



Speech to the Bell Telephone System's General Sales Conference
January-February 1929

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Summary

Page emphasizes the sales organization's role in establishing relations with the public. The relationship between the sales and the information department (e.g., advertising, and publicity) are addressed.

Creating a good public image, or what Page calls the company's "character," is the responsibility of both the sales organization and the information department. People buy from companies that they "respect, like, and believe in, than from those toward which they do not have these feelings."

Key topics

Advertising
Public Opinion - influencing public opinion
Monopoly - suspicion of monopolies, monopoly
Publicity
Sales

Page Principles

Prove it with action
Manage for tomorrow
Realize a company's true character is expressed by its people

Coordination of Sales and Advertising Activities

General Sales Conference
January - February 1929

COORDINATION OF SALES AND ADVERTISING ACTIVITIES

I am not going to endeavor to talk to you about the technique of selling; I am going to discuss the relation of the information department to the selling program.

The information departments of the A. T. & T. and of the various operating companies are interested in your work and in the work of everybody in the Bell System; but we are particularly interested in you, both because your success in selling is essential to our success in establishing proper relations with the public, and because we are active partners with you in the enterprise of selling.

To speak for the company, whether it be an operating company, or the A. T. & T., is an executive function. When he does not exercise it himself, the president delegates

this function to the information department. Under this delegation, the department is responsible for all statements destined for the public, whether in the news, advertisements, movies, lectures, exhibits, or in any other way.

The information departments are further engaged in creating the best possible relations with the public. As a company's relations with the public are established more by what it does than by what it says, it is the function of the information department to watch the activities of the company with the greatest care to see if there is any way in which to change these activities so as to give better service or more satisfaction to the public. Both of these duties make the members of the information department partners of yours in the enterprise of increasing the sales of the Bell System; for that is but another way of saying, increasing the service of the Bell System to the public.

We agree with the statement that selling is a part of giving adequate and the best possible service; and, in that connection it cannot be selling on the basis of the charge at Balaklava—

“Theirs not to reason why,
Theirs but to ‘sell’ or die.”

It is a thing you have to think out, and selling has to be on a reasoned basis. That is particularly true when you start on a selling campaign.

The details of the information department's cooperation with selling are various. In the news, which the information department gives to the press, it can legitimately record the success you have in persuading the American people to make the most extensive use of the telephone and its accessories, which is profitable to their business or useful to their pleasure—which adds to their effectiveness, their comfort or their convenience.

In practically all the kinds of advertising, which the information departments prepare and place they are likewise cooperating with you.

In the competitive field the prime and practically the sole purpose of advertising and publicity is to increase sales by creating a demand for the product. In so far as this advertising is effective it may affect the cost of production by increasing the output and lowering unit cost.

In our business this is only one of several functions that advertising and publicity must perform. For instance:

1. We must inform not only our subscriber but the entire public from whom we have received a grant of monopoly, that we are discharging our trusteeship honestly and efficiently. We must tell them of our ideas and aims, and of our plans and our results.
2. We must, through the printed word, inform and even educate our customers on how to use the service, a part of which they operate. We cannot effectively serve them unless they understand their part of the operation. That is of immediate importance to selling in this way: if we help them to be satisfied with what you have sold them, the total result is immensely improved.

3. We must assist in the continuing effort to reduce the cost of operation by soliciting our customers' cooperation in many instances, such as giving us adequate notice their intention to move, answering the telephone promptly, etc.
4. We must assist in the sale of service, creating a better understanding of what constitutes adequate, comfortable and convenient service, and by stimulating a desire on the part of our customers for service.

What we in the information department are doing to do is not so much to sell a particular item such as you often are, but to create a state of mind in the public such that they will visualize the proper telephone service on as high a level as we visualize it, or are coming to visualize it. In other words, we in the telephone business want to progress as have some other industries—for instance, the plumbing business. They have changed the public state of mind so that one tin bathtub to a house is no longer thought sufficient. We have the same problem of changing the public's psychology, and when that is changed, the atmosphere in which you are going to operate will be entirely different from what it is now.

Of all the advertising the companies can do, I think the most helpful is what is known as institutional advertising. The object of this advertising is to give the public an understanding of the ability of the Bell System to furnish constantly better and better telephone service, to give to the public a conviction of the intention to furnish that service and of the intention to furnish it on terms that are not only fair but favorable to the public.

With your permission I am going to read you an institutional advertisement recently gotten out by the New Jersey Company (Figure 1).

The Proof of Telephone Policy is in Its Results

THE POLICY of the New Jersey Bell Telephone Company calls for adequate expansion of its plant to meet all of the growing telephone needs of the State promptly, and

IT PROMISES a progressive improvement in the convenience, speed, accuracy, quality and usefulness of the service, with reduction in cost consistent with moderate profits and important service developments.

During 1928 this policy produced substantial accomplishments, of which the following are examples:

EXPANSION OF PLANT A large construction program was carried out (\$23,000,000). It included the start or completion of 66 buildings and building additions; 23 new central offices and major additions to 59 central offices; new equipment in large quantities and the extension of local and toll lines by the addition of 300,000 miles of wire. This expansion made it possible to serve substantially all applicants without delay and to give everyone the type of service desired.

More than 40,000 telephones were added in New Jersey, making 623,000 in service at the close of the year.

A considerable percentage of the wire added to the System was placed underground in stormproof cable, further increasing the stability of the service.

SPEED, ACCURACY, QUALITY OF SERVICE Special equipment and operating methods that greatly increase the speed of service in the late night and early morning hours were put into use in many central offices (in process in many others). This is an achievement of great difficulty and importance.

New equipment and methods were adopted that speed trunk connections at all hours and greatly increase their accuracy.

The quality of transmission of speech was materially improved with the use of special technical apparatus.

The time required to install service was reduced 20 per cent.

Nearly 750,000,000 calls were handled with a higher degree of excellence than ever before attained.

BROADER AND CHEAPER SERVICE Extended Scope service, eliminating 5-cent toll charges on calls to nearby places, was made available in 54 areas of the State, both on a measured rate and on a flat rate basis. Inasmuch as the Company was not in a position to reduce its net earnings, this is an important achievement. It increases the value of service while generally lowering its cost to the user. It makes possible greater speed and accuracy of calling, greater convenience, a reduction of billing difficulties and substantial savings to the public.

The extra charge for hand telephones was reduced 50 per cent.

The practice of reversing charges on station-to-station toll service without special charges was adopted, thereby reducing the cost for this kind of service about 25 per cent.

CONVENIENCE OF SERVICE The number of business offices was increased 25 per cent. New offices in convenient locations were opened in Jersey City, Hoboken, Union City, Bayonne, Westfield, Somerville, Princeton, Mt. Holly, Woodbury and Wildwood.

Additional information service and facilities for quicker correction of service difficulties day and night were brought into use.

A Bureau to supply the time of day accurately at a nominal charge was established to serve a large part of the State.

Special machines that produce typewritten monthly bills were installed in the southern territory, increasing the legibility and accuracy of bills.

CHESTER L. BARNARD
President

NEW JERSEY BELL TELEPHONE COMPANY

A New Jersey Institution Backed by National Resources

Figure 1

Why is that advertisement so important to the sales activities in New Jersey? For the very human reason that people buy more, and with more pleasure and satisfaction, from companies that they respect, like, and believe in, than from those toward which they do not have these feelings.

As far as it directly affects selling, the institutional advertising is designed to make the public friendly toward the company, glad to see its representatives, and disposed to put confidence in their statements. I need not explain here what these things mean to a sales effort. With the fundamental institutional advertising going on all the time, there is an opportunity to add direct sales advertising much more effectively than could otherwise be done—whether this be toll advertising, extensions, station gain, or for any other purpose depending upon what kinds of sales effort the particular company is carrying on. I believe that the broad basis of successful operation of your particular part of the business depends more upon the general character we have, and which we try to portray to the public in institutional advertising, than upon almost anything else. You put on top of that your special advertising; but, without the foundation, I think the special sales advertising will be far less effective than if it has it in good measure.

Consultation with your information department at the inception of your program, and cooperation through all stages, will enable it to give you the most effective support. The support to your efforts given by the national advertising of the American Company consists of both the all important institutional copy and also direct sales copy. This latter, of course, can not be synchronized with any particular sales effort of a particular company, but I think you will find that we shall be doing something in support of almost any kind of selling in which you will be engaged.

I have here a map showing the number of subscribers to the magazines in which the American Company advertises (Figure 2 on page 4). The institutional is 31,600,000; selling advertising of the Long Lines 11,000,000; and the sales of adequate equipment, etc., 21,000,000.

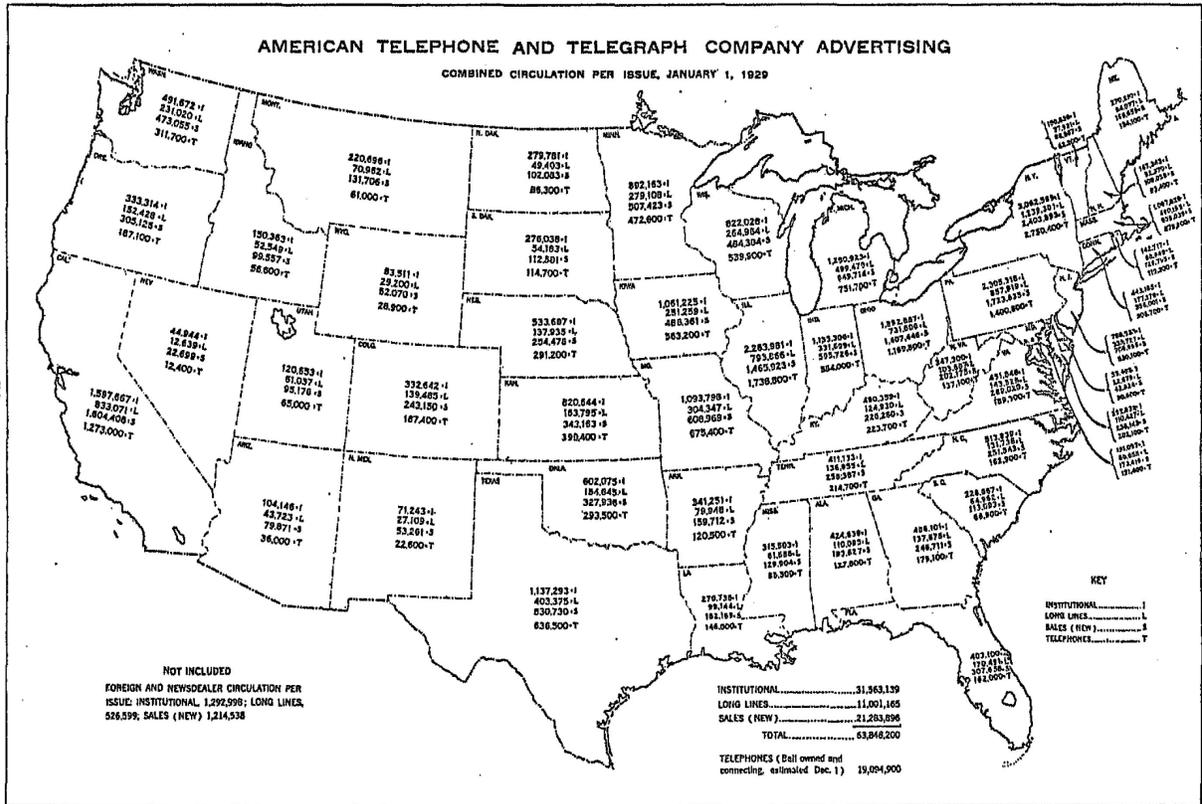


Figure 2

If you will check the figures through the different states, you will see there is an advertisement of each kind for every telephone that is now in it. For instance, Illinois has 1,700,000 telephones and 2,283,000 advertisements of an institutional character go into the state; 793,000 of Long Lines; 1,400,000 of sales. The advertising was some 2 ½ times the number of telephones there now. That will hold good practically all over the country. In a few cases the advertising is in greater proportion to the number of telephones and the reason is that those are states where there are a great number of connecting telephones not counted in the Bell System. Altogether you can see that we have in your territory both institutional and sales advertising which forms a very comprehensive and consistent amount of background material on which the advertising of your own company is superimposed—all behind the actual work which you do.

The information departments' interest in the sales campaign of the Bell System is not based only on the fact that they are responsible for the advertisements, pamphlets, movies, etc., which are a part of it. We have another larger interest. We believe that a continuous sales activity is necessary to proper relations with the public.

There is a common saying in business that the way to succeed is to give the public what they want. The word "want" is a very appropriate word in that sentence. It has two meanings and both apply. "Give the public what they need." You can tell them what they need, or what in your opinion they need, and undoubtedly they will have the necessary telephone service. But you will acquire little goodwill by that. People do not get particularly thrilled over the necessities of life, especially if the decision of what is necessary is made by someone else.

“Give the public what they *desire*.” Effectiveness, comfort, convenience, luxury, attention—these are the things the public most enjoys. Only by means of an imaginative, active selling effort can you find out what the public desires and give it to them. We look upon your organization as a means to find out what they desire—not only to sell what we now have, but to find out what we ought to sell to serve the public most effectively; and after you find that out, it will take us some time to make the plant and deliver it. In other words, we are not now in the condition that some businesses are, in that they have one product to sell and it is only a question of turning out more and more of it. We are in a period in which we have to get out of our selling campaign as much information as we get sales. Only by such a campaign can you permeate the whole telephone organization with the fact that satisfactory public relations depend, not on what we consider satisfactory service, but on what the public considers satisfactory service.

About the most effective way to find out whether people like a thing or not is to try to sell it to them. The public instinctively recognizes this. It is this recognition that is one of the underlying causes of the public’s suspicion of monopoly. Monopolies, as a rule, have not been so solicitous of the public’s goodwill or desires. They have not solicited the public’s business with the same care that the competitive businesses have. And the public has not liked monopolies. Now the Bell System is in one sense a monopoly, but it cannot afford to be a satisfied monopoly. If it is to get on with the public it has to be a solicitous, soliciting, selling kind of an organization.

The information departments cannot hope to be successful in their major task of keeping the public satisfied—and satisfied for cause—unless you are succeeding in your undertaking. You can, therefore, count upon our best efforts in behalf of your undertaking.

Under the old conception of monopoly, you gentlemen were facing your task under a handicap, without the spur of competition. While offering our cooperation in your undertaking, I hope you do not mind if we withhold our sympathy on the handicap arising from this lack of competition, for I do not believe you will notice the lack. By the time each of you has checked the results of one part of this territory with those in another, and some one else has checked each company with the others, and still further checked the telephone growth against the growth of other businesses, I do not think you will notice any lack of competition. For the truth is, gentlemen, aside from the competition of comparative statistics within the System, you are faced with the keenest kind of competition from the outside.

A business that finds it more profitable to have its salesmen reach their customers in Fords than over the wire, will spend more money on cars and less on calls. A woman who gets more pleasure out of flowers in the window than out of an extension in the bedroom, will have the other kind of plant, rather than ours. You are competing with everything from cigarettes to a trip abroad. There is competition enough to provide stimulus. There is, likewise, a margin of purchasing power among the American public that insures you almost unlimited possibilities.

You have a growing population. You have an increasing expenditure by these increasing people. These things in themselves provide a tremendous opportunity, but there is another without any such mathematical bounds as these have. That almost limitless opportunity lies in the power to change the habits of the public.

It is easily conceivable that people should use long distance with twice, three times the freedom they now do. It might become the style to have two or three extensions in an average house and fifteen in a rich man's house. Whether such changes come about depends in great measure on the kind of selling that the Bell System does.

I should like to go back to the thought I mentioned a while ago, that the first thing to do is to get from what we do now, the most accurate picture of what we should do in the future. You are not only a selling organization, but you are a laboratory from which we ought to find out what we have to sell, what the public wants, in what direction we are to go before the full flood of selling gets in force. We do not want to get the Western Electric Company and our whole force headed in any direction until we know that it is the right direction. What we are doing now is preparatory to larger things we ought to do a year and a half from now and, much larger than that, three, four or five years hence. I do not think any one need commiserate with you because of lack of opportunity.