



Speech to the Bell Telephone System's General Commercial Conference
May 1930

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Summary

Page illuminates his audience on the success of various corporate advertising programs and discusses the results of corporate research the company is using to gauge the success of its publicity campaigns. He talks about the results of a survey that examined information individuals knew about the company as well as the impact of favorable editorials published in California.

Key topics

Advertising – advertising campaigns
Public Opinion – public opinion
Research

Page Principles

None

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ADDRESS

It will be easy for me to limit my talk to you this morning to a few words, because the preaching era about sales is over. Now that sales activities are being carried on there is no use to preach about making them.

I would like, however, to refer to the possibility of using sales as a governor to keep the peaks a little bit lower and the valleys a little more filled up. When we first discussed sales, about three or four years ago, the task of getting selling organized in the Bell System had to be done at a time of a rising market. The experimentation had to be done at a time when, normally, you wouldn't push sales because a great deal of business was coming in without sales effort. Now, however, the situation is reversed and we can find out what can be accomplished with sales effort.

The Public Relations Department is interested in this, of course, because we have always believed the selling state of mind to be the very best possible state of mind for people to be in who are dealing with the public. If you are trying to sell, you will be trying to please. We have another special interest, which is fundamental perhaps: that is our advertising. When sales activity was being undertaken and discussed two or three years ago we started the "comfort and convenience" advertising as pure sales advertising. I refer to the American Company's magazine campaign; the rest of the sales advertising is

done by the Operating Companies. Ours was originally started to encourage the idea, but just because it is not charged to the Operating Companies is no reason for not watching it or advising us as to its effectiveness. In a certain way it isn't a logical arrangement to have one group doing the advertising and paying for it, while the value of that advertising is determined by other groups. We surely would like to have your comments or criticisms and to know whether or not you believe it to be money well spent.

The institutional advertising, of course, is not directed toward sales but I believe it has a definite bearing on the general sales effort through the fact that it is very much easier to sell if you are liked than if you are not liked. To whatever extent the institutional advertising produces a favorable effect on the public, it is just that much easier to carry on all of the commercial activities.

It has been very hard to tell what institutional advertising accomplishes. Last year we tried to evaluate it through the Hauser Survey, of which you have all heard. Mr. Hauser's staff went to Pittsburgh and interviewed 2500 people. They made a very extensive investigation but there is only one portion of it that I want to mention. They asked each of the 2500 people if he (or she) could tell a specific thing that he (or she) had read in an American Company advertisement. Before they did this I had asked our advertising agency and various other people who are supposed to know about advertising, what proportion of the people so questioned would be able to speak of some advertisement specifically. The answers varied from about 5 to 8 percent, no one thought that the figure would be more than 8 percent. The actual tally from the Hauser Survey was 17 per cent. This was rather surprising to me and rather encouraging, because Pittsburgh is a fair proving ground and the test was a fair one. Besides this 17 percent, another group of approximately 20 percent remembered specific items of advertising with a certain amount of jogging. That is, if you said, "Do you know this fact?" they would say, "Yes, I remember that." This, of course is not as valuable a test, but it adds something.

I am mentioning the institutional advertising for this reason: In all of the Operating Companies you also carry on institutional advertising and the advertising account is a single account. It sometimes occurs, if sales are going strong, that no one says anything about the institutional advertising. If sales are not going very strong, someone may say, "Let's use the institutional appropriation for sales advertising." That isn't logical, nor do I think it is an accurate way of looking at the matter. If your institutional advertising is a good thing to do, then it ought to stand on its own feet. If the institutional appropriation is borrowed for sales advertising, under the impression that it will help the sales effort at no cost, we are misleading ourselves. Advertising costs money, and if you use it in sales you ought to make some measurement as to whether you are getting your sales or not, and only use it where you get your money's worth. It isn't so much a matter of where the expense is charged but of knowing what we are getting, in good will or in sales, for what is spent.

I was very much interested yesterday in certain discussions about training. It reminded me of a good many of the incidents that I saw and heard in a trip I made last fall. I was very much impressed then with the ability and training of the personnel in the Bell System. We are obtaining a higher type of personnel all the time and this gives us a better opportunity to do some of the things that were discussed here yesterday and, in particular, one of the things that I heard discussed on my trip, that is, the encouragement of a more liberal use of routine. In about 98 percent of the cases that

occur, I suppose, the routine takes care of them better than would any other method. In the remaining cases, however, you don't come out so well through the application of a routine, for the reason, of course, that you can standardize only that which is uniform. You can standardize a treatment of a metal because it will always react in exactly the same way. People are different, and there are occasions and conditions that are different.

These cases that do not fit standardization are a small percentage of the total cases, but they produce a large percentage of the trouble. It is most interesting to me to note how larger responsibility in handling these special cases can be given to employees because they are improving in their ability to deal with them. That is why, in the long run, I think one of our most interesting and important responsibilities is the training and development of the personnel. It has, from the Public Relations Department standpoint, tremendous value.

Recently, I had occasion to look at a collection of editorials about the telephone company in Michigan, where there have been some rate case troubles. The total number of editorials in favor of the telephone company was very large. In the collection I found three about an occurrence in California, which showed how favorable opinion spreads to help us in the same way as unfavorable comment spreads to hurt us and I want to tell you about this occurrence.

In some small place in California a gang had to replace a pole. They found some radio aerials attached to this pole. They took them off, removed the pole, put the new pole in and put the radio aerials back again very carefully. The fact that this thing had been done thoughtfully, in spite of the fact that those aerials had no business there, created a very favorable impression. The foreman had realized that in that particular case the aerials did no harm and had been thoughtful enough to put them back. It wasn't a very large matter but it took some intelligence and consideration. This news reached Michigan and contributed to the good-will of the Michigan Company, and I suppose it reached many other parts of the United States, although I haven't any evidence to that effect.

There is another aspect of it worth mentioning, the results on morale. The fellow who did that, and all his gang, when they realize that an independent action of theirs makes a difference, will find the job more interesting than if they follow a regular routine, even though in the case of the gangs outside there is a great deal of initiative allowed in their ordinary work. This line of attack seems to me to have great value, not only from the operating but also from the public relations and morale point of view.