion and Marketing Research, one of the leading international

marketing organizations. That the 1973 event was held in Budapest also speaks to the level of interest in and enthusiasm for marketing among the country's business and government leaders.

33. József Kandikó, "Marketing és vagy reklám," *Propaganda, reklám* 27, no. 2 (1984): 7–11, at 7. The author explores the marketing practices of several Hungarian manufacturing enterprises.
34. Imre Sándor, *A reklám alapjai* (Budapest, 1985), 19 (emphasis added).
35. *Ibid.*, 20.
36. *Ibid.*
37. Sándor, *Marketing-kommunikáció* (Budapest, 1987), 9.
38. *Ibid.*, 9; on the relationship between marketing communication and marketing, see 28–29.
39. László Major, "Marketing és világpiac," *Reklámujság* no. 2, (1979), 3.
40. *Ibid.*
41. Vilmos Forgács, "Még egyszer a 'titkos csábeszközök' körül: Folytatás," *Külkereskedelmi propaganda* no. 4 (1965): 25–31, at 28.
42. *Ibid.*, 28.
43. *Ibid.*, 28–29.
44. *Ibid.*, 30–31.
45. On the rise of advertising and marketing in Yugoslavia, and on the broader political and cultural significance of the remarkable consumerist transformation of Yugoslav society, see Patrick Hyder Patterson, *Bought and Sold: Living and Losing the Good Life in Socialist Yugoslavia* (Ithaca, NY, 2011).
46. See Dušan P. Mrvoš, untitled article in *Naš publicitet* 4, no. 2 (1957): 14–15.
47. "Tajna služba industrije," *Naš publicitet* 4, no. 2 (1957): 8–9.
48. *Ibid.*
49. Cecil Turner, "Analiza tržišta," *Naš publicitet* 3, no. 1 (May 1956): unpaginated.
50. Mrvoš, *Propaganda reklama publicitet: Teorija i praksa* (Belgrade, 1959), 444–45 (emphasis in original). For further evidence of the writer's market orientation and his favorable views of Western practice, see, for example, *ibid.*, 92–104 (on public opinion and market research).
51. Among Rocco's many publications in the field, see, for example, Rudolf Bičanić, Fedor Rocco, and Roman Obraz, *Tržište i marketing* (Zagreb, 1968).
52. Perhaps the most notable and aggressive of these was Ljubljana's Studio Marketing agency, a leading force in Yugoslav advertising and marketing during the 1980s, and the publisher of the remarkably assertive trade journal *MM: Marketing magazin*.
53. Novica Randelović, "Neke specifičnosti socijalističkog modela marketinga," *Marketing* 12, no. 2 (1981): 3–6, at 6.
54. With regard to marketing, Yugoslav usage in both Serbo-Croatian and Slovenian usually simply adopted the English term—not surprisingly, given that the "marketing concept" itself is a fundamentally Western device and there was no extant native term to fall back on. Slovenian usage sometimes preferred the term "*trženje*." Unlike with the term "advertising," however, the preference for one rendering or

another typically was not meant to raise any significant question of connotations. See Stane Možina, *Psihologija in sociologija trženja* (Maribor, 1975), 6.

55. Rikard Štajner, "Plan i tržište," *Marketing* 1, no. 2 (1970): 5–7, at 7.
56. Ibid.
57. See, for example, Antun Kobašić, "Od (ne)prihvaćanja do afirmacije marketinga u teoriji i praksi kod nas," *Marketing* 10, no. 4 (1979): 3–10, at 4.
58. Taboroši, *Odnosi potrošnje u socijalizmu*, 135 (emphasis added).

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